Submission No 43

INQUIRY INTO RENEWABLE AND AFFORDABLE ENERGY FOR APARTMENTS

Organisation: Victorian Greenhouse Alliances and Council Alliance for a Sustainable Built Environment

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Legislative Assembly Environment and Planning Committee
Inquiry into Renewable and Affordable Energy for Apartments
Via e-submission:

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Re. Inquiry into Renewable and Affordable Energy for Apartments

On behalf of our members, the Victorian Greenhouse Alliances (VGAs) and the Council Alliance for a Sustainable Built Environment (CASBE) are pleased to provide this submission to this Inquiry into Renewable and Affordable Energy for Apartments.

The VGAs are formal partnerships of local governments, statutory agencies and one university driving climate action across Victoria. We deliver regional mitigation and adaptation programs that provide economies of scale and enable projects typically beyond the reach of individual members. Our project work is complemented by targeted advocacy, capacity building and regional partnerships. CASBE is an association of Victorian councils committed to ensuring future generations can enjoy a sustainable built environment. CASBE supports a collaborative local government effort to improve sustainability outcomes in the built environment through statutory and strategic planning.

This inquiry is welcomed by the VGAs and CASBE as research in Australia and internationally consistently shows that sustainability upgrades and new sustainable apartment developments face a wide range of systemic barriers. These include:[1]

- **Regulatory barriers** i.e. *inconsistent rules across jurisdictions and weak regulatory frameworks to address and provide meaningful sustainability in strata. It is also important to note that the National Construction Code is not due for an update for another three years and, even when updated, remains insufficient to address the full scope of sustainability and energy performance needs in multi-dwelling residential buildings. In the meantime, strata development continues at pace, locking in building design and operational decisions that will strongly influence the emissions trajectory of Victoria's built environment for decades to come.*
- **Financial barriers** i.e. *high upfront costs or unclear financial returns*, *split incentives between developers and owners*, *limited access to appropriate financing mechanisms*.
- **Knowledge-and technical related barriers** i.e. *gaps between design intentions and as-built performance*, *low industry capacity and a lack of sustainability requirements in contracting*, *strata managers acting as gatekeepers of critical information*, *slow decision-making by body corporates and no requirement to disclose the 'sustainable performance' of any development.*
- **Tenure-related barriers** i.e. i*nvestment settings such as negative gearing*, *landlord-tenant split incentives*, and r*egulations that make upgrades difficult within rental arrangements*.

Collectively, these barriers combine to make sustainable apartment retrofits and developments slower, more complex, and more expensive to achieve.

Our response to the Terms of Reference for this Inquiry focuses on:

> *b. barriers and inequities experienced by Victorians in such dwellings, including renters and social housing tenants, when accessing renewable and affordable electricity compared with other households;*
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> *c. options to increase access to renewable and affordable electricity for these dwellings, including shared rooftop solar, balcony or façade solar, community batteries and virtual power plants;*
>
> *e. any legislative, regulatory, planning or market reforms that could support the implementation of options, consistent with Victoria's legislated emissions reduction and renewable energy targets.*

We have structured our submission around key opportunities and recommendations to address barriers faced by people living in apartments and units, ensuring the transition to renewable and affordable energy is both equitable and achievable.

[1] Easthope, H., Palmer, J., Sharam, A., Nethercote, M., Pignatta, G. and Crommelin, L. (2023). Delivering sustainable apartment housing: new build and retrofit, AHURI Final Report No. 400, Australian Housing and Urban Research Institute Limited, Melbourne, https://www.ahuri.edu.au/research/final-reports/400, doi: 10.18408/ahuri7128201. https://www.ahuri.edu.au/research/final-reports/400

Recommendation 1. Update the *Owners Corporation Act 2006* to unlock upgrades and ensure sustainability measures are simple to achieve and embedded in owners corporation arrangements

The Victorian *Owners Corporation Act* currently provides minimal support for sustainability and energy upgrades in apartments and units. Its contribution is limited to preventing owners corporations from unreasonably preventing the installation of sustainability items on lot exteriors. According to the Act "sustainability item means anything that eliminates or reduces a reliance on non-sustainable energy sources and includes (a) a solar hot water system; and (b) solar energy panels; and (c) a roof with colours having a particular solar absorption value".

By contrast, New South Wales legislation is significantly more enabling:

- Owners corporations must consider sustainability at each annual general meeting and when estimating levies for the year ahead.
- Allows for a "sustainability infrastructure resolution" which only requires a simple majority vote (50%) from eligible voters at a general meeting.

This demonstrates a more forward-looking legislative approach that actively facilitates building-level sustainability upgrades rather than simply preventing obstruction.

In Victoria, an expert review of the *Owners Corporation Act 2006* was commenced in 2025 with public submissions closing on 2 September 2025 and the expert panel to deliver the report to the government by 1 December 2025. As of 17 February 2026, the final report has yet to be tabled in Parliament. As part of the review it examined whether the governance and related reforms to the Act made by the Amendment Act are meeting their objectives. This included reviewing whether the clarified powers regarding renovations and sustainability items have made it easier to install items such as solar hot water systems, solar energy panels or roof colours for solar absorption. This process is both timely and necessary, presenting a significant opportunity to strengthen the Act so that sustainability upgrades can be delivered more effectively and with fewer regulatory barriers.

Several critical updates should be incorporated into the Act to enable a faster, fairer and more coordinated transition to low-emissions buildings:[2]

- Reduce the required resolution type to an ordinary resolution for all decisions related to sustainability items, including funding, significant improvements, upgrades and model rule amendments. This would require updates to:
    - Section 24 (Extraordinary fees and charges)
    - Section 25 (Power to borrow money)
    - Section 52 (Significant alteration to common property requires special resolution)
    - Section 53 (Upgrading of common property)
- Clarify and broaden the definition of “sustainability items” in consultation with energy and sustainability experts, ensuring it reflects modern technologies and allows for innovation over time.
- Require all tiers of owners corporations to proactively plan for electrification and energy efficiency through their maintenance plan and fund, including:
    - A statutory requirement to obtain a 3, 5 or 10 year road map, funded through the maintenance plan
    - Setting a time frame for adoption in advance of the net zero by 2045 Victorian Government target
    - Report on progress of implementation at each AGM
    - Sale of Land Act and Owners Corporation Certificate (151) for statutory disclosure of plan and to be included in contract of sale

Strengthening Victoria’s *Owners Corporations Act 2006* to streamline sustainability-related approvals, support structured record-keeping, and expand access to specialised dispute resolution would reduce delays and build owner confidence. Together these reforms of enhanced governance, stronger regulatory tools, improved planning requirements, and accessible support mechanisms will establish a clearer, fairer and more efficient system for implementing emissions reductions and renewable energy measures across Victoria’s growing strata housing sector.

[2] Let Me Be Frank. (2025). *Local Government: Home Energy Upgrades Models Final Report*. Merri-bek City Council.

Recommendation 2. Establish a Strata Commissioner similar to other Australian jurisdictions including:

- **A dedicated regulatory body (as seen in NSW and QLD) to:**
  - **Support strata governance, enforce compliance and manage disputes**
  - **Ensure consumer protection and professionalism in strata management, including promoting transparency in insurance, management fees and financial services**
  - **Ensure strata rights and unique needs are adequately addressed in all government policies and programs**
- **Establish an advisory committee of strata owners, residents, industry bodies, and service providers to inform government policy.**

Together with the recommended changes to the *Owners Corporation Act 2006*, Victoria can accelerate emissions reduction, renewable energy uptake and energy efficiency in apartments and units by adopting governance reforms modelled on interstate examples. NSW's Strata & Property Services Commissioner demonstrates how strong regulatory oversight, improved disclosures, higher industry standards and proactive compliance can create more supportive conditions for electrification, rooftop solar, and energy-efficiency upgrades.[3]

In Queensland, the equivalent function is performed by the Office of the Commissioner for Body Corporate and Community Management (BCCM). Their approach is centred on clear legislative roles, transparent decision-making and accessible dispute-resolution services within strata communities.[4]

Establishing a similar Victorian commissioner, paired with mandated building-performance disclosure, clearer approval pathways for sustainability upgrades, and enforcement, would reduce barriers that currently slow the transition to renewable energy provision and energy efficiency upgrades for apartments and units. Historic planning reforms such as prohibiting reticulated gas connections to new apartment developments (VC250 Jan 2024) has begun to align the built-form pipeline with Victoria's legislated climate and renewable-energy targets.

Recommendation 3. Creation of an Apartments and Units Hub to provide more timely and supportive advice to people living in apartments and units

In Victoria the lack of foundational support needed for the proper functioning of owners corporations and people living in such buildings is a significant challenge to overcoming many of the barriers listed above. Many people move or buy into these buildings without understanding their legal obligations to participate in the management and maintenance of the building. Typically, the function of a building/owners corporation relies on a small set of overworked volunteers tackling a huge range of issues such as insurance, resident disputes, maintenance, budgeting and financial management, collective decision-making, and compliance. Whilst many owners corporations engage professional managers, a dedicated support Hub would give both managers and members clear, impartial guidance on energy-upgrade options. With upgrades competing alongside maintenance, budgeting, and compliance, a Hub would simplify decision-making by providing transparent information, practical tools, and a straightforward pathway to implementation.[5]

An example of this complexity relates to making upgrades to common property in Victoria. According to Consumer Affairs Victoria, common property includes any parts of the land, buildings and airspace that are not lots on the plan of subdivision. It may include gardens, passages, walls, pathways, driveways, stairs, lifts, foyers and fences. The common property is collectively owned by the lot owners as tenants-in-common.[6]

Upgrading common property (e.g. shared hot water systems, installing solar on a shared roof, window upgrades, EV charging infrastructure) typically requires a special resolution, which as set out in the *Owners Corporation Act 2006* requires agreement by owners or their proxies representing 75% of lots or in the case of a ballot or poll, 75% of lot entitlements.

[3] Let Me Be Frank. (2025). *Local Government: Home Energy Upgrades Models Final Report*. Merri-bek City Council.
[4] ibid
[5] ibid
[6] Retrieved from Consumer Affairs Victoria website on 22 January 2026.

It's not as simple as making a decision to go ahead with a project. The owners corporation also needs to agree on how to fund the project. Some options owners corporations can use to raise funds include establishing a levy for extraordinary expenditure and borrowing money.[7]

Providing a Hub for people living in apartments and units, and owner corporations managers, would thus help to address the lack of foundational support and knowledge gaps that the majority of people living in apartments currently experience. The only government funded information for owners corporations in Victoria currently comes via Consumer Affairs Victoria and it is insufficient to support the needs of people living in and/or owning in residential strata-titled buildings. The information on their website is not clear nor comprehensive and there is no proactive consumer education.

The creation of a Strata Hub managed by Consumer Affairs Victoria could provide the following services: [8]

- A digital registry for key strata records, ensuring owners, occupiers and committees have direct and ongoing access to essential information.
- Provide education and training support for OC governance covering topics such as roles, rights and responsibilities.
- A communication portal enabling direct government engagement with people living in apartments and units (e.g., registration of names and contact details, strata manager, and committee chair and treasurer). This would enable owners and committee members to contact government information officers) directly for information and advice through a service desk.
- Information on how to access renewable energy such as developing a Power Purchase Agreement (PPA) for renewable energy, include steps for getting PV on the roof and steps that the committee needs to consider (e.g., electrical certificates, structural checks, approved providers in the area etc) and how to undertake energy efficiency upgrades. Guidance materials and/or a bill review service and support to switch to an affordable Renewable Energy/Green Power retail plan could also be provided in addition to information on PPAs given they will be very challenging for most apartment buildings to adopt.

The Apartments and Units Hub would thus overcome the knowledge barrier that currently exists that is preventing people living in apartments and units from making sustainability upgrades such as solar PV and storage battery installation for renewable electricity use and making energy efficiency upgrades.

Recommendation 4. Establish a dedicated apartment energy upgrade program that leverages State funding, standardised assessment tools, and proven models from other jurisdictions to support apartment owners and renters to adopt renewable energy and electrification upgrades at scale.

Outside of Victoria, councils across Greater Sydney have been consistently delivering energy upgrade programs for strata. In particular, the City of Sydney has run Smart Green Apartments (SGA) since 2016 in which time it has worked with 279 buildings, identified that on average buildings can reduce their energy use by 36%, and the scheme has so far saved participants $14,205,725 in energy and water bills.[9] SGA uses NABERS assessments as the basis of their program and their approach is very much customised to their municipality.

The Victorian Government's Solar for Apartments program, launched in 2024, is a positive step and as of January 2026, Solar Victoria reports that it has supported more than 3,200 households in apartments, units, and townhouses to install solar, around half of which were rented apartments.[10] It is worth noting however, that this model has supported uptake of solar in smaller apartment blocks (i.e. walk-ups) but there is currently no government support for high rise buildings to access renewable energy. Other key State programs and initiatives including Victorian Energy Upgrades (VEU) and the establishment of the State Electricity Commission (SEC), currently provide no tailored services for the unique needs of strata communities, despite all energy consumers paying for VEUs through their bills. Although the SEC's Strategic Plan acknowledges the complexity of apartment living and renter barriers, it does not yet outline dedicated solutions: "Cost and complexity can be barriers to switching… The challenges are even greater for tenants and those who live in apartments."[11]

[7] Retrieved from Consumer Affairs Victoria website on 9 February 2026.

[8] Let Me Be Frank. (2025). *Local Government: Home Energy Upgrades Models Final Report*. Merri-bek City Council.

[9] City of Sydney. (2024). *Smart Green Apartments Annual Report 2023/24*. City of Sydney.

[10] Retrieved from the Department of Climate Change, Energy, and Environment and Water website on 22 January 2026.

[11] SEC Strategic Plan 2023 - 2035

While the Solar for Apartments program represents important progress, Victoria lacks a comprehensive, integrated strategy for improving sustainability outcomes in apartments.

It is recommended the Victorian Government establish a State-funded Apartment Energy Upgrade Program, delivered in collaboration with councils who work most closely with local communities and have proven and ongoing expertise and outcomes in delivering energy and other programs to residents and rate payers. The program should mirror successful models like Smart Green Apartments by incorporating NABERS-style whole-building assessments, tailored technical guidance (i.e. on how to future proof newer developments to be able to easily accommodate the provision of balcony/façade installation of solar PV), feasibility studies, and implementation support designed specifically for strata buildings. It should also integrate and streamline existing programs including Solar for Apartments, VEU, and future SEC services ensuring that these offerings are redesigned for apartment applicability.

Recommendation 5. Use planning and building controls to require solar on new apartment developments.

This inquiry highlights the complexity of retrofitting on-site renewable energy systems on apartment buildings. This means it's critical that on-site renewable energy for new developments is addressed upstream, and designed into the development through the planning and building approvals processes. The early design stage (i.e. prior to submitting a planning permit) is when careful consideration can be given to roof design, including pitch and orientation for efficient solar as well as competing demands on roof space such as for other plant and equipment or communal areas.

While recent changes to the Victorian planning schemes' Clause 55 (up to 3 storeys residential development) and Clause 57 (4 storey residential development) require rooftop solar generation area, this stops short of requiring on-site renewable energy generation (or any supporting infrastructure). Furthermore, the rooftop solar generation area does not apply to the apartment typology (see 55.05-3 and 57.05-3). Clause 58 (Apartment developments over 4 storeys) does not address rooftop solar generation area or on-site generation at all. Clause 58 does have Standard D6 which states that buildings should be 'Oriented to make appropriate use of solar energy', however this is more about orientation for solar access to dwellings, rather than the provision of requirement for PV area.

CASBE councils have long encouraged on-site renewable energy generation for new apartment developments, primarily under ESD local planning policies at Clause 15 of their planning schemes. These councils have reported that where on-site solar is included – commonly this is specified to service common areas only. There is currently very little scope at planning to consider and optimise on site generation (and energy storage) opportunities for the development as a whole, in the context of the competing demands on roof space mentioned already.

Even when roof space is readily available, there is no mechanism to consider energy generation or storage. For example, one council reported that in a recent planning application for a residential development, which included over 100 apartments in duplex arrangement (two-storey buildings), each pair of duplexes had access to over 80sqm of roof, but there was no mechanism to consider appropriate roof form or orientation for future solar.

While this inquiry should help reduce the complexity for retrofitting of on-site solar, requirements at planning stage for new development must also be part of the solution – to prevent these buildings ending up in this complex scenario in the first place.

We would welcome the opportunity to discuss any aspects of this submission in further detail.

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City of Glen Eira	Mitchell Shire Council	City of Wyndham
City of Greater Bendigo	City of Monash	City of Yarra
City of Greater Dandenong	City of Moonee Valley	Yarra Ranges Council
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This submission has been approved through CASBEs' and the Greenhouse Alliances' governance structures but may not have been formally considered by individual members. The submission does not necessarily represent the views of all members.