

To: Legislative Assembly Environment and Planning Committee

26 February 2026

Inquiry into renewable and affordable energy for apartments

We appreciate the opportunity to participate in the inquiry into expanding access to renewable and affordable electricity for Victorians in apartments and other multi-unit dwellings.

About Environment Victoria

Environment Victoria is the leading not-for-profit environmental advocacy organisation in Victoria. With more than 40 grassroots member groups and over 200,000 individual supporters, we've been representing Victorian communities on environmental matters for over 55 years. Through advocacy, education and empowerment, Environment Victoria seeks significant and enduring solutions that will safeguard the environment and future wellbeing of all Victorians.

Introduction

Around one in eight Victorians lives in a flat or apartment (as at the 2021 Census), and one in three rents. Both of these proportions are increasing due to the extreme costs of detached housing. Housing ownership has for many years been a key driver of wealth inequality in Australia.¹

Detached homes have advantages in accessing affordable and renewable energy: owners have full control of roof space, appliances and services, and utility bills. In addition, Australia sees itself as culturally 'suburban' and as a result policymakers still treat apartments as a subset of detached housing and an afterthought.

Efficient, all-electric housing and access to renewable energy are cost of living and quality of life issues that necessitate a sustained effort from government, service providers and landlords. Apartment owners and renters face greater barriers and are too often placed in the 'too hard basket' when it comes to policy.

Therefore, this inquiry is very welcome and timely.

¹ Coates, Brendan, and Carmela Chivers. "Rising Inequality in Australia Isn't about Incomes: It's Almost All about Housing." *The Conversation*, September 19, 2019. <http://theconversation.com/rising-inequality-in-australia-isnt-about-incomes-its-almost-all-about-housing-119872>.

Apartment owners have clear wants

Top measures for apartment owners:

1. Rooftop solar
2. Efficient electric appliances and services
3. Building envelope improvements

By far, the most commonly raised measure for accessing renewable and affordable energy was **rooftop solar**. Apartment owners are enthusiastic about solar to make use of sometimes large areas of roof space and reduce private dwelling energy costs especially, but also common (owners corporation or OC) energy costs. A small subset were also interested in installing batteries. No respondents mentioned balcony solar, which is newly popular in some parts of Europe.

Apartment owners are very keen to switch to **efficient electric appliances and services**. For individual dwelling units, efficient electric heating and cooling are particularly popular, as is induction cooking. A considerable number of owners also wanted to upgrade the building's central gas hot water plant to a more efficient central heat pump hot water service.

The third-most popular type of upgrade mentioned by owners was **improvements to the building envelope** for reducing energy costs and improving comfort. The building envelope refers to external surfaces of the building such as walls and windows, roof and shading. Improvements to the building envelope that people want include insulation, double glazing and weather sealing, as well as external blinds to reduce solar gain. People also wanted indoor ceiling fans for comfort.

Apartments need to be retrofitted to meet changing conditions. Victoria's most recent Climate Science Report confirmed that heatwaves have already become more intense, frequent and longer-lasting, and that Victorians are likely to face 30 to 40 heatwave days per year by 2050.² Research from the University of Melbourne found that when heatwaves and power outages coincide most of Melbourne's apartment buildings bake, failing multiple heat stress tests.³

Several respondents reported success in upgrading common area lighting to more efficient LED fittings via the Victorian Energy Upgrades (VEU) program. These upgrades, which are usually low or no-cost because of VEU incentives, were usually solicited by VEU providers to OC managers, rather than ideas coming from the OC committee. This indicates real potential for VEU to work for apartment buildings across a range of activities, provided that activities are developed in collaboration with the strata industry and upgrade providers.

The other measure of note was charging for electric vehicles (EVs) and e-bikes. In the case of e-bikes, this also needed to be secure, due to theft concerns.

² Victorian Government, *Victoria's Climate Science Report 2024* (2024), <https://www.climatechange.vic.gov.au/victorias-changing-climate/Victorias-Climate-Science-Report-2024.pdf>.

³ Donna Kevey, 'Why Apartments Fail the Heat Stress Test', Newsroom, 23 February 2022, <https://www.unimelb.edu.au/newsroom/news/2017/march/why-apartments-fail-the-heat-stress-test>.

Apartment owner pain points are very clear

Biggest pains for apartment owners:

- 1. Working with Owners Corporations**
- 2. Up-front costs and investor reluctance**
- 3. Embedded networks**

Although many apartment owners had a clear idea of measures that would improve their access to renewable and affordable energy, they reported facing significant barriers. In particular, those measures that involve the cooperation of the OC can be very challenging. These include measures that:

- Involve the external façade or roof
- Require devices to be placed outdoors
- Involve common building services, such as central hot water
- Are implicated in existing embedded networks, especially gas
- Involve up-front costs to the OC.

The three major barriers were OCs, up-front costs and embedded networks. Other significant barriers were site constraints and poor access to correct information.

OC governance standards and voting rules

Apartment owners are facing many challenges working with OCs. We received a large number of responses from people who had approached their OC with proposals for solar, hot water upgrades, and others ideas, and found disinterest and, at times, dysfunction. Many owners gave up progressing measures that would improve access to affordable and renewable energy because it was all too hard.

In some cases, owners could not even elicit a response to their proposal. In others, OCs relied on low quality information, such as unsubstantiated fears about electric vehicle battery fires. One solar proposal was shot down because someone said the roof was too windy (solar wind load ratings are only relevant to cyclone-prone areas in northern Australia – not in Victoria).⁴ This suggests that OCs and OC managers don't know how to investigate the feasibility of proposals.

The standard of strata governance in Victoria is a known issue, and one with solutions. Part of the problem is that strata has long been conceptualised as a subset of detached housing in the eyes of Victorian policymakers, despite it being subject to a substantially different regime of legislation, rules, skills and practices.

In our submission to the 2025 Expert Panel Review of the Owners Corporation Act (the Expert Panel Review), Environment Victoria backed the establishment of a Strata Commissioner for Victoria along with far improved collaboration with strata stakeholders and information/support for OCs. These measures are needed to catch up with strata standards in New South Wales.

⁴ April L, *Solar Panels for High-Wind Areas in Australia*, 29 November 2024, <https://www.energymatters.com.au/renewable-news/solar-panels-for-high-wind-areas-in-australia/>.

Several respondents to our survey had managed to work with their OC to progress a proposal to a vote, only for the vote to fail to meet the required 75% threshold for special resolutions. This was the case for many solar projects. Some respondents had requested small, reasonable measures with no cost impact to the OC—for example, a glazing upgrade for a child’s bedroom paid for by the apartment owner—but were still voted down.

In our submission to the Expert Panel Review, Environment Victoria recommended that the resolution threshold for all steps relating to sustainability initiatives be reduced by requiring an ordinary resolution rather than a special resolution. We argued that this should extend to the relevant sections in the OC Act: s24 Extraordinary fees and charges, s25 Power to borrow money, s52 Significant alteration to common property requires special resolution and s53 Upgrading of common property.

Furthermore, Victoria should raise standards for planning and maintenance in line with New South Wales. OCs should be required to carry out energy audits and have an electrification roadmap that is updated over time. Plans should be incorporated into the maintenance plan and be funded through the maintenance fund.

We also argued that the definition of sustainability items covered by the OC Act should be informed by expert advice and encompass measures that provide access to non-fossil fuel services, measures that increase the use of renewable energy, measures that improve thermal comfort and climate resilience, measures that reduce water consumption, and others.

Upfront costs and owner-investor reluctance to invest

Up-front cost is a major barrier for OCs investigating projects such as solar. Part of this relates to what owners are able to afford to fund projects, and part is due to owner-investors generally not wanting to invest in rental properties.

Some respondents wanted to pursue solar as an OC but were not eligible for the Solar for Apartments program (which is jointly funded by the Victorian and Commonwealth governments) because the building had greater than 50 units. Some were told they were not eligible for government subsidies because they are on an embedded network.

As noted earlier, VEU incentives that overcome all or most of up-front costs have made lighting upgrades relatively easy to achieve. However, VEU activities for heat pump upgrades have been designed with industrial facilities in mind and are not appropriate for apartment buildings. This is a known problem and we refer the Committee to the Energy Efficiency Council’s submission for further details. Overall, there is a need for new VEU activities specifically designed for apartments.

Embedded networks are seriously restricting choice and access to cleaner, cheaper services

The third major pain point of apartment owners is gas and electricity embedded networks. Embedded networks are severely restricting consumer choice and opportunities to significantly reduce energy costs.

Some owners wanting to switch to electric appliances inside their apartment found that they would still have to pay for gas even if they were no longer using gas. This cancelled out cost savings and dissuaded people from installing devices that would improve indoor health, such as induction cooktops, or save significant energy costs such as switching to individual efficient hot water systems.

Owners in apartment buildings with gas centralised hot water faced major barriers investigating upgrades to heat pump hot water. In some cases, inquiries that OCs and owners had made to bulk gas hot water providers about switching to heat pumps were not answered satisfactorily.

In apartments with embedded electricity networks, owners reported being told that this prevented the installation of rooftop solar. In some cases, buildings with embedded electricity networks had solar installed but this only contributed to common area energy use. It is not clear whether embedded networks pass on solar savings to OCs.

The Victorian government has previously acknowledged that people stuck with bulk hot water, as well as centralised heating/cooling and unmetered gas, can be subject to unfair pricing and poor customer service.⁵ The government's embedded network reforms since 2018 have incrementally improved the situation for customers of embedded networks by imposing stronger consumer protections and the grandfathering out of some rules and types of embedded networks.

However, for people in existing apartments buildings, little has changed. For example, only those in buildings with embedded gas networks that started after 25 February 2025 have the right to request the abolishment of their unit's gas connection. This leaves out the vast majority of strata buildings.

Structural, spatial and heritage issues

Site constraints—real or claimed—blocked some owners' efforts to reduce energy bills. Solar in particular was stymied by issues such as roof condition, roof access and access to sunlight. Heritage overlays were also cited. Several respondents also faced difficulties gaining permission to install outdoor units for heat pumps and air conditioners, for a variety of reasons including aesthetics, noise, heritage and what at times appeared to be arbitrary reasons.

We surmise that sometimes these site constraints are valid barriers, but sometimes they are claimed by OC managers or members of OCs such that they prevent upgrades or dissuade further investigations without necessarily being true. This makes it more difficult to prosecute a case to spend OC budget investigating an upgrade that could lead to cost savings for the OC or individual owners. Therefore, measures that are ostensibly beneficial never even make it to a vote.

Poor, inaccessible or non-existent information

Respondents reported many problems accessing accurate information.

A recurring theme throughout the responses was that questions and requests were ignored or brushed off with information that was anecdotal and had not been fact-checked, and in several cases was clearly wrong. As just one example, a respondent was told by a sales agent they were not able to install EV charging for their new off-the-plan apartment. It turned out this was not correct, as another buyer was able to do so. In another example, an investor was incorrectly told that rentals were not eligible for VEU incentives.

Inaccuracy and lack of care was common across the board for inquiries to tradespeople, sales agents, OCs, OC managers, embedded network providers, other central service providers and distribution network service providers.

⁵ Refer page 9 of the Victorian Government response to the Embedded Networks Review via <https://www.energy.vic.gov.au/about-energy/embedded-networks>

As we mentioned in our submission to the Expert Panel Review, information and services provided for owners and residents by the responsible agency, Consumer Affairs Victoria, is not well known and not always helpful. There is little or no effort by government to improve the quality of information and the public understanding of strata living and ownership in Victoria.

Further, we also note that there is a dearth of data on residential strata properties in Victoria. This lack of data is preventing good policymaking from happening.

Renters have clear needs and wants, and are falling behind

Top measures for apartment renters:

- 1. Efficient electric appliances and services**
- 2. Rooftop solar and building envelope improvements (equal 2nd)**

The energy cost saving measures that renters raised most often was access to **efficient, electric appliances and services**. This included getting off gas, switching gas hot water to electric heat pump, and gas cooktops to induction. Renters also desired access to efficient electric heating and cooling, noting that many were currently not able to heat or cool their apartment.

Some renters were happy with their appliances: they were already in an efficient electric apartment. These included some renters with supportive landlords. One person living in community housing had moved from an older unit to a new electric apartment, and now had noticeably cheaper bills.

Some were not so fortunate. One respondent noted that their old hot water system was replaced with a gas model even though they would have preferred a heat pump. Another had requested that their gas space heater be replaced with electric, but the tradesperson instead installed another gas heater. Some renters did not use their heating/cooling because it was too expensive to run. One respondent reported that their apartment did not meet the minimum requirement to have a basic heater.

Like apartment owners, renters also want access to **rooftop solar**. This meant solar that directly supplies their dwelling to reduce their energy costs, as solar that feeds common power does not benefit renters. No respondents mentioned balcony solar.

Renters also wanted **improvements to the building envelope** that would reduce the need for cooling and heating. Measures cited included external shading, curtains, insulation, double glazing, better ventilation and weather sealing. In several cases, respondents had been told they could not have basic measures such as external awnings, including one case where the dwelling bore the full force of the western sun and the unit lacked air conditioning.

Other measures that renters raised included safe and secure EV and e-bike charging, batteries, and efficient lighting.

Recommendations

The following recommendations are based on our survey as well as previous submissions made to the Expert Panel Review and the 2026/27 Victorian budget.

OC Act reform and OC support

We encourage the committee to read our submission to the Expert Panel Review.⁶ Our recommendations are briefly summarised as follows:

- Reduce resolution thresholds for sustainability initiatives
- Review and expand the definition of sustainability items in the OC Act
- Require OCs to do energy audits and maintain an electrification roadmap
- Initiate a new program of engagement with the strata sector, including establishing a Strata Commissioner and an ongoing committee of strata stakeholders
- Greatly improve education and information for strata buyers and occupants across Consumer Affairs, Solar Victoria, VEU and other programs
- Conduct a long-term communications campaign to raise awareness of good strata practices
- Develop a government strategy for upgrading and electrifying strata, including climate adaptation, comprising data collection, program and policy development, unlocking Commonwealth funding, and regulatory options
- Specifically target strata in planning and programs including the Gas Substitution Roadmap, VEU, State Electricity Commission activities, Solar Victoria, Adaptation Action Plans and other relevant workstreams.

Focus on the basics

We suggest that the government focus on getting the basics that people want in place before looking at new technologies such as balcony solar. Currently, new minimum standards for rentals have been legislated but have not yet commenced. We also note that many of these new standards do not yet apply to public and community housing. The government needs to focus on ensuring the standards are comprehensive and are complied with by landlords, without putting the onus on renters to police compliance, and protecting renters from unfair evictions and rent increases.

We strongly encourage the government to keep up the momentum on rental quality, particular with regards to building envelope improvements such as insulation, shading and ventilation.

Get serious about solar

It's very clear that everyone living in an apartment wants access to rooftop solar. We appreciate that incentive programs that have been tried in Victoria and other jurisdictions to date have not resulted in significant adoption of solar. However, without getting solar on old and new apartments, the solar divide will only grow and people in apartments will not be able to access the energy bill savings available to house owners. Stronger measures such as targets, generous incentives and minimum standards must be on the table.

⁶ <https://environmentvictoria.org.au/2025/09/04/submission-to-the-expert-panel-review-of-the-owners-corporations-act-2006/>

Make VEU work for apartments

VEU has great potential for apartments. The program can help overcome up-front cost barriers and it can smooth the path between an initial idea for an upgrade and that upgrade becoming a reality. This has already been demonstrated for common area lighting, and requires new activities to be developed specifically for shared rooftop solar and central heat pump hot water in apartment buildings of different sizes and ages.

You are welcome to contact me on the details below, should you wish to discuss this submission in more detail.

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Appendix: Survey questions

Owners

As an apartment owner, have you ever tried to install or change something in your own unit that would lower your energy costs? Tell your story including why you succeeded or failed.

As part of an apartment owners corporation (OC), have you ever tried to install or change something that would lower the energy costs for the whole building? Tell your story including why you succeeded or failed.

If you haven't tried to install or change something to lower energy costs for your unit or the whole building, what has stopped you from exploring or pursuing these changes? And what would have helped you?

Renters

As an apartment renter, have building or landlord rules ever prevented something that would have lowered your energy costs? Please provide details.

As an apartment renter, what would your ideal affordable, efficient, clean energy powered apartment have and why?