

5 March 2026

Ms Juliana Addison MP  
Chair  
Legislative Assembly Environment and Planning Committee  
Inquiry into renewable and affordable energy for apartments  
Parliament House, Spring St  
EAST MELBOURNE VIC 3002

Via e-submission

Dear Ms Addison

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

The Green Building Council of Australia (GBCA) welcomes the opportunity to provide input to the inquiry into renewable and affordable energy for apartments.

As cities become denser and housing affordability worsens, apartments are an important and deliberate choice. People are on the hunt for homes that are well located, affordable and sustainable. Apartments are increasingly important for addressing housing supply challenges. Victoria has recognised this and acted by planning for more homes in and around train and tram zone activity centers, including as part of the Plan for Victoria.

Constructing and upgrading apartment buildings to be efficient, all electric and renewable ready is one of the lowest cost pathways to achieving emissions reductions while improving affordability, health and resilience. Australia is fortunate enough to have plenty of year round sunshine, so, unsurprisingly, solar panels are an energy efficient feature of most interest to property seekers. 84% of buyers and 65% of renters were interested in solar.<sup>1</sup>

GBCA recognises the Victorian Government's leadership in driving sustainability in infrastructure delivery and for recognising the need for accelerated transition to net zero by 2045 with sustainable building design.

The GBCA commends Victoria for:

- The Climate Action Act 2017 that establishes Victoria's framework for achieving net-zero emissions by 2045, with interim targets and strategies to address climate change impacts
- The Gas Substitution Roadmap, navigating the transition from fossil gas to more sustainable energy alternatives
- Empowering households and businesses to lower energy bills through the Solar Homes Program and the Victorian Energy Upgrades Program
- Cheaper, Cleaner, Renewable: Our Plan for Victoria's Electricity Future which outlines actions for Victoria to achieve its renewable energy targets.

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<sup>1</sup> <https://www.proptrack.com.au/wp-content/uploads/2023/12/PropTrackEnergyEfficientHousingReportNovember2023.pdf>

## About the GBCA

GBCA's purpose is to lead the sustainable transformation of the built environment. We do this primarily through our core functions:

- We advocate policies and programs that support our vision and purpose.
- We rate the sustainability of buildings, fitouts and communities through Australia's largest national, voluntary, holistic rating system - Green Star.
- We educate industry, government practitioners and decision-makers, and promote green building programs, technologies, design practices and operations.
- We collaborate with our members and other stakeholders to achieve our mission and strategic objectives.

Green Star is Australia's most widely used sustainability rating system for the design, construction and performance of buildings – including social infrastructure – fitouts and communities. Green Star aims to transform the built environment by:

- reducing the impact of climate change
- enhancing our health and quality of life
- restoring and protecting our planet's biodiversity and ecosystems
- driving resilient outcomes for buildings, fitouts, and communities
- supporting and rewarding the development and use of sustainable products and materials
- contributing to market transformation and a sustainable economy.

GBCA provides the following comments in relation to the inquiry's terms of reference:

### A) Energy supply and technology options

Technology options for sustainable building are developing and reducing in cost all the time. GBCA takes the approach of prescribing performance standards informed by what's possible. This means building developers and owners can apply new technologies and approaches as they become available. Recent developments include:

- rapid maturation and cost reduction of all electric technologies, including high efficiency heat pumps for space heating and domestic hot water, LED lighting, and smart building management systems
- embedded networks, shared solar systems, and energy monitoring platforms
- higher levels of renewable generation.

Grid power is important for apartments as apartment complexes remain reliant on the grid. This means that policies to ensure that the grid supply is reliable, renewable and affordable will always be an essential part of ensuring people who live in apartments get the benefits of renewable power. It is more important than ever to get energy generation settings right. Alongside onshore wind, solar is already the cheapest source of electricity, and its costs keep shrinking<sup>2</sup>. Together with batteries, their combined cost will keep getting cheaper versus alternatives.

Energy efficiency and adoption of efficient all-electric technologies are an important part of making energy affordable for households, by requiring less of it for the same tasks. 'A practical guide to electrification for existing buildings'<sup>3</sup> provides examples of the key systems and the costs and benefits of making the switch. The energy savings of many of the appliance switches available in a typical two-

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<sup>2</sup> <https://www.csiro.au/en/news/All/News/2025/July/2024-25-GenCost-Final-Report>

<sup>3</sup> <https://gbca-web.s3.amazonaws.com/media/documents/electrification-guide---existing-buildings-final.pdf>

bedroom apartment can be found in 'Estimate of energy savings in a typical 2-bedroom apartment with Green Star Buildings – Apartments Pathway certification.'<sup>4</sup>

Our buildings need to become grid-interactive. This means they are electrified, efficient, smart and flexible, so they can support clean energy generation by shifting load to ensure energy is used when it is at its cheapest and cleanest. 'From net zero to zero: A discussion paper on grid-interactive efficient buildings'<sup>5</sup>, published by GBCA and funded by NSW Government, outlines opportunities in this transformation.

## B) Barriers and inequities experienced by Victorians in apartments

There are several barriers to accessing renewable and affordable electricity from small-scale generation located close to the point of use. This is called Distributed Energy Resources (DER). Rooftop solar, shared solar and embedded networks, battery storage and virtual power plants (VPPs) are all DER.

Unlocking DER typically involves removing regulatory, planning, financial, and technical barriers so that households, apartments, and businesses can generate, store, and share clean energy efficiently. The barriers are physical, structural, and financial:

- **Many apartments were not designed for household renewables** - the surface area that can be covered by solar panels is low compared to the living space within apartment buildings. This means that compared to stand-alone dwellings there is less ability to generate a high proportion of electricity demanded within the building. There is still plenty of opportunity for apartment buildings to benefit from DER, especially apartment building that do not currently have any solar panels.
- **Governance makes simple upgrades hard** - retrofitting renewable generation onto buildings in many cases requires a mechanism for multiple owners within a building to come to common agreement on the location, cost allocation and benefits allocation. Reaching agreement is unlikely to be simple, and may come up against owner corporation rules not designed to tackle this issue, restricting uptake.
- **Incentives not designed for apartments** - multiple owners may also be unable to access incentive schemes designed to increase take-up of DER.
- **Split incentives** - in the case of renters, access to DER can be complicated as the decision and cost will likely sit with a building owner, while the benefit of lower grid power needs are passed on to the tenants.
- **Access to finance** - it is generally the case that DER requires upfront capital, with the benefits coming in the form of lower ongoing costs such as power bills. Any groups that struggle with access to capital will face more barriers.

The GBCA publication 'Rise and thrive: Sustainable apartments for a resilient Australia'<sup>6</sup> has a section covering obstacles in the way of sustainable apartments.

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<sup>4</sup> [https://gbca-web.s3.amazonaws.com/media/documents/estimate-of-energy-savings-in-a-typical-2-bedroom-apartment-with-gsb--apartmen\\_7eaGZgp.pdf](https://gbca-web.s3.amazonaws.com/media/documents/estimate-of-energy-savings-in-a-typical-2-bedroom-apartment-with-gsb--apartmen_7eaGZgp.pdf)

<sup>5</sup> [https://gbca-web.s3.amazonaws.com/media/documents/grid-interactive-efficient-buildings-discussion-paper\\_Q0FoGV8.pdf](https://gbca-web.s3.amazonaws.com/media/documents/grid-interactive-efficient-buildings-discussion-paper_Q0FoGV8.pdf)

<sup>6</sup> <https://gbca-web.s3.amazonaws.com/media/documents/rise-and-thrive-report.pdf>

**C) Options and any legislative, regulatory, planning or market reforms that could increase access to renewable and affordable electricity [includes response to c) and e)]**

***Distributed Energy Resources***

- Physical limitations - Physical space barriers can be overcome through community-based generation and battery storage to increase renewable penetration and help maximise DER value. This can achieve further benefits for users and the grid through aggregation of DER which requires markets and streamlined rules for small customer participation. The policy implication is to look at both incentives and options to simplify and speed up planning and regulatory pathways for shared storage.
- Reaching agreement - Where reaching agreement across multiple owners is hard there is a role for case studies, model agreements and pilots to test new agreement and consensus building approaches for mixed tenure and multiple owner apartments.
- Access to incentives - The Solar for Apartments Program is a joint Victorian–Commonwealth initiative providing rebates to support installation of shared rooftop solar systems on apartment buildings, units and townhouses. It overcomes some of the traditional barriers for apartments: shared roofs, owners corporation decisions, renter split incentives, and capital costs. Options to consider include expanding the number of available rebates, expanding eligibility to larger buildings and allowing participation from community housing organisations and government housing providers.

***An affordable and renewable electricity grid***

Improving the affordability and renewable share of grid electricity is an important way of increasing access to renewable and affordable electricity. This means using policy levers to ensure a power system where any increases in electricity demand leads to increased renewable generation and distribution infrastructure. This will enable lower power bills in the medium term, increased productivity and flexibility to accommodate contemporary and future energy needs.

***Energy Efficiency***

Several policy recommendations from Every Building Counts<sup>7</sup>, a joint advocacy platform released by GBCA and the Property Council of Australia, can be expected to have a similar impact on households as increasing access to renewable and affordable electricity:

***Minimum rental standards***

Support renters with minimum energy efficiency standards for rental properties – so their power bills are lower, and they have improved comfort levels. GBCA commends the Victorian Government on the updates applied to minimum rental standards in 2025 regarding efficient, electric appliances, but urges further action to improve energy efficiency in rental properties and assist an equitable transition for renters. Please see GBCA's 2024 submission regarding minimum standards for rental properties and rooming houses<sup>8</sup>.

***Lead through state procurement and services***

Where the state has a role in owning, commissioning or leasing space in apartment buildings, it can use this purchasing to create demand for distributed energy resources and energy efficiency. It can lead by

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<sup>7</sup> <https://everybuildingcounts.com.au/>

<sup>8</sup> <https://gbca-web.s3.amazonaws.com/media/documents/gbca-submission-re-vic-minimum-rental-standards.pdf>

requiring high energy efficiency in government owned and leased buildings. The Energy Efficiency in Social Housing Program (EESH) is a good example of this kind of approach, where funding is used to improve the energy efficiency and liveability of social housing properties across Victoria.

*Improved energy performance disclosure*

Improved energy performance disclosure can empower buyers, renters and owners' corporations with clear, comparable information. This can help buildings that are efficient show their relative performance and attract tenants, while putting pressure on lower performing buildings to improve.

With support from states and territories in the Residential Energy Efficiency Disclosure Initiative (REEDI) Governance Forum, the Australian Government has released the Home Energy Ratings Disclosure Framework and is leading the project to expand Nationwide House Energy Rating Scheme (NatHERS) so that it may be applied to existing homes as well as new builds. GBCA commends the Victorian Government's past leadership in voluntary energy disclosure through the Residential Efficiency Scorecard program and urges setting a clear pathway for adopting the Home Energy Ratings Disclosure Framework in Victoria. Under the Framework:

- NatHERS will assess *individual apartments*
- The National Australian Built Environment Rating System (NABERS) will assess apartment *base buildings*.

**D) The likely impacts of those options on different groups of Victorians, including by tenure type, income, housing type and location, on the type, affordability and reliability of energy they receive**

Renters, who often face split incentives where landlords fund upgrades, but tenants receive the bill savings, will particularly benefit from minimum rental standards and improved energy performance disclosure.

Low-income households, who tend to spend a greater proportion of income on energy, will benefit from reductions in ongoing energy bills as buildings become more efficient, and as grid electricity becomes cleaner and cheaper. Policies that expand access to distributed energy and provide equitable access to incentives can help reduce energy hardship and support households with limited capacity to fund upfront upgrades.

Regional Victorians will benefit from policies that improve grid interactive performance and resilience, given greater exposure to network constraints and climate related risks.

People living in apartments, including high rise residents, will benefit from policies that make distributed energy more accessible despite limited roof space and the complexity of multi-owner decision making.

GBCA welcomes the opportunity for further discussion. To arrange a meeting, a briefing on our work to date, or for additional clarification of the points made above, please do not hesitate to contact Corwin Wallens, Policy Manager, via email at [corwin.wallens@gbca.org.au](mailto:corwin.wallens@gbca.org.au)

Yours sincerely

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