



COMMUNITY HOUSING
Industry Association Victoria

Submission

Inquiry into renewable and affordable energy for apartments

February 2026



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Acknowledgment of Country

CHIA Vic acknowledges the First Peoples of Victoria and their ongoing strength in practising the world's oldest living culture. We acknowledge the Traditional Owners of the lands and waters on which we live and work and pay our respects to their Elders past and present.

Victoria has been home to First Nations peoples for thousands of years but today too many Aboriginal Victorians don't have the homes they need to thrive. As the peak body for community housing in Victoria, CHIA Vic is committed to housing justice and self-determination for all First Nations Victorians.



About CHIA Vic

The Community Housing Industry Association Victoria (CHIA Vic) is the peak body that represents the not-for-profit community housing sector in Victoria. We advocate for and support the community housing sector to grow and thrive as part of a housing system where all Victorians have the dignity of an appropriate, secure and affordable home.

CHIA Vic's member organisations include all Community Housing Organisations (CHOs) registered under the Victorian regulatory framework. Together, these CHOs provide more than 27,700 homes to Victorians poorly served by, or excluded from, the private rental and ownership market. Many of these homes are part of apartment or multi-unit buildings, and we welcome the opportunity to make a submission on behalf of the community housing sector to this inquiry.

About this submission

This submission to the has been prepared by CHIA Vic and approved by CHIA Vic's CEO Sarah Toohey. If additional information is required regarding this submission, please contact Sarah Toohey (sarah.toohey@chiavvic.com.au).



Summary of recommendations

1. That the Victorian Government expand funding programs for energy efficiency upgrades in social housing, with specific funding for technologies that enable this in apartment buildings.
2. That the Victorian Government supplement any grants that don't provide full funding for apartment building upgrades with zero-interest loans.
3. That the Victorian Government increase funding opportunities for community housing organisations to kickstart energy efficiency projects for their renters.
4. That the Victorian Government introduce subsidies and other incentives for both existing and new apartment buildings to install technologies that generate and distribute renewable and affordable energy to renters.
5. That in designing and implementing any reforms the Victorian Government fully considers the differences between the social and private housing sectors, and how the reforms will impact social housing renters and providers.



Background

The community housing sector supports the aim of increasing access to renewable and affordable energy for residents in apartment and multi-unit buildings, particularly for social housing residents.

Community housing organisations (CHOs) provide housing to some of Victoria's most vulnerable and lowest-income households. They directly see the lifechanging impacts that cheaper and cleaner energy can bring to residents. And in owning and managing thousands of units in multi-unit buildings, they have firsthand experience of the challenges and solutions to making this energy available.

Community housing is built to high standards that prioritise quality design and long-term asset management. New social apartment buildings often include renewable energy options such as solar PV where possible and practical. Older existing buildings are less likely to have these options included, and retrofitting them often presents challenges outlined further in this submission.

We support the inquiry's efforts to see how more Victorians living in apartments can get equitable access to cheaper and cleaner energy, and we make recommendations how this can be achieved in the community housing sector.



1. Recent developments in supply and technology

Power sharing technologies

A key tool for increasing renewable and affordable electricity access in multi-unit community housing buildings is the adoption of power sharing technologies. Through these, renewable energy is collected from a single system, such as a rooftop solar PV system, and then distributed to individual units based on their usage. This overcomes the central logistical issue of providing renewable energy to apartment buildings, where each unit receiving its own power through individual hardware can be inefficient, complex, and may not always be possible.

The distribution based on individual household-demand means that the use of renewable energy is maximised: residents receive more of the renewable energy, and less is returned to the grid. This directly reduces their electricity costs, rather than increasing the feed-in tariff that is returned to the PV panel owners.

Case study 1 – Housing Choices Australia’s use of Allume’s SolShare in Altona North

Registered community housing association Housing Choices Australia has retrofitted a 44-unit apartment building in Altona North to deliver renewable solar energy to the community housing renters living there.

Using Allume’s SolShare technology, the building now has a solar capacity of 66.6kWp that all 44 units directly and independently benefit from. From July 2024 to June 2025 consumption of grid electricity was down 39 per cent, reducing CO₂ emissions by 55.1 tonnes. Most importantly, this lowered electricity bills for each household by an average of \$281 over the year.

The software’s ability to monitor household energy demand in real-time, and distribute electricity generated from the solar PV accordingly, means bill savings are distributed equitably. It also means more solar energy is converted into electricity consumed onsite by the residents, instead of getting returned to the grid.

Source: https://allumeenergy.com/au/case_studies/altona-north-victoria-anz/

These technologies also reduce the cost of powering common areas in apartment buildings, but because most of the benefits are passed directly onto residents, it makes them an ideal option to expand access to renewable and affordable energy for social housing renters.

They are particularly effective for developments where a CHO is the sole-owner of the building(s) and all the individual apartments. As the owner, they can install the hardware and software needed to generate and distribute the energy to renters, without needing to coordinate between different owners.



Batteries and virtual plants/networks

Community batteries are an increasingly promising tool to bring cheaper and cleaner energy to apartments. Lower-cost and modular batteries have become more available, making it more feasible to retrofit existing buildings in stages. There have also been improvements in integrating batteries with power sharing technologies, helping to optimise use of off-peak energy and making systems more resilient for renters.

Case study 2 – Power Melbourne project

This pilot project run by the City of Melbourne, with support from the Victorian and Commonwealth governments, is using a network of three community batteries to increase access to renewable energy.

In its pilot phase the batteries are linked to a community benefit fund that will support local renewable projects, and future plans include turning it into a retail electricity plan to help renters and people living in apartments access cheaper and cleaner energy.

There is an opportunity here and for other neighbourhood battery projects share affordable, renewable energy with social housing renters as part of the community benefits that they aim for.

Source: <https://www.melbourne.vic.gov.au/power-melbourne-community-battery-project>

Batteries enable the greater uptake of virtual power plants (VPPs) which can be used to distribute renewable energy across apartment units. Somewhat similar to VPPs, Virtual Energy Networks (VENs) allow energy users without renewable hardware, such as solar panels, to purchase surplus power generated by those that do have them. This is an emerging technology with research being undertaken by Deakin University, and has the potential to improve access for people living in apartments.¹

Energy management platforms

Finally, the improvement and increased use of energy management platforms has given renters clearer and more transparent information about their energy use and savings. This improved information helps build trust and faith for renters and building owners in adopting new technologies.

The Victorian Energy Upgrades program offers discounts on in-home displays that show occupants their energy use.² Renters, including social renters in apartment buildings, are eligible for these discounts. However, the technology is currently only suitable for units

¹ <https://www.deakin.edu.au/faculty-of-business-and-law/research/virtual-energy-network>.

² <https://www.energy.vic.gov.au/victorian-energy-upgrades/products/in-home-display-discounts>.



which are individually metered which does exclude a number of collectively-metered social housing tenancies that could benefit from it.

2. Barriers for social housing renters

Funding is the dominant barrier

CHOs are non-profit charities that provide rent-capped housing to those who can't afford to rent in the private market. As a result, they operate with highly constrained revenues, and decisions to invest in renewable energy technologies need to be weighed carefully against other choices like kitchen and bathroom upgrades, or building new community housing.

Other challenges

Community housing apartments also exist as a select number of units located in a strata-building with an Owners Corporation (OC) representing other, private owners of apartments throughout the building. This can make the process of installing power sharing technology more complicated, as other owners and the OC need to agree to installation and participation.

Embedded networks, without sufficient consumer protections in place, can also act as a barrier for some renters accessing affordable and renewable energy. Embedded networks can offer benefits that include more access to affordable energy for CHOs and their renters alike, but some commercial arrangements in private embedded networks have locked renters into energy provision that isn't as competitive, flexible, affordable or renewable as other options. Increased transparency, regulatory oversight, and renter protections help avoid this and unlock the benefits that embedded networks can provide.

Older buildings also typically have reduced access to cheaper and cleaner energy than do new builds. Some may not be able to support electrification or installation of solar PV, or face challenges in reconfiguring to have individual wiring and metering, and to manage load capacity. Specific policy interventions are required to reduce this gap as far as possible, and in an equitable way. This includes specific and additional resourcing for older or more difficult buildings to retrofit, or strategic asset planning of the social housing portfolio led by government. This could ensure that older homes are replaced with contemporary, high quality social housing that has greater access to renewal and affordable energy,



3. Ways to increase access

Funding sources

As highlighted in section 1, the use of power-sharing technologies can be very effective, particularly when those technologies enable more equitable distribution of electricity to residents. Virtual power plants and neighbourhood/community batteries also help generate and distribute renewable energy to renters. When paired with power-sharing technology this energy can be equitably distributed, and renters get greater benefits.

However, as discussed in section 2, funding these technological solutions remains a challenge for CHOs under their rent-capped, non-profit operating models.

Case study 3 – Victorian Property Fund’s Environmentally Sustainable Housing Funding Round

The Victorian Property Fund (VPF) Environmentally Sustainable Housing Funding Round 2017-18 provided \$1.2 million in grants to assist CHOs to make energy efficiency improvements. The seven CHOs selected made their own contribution of \$1.5 million to take the project total to over \$2.7 million.

The program delivered solar power to 1,428 homes, and installed 26.2kWh worth of batteries. This included 926 apartments across 19 buildings, and 171 tenancies across 12 rooming houses. Unison was able to bring cheaper and cleaner energy to 476 units in 17 apartment buildings, and South Port Community Housing did the same for 271 tenancies across 8 multi-unit buildings.

Source: <https://chiavic.com.au/resources/energy-efficiency-projects/>

Government grants like the Victorian Property Fund initiative in case study 2 have enabled CHOs to increase access to renewable and affordable energy in their apartment units. And the Energy Efficiency in Social Housing Program, with a new funding round supported by the Commonwealth’s Social Housing Energy Performance Initiative opening at the end of 2025, creates the opportunity to do more.

These funding programs are critical in expanding access to all community housing renters living in apartments or multi-unit buildings, again acknowledging that CHOs don’t generate revenues that can fund upgrades without additional support.

Recommendation 1:

That the Victorian Government expand funding programs for energy efficiency upgrades in social housing, with specific funding for technologies that enable this in apartment buildings.



As bill savings from these programs are directly passed onto renters, up-front costs for installing assets can't be recovered through increasing rents (discussed further in section 5). This can impact the ability for many CHOs to make upgrades when co-contributions to grants are required.

Combining grants with zero-interest loans could help to bridge the gap between costs and grant amounts for apartment building upgrades. The energy bill savings made by CHOs in common areas could help service these loans at zero-interest, making the upgrades and grants more accessible.

Recommendation 2:

That the Victorian Government supplement any grants that don't provide full funding for apartment building upgrades with zero-interest loans.

Because of the tight revenue constraints of CHOs, it can also be difficult for them to conduct feasibility studies and do the early-stage design work that can help to get projects off the ground that may attract investment down the track. Specific funding for exploring new and innovative energy solutions in community housing buildings would help accelerate uptake of these technologies.

Recommendation 3:

That the Victorian Government increase funding opportunities for community housing organisations to kickstart energy efficiency projects for their renters.



4. Impacts on social housing renters

Amplified benefits to social housing renters

Social housing renters stand to benefit disproportionately more from access to cheaper and cleaner energy than many other groups. This is because social housing is subsidised housing targeted to low-income households to guarantee them affordability. These households typically face other challenges that leave them poorly served by the private housing markets.

This includes older people, people with chronic health conditions or specific accessibility needs, people with digital literacy and language barriers, and those experiencing financial hardship and stress. The energy bill savings, thermal comfort, and improvements to health and wellbeing (including mental), on average, make a bigger difference in the lives of these and other social renters.

These benefits are maximised when households are informed, have trust in the technologies and billing, and have had genuine input into decisions that impact their homes. Engaging with and bringing renters along early is key to overcoming this, and having access to clear, easy to understand information that highlights the benefits can help with this.

Ownership and tenure type

Community housing apartment units exist in a number of models, including buildings wholly owned by CHOs, and individual units that are part of strata buildings with OCs. Different affordable and renewable energy options will impact renters and the CHOs providing their housing differently.

For example, as already highlighted, buildings that are wholly owned by a CHO lend themselves readily to power sharing options. Social housing units as part of strata buildings make accessing these options more complex, which could mean renters living here have less access to renewable and affordable energy without specific interventions. These could include incentivising broader uptake of these technologies across private owners, which we discuss further in the following section



5. Supporting reforms

Incentives to adopt renewable technologies

Reforms that incentivise and encourage technologies that help generate and distribute renewable energy in apartment buildings would help increase access for social housing renters. Subsidies for these technologies would make them more cost-effective to include in new builds as well as retrofitting existing apartment buildings.

They would also help encourage private owners of units in apartment buildings and their OCs to agree to undertaking upgrades, with the benefits shared with all renters in those buildings, including any in social housing.

Whilst some of these do exist they can have settings which make it difficult for CHOs to access. For instance, the Solar for Apartments rebates program is open to lot owners (both investors and occupiers) within an OC,³ however non-profit organisations are ineligible. This means these rebates can't be accessed by CHOs for lots within mixed-tenure buildings, even though they are eligible for rebates under a separate program where they can install the solar panels themselves.⁴

Further, there appears to be a lack awareness and understanding of the rebates available to private owners. One of our members who owns almost 300 lots that are part of multiple OCs told us that no private lot-owner had ever raised the Solar for Apartments rebate in an OC committee or general meeting.

Subsidies, rebates and other incentives that do exist should be reviewed to make sure they are not inadvertently shutting off opportunities to improve access for social renters, and new programs to increase uptake among CHOs should be explored.

Recommendation 4:

That the Victorian Government refine existing and introduced new incentives for both existing and new apartment buildings to install technologies that generate and distribute renewable and affordable energy to renters.

Importance of understanding the role and operating model of community housing

Minimum standards, set through regulations, can also help facilitate the inclusion of renewable and affordable energy wherever possible and practical. Creating certainty and

³ <https://www.solar.vic.gov.au/apartments>.

⁴ <https://www.solar.vic.gov.au/solar-community-housing>.



a level-playing field for developments of all tenures also helps ensure that private and social homes have equitable energy access.

However, in designing any incentives or other legislative, regulatory, or market reforms, it is important that the differences between the social housing and private rental housing systems are carefully considered. Not to mention the differences between social housing and owner-occupied housing.

As mentioned above, social housing operates on a rent-capped and subsidised model. The vast majority of its renters rely on income support payments for their entire household income, and rents can never be charged higher than 30 per cent of this income. Renters also have security of tenure for as long as they need.

Private rental providers, on the other hand, can charge rents in line with market conditions, and don't have to take into account household income. They can raise rents (keeping to certain rules) as much as the market will bear, and if a household cannot afford to remain they may choose to move out, and the provider can find a higher-income household that can.

This means that any reforms – whether legislative, regulatory, planning or market – will likely impact CHOs and subsequently their renters in vastly different ways to the private sectors.

An example of this is the split-incentive problem, where rental providers pay for upgrades to properties that renters benefit from, such as with energy efficiency upgrades reducing renter energy bills. In the private rental sector, rent increases can be used to recover the upgrade costs, and renters may even enter an agreement with their provider to do so, knowing that their energy savings will be greater than the rent increase.

In the community housing sector, on the other hand, CHOs are unable to increase rents to recover upgrade costs, even when the energy savings would leave renters better off overall.

Recommendation 5:

That in designing and implementing any reforms the Victorian Government fully considers the differences between the social and private housing sectors, and how the reforms will impact social housing renters and providers.

The key features that distinguish CHOs from private rental providers that should be considered include:

- They are non-profit organisations with dedicated missions to improving the lives of renters
- Their renters pay subsidised rents, capped at a percentage of household income
- They provide housing at a much greater scale than private rental providers, for some upwards of 2,000 homes



- They prioritise the design, quality and liveability of new developments, and asset management decisions are based on the long-term interests of renters
- They partner with government to deliver new housing, and contribute their own equity and borrowings with government funding to do so
- They operate a significant number of long-term leases and asset management responsibilities for government-owned homes, provided as community housing
- They are independently regulated by a dedicated Housing Registrar, who monitors and holds them accountable to performance standards

