

# TRANSCRIPT

## LEGISLATIVE ASSEMBLY ENVIRONMENT AND PLANNING COMMITTEE

### Inquiry into Renewable and Affordable Energy for Apartments

Melbourne – Thursday 30 April 2026

#### MEMBERS

Juliana Addison – Chair

Martin Cameron – Deputy Chair

Jordan Crugnale

Daniela De Martino

Wayne Farnham

Martha Haylett

David Hodgett

**WITNESSES**

Zyl Hovenga-Wauchope, Chief Executive Officer, Financial Counselling Victoria;

Matthew Roberts, Renters of South Port Community Housing Group;

Dr Wendy Russell, Project Lead (*via videoconference*), and

Dr Rebecca Blackburn, Research Fellow (*via videoconference*), ANU Centre for Energy Systems;

David Bryant, Senior Policy and Research Officer, Brotherhood of St Laurence; and

Lotte Wolff, Executive Manager, Advocacy and Policy, and

Dr Elham Hajhashemi, Manager, Analysis and Advocacy, Energy Consumers Australia.

**The CHAIR:** Welcome to this panel hearing for the Legislative Assembly Environment and Planning Committee's Inquiry into Renewable and Affordable Energy for Apartments. All mobile telephones should now be turned to silent.

All evidence given today is recorded by Hansard and broadcast live on the Parliament's website. While all evidence taken by the committee is protected by parliamentary privilege, comments repeated outside this hearing, including on social media, may not be protected by this privilege.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts and other documents provided to the committee during the hearing will be published on the committee's website.

We will run this session in a question-and-answer format. Committee members will ask some questions. If you wish to answer a question, please raise your hand. To make it easier for our Hansard reporters, please state your name before you start speaking. There may not be an opportunity for everyone to answer every question. If there are any important points that you do not have the opportunity to make during the session, you are welcome to provide additional information in writing.

Two of our witnesses, Dr Wendy Russell and Rebecca Blackburn, are joining us via Zoom, so welcome. I can see Rebecca and I can see Wendy. Welcome to Dr Russell and Dr Blackburn. Could I please remind you, Wendy and Rebecca, to mute your microphones when you are not speaking to minimise interference. If I do not see you, please unmute and say, 'Juliana, please, it's our turn,' but I will have my best eyes on. I would like to start with each participant stating their name and the organisation they represent, and then we will get into the questions. They have even helped me with the pronunciation of your name, so I am going to seize that opportunity. I read it somewhere: Zyl Hovenga-Wauchope.

**Zyl HOVENGA-WAUCHOPE:** Totally wrong. You got the first one right. Hovenga-Wauchope. Hovenga is Dutch; Wauchope, Scottish. There you go.

**The CHAIR:** Great. Thank you.

**Zyl HOVENGA-WAUCHOPE:** I am from Financial Counselling Victoria, which is the peak body and professional association for all financial counsellors in Victoria.

**The CHAIR:** Excellent. My paths have crossed with your organisation before, so thank you for the great work that you do. Matthew.

**Matthew ROBERTS:** My name is Matthew Roberts. I am from Renters of South Port Community Housing Group. I represent the renters at one of the 74 community housing organisations in Victoria.

**The CHAIR:** Thank you. Great to have you here. David.

**David BRYANT:** Hi. I am David Bryant from the Brotherhood of St Laurence. We are a social justice organisation based up the road in Fitzroy.

**The CHAIR:** Who do amazing work, so thank you for being here. Lotte.

**Lotte WOLFF:** Hi, I am Lotte Wolff from Energy Consumers Australia, and we are the national voice for household and small business energy consumers.

**The CHAIR:** Excellent. Thank you for being here.

**Elham HAJHASHEMI:** I am Elham Hajhashemi. I am also from Energy Consumers Australia.

**The CHAIR:** Excellent. Thank you. Rebecca and Wendy, would you like to introduce yourselves?

**Wendy RUSSELL:** Sure. I am Wendy Russell, and we are at the ANU Centre for Energy Systems. We have just completed a research project on apartment decarbonisation.

**The CHAIR:** What perfect timing to have this inquiry and to have you here with us. Deputy Chair, would you like to lead us off with this session?

**Martin CAMERON:** Yes, I can. Wendy, seeing that you have done that, can you give us a brief oversight of what you have found and achieved in your research?

**Wendy RUSSELL:** Sure. Brief is going to be the tricky bit. We did an integrated project where we did social research in case study buildings as well as energy modelling. We looked at transition as a sociotechnical problem. We think it is really important that it is understood in that way, as an adaptation process, rather than a sort of technical upgrade process. I think one of the main headline points we would like to raise for this inquiry is we think there has not been much attention on hot water. We think that the electrification of hot water, and particularly shared hot water systems, is an important development that we need to be supporting which will help low-income households and renters by providing hot water that is heated by the sun effectively and reducing those energy bills. One of the issues is there are ways that we can support individual households, but sometimes in supporting whole apartment communities we can be bringing low-income households and renters along on this kind of journey for them to have the benefits of that. Sometimes the support needs to be at a building level, is one of our insights.

**Martin CAMERON:** Collectively, if we do have multiple tenants in these buildings and we are changing from, say, gas hot water services and electrifying the system, are we finding that most of the hot water services currently are individually inside these apartments? And then do we need to have them in a common place so then everyone uses them?

**Wendy RUSSELL:** In our case study buildings we have common gas hot water systems. That is quite common in the ACT and I think also in Victoria, although it will vary between apartment complexes. Particularly for the shared gas systems there is an opportunity to shift to shared electric systems, which are much more cost-effective than shifting to individual electric systems. There are also issues with individual electric systems, with size and space and also sometimes noise. We think that exploring those shared systems is really important.

**Martin CAMERON:** Thank you.

**The CHAIR:** Excellent. Wayne.

**Wayne FARNHAM:** Sure. Thank you, Chair. I will open this question up to everyone. There has been a bit of conversation today about a social tariff to reduce energy costs to vulnerable households. It has been a discussion. What is your view on this, and how should it be structured to complement existing concessions and subsidies? Do not all speak at once. It is all good.

**The CHAIR:** David Bryant, do you want to kick off?

**David BRYANT:** It is David Bryant from the Brotherhood of St Laurence. We support the idea of the social tariff. We have done some work with VCOSS and others on it. There are different models for how it could work, but we think the one that probably makes the most sense is for it to be very targeted to the most vulnerable cohort. It is additional to the existing supports and concessions, which are very important to

maintain, but it provides that greater level of support for people who just really cannot afford to pay the bills even with those supports.

**Wayne FARNHAM:** Are there any other jurisdictions that have this in place?

**David BRYANT:** Yes. The European countries that have them are probably the best examples. I think Spain has a particularly strong one, where the level of support you get is graduated based on your level of need, basically. It could be, I think, up to 60 per cent or something of the bill if you are really in need, or less if you have got some capacity to pay.

**The CHAIR:** Zyl.

**Zyl HOVENGA-WAUCHOPE:** It is certainly something we have been involved in conversations with partners such as BSL about. Some of the conversations that we have had with financial counsellors have been around how under the existing regime there is a group of people who are on a persistently low income who will essentially always struggle to pay bills. If we situate access to energy as one of the essential goods or services available to people in order to have a reasonable standard of living, it can be very challenging for the people who are on very low incomes persistently, who are struggling with cost of housing, cost of food, cost of school or health care and then are having to make decisions about whether to be cold that week. That can have a really detrimental impact on their health and on the health of their children and families. The challenge for them, and I guess our reflection on that, not as a think tank, not as a policy body but reflective of the body that works with these clients who can continue to need support, whether it is in emergency relief or utility relief grants – the fact that they will likely need them next week, next month and possibly next year, so on and so forth, suggests that the market for providing energy to those people needs to be structured in a way that is reflective of the fact that maybe they cannot pay market prices in the same way that people on the median income can. That is where it is probably going to be the balance of ensuring access to what is an essential service in our view.

**Wayne FARNHAM:** Would it be as easy as a healthcare card type system?

**Zyl HOVENGA-WAUCHOPE:** It could well be. There is a lot of pre-existing information and services that people on that level actually have to access. In terms of determining who is eligible, our general recommendation would be to go on a principles basis with as minimal administrative effort as possible. An example of where the system as it currently stands is not really working is the utility relief grant system, which is intended as a short-term emergency relief payment to people to be able to pay for their energy, which is what it should be for, and it should be available. But because of this ongoing challenge for people in that income bracket, which might be 5, 10 per cent of the overall population, that group of people need to keep coming back for an emergency relief payment in order to pay for a fairly basic level of energy use. So, yes, it could be as simple as that. Again, we are not the experts in the best way to design it, but as simple and as dignified as possible for those people would be our recommendation.

**The CHAIR:** Yes, Matthew.

**Matthew ROBERTS:** It is Matthew Roberts here from Renters of South Port Community Housing Group. I think a social tariff in theory would be a great idea if it could help reduce costs for community housing renters. In my submission I really highlighted what I think is the key issue for community housing renters, which is the failure of effective community housing regulation. Community housing is regulated differently from public housing and rent is charged differently, as is electricity. For example, I rent in community housing. I do not pay electricity bills. I pay rent and a service fee in addition to that rent on a fortnightly basis. If you have a program that is designed to reduce bills, getting that to feed through to someone like me is technically quite difficult, and incentivising the housing providers to do so with their calculations and their admin processes is quite difficult. In coming here today, for example, I actually do not know whether my building does have solar panels on it, because I emailed the CEO in February – did not get a response. I put in a formal complaint in early April – have not got a response. I just do not know what the situation is, but the structure of the rent for community housing needs to be considered for the 28,000 community housing homes.

**The CHAIR:** David, at the Brotherhood of St Laurence – and, Lotte, I would be keen for you to jump in as well – what are you hearing from people coming in and engaging with your organisations about the impact of energy costs on their wellbeing and their lives at the moment?

**David BRYANT:** They have been a struggle for the last probably 15 years at least, 20 probably, and these new societal shocks like COVID and the current oil crisis just compound them. I mean, energy is never the only thing going on in people's lives. It is sort of a balancing act between paying the energy bills and the rent and the food. As Zyl was alluding to, there is often just not enough income for people to meet all those things, no matter how well they budget. It is good to try and remember the human faces behind these things. I mean, I sit in a lot of very technical energy policy processes where it is all about the long-run marginal cost and things, but there are people out there who have to choose not to use their heater or get their power disconnected, and the food in their fridge goes off every time they cannot afford it.

**The CHAIR:** Coming from Ballarat, the heat issue is really important in winter in Ballarat, and you just see people really, really struggling. Yes, Lotte.

**Lotte WOLFF:** Thank you. This is Lotte from Energy Consumers Australia. We do a six-monthly survey with over 4500 consumers, and we hear from them about their concerns. We ask them lots of questions about how they use energy, what sorts of appliances they have – many things. What we repeatedly hear in terms of their top priorities and their top concerns are cost of living and paying their energy bills. That is a really strong concern that we see come through from consumers. One of the solutions we see is actually electrification. Supporting consumers to disconnect from gas and install efficient electric appliances is one of the biggest opportunities in terms of lowering bills and creating that long-term structural change to people's energy costs. Electrification is a long-term least-cost solution for households, but as we have touched on, there will be groups that will struggle to make that switch. Low-income home owners are a great example. Those in apartments face barriers to electrification. Wendy has touched on some in terms of shared and bulk hot water systems, and then renters are another priority cohort for us. We have actually released a report just today called *Power Move* that maps out the risks to consumers from staying connected to the gas network and rising network costs, as there are fewer consumers connected to the gas network and the fixed costs are shared amongst a smaller cohort. We have modelled that the network component of the gas bill will quadruple by 2050, so it is actually quite significant and another driver of costs for those who stay connected to gas.

**The CHAIR:** Really interesting. Thank you for that. That report would be worth a read. Does anyone else want to jump in?

**David HODGETT:** I was just going to ask Wendy or Rebecca about their research project, about decarbonisation, whether they want to give us a bit more information about that.

**Wendy RUSSELL:** We had a focus on decarbonisation. Obviously electrification and getting off gas was an important part of that, but we wanted to make sure it was broad to include energy efficiency, which is really important, and even energy sufficiency – people changing their practices, including, for example, time-shifting energy use. All of those things are important for achieving net zero apartments, which is what we are definitely aiming for in the ACT, as elsewhere. I guess, just following on from Lotte's comment – it has gone straight out of my head. What did Lotte say?

**The CHAIR:** Lotte, do you want to jump in there and help her out?

**Lotte WOLFF:** In terms of the rising risks to consumers' gas bills?

**Wendy RUSSELL:** Yes. Thanks, Lotte. We talk about stranding, asset stranding, but communities can also be stranded in these kinds of transitions, and apartments are a really critical sector for avoiding that kind of stranding. That is where we think government support to help apartment communities to make these changes is really important. In the context of getting off gas, for example, when we are talking about rental standards, I can see a place for requiring access to clean energy for appliances and so on being something that could be introduced to rental standards in future to avoid that stranding risk.

We also in our research – and Rebecca might want to say more – identified, as others did, a disparity between detached houses and apartments in relation to incentives and subsidies for decarbonisation, and we think it is really important that governments target support to apartments. Sometimes that support actually needs to be quite flexible, and sometimes there are quite low cost initiatives that could really help apartment households, like plug-in induction stoves, which might be an option rather than people having to replace their whole cooktop, and insulation and window coverings. Things like that can make a really big difference with not needing that much support.

**The CHAIR:** Yes, Lotte.

**Lotte WOLFF:** If I could just jump in there, there are two solutions in terms of the electrification for apartments that we have been looking at. We commend the Victorian government for introducing rental standards and think that that is great and really nation leading in terms of supporting the switch to electrification, but there are some gaps in those standards. There are, as you will be aware, exemptions for centralised systems, and if the owners corporation committee decide that the upgrade is too costly or impractical, then they can be exempt from those rental standards. We think for apartments in particular that creates quite a big gap where rental standards may not be applied. Then on the bulk hot water issue, we see shared hot water and shared gas heating really as a unique challenge. It is extra complicated. It requires doing more than just providing a subsidy to switch the appliance out – there are a lot of actors involved. Sometimes, especially for bigger buildings, there will need to be feasibility studies, and there are other costs other than just the appliance cost. That might require a dedicated electrification program for apartments that provides more flexible funding and potentially a bigger pool of funding to make those shared upgrades.

**The CHAIR:** Rebecca, do you want to add to any of that?

**Rebecca BLACKBURN:** Yes. I just want to comment on the minimum rental standards, which, as Lotte mentioned, are something Victoria has already begun looking into. As part of our studies we looked at policy in Australia and overseas. In the UK they have very strong minimum standards for rental properties, and they have managed to make it such that landlords have to gradually improve the property. So it is not like a big up-front, one-off cost; they do it gradually. The cost is capped, and it is something that happens over years. But the thing is that they have to start doing it. I thought that that might be something to consider.

Another thing that we found was a program run by Darebin council in Victoria. They ran this solar saver program for low-income households. It was not targeted at apartments, but it offered an innovative way to enable low-income households to fund energy efficiency improvements. What they did was they gave them a zero-interest loan, but it was attached to their rates. Then they paid it out over 10 years, and it was attached to the property, so if they sold the property they did not still have that debt. You have people who are asset rich and income poor, and that may be a mechanism in apartments for helping them if their whole apartment building decides to upgrade.

**The CHAIR:** Thank you, Rebecca. Wendy, I saw your hand. Were you wanting to speak before I called on Rebecca to say something.

**Wendy RUSSELL:** Thanks. Yes. It was just in relation to something Lotte said. In relation to particularly the shared systems, as Lotte said, there are some real complexities, and they are quite specific to particular buildings. We do see a role for government in helping with pilots, with demonstrations and with finding really good solutions to those problems, because there are not that many good electric solutions. So yes, we do think there is a role for government in that.

**The CHAIR:** Thank you, Wendy. Any other questions from the panel?

Zyl, if we could just wrap it up with you in terms of the role of Financial Counselling Victoria, are we on the right track in terms of looking into solar panels on apartments, in terms of the cohort of many vulnerable Victorians who do live in apartments, given we think that number is going to increase?

**Zyl HOVENGA-WAUCHOPE:** Yes, certainly. What financial counsellors do tell us is that people on low incomes who are accessing the support of financial counsellors and living in apartments do want to be part of an energy transition. They do want to be able to make choices about where they get their energy, what their appliances are and how they can reduce their weekly spend on energy. I guess the frustration is: are they potentially being left behind? And how are those people in apartments and on low incomes being included? I do not know if I can really comment on being on the right track or not, but certainly looking at it, talking about it and making sure that those people on low incomes and in apartments are part of the equation, particularly with respect to ensuring that they are able to make fair and reasonable choices with support, not being left to do it alone but also not having choices made and imposed upon them – there is the balance there, which is really going to be quite critical. That is probably the end of the comment. I will not really say whether you are on the right track or not because that is a bit too much into the commentary side.

**The CHAIR:** Thank you very much. Thank you, everyone. It is a very big panel. We understand you have made a lot of effort to be here, and we really do appreciate it. If there is any further information you would like to submit to the inquiry, please do so through the secretariat. We will now end the broadcast.

**Witnesses withdrew.**