

Legislative Assembly Environment and Planning Committee  
Parliament of Victoria  
[raea@parliament.vic.gov.au](mailto:raea@parliament.vic.gov.au)

27 February 2026

To whom it may concern,

**Re: Inquiry into renewable and affordable energy for apartments**

Thank you for the opportunity to provide a submission to the *Inquiry into renewable and affordable energy for apartments*.

The EEC is the peak body for energy management and energy efficiency in Australia. Our members include technology suppliers, energy service providers, major energy users, governments, education providers and NGOs. Energy efficient products and services are essential for a cost-effective, equitable, and orderly transition to net zero.

**Apartment residents face barriers to affordable energy.**

Many of the 12% of Victorians living in apartments and units are paying high costs for energy because they are unable to take advantage of energy efficiency, optimisation of energy use, electrification and the transition to renewables. Action to address these barriers to improved energy performance will not only benefit apartment residents, but is essential if Victoria is to meet its ambitious climate and energy targets.

Victoria has implemented leading policies ensuring that new apartment buildings are all-electric and comply with energy performance standards outlined in the National Construction Code. However, older buildings typically have worse energy performance and remain dependent on gas for key building operations such as heating, hot water or cooking.

Key barriers limiting the ability of apartment residents to access energy upgrades or products include:

- Limited information for owners on building energy performance, ratings, appropriate upgrades, and available upgrade finance. This means that owners or body corporates often do not consider existing possibilities to reduce energy costs.
- Collective decision making through owners corporations can be highly challenging. Successful energy upgrades in shared buildings are often driven by extensive work by a small number of engaged residents, at significant

personal cost. Most sustainability and energy upgrades require a 75% approval in a special owners corporation resolution, presenting a barrier that is insurmountable in many buildings where engagement is low.

- A high proportion of apartments are rental homes, leading to a split incentive problem wherein the resident is responsible for paying energy bills while any upgrades or fixed appliances are the responsibility of the owner or the owners corporation. The Victorian government has introduced minimum standards for rental homes which the EEC welcomes, but these include exemptions that are expected to apply to many apartment buildings.
- Technical challenges and costs for upgrades can be high depending on building type, design, and equipment. Complex retrofits including replacement of shared services such as gas boiler heating and hot water systems can have high upfront costs and cause disruptions to occupants. Public data on average costs for many apartment building energy upgrades are also limited, leading to information asymmetries and higher costs.
- Available rooftop space for solar is generally limited in taller buildings, leading to other options such as energy performance upgrades, electrification or battery storage being preferred options.

### Technology options

A range of key technologies offer opportunities to improve energy performance and optimisation for apartments:

- Thermal efficiency is a key baseline for affordable energy bills. Features including insulation, draught sealing, windows and glazing, and orientation have a major impact on energy bills and comfort. Data on the thermal efficiency of older apartment stock in Victoria is highly limited.
- Efficient appliances, such as efficient heat pump heating and cooling or fans.
- Electrification through the replacement of gas heating and hot water systems is readily achievable with heat pumps, either through the replacement of centralised gas boiler systems at the building level or through domestic-scale reverse cycle air conditioners and heat pump hot water systems at the apartment level where appropriate. Costs for replacements vary subject to building type and similar factors, however in many cases reduced operating costs outweigh the cost of replacement.
- Replacement of gas stoves with efficient, electric induction cooking is an immediate opportunity. New products offer induction cooking with inbuilt battery storage, allowing apartment residents to install induction even in buildings where upgraded wiring would otherwise be required.
- Battery storage and participation in VPPs is viable at the apartment or building level, and is increasingly not dependent on the presence of onsite solar panels that may be impractical in some apartment buildings.
- Storage and VPPs are highly complementary to energy optimisation within apartment buildings with smart appliances and building energy management

systems. In line with the expected rapid growth in electric vehicles, smart EV charging that can be optimised for storage systems and electricity networks could provide a good opportunity for apartment buildings to participate more actively in energy markets.

## Recommendations

- 1) Change owners corporation voting requirements to make energy upgrades easier

Victoria should replace the requirement for a special resolution of an owners corporation requiring 75% approval of all owners for a sustainability or energy upgrade. Victoria should follow the NSW model of allowing sustainability upgrades to be undertaken as a normal operating decision of the owners committee.

- 2) Inform owners corporations of energy performance opportunities by providing access to ratings and energy assessments

Victoria should provide accessible information to apartment residents and owners corporations on available upgrades.

Subsidised or free access should be made available for owners corporations to access building energy assessments, including a feasibility assessment for potential upgrades, a recommended energy upgrade plan, and a NABERS rating in relevant buildings. A program to deliver assessments could be modelled on the existing Large Energy User Electrification Support Program, or may be delivered through appropriate entities such as government agencies or local government.

Victoria should furthermore introduce mandatory disclosure of energy ratings at the point of sale and lease, with a transition to the inclusion of apartments in line with the national Home Energy Ratings Disclosure Framework.

- 3) Ensure rebates and financial support are aligned to needs of apartment residents

At the time of writing, consideration is underway of the role in the VEU for commercial and industrial heat pump water heating activities (activity 44) in incentivising heat pump systems for apartment buildings. In line with this process, incentives should be made available that are relevant and accessible for apartment buildings.

Victoria should consider the role for financial incentives for storage, VPPs and optimisation within apartment buildings in alignment with the Commonwealth Cheaper Home Batteries Program and policy reform processes in the NSW Energy Security Safeguard.

- 4) Address data and research gaps

Victoria should address remaining significant gaps in public data on the energy performance of Victoria's existing apartment stock through research or the evaluation of ratings and disclosure. Further research and public information on upgrade pathways and market costs to owners should be considered.

5) Develop workforce with training and certification

Victoria should continue to support skills development to ensure workforce capacity to deliver apartment energy upgrades at scale, including training and upskilling workers and certification.

Thank you for your consideration of our comments. This submission addresses selected issues only and a lack of comment on any issue does not indicate an EEC position. For further information or to engage on any aspect of this inquiry, please email [Jeremy.Sung@eec.org.au](mailto:Jeremy.Sung@eec.org.au).

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Jeremy Sung', with a stylized flourish at the end.

**Jeremy Sung**

Head of Policy

Energy Efficiency Council