

Merri-bek Civic Centre
90 Bell Street
Coburg Victoria 3058
T: (03) 9240 1111

Postal Address
Locked Bag 10
Brunswick Victoria 3056

merri-bek.vic.gov.au



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Department of Transport and Planning
Email: building.electrification@transport.vic.gov.au
Via: engage.vic.gov.au/building-electrification

To whom it may concern,

Merri-bek City Council Submission to the Building Electrification Regulatory Impact Statement (RIS).

Merri-bek City Council welcomes the opportunity to provide a submission to the Building Electrification Regulatory Impact Statement (RIS). The following submission has been prepared by officers and is based on endorsed Council strategy and policy positions.

We applaud the Victorian Government's proposed building electrification requirements and strongly support the efficient electrification of Victorian homes and businesses. Efficient electric homes, powered by renewable electricity are healthier, cheaper to run, and a low-cost pathway to achieve Victoria's emissions targets. Businesses can benefit from the commercial benefits of electrification by reducing their operational costs, reduce risk from gas shortages, create healthy and safe workplaces for staff and play their role in the energy transition. Merri-bek encourages the Victorian Government to be ambitious in its gas substitution plans, whilst supporting an equitable transition with no one left behind. As a diverse community we need to ensure that all programs support all cultural and socio-economic groups.

The preferred option outlined in the RIS (Option 3) is a sensible and measured step towards lowering household energy bills and reducing emissions by phasing out inefficient gas heating and hot water appliances which make up the bulk of energy use. While we support this option as a minimum, we encourage the Victorian government to go further and implement Option 2 (which includes the phase out of gas in existing commercial properties and residential gas cooktops). This would result in further significant emissions reductions and better enable Victorian households and businesses to access the cost savings, value and health benefits of fully electrified buildings and the opportunity to source all their energy from renewable sources.

Summary of recommendations:

1. Implement RIS Option 2, including the phase out of gas cooking in existing residential properties, to ensure that all Victorians can realise the health benefits and cost savings associated with a fully electrified home, and potential to source all their home energy from renewable sources.
2. Support place-based programs that enable households on a low-income to electrify, to ensure a just and equitable transition, and reduce cost of living pressures.
3. Develop dedicated programs to support the electrification of apartments (particularly common building services).

4. Work with local government to support place-based electrification communications and delivery programs.

Merri-bek also supports the recommendations in the Victorian Greenhouse Alliances submission to the Building Electrification RIS.

Alignment with current Merri-bek Council policies

Council is committed to reducing the greenhouse gas emissions that cause climate change while supporting the Merri-bek community in adapting to its now unavoidable impacts. Our [Zero Carbon Merri-bek 2040 Framework](#) sets out Merri-bek's vision for a zero carbon future. Our target is to achieve 75% emissions reduction by 2030 (against 2011/12 baseline), net zero by 2035 and drawdown ('negative emissions') by 2040. For Council (corporate/operational) emissions we have a target range of between 80 – 100% reduction by 2030 (precluding offsets, against 2011/12 baseline).

Merri-bek's [Zero Carbon Merri-bek Climate Emergency Action Plan 2020 -2025](#) has specific actions for efficient electrification including:

- Encourage switch from using gas for cooking and heating to high-efficiency electric alternatives.
- Lead the collaborative project to raise the standards of Environmentally Sustainable Design (ESD) through the planning scheme required in new homes, commercial and industrial development (Towards Zero Carbon in the Planning Scheme). Electrification, renewable energy and transitioning development practices towards zero gas development is a key part of this project.
- Partner with others to advocate for and provide targeted support for low income and vulnerable households to avoid 'energy poverty' and be more comfortable in their homes during extreme weather.
- Ensure Council builds highly energy efficient facilities, including onsite renewables and 'no new fossil gas'. This includes a study into the planned transition off gas by Council's aquatic centres and in December 2024 opened a fully electrified major aquatic centre in Fawkner.
- Advocacy Priority: Mandatory minimum standards for and disclosure of energy performance of residential properties at point of sale and lease.

In May 2021, Merri-bek Council became the first council in Australia, that resolved to endorse the Fossil Fuel Non-Proliferation Treaty, reinforcing Council's commitment to phase out fossil fuels. The Fossil Fuel Non-Proliferation Treaty aims to stop the expansion and production of oil, gas and coal fossil fuels in line with the Paris Agreement.

Recommendation 1. Implement RIS Option 2, including the phase out of gas cooking in existing residential properties, to ensure that all Victorians can realise the health benefits and cost savings associated with a fully electrified home and potential to source all their home energy from renewable sources.

We support Option 2. Option 3 is a minimum first step. Option 2 would result in the biggest emissions reductions and better enable Victorian households and businesses to access the cost savings and health benefits of fully electrified buildings.

Burning gas for cooking poses health risks such as asthma, particularly for children. Research indicates that cooking with gas can increase the chance of a child having asthma by 32 per cent¹, and that up to 12 per cent of childhood asthma in Australia is attributed to gas cooking.² In market research conducted by Merri-bek Council in 2021 into resident's attitudes to electrification the main drawbacks of household gas appliances that participants mention unprompted, relate to human health and safety.

With households maintaining a gas connection and its associated service fees just for cooking they are not realising the full economic benefit of electrification. To ensure renters are not stuck with higher energy bills we also encourage the Victorian Government to include residential electric cooktops in the Minimum Standards for Rental Properties and Rooming Houses.

Recommendation 2. Support place-based programs that enable households on a low-income to electrify, to ensure a just and equitable transition.

To ensure that all households can receive the benefits of efficient electrification targeted place-based programs and financial support is needed for households on a low-income. Research demonstrates that participation in market-based incentive programs (such as rebates or certificate schemes) result in lower participation from areas with lower economic resources, despite these being the cohorts who need it most.³

Since late 2020, Merri-bek has provided a concierge service for low-income households to either install a solar PV system or improve the thermal performance of their home with insulation and/or draught sealing measures. The program has supported 385 residents improve the comfort of their homes and reduce energy bills. Combined, all participants are saving an estimated \$216,000 annually off their energy bills, and some \$3.7 million over the lifetime of the home upgrades.

The success of the Merri-bek program comes from careful, yet deliberate program design which includes:

- A personalised concierge service provided by staff to support the household throughout the various program stages, including eligibility, suitability of program offerings, right through to completion.
- A foundation of trust that's established by Council with the household from the outset and is based on not only using experienced, vetted service providers, but Council's commitment to serving its community.
- Targeted engagement and promotional activities including utilising Merri-bek's innovative "Community Connectors" network, translation and interpretative services, to maximise program awareness and uptake.
- Dedicated assistance in navigating the sometimes complex process of applying for State Government rebates; and
- Financial subsidies provided by Council (up to \$3,000 for solar or \$2,000 for thermal) to address the up-front cost challenges.

¹ Weiwei Lin, Bert Brunekreef, Ulrike Gehring. [Meta-analysis of the effects of indoor nitrogen dioxide and gas cooking on asthma and wheeze in children](#).

² Luke D Knibbs, Solomon Woldeyohannes, Guy B Marks & Christine T. Cowie. [Damp housing, gas stoves, and the burden of childhood asthma in Australia](#), 2018.

³ Nicola Willand, Trivess Moore, Ralph Horne & Sarah Robertson. [Retrofit Poverty: Socioeconomic Spatial Disparities in Retrofit Subsidies Uptake, 2020](#).

In 2024-25 Council is also providing support for senior residents to switch from gas to reverse-cycle for heating and cooling their homes.

With well-established programs via Solar Victoria and mechanisms such as the Victorian Energy Upgrade (VEU) Program, the state government is well placed to increase the likelihood that program uptake is equal across all demographics, via program review and enhancements. For example, the current VEU Strategic Review process presents an excellent opportunity to embed energy justice at the forefront of its future offerings.

Recommendation 3. Develop dedicated programs to support the electrification of apartments (particularly common building services).

We are concerned that the exemptions for Class 2 buildings (apartments) will continue to lock apartment residents out of electrification and its health, financial and climate benefits. Apartments are continually put in the "too hard basket" when it comes to efficient electrification. Merri-bek has a very high proportion of residents living in apartments with 48.2% of households in medium and high-density housing. As the transition to clean energy and lower electricity bills accelerates, Victorians living in apartments must not be left behind.

Whilst dedicated programs can run in parallel, to ensure the electrification of apartment buildings there is a need to:

- **Develop a dedicated strategy for upgrading and electrifying apartments**
Develop an apartment electrification strategy that is built from the ground-up and based on the complex governance and legislative environment of apartments rather than as an add on to residential or commercial buildings. The strategy needs to be developed in collaboration with apartment industry associations, apartment owners and service providers.
- **Legislative reform**
Update the Owners Corporations Act 2006 to lower decision-making thresholds for passing special and interim resolutions relating to sustainability projects. The current requirement of 75% of owners in favour of a resolution is a barrier to energy upgrades. The Victorian requirement needs to be reduced to a simple majority of 50% as in place in New South Wales.

Some examples that State Government could build on to develop dedicated programs, that are already tested, are given below. In 2022, Merri-bek Council in partnership with Yarra City Council undertook the *Unlocking Sustainable Strata Project* (the Project) in collaboration with apartment residents, the strata sector, local councils and sustainability experts to learn, trial and design effective solutions so people who live in existing apartments and town houses benefit from sustainability retrofits and enjoy comfortable, efficient homes. The Project identified the key barriers for the sector are:

- Lack of knowledge, resources and specialist suppliers with current information favouring single dwellings and business.
- Complexity: Multi-unit dwellings have numerous stakeholders and decision-makers, complex legislation, a mix of owners and renters, and technical challenges in efficient electrification.

The project identified 15 interventions to address the legislation and governance, community building, communication guidance and technical sustainability advice and support that is needed. See Appendix 1.

To assist with resources the project developed Australia's first [Apartment's Guide to Electrification](#) and four guides for apartment residents, owners' corporations and strata managers with tailored advice for high-rise, medium-rise, low-rise apartment buildings and townhouses.

Recommendation 4: Work with local government to support place-based electrification communications and delivery programs

Councils have a proven history in delivering energy efficiency and renewable energy projects with their communities, with 29% of Australian councils having conducted energy upgrades programs.⁴ Councils are a trusted source within their communities, they have a wealth of knowledge and capacity to help deliver the electrification of Buildings.

Merri-bek Council has built support and the social license for electrification in our local community and across Victoria. In late 2021, Merri-bek launched its [Electrify Everything: Communications Message Guide](#) for Households. An Australian-first, the guide is based on market research undertaken with residents to promote the health, safety and environmental benefits of switching appliances to electric. Merri-bek is now leading a Community of Practice with over 95 local councils from across Australia focused on communicating the importance of electrification for Australia's energy transition and how households can get involved. In 2023, local councils delivered a collaborative campaign reaching over 677,000 Australians. The campaign used consistent information in everyday language that reached diverse communities with trusted communicators.

The *Stepping Up* report⁵ from Energy Consumers Australia calls for the creation of a new national partnership across all levels of government with the objective of ensuring a fast and fair transition to all electric homes. A multi-level governance approach is needed to implement energy upgrades programs that leverages the respective capabilities and resources of each sphere of government; local governments connection to community and ability to roll-out place-based programs, State Government providing resources such as the SEC's Electric Home Planner, rebates and regulatory environment and Federal Government providing financial subsidies for low-income households.

Conclusion

We congratulate the Victorian Government in taking action to ease cost of living pressures, address gas supply shortfalls and reduce carbon emissions for a clean and healthy future by addressing residential and commercial buildings. We look forward to working with the Victorian Government in the implementation of the new regulations, leveraging the respective capabilities and resources of both levels of government to ensure the best outcomes for Merri-bek and Victorian communities.

Should you require further information please contact Victoria Hart, Manager Sustainability & Climate vhart@merri-bek.vic.gov.au

Your sincerely,



Pene Winslade
DIRECTOR PLACE AND ENVIRONMENT

⁴ Lynch, A., Oke, C & A. Leavesley. *State of play: Local governments and city networks accelerating climate action in Australia*. ICLEI Oceania. June 2021

⁵ Energy Consumers Australia, [Stepping Up: A smoother pathway to decarbonising homes](#), 2023.