

16.May.25 V4

Working with apartment and strata communities

1. A handbook for local governments

Prepared for
City of Melbourne

**LET ME
BE FRANK.**





FOR THE PLANET



Let Me Be Frank developed this report on Aboriginal lands of the Wurundjeri and Dja Dja Wurrung people, whose sovereignty was never ceded.

We recognise that First Nations people have deep knowledge and experience of resilience and sustainability that is critical to heal Country, people, and communities. Despite the ongoing impacts of colonisation, First Nations people are still generously sharing knowledge and working towards reconciliation and treaty. For this, we pay our respects and deep thanks to First Nations elders past and present, and extend this to all First Nations people. We endeavour to learn from and lift up First Nations expertise in our work.

We live, work and play on Aboriginal land. 1% of our income is paid to Traditional Owners. We encourage everyone to Pay the Rent.

Let Me Be Frank is a member of 1% for the Planet. We donate 1% of our annual income to environmental organisations. We are proud to be part of a global network that is accelerating smart environmental giving.

Every year we work to reduce our emissions. Emissions we can't avoid are offset with Greenfleet.

Our donations and emission offsets, along with a summary of our achievements, are reported in our [annual Accountability Reports](#).

Cover photo by [Thijs Gardner](#).

Disclaimer: This document and the information it contains was current at the date of publication and may not reflect events or circumstances which occurred at a later date. The content of this document was developed using the best available information and in good faith. AI was used to generate the rental real estate agent graphic on page 31 and to find reputable references for information relating to embedded networks in Victoria. Let Me Be Frank and our collaborators cannot be held liable for the accuracy of the information presented in this document. This document is not intended to provide legal advice or guidance.



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Purpose and approach

Despite the rapidly growing trend towards apartment living in Australia, there is a worrying lack of information and support to deliver the sustainability and adaptation retrofits we need to ensure liveability for people in apartment and other strata titled communities.

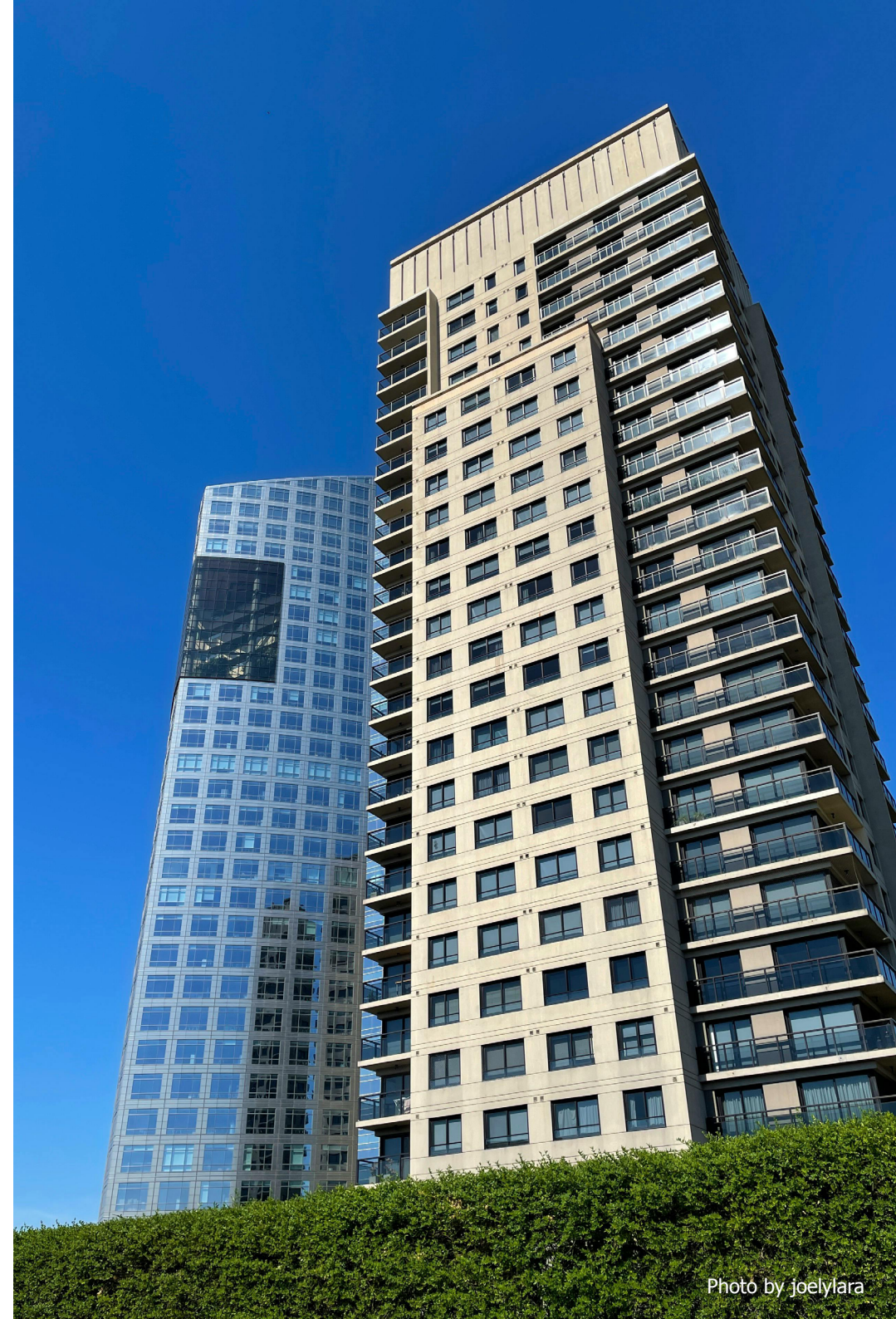
The vast majority of home sustainability advice focuses on stand-alone dwellings and fails to acknowledge the complexities unique to apartment buildings, including the technical challenge of selecting the right retrofits, navigating strata regulation, and the importance of community connection in facilitating good decision-making.

This Handbook focuses on working with and supporting existing buildings and their associated communities, those living in the building and those who own in the building but live elsewhere. It has been developed as a briefing document to ensure staff within City of Melbourne (CoM), along with partners and collaborators such as Melbourne 9 (M9), the Northern Alliance for Greenhouse Action (NAGA) and other inner Melbourne councils:

- Have a shared, foundational understanding of apartment building communities and the strata sector in Victoria
- Can learn and springboard from existing and previous project experience here in Victoria and in New South Wales
- Understand the intersection between governance, decision-making community cohesion, and the capacity to upgrade buildings

Outside of this, the Handbook can also be an invaluable resource for State Government departments and other stakeholders wishing to collaborate with people living or owning in apartment buildings.

Important note: The Victorian Owners Corporation Act is due for review no later than December 2026. Should amendments be made, parts of this paper may need to be updated.



AUTHORS, CONTRIBUTORS AND SUBJECT EXPERTS

The author and contributors to this report bring together lived experience as owners and renters in apartment buildings; deep expertise in strata management; sustainability and energy program design, delivery and evaluation; advocacy, and working with local government. The handbook is backed by desktop research and interviews with council staff.

Amy Brand, Let Me Be Frank (author)

Holding qualifications in business, sustainability, and group facilitation, Amy has co-authored numerous climate emergency strategies for local government, designed and delivered residential sustainability programs, and regularly runs consultations to understand the needs and wants of communities. Amy previously led the City of Melbourne's residential sustainability programs, and then the national Smart Blocks sustainable strata project on behalf of City of Melbourne, City of Sydney and Strata Community Association. In 2023 she managed the Unlocking Sustainable Strata project followed by the High Life Expo in 2024, in partnership with local governments, the strata industry, and her Let Me Be Frank colleagues.

Dr Janette Corcoran, PhD., MSc., BBus, Director, Owners Corporation Network (contributor and subject expert)

Janette specialises in the field of social economics, and she has used her PhD from Monash University in her work with For-Purpose Organisations in the development and higher education sectors, both in Australia and internationally. Janette also brings a blend of hands-on experience gained from her role of Chair of a large mixed-used strata complex. It was her experience of directing this complex during COVID-19 that highlighted the array of regulatory challenges and deficiencies endured by residential strata. This served as motivation for her to join the Owners Corporation Network Board, where she envisions elevating advocacy efforts, fostering cross-sector engagement, and implementing initiatives for the betterment of strata-living.

Julie McLean, Strata Community Association Vic (contributor and subject expert)

Julie has over 25 years' experience in the building construction industry. She operated her own successful strata management business for over 17 years with Ace Body Corporate Management. Julie is considered a subject matter expert and regularly presents government, council and peak industry events on the topic of strata management and communities. Julie has served as the Strata Community Association Victoria (SCA) President and continues to serve on SCA committees. Julie is Victoria's longest serving advocate for sustainability in strata, having been part of the team who conceived of and delivered the Smart Blocks program.

Kate Nicolazzo, Let Me Be Frank (contributor and subject expert)

Kate's eclectic background across health and sustainability in the public and private sectors has given her the opportunity to work at every level of a strategy, program and change process from conceptualisation and design to on-the-ground implementation. Kate's experience includes the development and delivery of Victoria's largest resource efficiency program for small to medium businesses Grow Me The Money with the Victorian Chamber of Commerce and EPA Victoria; launching CarbonDown with Sustainability Victoria; stabilising and preparing Yarra Energy Foundation for growth as its CEO, heading up business development at the Moreland / Australian Energy Foundation, expanding energy advice services into NSW and SA; and serving as the secretary and Treasurer on the inaugural board for Beyond Zero Emissions. More recently, Kate established Let Me Be Frank where she and her team co-create strategy, culture, and action with businesses, communities, and governments who want a just future now, for people and for the planet.

Terms you need to know

Understanding the following terms will make it easier to comprehend this paper and work with communities associated with apartments, units and townhouses.

Administration fund

A fund established by an owners corporation to cover the day-to-day costs and recurring expenses of the property.

Body corporate

See owners corporation.

Building or facilities manager

In general, the facilities or building manager helps take care of the common property. They do not generally have a decision making role but may hold useful information about the building on behalf of the owners corporation.

In the apartment sector, this role is not well defined and will vary significantly based on the size and complexity of the building. Most small buildings will not have a dedicated facilities or building manager at all and the committee takes on this role.

Common property

Common property includes any parts of the land, buildings and airspace that are not lots on the plan of subdivision. It may include gardens, passages, walls, pathways, driveways, stairs, lifts, foyers and fences. The common property is collectively owned by the lot owners as tenants-in-common.

Company title

An alternative and less common form of apartment ownership compared to strata titled ownership. Each owner owns a parcel of shares in a company established under the Commonwealth Corporations Act 2001. This company owns the land and the building. Each shareholder is entitled to exclusive occupation of a flat, but is subject to the company's constitution and any by-laws. A company title otherwise operates in the same way as a strata scheme.

Estate agent

A licensed professional authorised under the Estate Agents Act 1980 (Vic) to act on behalf of property owners or buyers in the sale, lease, or management of real estate. Estate agents are commonly the first point of contact for individuals buying, selling, or renting property, including residential apartments. Estate agents may provide services such as appraising property, marketing, negotiating contract terms for sale or lease, conducting inspections, collecting rent, and managing rental properties in accordance with Victorian tenancy laws.

Levies or fees

Strata levies (fees) must be paid by all owners as a contribution towards the administration, management and upkeep of the strata scheme (property).

Things typically paid for via strata levies includes insurance, upkeep of gardens, lift servicing, communal cleaning costs, common utilities, and the management fees charged by the owners corporation management companies.

Lot

A lot is a part of land, buildings and airspace on a plan of subdivision that can be separately owned and sold. In the residential sector, lots are usually a unit, apartment or townhouse. Technically, lots are those parts of land, building or airspace that are not common property, road or a reserve, and include accessory lots such as car spaces, storage bays, and storerooms.

Lot entitlement

Refers to the share of ownership of the common property and determines voting rights. Lot entitlement is usually determined by the size or value of the strata-titled lot. A large lot for example, may entitle an owner to more than one vote within the owners corporation.

Entitlements are determined by the developer at the time of subdivision and set out in the plan of subdivision. They can be changed by unanimous resolution.

Lot liabilities

Determines how much each owner must contribute to the owners corporation expenses. If a lot has a higher liability compared to others, that owner will pay a larger share of the owners corporation's expenses. For example, an owner with a large three bedroom apartment may have a larger lot liability than someone with a bedsit apartment. The system ensures costs are distributed fairly among property owners based on their relative stake in the property.

Liabilities are determined by the developer and set out in the plan of subdivision. They can be changed by unanimous resolution.

Lot liability and lot entitlement are usually, but not always the same.

Model rules

See rules.

Motion

One step in the decision-making process. A motion is a proposal for a decision on a certain matter to be voted on.

Multiple owners corporations

Common in large multi-storey buildings, commercial properties, mixed use (developments that combine residential and commercial lots) or large master planned developments.

Owners corporation

Made up of all lot owners. An owners corporation (formerly body corporate) jointly owns and is responsible for the common property of a residential, commercial, retail, industrial or mixed-use property development.

Owners corporation committee

An owners corporation or strata committee is elected annually at an AGM and is appointed to act in the interests of the owners corporation in managing the common property representing the interests of the collective of owners (the owners corporation) and carry out certain decisions on their behalf.

The committee makes all the business and community decisions required to be made between AGMs. If a Strata manager is not appointed, the committee is generally the first point of contact for individual owners if they have a strata related matter to discuss. Individual owners should also bring common property maintenance matters to the attention of the committee.

In Victoria most committee members are unpaid administrators who do a huge amount of work on behalf of their owners corporation and for the benefit of all owners and residents.

Owner portal / owners corporation portal

Secure online platforms that allow strata managers and owners to access core information about their property and owners corporation. Owners corporation rules, levy notices, maintenance requests, meeting minutes, financial statements, and plans of subdivision are examples of items stored on or processed via portals.

These portals are typically provided by the owners corporations management company, using their own or third party platforms. There are also self-management platforms, that offer portal services.

Plan of Subdivision

This Plan provides essential details about the property, including its size, shape, and boundary dimensions. It also highlights any plan-based restrictions on the property that might regulate what can or can not be done with the land, such as easements, or covenants.

A Copy of Plan typically includes:

- The diagram location of the property
- Property size, shape, and boundary dimensions
- Angles and lengths of lot boundaries
- Any existing easements over the property
- Covenants containing specific restrictions or requirements tied to the property, or references to the Memorandum of Common Provisions that contains restrictions or requirements

Prescribed owners corporations

As of 2021, this term is redundant, replaced by Tiers. See Tiers.

Resolution

One step in the decision-making process. A resolution is when a motion is formally adopted by the owners corporation.

Rules

All owners corporations have rules for the control, management, administration, use and enjoyment of common property and lots. The rules cover matters relating to shared concerns like security protocols, parking and noise.

There are model rules set out in the Owners Corporation Act. If an owners corporation does not make a rule covering any item in the model rules, then the model rule applies.

A developer may create other rules for the owners corporation which are recorded with the plan of subdivision. An owners corporation may create more rules once it is established.

Scheme

A strata scheme is a building or group of buildings that has been divided into 'lots' which may be individual apartments, office, industrial, commercial or retail units, townhouses or houses. When a person buys a lot, they also share ownership of common property with other lot owners.

Special fees

Special fees or charges cover extraordinary or unexpected expenditure. For example urgent building repairs, building upgrades, or unexpected legal action against the owners corporation.

If the amount of the proposed special fees is more than double the amount of the owners corporation's annual fees, it must be approved by a special resolution (see Decision-making 101 section for more information about resolutions)

Strata / owners corporation manager

Strata managers are employed to help with the administration of the owners corporation and building.

It is their task to work with the committee and owners corporation to ensure the buildings and common areas within a strata titled or community titled scheme are properly maintained for the benefit of all lot owners. This may include conducting meetings, collecting and banking levies, arranging property maintenance, advising on asset management, placing insurance and keeping financial accounts.

Strata managers must follow instructions issued by the owners committee / owners corporation.

Strata title

Each unit in a block or multi-unit complex is individually owned by the resident. In addition, all the owners in the building or complex have shared ownership of the common property, which is managed by an owners corporation.

The term Strata is also used generically to collectively describe body corporate, strata, company, stratum, community title and owners corporations.

Tiers

Describe different sizes of owners corporations. Under the tiered system (established in 2021), larger owners corporations are subject to more stringent regulations than smaller ones.

Tier 1 - More than 100 occupiable lots (and not 'services only')

Tier 2 - 51 to 100 occupiable lots (and not services only')

Tier 3 - 10 to 50 occupiable lots (and not services only)

Tier 4 - 3 to 9 occupiable lots (and not a services only)

Tier 5 - Two lot subdivision or services only.

Services only refers to an owners corporation that has no land or building designated as common property and either the initial owner of the subdivision has arranged for a utility company to install common meters that are designated as the common property; or the subdivision has a common supply or common service that is unmetered.



Apartment building communities in the City of Melbourne and Victoria

Take a look around Melbourne today and you will see the city of the future. It is already built. Around 80 per cent of today's buildings will still exist in 2050. The majority of apartment buildings are not climate resilient, all-electric or zero carbon so a focus on building upgrades and community creation is essential, but complex.

The UNSW City Futures Research Centre estimated that nearly 1 in 5 Victorians live in a strata titled building (2022). However, the actual scale of strata communities is much larger as it includes rental providers who own an apartment building but live off-site, a large cohort of stakeholders given that 45 per cent of Victorian apartments are rented out.



Photo by Pat Whelen

CITY OF MELBOURNE STATISTICS

Residential accommodation is now the largest space use within the City of Melbourne, followed by office and public open space.

While other key space uses have remained relatively static over the last 20 years, residential accommodation has grown steadily year-on-year. According to [CLUE data](#), Residential Accommodation floorspace in 2003 was only 3.44 million square metres. As of 2023 it had grown to 9.79 million square metres. This represents 184.3 per cent growth over 20 years.

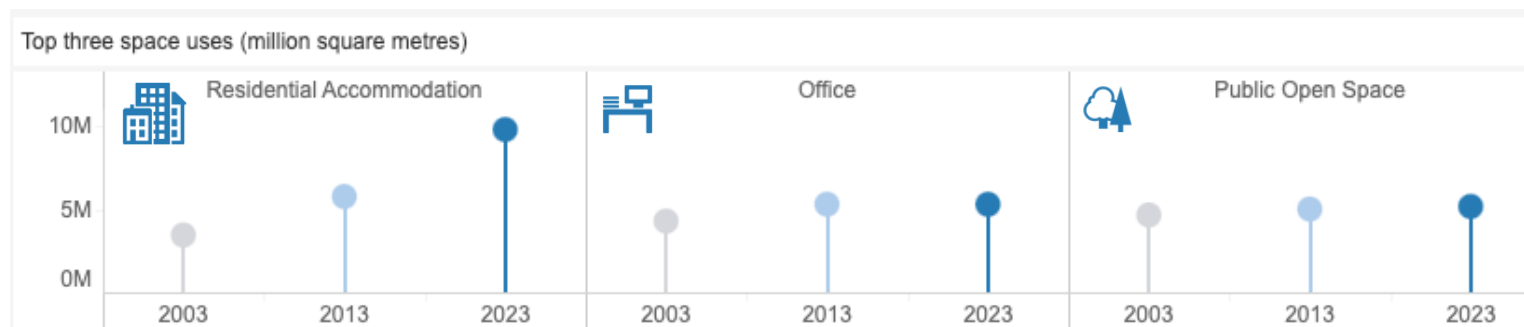
Following, the proportion of rates income from the residential sector is growing towards being on par and then likely outstripping commercial and industrial. In in 19/20 FY residential rates income accounted for 42 per cent of rates income. By 2021/22 FY, this had already increased to 44 per cent.

As of 2021 the City had a resident population of 149,615 living in 103,363 dwellings. 97.5 per cent of the dwellings were medium (12.2 per cent) or high (85.3 per cent) density. 'Medium density' includes all semi-detached, row, terrace, townhouses and villa units, plus flats and apartments in blocks of 1 or 2 storeys, and flats attached to houses. 'High density' includes flats and apartments in 3 storey and larger blocks, including the new categories for 4-8 storeys and 9 storey or more. The data also showed that 59.5 per cent of households were renting privately. The ABS estimated resident population for 2024 was 189,381, a rapid 26.6 per cent growth since 2021.

Research by [UNSW](#) in 2022 indicates that City of Melbourne has 1,667 strata schemes, 116,578 lots, and that the average scheme size is 69.93 lots.



UNSW data analysis of City of Melbourne municipality, 2022



City of Melbourne CLUE data showing top three floorspace

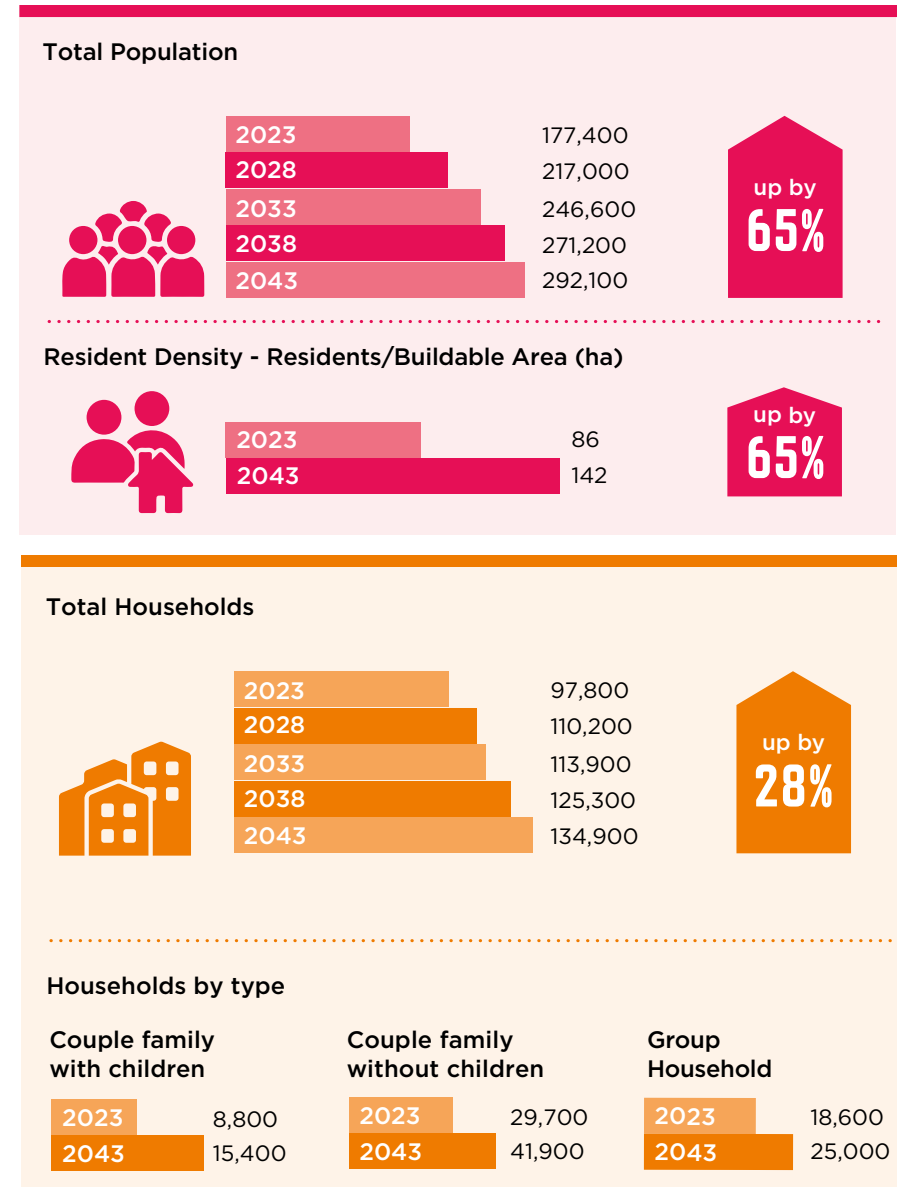


Looking forward

The impact of apartment building communities, and vice versa, in the City of Melbourne will only continue to grow.

City of Melbourne forecasts show by 2043 the number of people living in the City is expected to increase by 65 per cent and reach over 292,000. To house this population increase, the City will see over 37,000 new dwellings built, most of which will be apartments.

The City's sizable apartment community, represents residents and rate payers. Beyond that it also provides a huge amount of employment within the City and surrounds, creating sustained work in roles such owners corporation managers, facilities managers, cleaners, trades people, lawyers, surveyors and other service providers.



City of Melbourne Forecast
2023-2043



VICTORIAN STATISTICS

Victorian statistics relevant to the strata and apartment sector are outlined over the following two pages.

Because of the terminology specific to this topic, it's important to understand the difference between 'strata' buildings and 'apartment' buildings.

'Strata', short for Strata Title refers to the governance framework under which the building is managed.

'Apartment' refers to the physical typology of the building in which the apartment is located. According to the Australian Bureau of Statistics, apartments are defined as blocks of dwellings that don't have their own private grounds and usually share a common entrance, foyer or stairwell.

Not all apartment buildings are managed under strata title. For example, some are managed under a Company title, however this is no-longer common in Victoria.

Not all strata titled buildings are apartment buildings. Units, townhouses, commercial buildings and even some gated communities are managed under strata title.

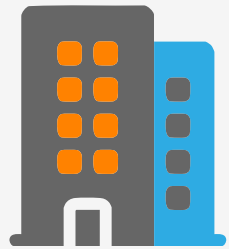


Residential Development at Beacon Cove Port Melbourne. Source: Wikimedia Commons

IN VICTORIA

Source: 2024 Australasian Strata Insights, UNSW City Futures Research Centre and SCA

HOW MANY PEOPLE LIVE IN STRATA?



501,781

Private apartment residents*



770,298

Residents in other dwelling types**

18%

of Victorian residents live in strata**



**Conservative estimate derived from analysis of land titles data on strata and community schemes and census data on dwellings, households and individuals.

*2021 census data.

PROPERTY VALUE

Total insured value of schemes



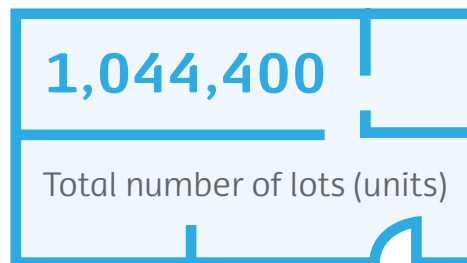
Estimate based on data provided by strata insurers who insure 43% of all strata and community lots in VIC.

NUMBER OF STRATA SCHEMES & LOTS



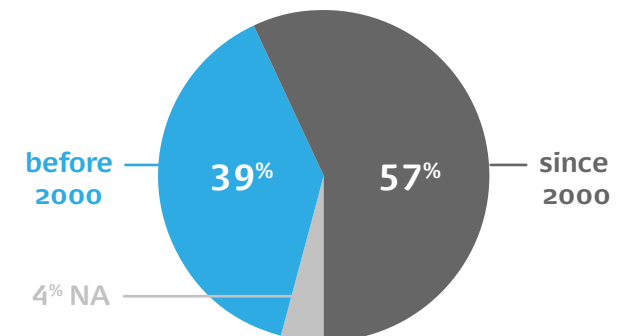
128,896

Total number of schemes (developments)



Data obtained from Land Use Victoria up to September 2024 and includes both commercial and residential/mixed use community title and strata schemes.

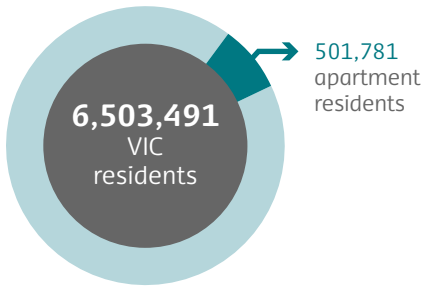
Schemes registered



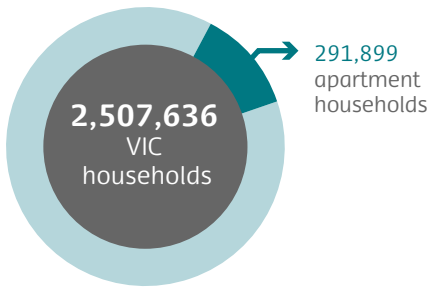
IN VICTORIA WHO LIVES IN APARTMENTS?

Source: [2024 Australasian Strata Insights](#), UNSW City Futures Research Centre and SCA

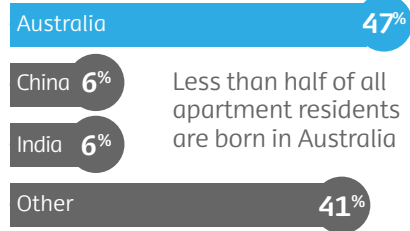
8% of the population live in an apartment



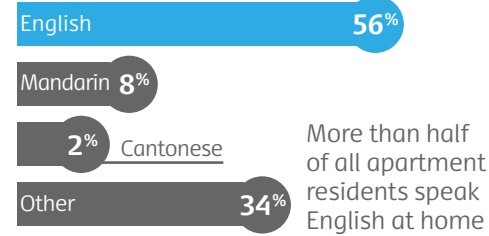
12% of households live in an apartment



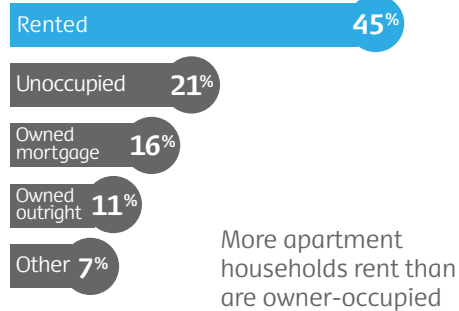
Country of birth



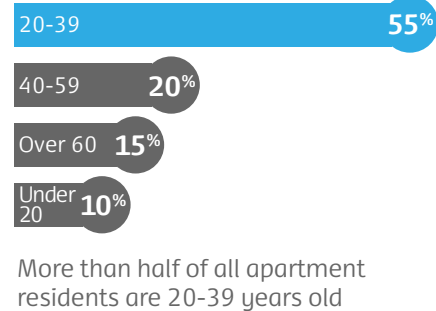
Language spoken



Tenure



Age



DIRECT EMPLOYMENT



752
full-time strata managers

1,299
other employees

Total staff employed at strata management companies that are members of SCA. These companies manage 50% of lots in VIC.



INTERSECTIONS BETWEEN LOCAL GOVERNMENTS AND STRATA COMMUNITIES

All Victorian councils broadly have similar roles and responsibilities, and derive their power from the same legislation, however not all municipalities are the same.

In Victoria, local government is established by an Act of state parliament – the Local Government Act 2020 – which specifies council powers, duties and functions. Under this Act, Councils have autonomy to provide services that meet the needs of their local community, and will establish a range of discretionary processes, including local laws, to guide certain activities that can occur within their municipality.

This ability is particularly important within the context of City of Melbourne. As a capital city council, home to Melbourne’s Central Business District (CBD), and governed by its own separate Act ([City of Melbourne Act 2001](#)), the City of Melbourne is distinguishable from many other local councils in term of its social and economic make up. And following, the serviced needed by its community and rate payers.

In terms of apartment living, the following are some examples of the intersections are outlined in this chapter.

1. Waste and Resource Management

- Waste education: Despite council education programs, owners corporations are left with the day-to-day task of educating residents (from diverse backgrounds) about waste sorting and general recycling regulations.
- Waste services: Despite council programs, space limitations typically mean waste solutions and services like composting and green waste are not suited to apartments. The task of designing and funding waste management ultimately falls upon owners corporations to investigate and trial approaches that work for their building. The possibilities for solutions is heavily impacted by the building design, a developer decision signed-off via council planning processes.
- Managing waste overflow from major events: Particularly in the City of Melbourne, many public events are held near to high density apartment buildings (such as NYE in Docklands). While event organisers are active in managing onsite waste, the privately-owned publicly accessible spaces of nearby apartment buildings require additional cleaning and collection activities as a direct result of events. This process is managed by the owners corporation and the added cost absorbed by apartment owners.

2. Local Regulations and Community Wellbeing

- Short-term rental regulations: While the Victorian State Government has passed legislation that allows owners corporations to prohibit some short stays (i.e. via special resolution), many residential buildings will continue to have short stays operating. Many councils provide support to owners corporations via local registers and local regulations. However, short stays continue to be a major cost and administrative burden for owners corporations for things like insurance claims, disputes (e.g. noise), anti-social behaviour. Most owners corporations are ill equipped to manage and/or enforce better outcomes for residents.

- **Pet management and registration:** Owners corporations rely on council regulations to help them manage issues with pets, such as noise, overcrowding, and animal welfare. City of Melbourne currently has no limits on the number of dogs permitted in apartments. As a result, each individual owners corporation must go through lengthy processes to set rules around pet ownership or manage issues on a case by case basis. This is an example of an issue that could be solved at scale by the City.
- **Event permits and management:** Major events often impact nearby apartment residents via issues like noise levels, rubbish, antisocial behaviour, road closures. Issues arise not just during the event but also during bump in / out periods (which typically occur in early morning). This leads to resident complaints to owners corporation committees and council, and following a need to negotiate around better scheduling and event management practices. There is also a cost implication for owners corporations, in particularly related to cleaning and repairs.
- **Dispute resolution:** Councils have a role in dispute resolution related to issues like noise and smells. By default, owners corporations get caught up in these issues, with committee members often playing a role between residents and/or between residents and council.
- **Connection and wellbeing:** Council have a role to play in community wellbeing. By default, owners corporations share this role as personal issues related to the mental health of owners or occupiers can have an impact on the building overall (for examples, hoarding or acute mental health episodes). A degree of community connection and cohesion is an essential element of a well functioning building and owners corporation.

3. Planning and Building Services

- **Planning approvals:** Owners corporations can experience significant delays in obtaining council approvals for essential repairs, maintenance and renovations. Waiting for Council planning approvals can expose apartment residents and visitors to risks, and following expose the owners corporations to legal action. There could be opportunities to streamline approvals for urgent works.
- **Cladding rectification processes:** Councils are responsible for issuing cladding compliance notices, while owners corporations are responsible for delivering cladding upgrade within their own building. Many owners corporations have found navigating the funding and approvals process to be complex.
- **Section 173 agreements:** Agreements made between councils and developers under section 173 of Victoria's Planning Scheme, have a direct impact on owners corporations. They can leave owners corporations responsible for publicly accessible open space or toilets that would under normal conditions, be managed by a council. There are likely opportunities for more careful use of section 173 and joint management solutions between owners corporations and councils.

4. Safety and Emergency Management

- **Fire safety approvals:** Apartment buildings can face lengthy approval processes for fire safety upgrades. This can expose residents, visitors and ultimately the owners corporation to risk and the possibility of litigation.
- **Emergency access:** Large-scale events and road closures can restrict access for emergency services to apartment buildings, which makes preparing for emergency events more complex for owners corporations.
- **Managing pedestrian crowding:** During large events, pedestrian movement can spill onto apartment building private property. This requires crowd management beyond the owners corporations authority. Council has a management role, making this another potential collaboration touch point.

5. Environmental and Sustainability Initiatives

- **Energy efficiency, renewable energy and electrification upgrades:** Most inner Melbourne councils have ambitions to reduce energy use, increase renewable energy generation and ultimately achieve zero emissions. Many apartment owners and residents share these goals, and/or are seeking avenues to reduce utility costs. There is currently a lack of support for owners corporations to navigate the complexities of delivering these upgrades. While most councils have support programs for standalone homes, there is a gap when it comes to supporting apartment communities.
- **Electric vehicles:** Most inner Melbourne councils are encouraging the switch to EVs. Councils are needing to find their role in and help deliver EV charging solutions. Owners corporations are facing similar challenges, compounded by the issue of unclear regulatory guidance around fire risk and mitigation requirements under the Building Code. Given this, there are opportunities to look at this public / private space intersection as part of the solution.
- **Active transport:** Again, most inner Melbourne councils are encouraging active transport and are working to improve walk and ride ability, as well as provide bike parking solutions. Following, owners corporations need to adapt to these changing transport modes, trying to upgrade to accommodate bike parking, while managing safety risks associated with e-bike battery charging (and associated fire risk) and bikes blocking paths that must remain clear for the safety of other residents and building users. Again, this requires specialist planning to design safe, and fit-for-purpose solutions.

6. Inclusive Design

- **Accessibility upgrades:** Many apartment buildings lack features such as ramps, automatic doors, and accessible lifts, making them difficult to navigate for residents with disabilities or those wishing to age in place. Accessibility is of course also a big issue that councils address. Like councils, most owners corporations do want their buildings to be accessible and welcoming to a diversity of residents and visitors. However, improving accessibility is a specialised skill, requiring expert advice, implementation, and ultimately significant expense to complete upgrades. Accessibility also links to resident safety, particularly during extreme weather events, fires, flooding and other emergencies. Currently there is little coordination or support between councils and owners corporations when it comes to ensuring cities are accessible, despite the common interest.

7. Resilience in Residential Strata

- **Managing extreme weather and disaster preparedness:** Both councils and owners corporations must prepare for extreme weather events. Here then is another shared issue where owners corporations and councils could better coordinate. To date, most council information and response programs are not tailored to the unique needs and challenges of apartment building communities. For example apartment buildings, particularly large buildings have a heavy reliance on power for mobility via lifts and for water systems. This needs consideration in council and emergency services evacuation response plans and coordination with owners corporations to ensure residents do not become stranded due to a lack of provision for vertical evacuation assistance.

SUSTAINABILITY AND CLIMATE RESILIENCE IN APARTMENT BUILDING COMMUNITIES

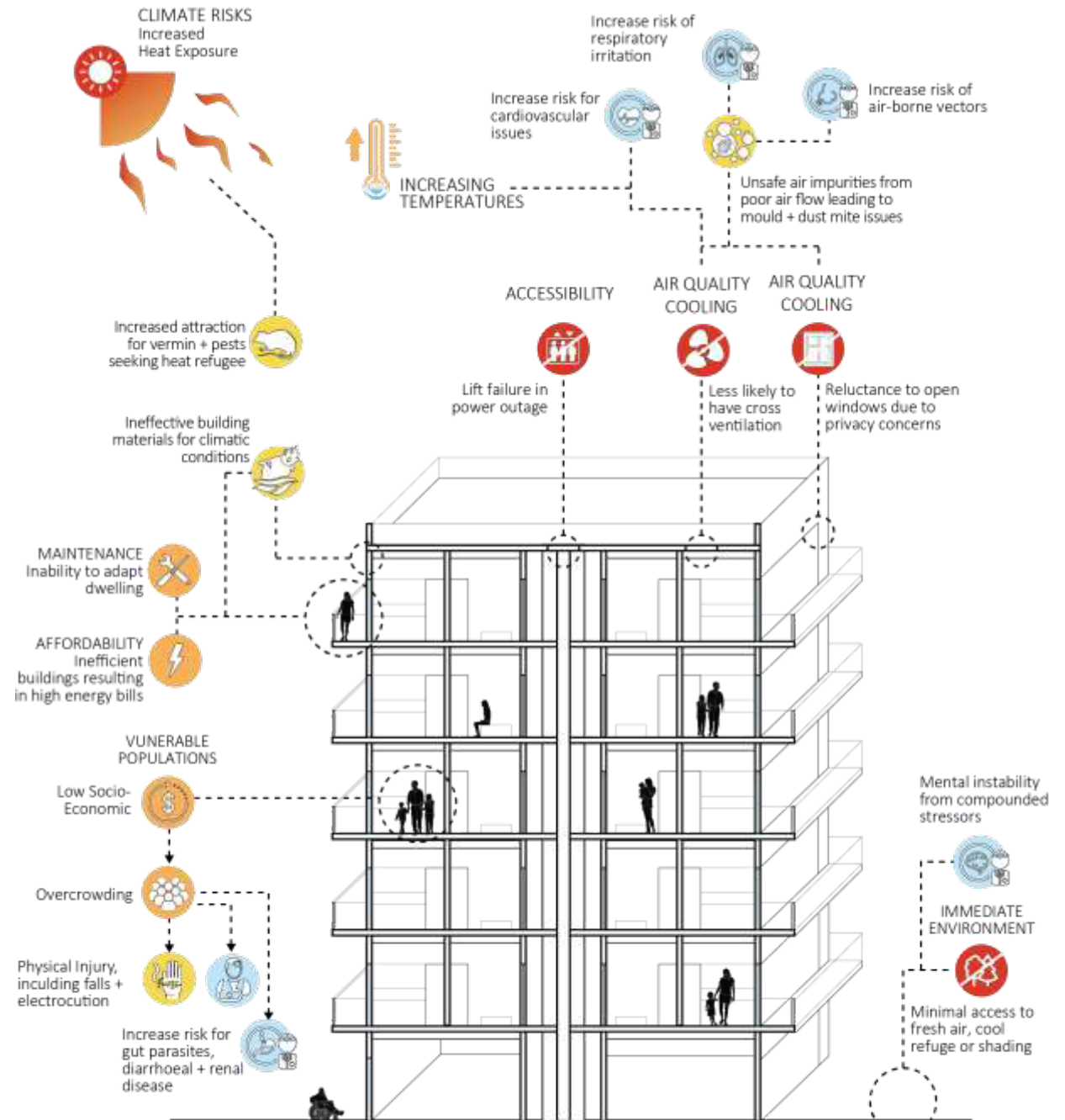
Existing apartment buildings are not ready to withstand current and growing climate-related pressures. Australian building standards lag behind international best practice for sustainability and climate resilience and according to an Australian Housing and Urban Research Institute (AHURi) report, less than 5 per cent of newer apartment buildings meet minimum sustainability standards, with many older apartment buildings falling well short.

Apartment building communities are vulnerable to heat and other climate-related risks

University of Melbourne research released in 2017 showed that if a heatwave hit and the power blacked out, most apartment buildings would bake, with indoor temperatures quickly exceeding international health standards.

Poorly positioned thermal mass and glazing orientation are the main elements that determine peak temperature during a heat wave. The results also show that thermal mass, is responsible for sustained high internal temperatures during a heat wave, (e.g. overnight) leading to night time discomfort.

Since 2017, standards for new buildings have strengthened but they are still not robust enough, and little has been done to support the retrofitting of existing apartment buildings. In short, people living in apartments are highly exposed to a wide array of climate-related risks (see diagram to the right).



Climate-related health risks of apartments. Source: Climate Change, Housing, and Health Report. NSW Adaptation Research Hub, The University of Sydney and the NSW Department of Planning, Industry and Environment.

It's an equity issue - apartments house renters, migrants, and people with a lower income.

According to a [2023 report from AHURi](#), apartments in Australia are more likely than other dwelling types to house renters. Nationally 65 per cent of all apartments are rented and 27 per cent of all Australian renters live in apartments, despite apartments making up only 13 per cent of all dwellings (ABS, 2017). For private apartments (excluding social housing), almost half (48 per cent) are rented compared to 26 per cent owner occupied (with the balance unoccupied or used for other purposes).

Private apartments are also more likely to house migrants (57 per cent), people who speak a language other than English at home (50 per cent) and single-person households (35 per cent) (Easthope et al. 2018). Private apartments also house a substantial proportion of lower income households. Of all private apartment households living in buildings of four or more storeys, 39 per cent have a household income in the bottom two quintiles (Easthope et al. 2020a).

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In Victoria, 45 per cent of apartments are home to renters, lower than the national figure. Regardless, it's clear that councils with a significant proportion of apartments in their municipality that wish to centre equity, must have a clear, tailored focus on apartments within their programs and initiatives.



Resident vulnerability in lift outages

In 2022, multiple apartment buildings on the Brisbane River were inundated as rapidly rising flood waters caused extensive damage to key plant and equipment and vehicles located in basement level car parks. Many apartment building communities were impacted, and those with strong mobility were able to enter and exit their homes via long flights of stairs. For those with mobility issues, it was a different experience.

[Channel 7 News reported](#) that Barbara Moody, resident in a 15th floor Fortitude Valley apartment was stuck in her home for 15 days. With the lift out, her only option was to navigate 32 flights of a stairs, an impossible task for her, given her chronic health condition.

High rise often equals high energy

Data collected through City of Sydney's, Smart Green Apartments program found that around 25% of administrative fund levies are spent on utility bills alone.

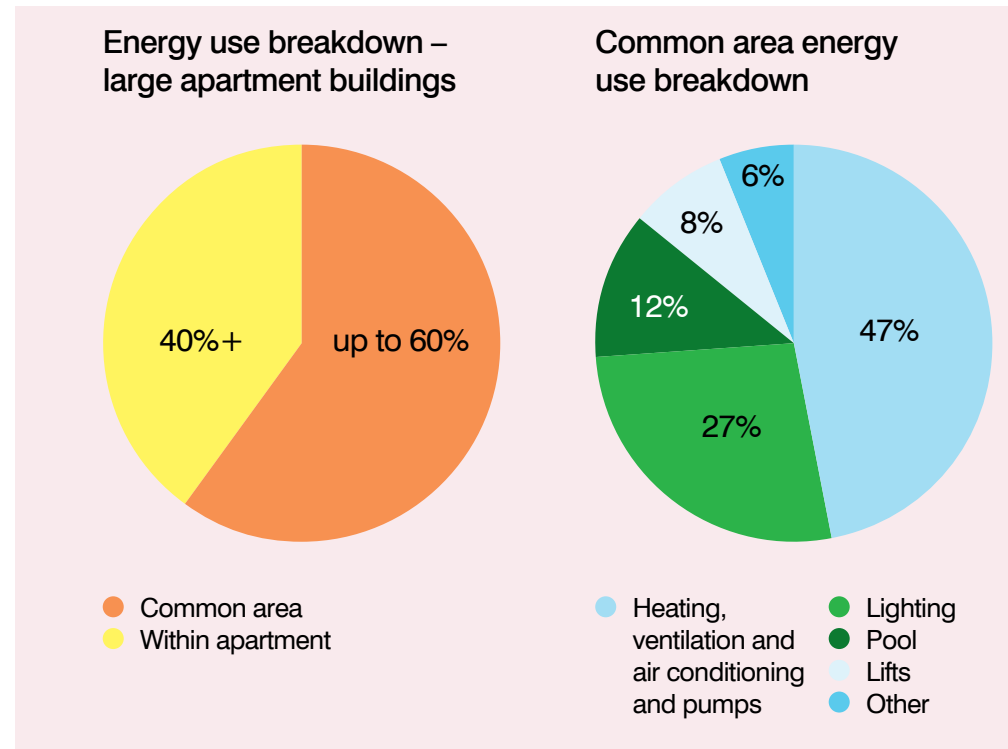
According to the Energy Efficiency Master Plan – Foundation Report, Pitt & Sherry (2015), high rise apartment buildings are consuming around 38% more energy per square metre than low or mid rise. While this finding is now more than 10 years old, because of the lifespan of buildings, it is likely still relevant in many buildings.

According to NABERS, apartment owners can slash their energy and water costs by around 30% by assessing their building's performance with a NABERS rating, and implementing the findings.

Building upgrade opportunities

When considering upgrades both the apartments themselves, and the common area must be considered.

According to the Energy Guide for Apartment Buildings (City of Sydney), common areas can account for up to 60 percent of energy use, with heating, ventilation, air conditioning and pumps being the biggest energy users.



Energy use in apartment buildings. Energy Guide for Apartment Buildings, by City of Sydney

While picking the perfect upgrade for each building or apartment's unique application can be challenging, in general, we know what upgrades, tuning and maintenance needs to occur. Upgrades typically needed include:

Common areas

- Install solar
- Maintain solar panels
- Tune the building (ensure control set points are reset, based on demand and service equipment to maximise performance)
- Switch to LED lighting*
- Switch to efficient electric water heating (e.g. centralised hot water heat pump)
- Upgrade to an efficient air conditioning and ventilation system
- Install or ensure sensors are working correctly on lighting and ventilation systems
- Establish a community garden
- Increase green infrastructure
- Install a Building Management System (BMS)
- Upgrade waste room set up and resident education
- Install bike parking*
- Install or enable electric vehicle charging
- Upgrade to double glazed windows
- Check the building for water leaks
- Switch to GreenPower or renewable energy through a Power Purchase Agreement
- Install a pool cover

Apartments

- Switch to LED lighting*
- Upgrade to an efficient electric hot water system
- Reduce water use by installing low flow appliances and tapware*
- Buy efficient electric appliances
- Switch to efficient electric cooking
- Switch to efficient electric heating and cooling
- Draught proof the apartment
- Install external or internal shading
- Install blinds, or curtains and pelmets
- Switch to GreenPower

* If the building was constructed after 2005, these actions are unlikely to be relevant due to regulation updates.

Technology is not the biggest barrier

To retrofit buildings for sustainability and climate resilience, it is critical to remember that technology is not the primary barrier. We know what upgrades need to happen. Many owners also know what upgrades are needed but there are a range of hurdles related to governance, decision-making, financing, and a lack of tailored support, which are larger and more systemic blockers of progress.

The full range of barriers to improving sustainability and climate resilience in apartments and other residential strata buildings are explored throughout this guide.

Apartment and strata building energy guides

There are a range of resources available that provide apartment owners and owners corporations with initial guidance about what upgrades they could consider. Resources include:

- [Unlocking Sustainable Strata infographics for:](#)
 - [Townhouses](#)
 - [Low-rise apartments](#)
 - [Medium-rise apartments](#)
 - [High-rise apartments](#)
- [Unlocking Sustainable Strata Guide to Electrification](#)
- [Guide to Solar for Apartments](#)
- [NABERS for Apartment Buildings tool](#)
- [Energy guide for apartment buildings](#)

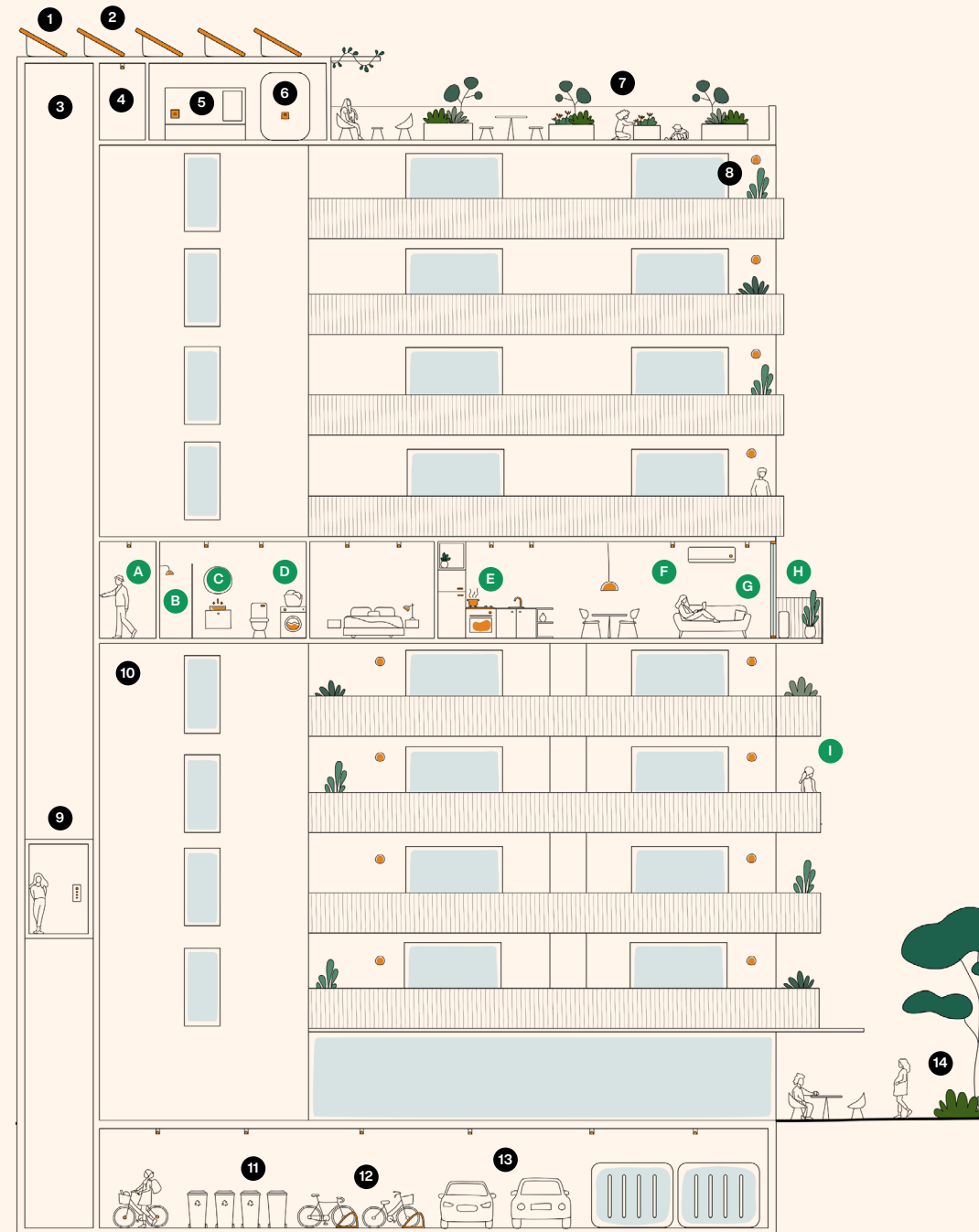


Illustration by Nayan Puri from [Unlock Sustainable Strata High-rise Apartment Guide](#) supported by City of Yarra, Merri-bek City Council, HIP V HYPE, and The Knight.

The proof is in the doing: case studies

There are examples of apartment building communities who have successfully completed energy upgrades and other sustainability projects locally and internationally. However, the case studies tend to be quite high-level. They do not capture the detailed journey or documentation about how success was achieved. Upgrades in apartment buildings usually take many years so tracking key success factors and collecting their stories in real time is a challenge we haven't yet taken up in Victoria. So, while the current case studies can inspire, they don't reveal a lot in terms of enabling other buildings to follow suit.

There is a gap in examples of whole of building upgrades, particularly those that have been delivered within the Victorian context. It will be important to pilot whole of building upgrades across typologies - addressing both apartments and common spaces - to provide confidence for other owners and owners corporations to follow suit.

It is also important to be aware that legislation and cultural norms have a huge impact on upgrade projects. Legislation is state based and as such, the details of how a project was delivered will not be 100 per cent applicable across state lines.

Two example case studies have been included over page. A larger range of apartment building upgrade project case studies can be found on the [City of Sydney website](#) and [High Life website](#).



International case studies

The [High Rise / Low Carbon Multifamily Report](#) by the Building Energy Exchange showcases 14 international apartment building retrofit examples.

The fourteen retrofit projects (which were hard to find!) resulted in significant energy and GHG reductions. A major passive house renovation of an emptied tower in Ontario, new heating and controls in an affordable Manhattan rental, replacing in-apartment fan coil units with air source heat pumps while tenants remained in place, incremental improvements in a

lower east side co-op over a ten year span, a completely new facade for an iconic Cambridge building, and many more, this diverse set of retrofit projects was able to achieve an average of 33% reduction in their site energy use intensity (EUI), with several cutting their energy use in half.

It should be noted that many of the examples presented are owned by a single entity, making the process much more straight forward compared to a strata titled setting. The legislation and cultural norms that underly the retrofits will of course also be different to the Victorian context.

CASE STUDY: OAKS HARMONY, SYDNEY



Photo care of City of Sydney

Oaks Harmony is a 21-storey building in Haymarket with 190 residential and 12 commercial lots.

Amenities include a heated indoor swimming pool, spa, sauna, gym, and games room.

The building also has centralised plant equipment that supplies hot water, space heating and cooling to individual apartments and common property.

In 2017, Oaks Harmony started looking for energy and water savings. The City of Sydney green building grants enabled the owners corporation to understand the building performance through obtaining National Australian Built Environment Ratings (NABERS). It identified opportunities to improve energy and water use through energy action plans.

Upgrades:

- Installed variable speed drives on the condenser water pumps
- Installed carbon monoxide sensors and adjusted the timers on car park ventilation fans, locking in a new contract with a gas retailer to get lower rates
- Completed a full lift refurbishment to more energy efficient machinery
- The building manager also consolidated contractors to provide a holistic understanding of the building's mechanical services.
- The company identified the source of heating and cooling issues and rectified it by using a timer, which led to fewer resident complaints and savings on repairs.

The upgrades slashed owners corporations energy bills by \$41,000 a year, and added another star to the NABERS energy and water ratings.

Oaks Harmony's building manager, Billy Glover, recognises the importance of maintaining the good results and consistently monitoring building performance.

Case study kindly supplied by City of Sydney.

CASE STUDY: HAINES ST, NORTH MELBOURNE



Photo care of LID Consulting

The dedicated owners corporation committee in this apartment complex do more than just maintain their building, they actively enhance it and connect their community.

The apartment complex comprises 33 units across 4 buildings. There are a mix of 3 and 2 bedroom apartments, an open undercroft for parking, 2 communal storage rooms, 2 gas and 2 electrical rooms, plus 3 rooftop clothes drying spaces. The building was designed with gas as the dominant form of energy.

The owners corporation have a strong vision to transform their 20th century building into a 21st century sustainable, affordable, family friendly inner-city community living space.

Greener landscape, connected community

The owners corporation successfully applied to the City of Melbourne's Urban Forest Fund for matched funds to transform the outdoor space. Urban greening principles were adopted to enhance the common space around existing car parks, slowing traffic and creating pedestrian only gardens. With a \$132,000 investment, 183m² of additional greening was planted across ground, canopy, and vertical walls.

"New owners regularly comment that the ground improvements made these blocks more attractive to buy than others," said Carla Campbell-Redl, Chair of the owners corporation committee.

A high-functioning committee unlocked this project

The successful completion of this project demonstrates the exceptional capacity of the owners corporation and committee. By pooling their skills and drawing on their professional capabilities, they achieved a major transformation. Getting buy-in from all the owners, applying for the grant, investing \$66,000 of their own funds, and devoting time to manage a complex two-year project is no easy feat. Especially given the committee are working in a volunteer capacity.

CASE STUDY: HAINES ST, NORTH MELBOURNE CONT.

Future thinking

The owners corporation was already aware of a range of sustainability opportunities, and many owners were already doing things such as installing double-glazing, using the City of Melbourne green waste and recycling services, and recycling batteries.

The committee would like to enable every apartment to become all-electric, but don't want to force anyone to make the transition before they're ready.

In 2016 the committee established that power to the building could be compromised if residents started installing electrical infrastructure over 25 amps in their apartments. In response, the owners corporation instituted a special rule requiring a 25 amp main circuit breaker in a flat that installs an air conditioner.

Given this experience, the committee was aware challenges were likely in their move towards an all-electric building. However, they were surprised by the scale and complexity of the challenges their investigations revealed.

The Owners Corporation Committee engaged a consultant to do a full assessment of the buildings' electrical infrastructure and requirements to transition to an all-electric building. This, in conjunction with insights from similar neighbouring apartment building indicates that:

- The local electricity grid can't supply enough power to the building for apartments to go all electric
- The electrical infrastructure within the building is insufficient to move the required volume of electricity into each apartment

To understand the power supply issue, the committee will need to work with a highly qualified electrical systems engineer and PowerCor, the electricity distributor. Current costs estimates indicate the committee will need to invest a further, \$5,500 just to answer the most basic of questions - can we get enough power from the grid to go all electric?

The challenge of being innovators

Carla, Richard, and Ying-Lan are the driving force behind the electrification and sustainability work at Haines St. They know that gas is on the way out and want to prepare for the future, but they are ahead of the curve and this is proving to be a challenge. The information they need isn't readily available.

So far the committee has invested \$14,000 on consultants and reports to understand their status regarding electrification and sustainability opportunities. Plus more than 1,000 hours of volunteer time.

What the committee would really like is a one-stop-shop where support is available to resolve their suite of cascading issues: the electricity supply to the property, the electricity distribution within the property, and advice about the best all-electric infrastructure to install. They also need finance solutions for the huge amount of work that lies ahead.

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Read the full case study. We would like to thank Carla Campbell-Redl, Ying-Lan Dann, and Richard Keeble for generously sharing their story and for the incredible work they are doing to help pave the way for electrification in their building, and no doubt, many others.



Park Street (by Milieu).
Photo by Ben Moynihan

It's easier in apartment buildings with one owner

Of course retrofitting apartment buildings with only one owner (as opposed to a strata titled apartment building) is much easier. While these examples don't help overcoming the primary barriers to upgrades, they do help with proof of concept when it comes to electrification.

Here are two recent, local examples:

Wilam Ngarrang Apartments Retrofit (by Tripple) - Wilam Ngarrang is a minimal intervention retrofit of a 1970s apartment block in Fitzroy and Australia's first plus energy retrofit of an apartment block. Meaning, the building generates more energy than the renters inside need, thanks to a 33kW rooftop solar system. The purpose of transforming this building was to create an example for the city to follow to go to net zero building stock.

Park Street (by Milieu) - Through preservation, Park Street has deterred volumes of waste from landfill. Beyond preservation, Park Street has injected an abundance of greenery through ground-floor landscaping and seeks to create a strong community of like-minded people. Park Street is all-electric with new efficient heating and cooling, lighting and a centralised heat pump hot water system.

There are also international retrofit examples such as Wilmcote House (UK), owned by Portsmouth City Council.

A VISION FOR APARTMENT AND STRATA LIVING

People living and owning in apartments and other residential strata titled buildings must be enabled to have the same opportunities and quality of life as those living in standalone homes. Residential livability and climate related goals must apply equally across all residential typologies.

As such, apartment building and other strata titled building communities, should be able to look forward to a time when they have:

- Equal recognition to standalone homes when it comes to government policy, programs, incentives, and initiatives
- Tailored support to participate in the transition to all-electric, renewably powered, climate resilient homes
- Informed, connected communities, with a culture of participation and shared responsibility in owners corporations and buildings

Roles in strata living

The key roles in strata living are determined by the Victorian Owners Corporation Act.

While it is easy to summarise the roles at a high-level, it should be noted that in practice the roles can vary significantly depending on:

- The size and complexity of the building and owners corporation
- What is agreed in the contracts between managers and owners corporations
- The culture within the apartment building community
- How engaged owners are in the running of the owners corporation and building
- The ratio of owner-occupiers to owner-investors, and following the responsiveness of the estate agent or owner-investor

The key roles are summarised over page, and following, the larger strata ecosystem is outlined.



KEY ROLES IN STRATA TITLED BUILDINGS



Legislative framework
Victorian Owners Corporation Act
Rules / Model Rules



Owners corporation

Made up of all owners. An owners corporation is responsible for the common property of a building or development.

It includes:

- Owner-occupiers (living on site)
- Owner-investors (living off site) who many be rental providers or leaving the home unoccupied

Owners may be more or less engaged in the owners corporation depending on their reason for owning.



Owners corporation committee

An owners corporation or strata committee are annually elected at the AGM. The elected committee represents the interests of the collective of owners (the owners corporation) and carry out certain decisions on their behalf.

Some owners corporations also have subcommittees working on particular projects, topics or issues. Committee members are volunteers who donate their time for the benefit of everyone that owns and lives in the building.



Strata / owners corporation manager

Employed to help with the administration of the owners corporation and building. The manager or business must be registered with Consumer Affairs Victoria and should have current contract with the owners corporation.



Building or facilities manager

Helps take care of the common property and should be employed under a current contract with the owners corporation. These roles tend to exist only in larger buildings.



Renters

Live in the building but have no formal role or power.

Rental real estate agent

Employed to manage rented apartments, they have an important role in keeping communication flowing between the renter and other parts of the ecosystem.



Image adapted from NSW Government publication:
[Strata living - a guide to the essentials for strata owners](#)

THE STRATA ECOSYSTEM

The ecosystem is larger and more complex than just the key roles.

The experience of living in an apartment building is very much tied to the approach taken by developers who are responsible for the building and services design. They also set up the owners corporation structure as part of the Plan of Subdivision. Any errors, unclear and/or disparities in allocations on the developers part can have longstanding impacts on the occupants and owners corporation (for example, obligations under [Section 173 agreements](#)).

Real estate agents play a role as sales agents for sellers/ buyers. They also have an important ongoing role as intermediaries for renters. Keeping lines of communications open between renters, the estate agent, the owner-investor, the owners corporation committee, and the owners corporation manager is one of the ongoing challenges in this ecosystem.

As well as the primary service providers discussed on the previous page (owners corporation manager and the building manager), most owners corporations employ a wide range of tradespeople and experts (e.g. lawyers) to support the upkeep of their building and community.

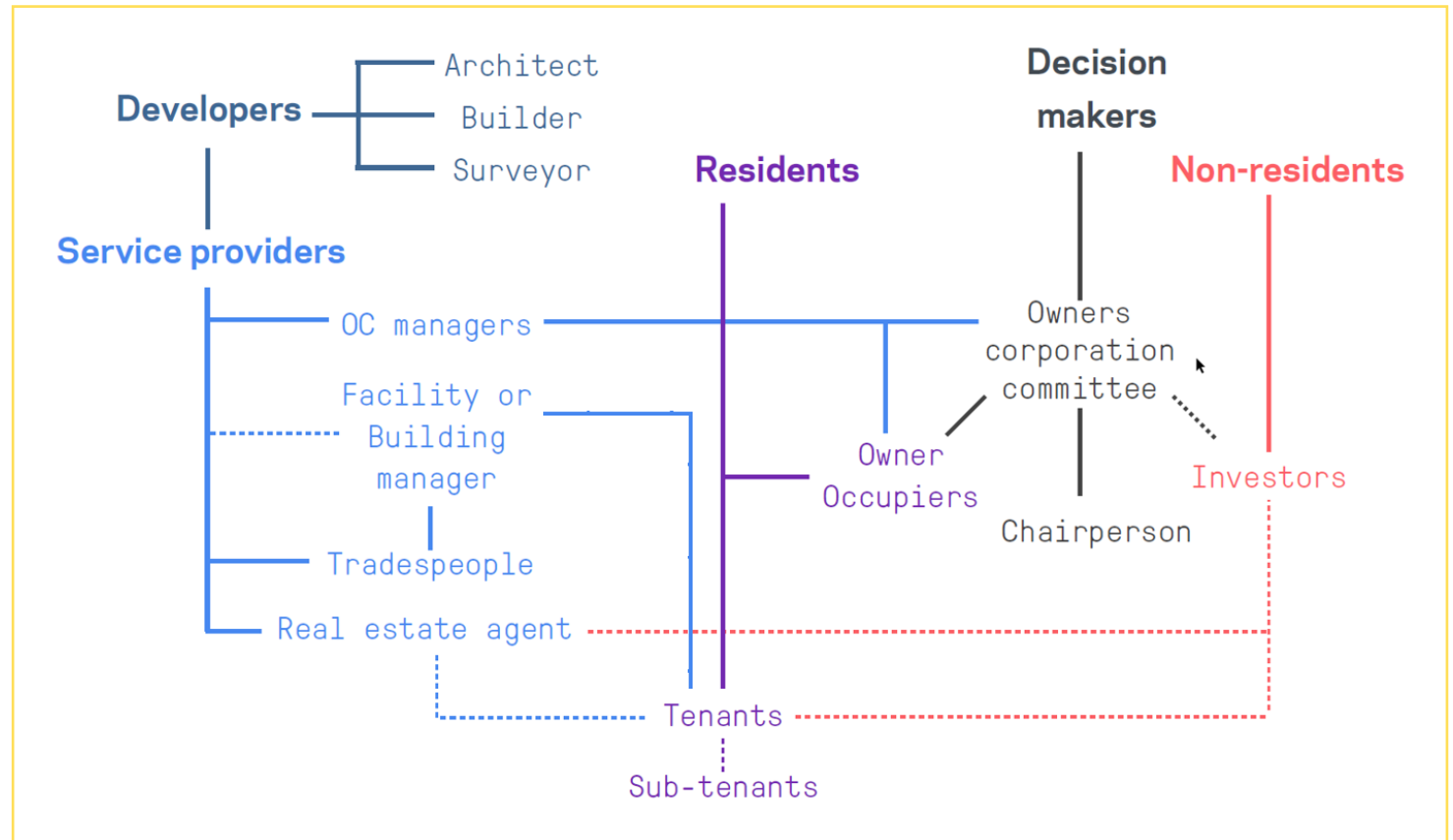


Diagram by Beth Hyland and [Today Design](#).

Do owners corporation managers need to be qualified?

While training and qualifications are available, there are no requirements to hold a qualification before practicing in Victoria. There is a requirement to register with Consumer Affairs Victoria.

The peak industry body for Strata Managers [SCA \(Vic\)](#) supported the government's 2016 Issues Paper for the further regulation of owners corporation managers. This called for setting of minimum qualifications. SCA (Vic) has continued to work with government in the development of qualifications for the sector.

[SCA \(Vic\)](#) has training programs and continues to encourage their members to participate in ongoing learning and development.

[REIV](#) has been calling for the introduction of mandatory Certificate IV or Diploma qualifications for owners corporation managers and directors of owners corporation management businesses.

Strata management industry in the spotlight

Owners corporation managers and companies have recently come under scrutiny regarding contracts and fees (as reported on the [ABC's website](#), [4 Corners](#) and [by UNSW](#)). The Strata Community Association has responded with their [Six Steps to Ensure Confidence Initiative](#).

It is critical to shine a light on what's working and what's not within the broader strata sector. However, the immediate fallout is likely to be further erosion of trust between apartment/unit owners and strata managers. For the health of the sector as a whole, actively working to rebuild trust will be important, including further clarification of the role of managers and increased transparency.

OWNERS CORPORATION COMMITTEE MEMBERS

An owners corporation with 10 or more lots must elect a committee at each annual general meeting. All owners corporations must elect a Chairperson

A committee of an owners corporation must have:

- Between three and seven members, although it can resolve by ordinary resolution to have up to 12 members
- A chairperson: their role is to run meetings in a way that encourages decisions. The chairperson should allow fair and open discussion of matters and stick to the agenda, so that decisions can be made. They can prepare or supervise preparation of notices, agenda, ballot papers and minutes. A Chairperson does not have any decision-making authority, unless it has been specifically delegated by ordinary resolution by the committee or owners corporation.
- A secretary: is responsible for tasks including managing correspondence and organising meetings. The owners corporation manager usually performs this role or can assist the secretary.

Committee members must be lot owners or hold a proxy for a lot owner. Once elected, they hold office until a new committee is elected.

The weight of being on the Committee

Most often, the functioning of a building/owners corporation relies on a small set of hardworking, unpaid committee members tackling a huge range of issues such as financial management, budgeting, insurance, dispute resolution, maintenance, property maintenance, collective decision-making, contracting, liaising with local government, and compliance.

In high functioning Victorian residential strata titled buildings, owners corporation committee members:

- Provide their time free of charge for the collective good
- Manage and maintain multi-million dollar assets with no targeted training and minimal government support
- Operate under complex legislation, which is often poorly understood by the broader owners corporation and tenants
- Need to facilitate collective decision-making, which typically has a financial implication for owners
- Are under pressure from a wide variety of demands or needs from other owners and residents
- Deal with government departments and suppliers which have little understanding of the residential strata context

It's a big job that requires a high degree of knowledge and expertise. Many committee members leverage their professional expertise and education into their role committee roles. Anything they don't know, they learn "on the job" via other committee members, their strata manager, or independent research. [SCA \(Vic\)](#) does offer committee training (usually 4 times a year), however this is not widely known or promoted amongst owners. SCA (Vic) also have a [short handbook](#) to help guide owners, which covers small set of topics at a high level.

In buildings where committee members aren't diligent, don't self-educate, or follow best practice, the building and community will likely end up more exposed to physical and legal risks. The asset value can be undermined, the building or community made less pleasant to live in, sometimes outright hostility breaks out between owners or residents, and worst case, the site can become unsafe to residents or visitors due to a lack of maintenance.

While committees can pay for advice and support from their owners corporation manager, or from legal and financial advisors, this takes time and typically incurs significant professional fees, which must ultimately be paid for collectively by the owners. And even with paid support, the committee still needs a baseline of knowledge so they feel confident in their decisions and finding the right experts to work with them.

Given this content, it's no wonder that getting people to join and maintain their position on a committee is hard.

There is a huge amount of knowledge, competence, dedication, and good will within owners corporation committees. However, more support from all levels of government is needed to ensure informed decision making and governance is supported in order to prevent burnout and streamline their critical work.

WHAT ABOUT RENTERS RIGHTS?

Renters are not addressed in the current Victorian Owners Corporation legislation and are often overlooked within the established cultural norms of apartment building communities.

While renters in Victoria don't have a designated, formal role in the management of buildings, there is nothing precluding them from participating if the owners corporation allows. This could include attendance at AGMs (without voting rights), sitting on a sub-committee, volunteering for activities (such as producing in-house-newsletters) or simply being included in social activities within the building.

It must also be recognised that both renters and owner-occupiers are residents, which is how they are (or at least should be) treated on a day-to-day basis by building management in relation to activities such as parcel management and facilities access etc.

Renters rights are different in NSW

In NSW, renters have a different status:

- If there are renters in at-least half the lots of a building or scheme, renters may nominate one renter representative to be their voice on the owners corporation committee.
- Renters cannot attend owners corporation committee meetings, unless they are the elected renters representative.
- Before an owners corporation meeting, the secretary or strata committee must tell every owner and tenant that a meeting will happen. Renters can attend owners corporation meetings to help you find out what is happening, however they do not have voting rights nor can they address the meeting unless the owners corporation has passed a resolution allowing this. Renters may be asked to leave when financial matters are discussed.

The NSW Government has developed information specifically to support renters who live in strata titled buildings.

Renter support groups in NSW have been actively providing feedback to the NSW Government about strata laws. Both The Tenants' Union of New South Wales and the Marrickville Legal Centre wrote recommendations papers responding to the 2021 statutory review of the NSW strata scheme laws.

Renters in the apartment ecosystem

Renters (through no fault of their own) add another layer of complexity to the strata ecosystem. Equally apartment renters have to navigate a more complex system than those renting in standalone homes.

Referring again to the strata ecosystem diagram (right), the relationships highlighted in yellow show the formal direct connections available for renters. Note there is no direct connection between the renter and the owners corporation committee. There is a direct connection with the building manager, who is often the first point of on-site interaction.

Formal communication between the renter and the rest of the ecosystem, relies heavily on information transfer via a chain of intermediaries. The quality of a renters experience of the building and community relies on having a proactive rental agent with good communication channels to the owners corporation manager and/or committee, as well as the rental provider (investor).

Equally, the owners corporation committee rely on the rental agent to do a good job as failure to do so can have safety and compliance impacts for the building as a whole. For example, a rental agent that fails to ensure the required smoke alarms are installed in an apartment could lead to delayed fire detection and following, increased damage to the broader building.

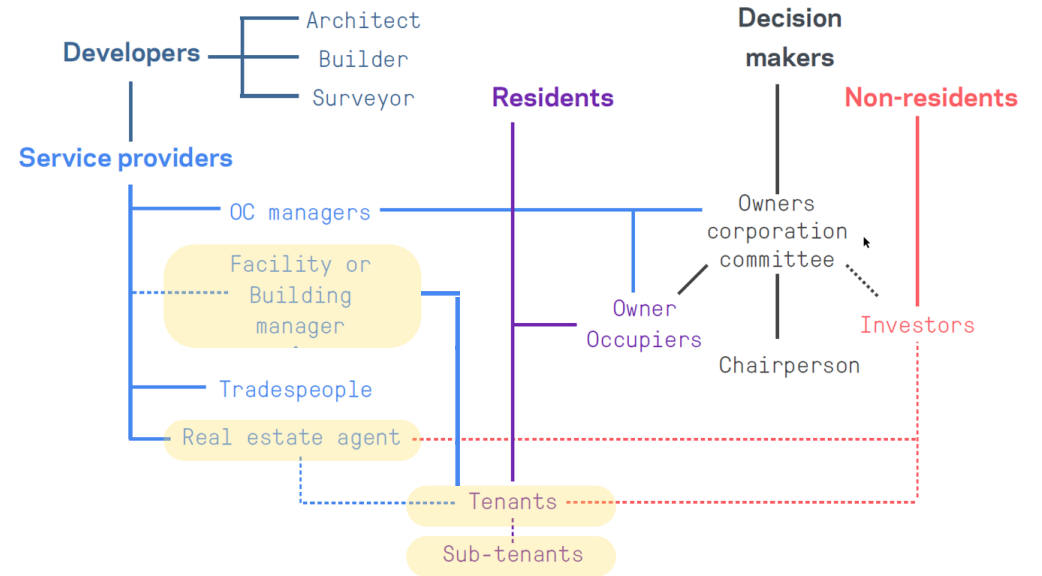


Diagram by [Today Design](#) / Beth Hyland

Building composition matters

The proportion of renters to owner-occupiers varies significantly between buildings, even within the same precinct. Some buildings are 90 per cent renters, others swing in the opposite direction housing mostly owner occupiers, many fall somewhere else along this spectrum. This impacts how buildings function.

There are indications that tensions between owner occupiers and investor owners arise related to budgeting and maintenance as a result of different drivers. Anecdotally, buildings with a higher proportion of owner occupiers typically have a higher level of maintenance. And of course, poorly maintained buildings lead to a poorer experience for renters.

Cultural and linguistic diversity

Apartment building communities typically have a high proportion of multi-cultural diversity. Given the high proportion of both renters and apartments in inner Melbourne, it's safe to assume that there is a high proportion of renters who speak English as a second language.

This can make communications and social norms more challenging to navigate, leading to misunderstandings in practices such as recycling, fire safety procedures, and pet regulations. This is a challenge for the renter, who may not feel comfortable or able to navigate the complexities of apartment living. It's also a challenge for owners corporation committees who have limited resources available to support the huge variety of resident needs.

Tenancy length and ongoing education

Median rental tenancy durations vary but in inner Melbourne they typically sit somewhere between 18-24 months. This high turnover makes it challenging to ensure renters are informed about apartment building protocols (for example related to waste management and safety), which may vary across buildings and municipal boundaries. This creates challenges for owners corporations committees who want all residents to have a positive and safe experience of living in the building. Equally renters may feel disconnected and uncertain about what they can and can't do in the building.

While some buildings have resident induction information and sessions for new residents, these activities are resource intensive and hard to maintain, especially in very large buildings where renters can come and going on a weekly basis.



Rental properties - minimum standards

As with all Victorian rental properties, people renting in apartments do have rights under the minimum rental standards. However, there are some exclusions. The Consumer Affairs website states:

In some apartment blocks it may not be practical to install an energy efficient heater - because of owner's corporation rules, or costs, for example.

It may be unreasonable to install an energy efficient heater if:

- *The cost of installation would be significantly higher than the average cost in a domestic apartment building*
- *Owners corporation rules prohibit it*
- *Compliance with any other Act or local law makes the installation cost prohibitive.*

If this is the case, the rental provider must still install a fixed heater in the main living area.

If a rental provider considers that it would be unreasonable to install an energy efficient fixed heater, they should:

- *Have evidence to show that it is unreasonable, and*
- *Let the renter know before they enter into a rental agreement*

Apartment renters are often particularly exposed to climate risks. Given this, there is role for government to work more closely with the apartment sector to find and help fund solutions, rather than make exclusions that negatively impact renters.

Investing in upgrade solutions is not only good for the renter, it is also good for the rental provider owners, as it ensures their asset is not undervalued as the rest of the property market transitions to become all-electric, efficient and low carbon.

Photo by Lucy Best

Better owners corporation outcomes mean better renter outcomes

Take the issue of heat:

- The building envelope has a huge impact on whether a rented apartment gets hot in summer. Under most strata titles, the owners corporation has significant control over the building envelope
- Most apartments need a form of mechanical heating and cooling to maintain a comfortable and safe temperature. Owners corporations play a role in facilitating the placement of private infrastructure like split system air conditioning where there is a need to place that infrastructure on common property, or manage noise issues
- The majority of renters will pay the costs for running air conditioning. These can be offset by on site rooftop solar. Under most strata titles the roof is considered common property so again, the owners corporation plays a role that could ultimately benefit the renter

Essentially, when we support owners corporations to make all-electric, renewable energy, and climate resilience upgrades, renters will benefit. Because owners corporations work essentially on majority rules, it's possible for upgrades to be made to the building and facilities, even where a particular rental provider (owner) isn't supportive. And there are mechanisms available which could speed building upgrades (which are discussed later in this Handbook).

The same case exists when we look at safety and emergency management. An owners corporation with a strong emergency management plan and approach will be better prepared so it's more likely everyone in the building, including renters, will be safe in the case of emergencies.

What does this mean for councils?

There is a correlation between the experience of renters and the experience of owners corporations committees. Generally, renters want a nice place to live where they feel at home and understand how the building functions. Ultimately, owners corporation committees are working to these same or similar goals (or at least they should be). Given this, rather than considering just what renters need, councils may be better served considering how they can support renters and owners corporations to drive better outcomes for everyone, and thereby help to create a positive feedback loop and deeper systemic change.

Examples include:

- If councils are providing new resident packs, develop and include specific information for renters moving into an apartment
- Development of or more active supply to owners corporation committees of waste management signage in different languages
- Development of or more active distribution of fire safety in apartments information and signage in different languages
- Holding fun and informative events and creating resources specifically for apartment renters. Where possible, combine social connection and learning opportunities related to apartment living for renters (e.g. energy efficiency hacks for apartment renters, renters rights workshops, how your apartment building is managed)
- Hosting a co-design forum that brings together selected owners corporation and apartment renter representatives to better understand needs and develop resources, mechanisms and advocacy priorities that can support the overlapping needs of both renters and owners corporations
- Be explicit about the overlapping needs and opportunities for apartment renters and owners when advocating for housing solutions

STRATA INDUSTRY BODIES

There are a number of peak industry bodies who support and represent the interests of people living, owning and working in the strata context.

In addition to the three primary industry bodies (described on this page), entities such as Real Estate Institute of Victoria and the Energy Efficiency Council also take an interest in relevant related issues.



Owners Corporation Network

The primary representative body for owners is the membership based, not-for-profit Owners Corporation Network (OCN). It "exists to advocate on behalf of strata owners and provide educational material for residents, so they have clarity about solving issues and planning." OCN has been active in NSW since 2002 and got its first Victorian board member in 2024. OCN is working hard to build its Victorian base.

OCN, and in particular its Victorian representative, strongly supports sustainability initiatives. However the organisation is largely member-funded and does not currently have the resources to complete major projects outside of core businesses.



Strata Community Association

Strata Community Association (SCA Vic) represents members working in the owners corporation sector in Victoria, largely owners corporation managers, and is part of the national SCA network.

For the past 10 years, SCA (Vic) has been supportive of sustainability in strata initiatives but it is not independently driving projects.

SCA (Vic) is currently filling a gap, providing some training opportunities and education resources for owners corporation members.



Facilities Management Association of Australia

The Facility Management Association (FMA) is the peak national industry body for facilities management, representing and supporting professionals and organisations responsible for the operational management of Australia's built environments.

The majority of the FMA membership works in the commercial building management space so while strata is relevant to them, it's not a primary focus.

Back in 2012, City of Melbourne funded FMA to develop the Multi-Unit Residential Good Practice Guide. The Guide provides an overview of facilities management in multi-unit residential buildings, focusing on common areas and shared services. While it contains some useful information, it is quite dated.

Governance and decision-making in apartment building communities

Governance and decision-making must be undertaken as described in the Victorian Owners Corporation Act. This chapter summarises the core governance and decision-making mechanisms for strata titled apartment buildings, particularly those relevant to retrofitting and resilience building.

For further information, [please read the Act itself](#).

RULES

All owners corporations have rules for the control, management, administration, use and enjoyment of common property and lots. Generally rules cover issues such as:

- Health, safety and security
- Use of common property
- Use of and works to lots
- Design of lots
- Management and administration
- Behaviour of persons
- Vehicles and parking
- Committees and sub-committees
- Payment of fees

Rules can also cover dispute resolution, notices and documents and the common seal.

Rules apply to:

- The owners corporation
- Lot owners
- Tenants and occupiers
- Sub-lessees

All lot owners and tenants must be given a copy of the rules before they move in.

A developer may set rules for the owners corporation which are recorded with the plan of subdivision. Alternatively, an owners corporation may resolve to create rules once it is established. Either way, the rules:

- Must comply with the requirements of the Owners Corporations Act 2006 and the Australian Consumer Law and Fair Trading Act 2012
- Must not conflict with any other law, regulation or legal obligation; for example, privacy and anti-discrimination laws
- Should help to clarify everyone's rights and responsibilities and reduce conflict within the owners corporation.

Rules can be updated by the owners corporation via a special resolution.

Where rules aren't set by the developer or owners corporation, there are default Model Rules which then apply. These are set out in the Owners Corporation Act.



Photo by Theo Decker

MEETINGS

Annual General Meetings (AGM)

The AGM is the main opportunity for lot owners to discuss issues relating to their property and elect the committee and office bearers for the following year. An AGM must cover:

- Income and expenditure of the owners corporation during the previous financial year
- Assets and liabilities of the owners corporation at the end of the previous financial year
- Maintenance works, and where relevant, the maintenance plan and budget
- A report from the owners corporation committee
- A report from the owners corporation manager
- Complaints and emerging issues
- Appointing the owners corporation committee

The notice, agenda, financial statements, budget and minutes of the previous meeting must be given to all lot owners at least 14 days before the meeting. Owners that cannot attend are able to send a proxy, however not all owners choose to attend, send a proxy, or complete a voting paper. The quorum for an AGM is at least 50 per cent of the total votes or lot entitlements of the scheme. Decisions at the AGM are made by voting. See [Decision Making 101](#) for more information.

The owners corporation must keep, or arrange to keep, minutes of all its meetings which include the date, time, location, names of lot owners present, names of lot owners who have provided proxies, names of proxies present, text of all resolutions, outcomes of on any voting on resolutions.

AGMs can be very busy, with many reports and agenda items. Some matters may be left to a special general meeting.

Special General Meeting (SGM)

SGMs usually deal with one or more specific items that cannot be addressed by the committee and cannot wait until the next AGM. As with AGMs, all lot owners must be invited and fully informed about the purpose and agenda for the meeting.

Organising meetings (AGMs or SGMs) requires a significant amount of administration. As such, most committees and owners corporations avoid SGMs where possible, making them the least common type of meeting.

Committee meetings

These meetings are used by the committee for the day-to-day running of the owners corporation and building. The legislation does not mandate regular committee meetings, however quarterly meetings are generally recommended. Committees will often choose to meet more or less often.

A committee meeting may be called by:

- Resolution of the owners corporation
- Resolution of the committee
- The chairperson or secretary of the committee
- The manager or delegate of the owners corporation

The secretary must give notice of the owners corporation committee meeting. The notice must:

- Be sent at least three business days before the meeting or as determined by the owners corporation
- Set out the time and place of the meeting
- Include an agenda and the minutes of the previous meeting
- Include a statement that the member of the committee who is a lot owner may appoint a proxy for the purposes of the meeting

Committees can make decisions by a ballot or at meetings by a show of hands. Committee members have one vote each. A quorum for a committee meeting is at least 50 per cent of the elected committee members.

Many people who buy into a strata titled building don't realise they are part of the "owners corporation" and therefore have agency to drive change.

The Consumer Affairs Victoria website states:

If you own property affected by an owners corporation then you become a member of that owners corporation automatically. As a member, you have legal and financial responsibilities to the owners corporation.

It should not be assumed that because someone lives in or owns in an apartment building, they will understand their rights and obligations.

FINANCIAL MANAGEMENT

Owners corporations have the power to:

- Set fees to cover general administration, maintenance and insurance
- Levy special fees for extraordinary expenditure
- Establish a maintenance fund to cover the cost of works in the maintenance plan
- Borrow money
- Invest money
- Recover money owed
- Charge penalty interest
- Operate a bank account

Owners corporations with over 100 lots must have their accounts audited annually. Owners corporations with 51 to 100 lots must have their accounts reviewed annually by an independent person who holds a current practicing certificate from CPA Australia, the Institute of Public Accountants or Chartered Accountants Australia and New Zealand. Owners corporations with 50 or less lots can resolve to have their accounts reviewed or audited.

An owners corporation must keep financial records that:

- Cover all its income, expenditure, assets and liabilities
- Enable it to make true and fair reports of its financial situation
- Explain all financial transactions for income tax and GST purposes
- Comply with the Australian Accounting Standards

The financial records must be kept in a safe, secure place (physical or online) and be made available to any lot owners who wish to inspect those records.

Owners corporations must present its financial statements at the AGM. Financial statements should give a summary of all transactions during the financial year, including income, expenditure, assets and liabilities records and penalty interest charges.

Annual levies or fees

Levies pay for the management and upkeep of common property, including things like insurance, management costs, common property repairs and maintenance, and common area utilities. Levies are typically set at AGMs, after a budget is adopted and are most commonly paid quarterly.

Special levies or fees

Special fees or charges cover extraordinary or unexpected expenditure. This might include urgent repairs of the building, legal action, or capital improvements (potentially including things like EV chargers and solar). If the amount of the special fees is more than double the amount of the owners corporation's annual fees, it must be approved by a special resolution.

Who pays and how much - the benefit principle

Owners are charged special fees according to their lot liability, unless works are being undertaken that will only benefit one, or some (but not all) lots. In this case, special fees are charged using the 'benefit principle'.

The benefit principle simply means that those who benefit more, pay more. Applying the benefit principle may not always result in lot owners paying other than according to their lot liability. For example:

- When the greater benefit of works to a lot owner are offset by their having paid higher annual fees (because of their higher lot liabilities), or
- When works on one lot are offset by indirect benefits to the other lots; for example, by raising the value of the entire building or by reducing the possibility of legal actions against the owners corporation.

When raising a special levy an owners corporation must demonstrate that it has considered the benefit principle.

MAINTENANCE PLAN AND FUND

Under the Owners Corporations Act, owners corporations must maintain and repair:

- The common property as defined by the strata title, usually things like corridors, lifts, the building facade, gardens
- Chattels, fixtures, fittings and services related to the common property
- Equipment and services that benefit some or all of the lots and common property

Maintenance typically falls into five categories:

1. Corrective or routine maintenance – to keep your building at an acceptable standard. This includes cleaning gutters and changing light bulbs. It should be covered in the annual fees under the Administration fund
2. Preventative maintenance - is periodic maintenance to avoid disruptive breakdowns and to prolong the useful life of the physical asset in question. Examples include lift, automatic doors, essential services, pumps. It should be covered in the annual fees under the Administration fund
3. Predictable or planned maintenance of major infrastructure – to prevent the predictable failure of building infrastructure. For example, replacing lifts due to wear and tear. These costs should be covered in the annual fees under the maintenance plan and fund
4. Emergency corrective maintenance – must happen immediately for health, safety, security reasons. It includes repairs to avoid rapid deterioration of the structure or fabric. For example, roof repairs after storm damage, or repairing broken glass. The costs may be covered by replacement and reinstatement insurance, the Maintenance fund, or the Administration fund
5. Requested maintenance - maintenance requested by an owner, tenant, or Strata Committee; recommended by a contractor; or identified during a routine site visit of the property. A special levy may be required to fund this work.

Owners corporations with more than 51 lots are required by law to have a maintenance plan. However, it is recommended that all owners corporations develop a maintenance plan and fund so that the costs of maintaining the building is fairly distributed across all owners over time.

Consider, for example, a 30-lot apartment building where little maintenance is conducted over a 20 year period. The maintenance costs to owners are low but the building is degrading over that period. Then an owner sells and shortly after, issues are discovered and the roof needs urgent replacement. No maintenance fund has been established so instead, a special levy is raised. Now the person who's just bought into the building has to pay the special levy, even though they've just moved in. The person who sold the lot pays nothing, even though they've had the use of the old roof for 20 years and should have been paying to maintain it. If there had been a maintenance plan and fund, the costs could have been covered over time, removing the need for a large, one-time, and urgent expense.

If an owners corporation has a maintenance plan then it must have a maintenance fund to cover the cost of works in the plan. Each year, a proportion of the annual fees will be paid into the maintenance fund.

To be in effect, a maintenance plan must approved at the AGM or by the owners corporation committee (if powers have been delegated to the committee). Maintenance plans can be amended by the owners corporations by an ordinary resolution.

In owners corporations required by law to have a maintenance plan (i.e. those with more than 51 lots), must include a report on the plan at each AGM. Beyond legislative requirements, it is best practice to table a discussion about maintenance planning as part of the AGM, regardless of the number of lots.

An owners corporation maintenance plan must cover:

- Major site and building infrastructure for repair and replacement over the next 10 years
- The present condition of those items
- When the items or components will need to be repaired or replaced
- The estimated cost of the repair and replacement of those items or components
- The expected life of those items or components once repaired or replaced.

Maintenance plans are usually written by a quantity surveyor. In buildings where a facilities manager is employed, they would ideally support the maintenance planning process.

According to Consumer Affairs Victoria, at a minimum the following information is required to develop a maintenance plan:

- The plan of subdivision showing dimension and location of easements
- Building plans showing specifications and construction details
- Details of equipment and services
- The age and condition of the building and equipment such as the lift and air conditioning plant
- Planning, heritage and building permit requirements
- Previous reports on the building
- Details of previous maintenance works

Unless specifically directed by the owners corporation to do otherwise, the consultant developing the maintenance plan will likely assume like-for-like replacements. In which case a gas hot water system would be assumed to be replaced by a newer gas hot water system, rather than an electric system.

It should be noted that consultants developing maintenance plans are rarely energy experts, nor is there an expectation under current legislation for electrification or energy efficiency to be considered as part of the maintenance planning process.

If an owners corporation was interested in improving energy efficiency or electrification, it would need to employ specialised consultants to identify opportunities. In addition to an energy expert, this process may require engineers where there are spacial or weight changes associated with a new piece of infrastructure. Following, these opportunities could be updated into the maintenance plan (via an ordinary resolution).



DISPUTE RESOLUTION

Apartment living involves many people, living close to each other and sharing common property. In this setting, people often have different views and of course disputes can arise.

Proactive, early, clear communication and opportunities for discussion prior to decision-making can help to prevent disputes arising. It is good practice for an owners corporation to make a policy about day-to-day communication between lot owners and the owners corporation.

All owners corporations must have a dispute resolution process written into their rules and if not, the default process is set out in the model rules.

In most cases, the dispute will need to be articulated in writing using the approved form and the relevant parties brought together to discuss the matter with either owners corporation members or a dispute subcommittee present. It's important to document all steps taken and the outcomes (or lack of outcome) for each step. This provides important background information in cases that require external support to resolve.

Support from dispute resolution specialists can be sought, including from the [Dispute Settlement Centre](#), a service run by the Victorian Government.

Disputes that can't be resolved internally eventually end up in the Victorian Civil and Administrative Tribunal (VCAT) for a formal decision.



Photo by Kosta Karampelas (pexels)

DECISION MAKING 101

In strata titled apartment buildings, decisions related to the common property or for the common good, are made via resolutions.

A resolution is an agreed and documented decision made by an owners corporation either at a meeting or by ballot.

There are different types of resolutions. Generally the more significant or costly the decision is, the more owners corporation members are required to agree.

Ordinary resolutions

An ordinary resolution requires at least 50% of all lot entitlements in the scheme voting in favour.

Most day-to-day decisions made in owners corporations are ordinary resolutions.

Examples of decisions typically made through ordinary resolution include approving the owners corporation budget, property insurance, confirming the accuracy of minutes, and electing a committee.

Lot owners who do not pay fees, lose the right to vote on ordinary resolutions (however they can vote on special or unanimous resolutions).

The owners corporation committee can be delegated the power to make ordinary resolutions on behalf of the owners corporation.

Unless otherwise delegated, the legislative default is for the committee to have all the powers and functions that may be exercised by the owners corporation, except for matters requiring a unanimous or special resolution.

Unanimous resolutions

A unanimous resolution is passed by all lots voting in favour of a resolution.

It is required for the following:

- Changing the plan of subdivision (including changes to lot liability and/or entitlement).
- Disposing of all or part of the common property.
- If there is no common property, resolving for each lot owner to arrange their own insurance.
- If there are multiple single dwellings with common property, resolving for each lot owner to arrange their own insurance.

Special Resolutions

A special resolution requires at least 75% of all lot entitlements voting in favour.

A special resolution is needed when:

- Obtaining a loan that exceeds the amount of the annual fees of the owners corporation.
- A significant alteration to common property which is not in the maintenance plan, is not an immediate threat to safety or will prevent significant damage.
- Extraordinary payments from the maintenance fund.
- Making or amending the rules.
- Commencing legal proceedings claiming over \$100,000 that is not enforcing the owners corporation rules or recovering fees.
- Leasing or licensing any part of the common property.
- Obtaining a lease or license over any land.
- Providing a service or entering into an agreement to provide a service to lot owners, occupiers, or the public.
- Raising a levy that is more than twice the current annual fees.

Interim Special Resolution

An interim special resolution occurs when at least 50% of all lot entitlements in the scheme vote in favour, and no more than 25% vote against.

If a resolution is 'interim', it cannot be acted on for 29 days.

When an interim resolution occurs, a notice must be sent to all owners within 14 days of the meeting or the ballot close.

In the 29 day period from voting, if:

- Over 25% of lot entitlements object, the interim resolution fails.
- Less than 25% of the lot entitlements object, the resolution becomes binding on day 29.

How governance impacts energy, sustainability, and climate resilience upgrades

The legislation and norms which exist in Victorian apartment building communities have a huge effect on the ability of apartment owners and owners corporations to retrofit and complete major projects.

This is largely because of the need for a degree of collective decision-making, and the result of close-quarter living. Currently cost of living is also having an impact. Anecdotally, apartment owners are less willing or able to make additional investments.

Without a highly-functioning owners corporation and committee, good financial management and effective communication, efforts to complete capital improvements and special projects nearly always fail.

Regulatory updates and a concerted effort to educate and shift culture is essential so we don't leave apartment building communities behind in the transition to all-electric, climate resilient homes.

MISSING FOUNDATIONS

In Victoria, there are two big and interrelated challenges when it comes to governance and decision-making in apartment building communities.

1. A lack of knowledge and active participation

An overwhelming number of people who buy into apartment buildings do not understand their role and their legal obligation to actively participate in the management and maintenance of the building. People often buy an apartment because it's what they can afford or because they think it's low maintenance. While the apartment itself might be low maintenance, operating and maintaining the larger building infrastructure, systems and governance, is anything but low maintenance!

In Victoria (and Australia more broadly), owners corporation acts mandate a degree of collective living and decision-making. However, we have yet to build a healthy culture that ensure people and communities thrive in apartments.

2. A lack of focus, support and investment from government

State, Federal, and most local governments, have actively supported and facilitated the rapid growth of multi-unit residential buildings. And yet, they have failed to invest in the education, skill, and culture building that needs to go hand-in-hand with the physical infrastructure.

This particularly applies to the Victorian Government. They are the party responsible for the legislation under which these buildings and communities are governed. Currently, owners corporations are supported via [Consumer Affairs Victoria](#). However, the information and services provided are critically insufficient to support the needs of people living in and owning in residential strata titled buildings.

It is essential that these foundational challenges are faced and addressed. Doing so will not only improve the lives of everyone who lives and owns in these buildings, it will also make it easier to deliver energy upgrade and resilience projects in and with these buildings and communities.

WHO OWNS WHAT WHEN IT COMES TO UPGRADES?

There are two types of spaces/infrastructure that require upgrades to improve energy outcomes and resilience:

1. Common property includes any parts of the land, buildings and airspace that are not lots on the plan of subdivision. It may include gardens, passages, walls, pathways, driveways, stairs, lifts, foyers and fences. Roofs and window facades are often included as part of the common property. The common property is collectively owned by the lot owners as tenants-in-common.
2. A lot is a part of land, buildings and airspace on a plan of subdivision that can be separately owned and sold. Typically lots are apartments or units. A lot can also include items like balconies, car spaces, storage bays, and storerooms.

Generally, we can think of 'lots' as the apartment itself and common property as everything else.

A City of Melbourne Solar Example

Scott moved into what was originally an old pub in South Melbourne that had been redeveloped under strata title. The complex now includes a shop on the ground floor with three residential units above.

Wanting to install solar for his apartment, Scott investigated the Plan of Subdivision for his building to understand who owned the roof. While the roof was physically on top of Scott's residential unit it legally belonged to the owners corporation.

Scott talked with the owners of the other units about his plan to install a solar system. The other owners of the residential units saw no problem with Scott's plan, but weren't interested in getting a solar system themselves. The property agent for the commercial premises was a harder nut to crack. There didn't seem to be a lot of goodwill shown on his behalf. The owners corporation manager was also consulted and took quite a bit of persuasion to work through the project with Scott.

Using his legal nous and powers of persuasion, Scott eventually got the information he needed and the required special resolution passed. He and his two neighbours voted yes, while the commercial owner voted no. Still, that was 75% saying yes, so he could move forward.

The last puzzle piece was to have a legal agreement drawn up so Scott could lease the roof from the owners corporation. He had a lawyer draw up a four-figure, twenty-page Common Property Licence Agreement, which allowed him to lease the roof for ninety-nine years for the grand total of one dollar per year.

After all that, he could finally go ahead and get his solar installed!

Case study adapted from [Solar Quotes Blog](#) and verified by a site visit by Amy Brand.

The intersection between apartments and common property

It's easy to assume that owners have control over things inside or that directly impact in their apartment. However, it's not always the case. Each and every lot has different responsibilities as defined on the plan of subdivision. Understanding what each lot owner is responsible for is important, particularly when it comes to energy and thermal performance. Here are a few examples of where the owners corporation would need to get involved:

- Most often (but not always) the roof forms part of the common property. As such, if an apartment owner wanted to install a rooftop solar system to power their own apartment, they would typically need a special resolution to gain permission. A roof lease agreement between the apartment owner and the owners corporation may also be needed.
- Sometimes (often in high rise buildings) windows form part of the common property but most likely they will be shared between the lot and common property). As such, if an apartment owner wanted to remove single glazed windows to install double glazed units, they would need a formal resolution to gain permission from the owners corporation.
- In some older apartment buildings, particularly those built to be gas reliant, electrical networks are not robust enough to manage the extra loads required to switch to all-electric inside apartments. This can lead to owners corporations needing to limit the type of appliances (e.g. air conditioners, induction cook tops) that can be installed in apartments. Alternatively, the owners corporation could coordinate and fund electrical systems upgrades throughout the building, with significant cost implications for all owners.
- Consider an apartment owner whose lot is on the middle level of a three storey building wants to install a split system to replace a gas heater. Where will the outdoor part of the system be installed - on a balcony, attached to the side of the building, or on the ground floor? Wherever it goes, some form of consultation with the owners corporation will likely be necessary to ensure the placement or sound doesn't impede the enjoyment of other residents.

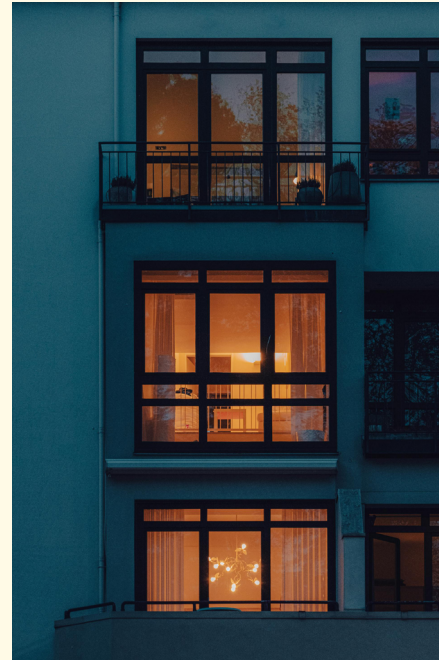


Photo by Cami. Source: Pexels

What if the windows to be retrofitted will look different to the existing ones?

According to the legislation an owners corporation (or an individual owner) can not make a significant alteration to the use or appearance of the common property unless:

- It's approved by a special resolution
- Is permitted under the maintenance plan
- It is required for safety or to prevent significant loss or damage

The Act does not explicitly define what constitutes a 'significant alteration'. However, anything that could impact property values or the enjoyment of the property by residents, are generally considered significant.

In terms of windows, changing the size, location or colour of the window could constitute a 'significant alteration' however case-by-case advice should be sought.

HOW RULES IMPACT SUSTAINABILITY AND ENERGY UPGRADES IN APARTMENTS

Under the model rules (and most rules determined by developers and owners corporations), an owner or occupier of an apartment must obtain the written approval of the owners corporation before making any changes to the external appearance of their lot.

This includes things like external shading, installing air conditioning systems, and in some cases, even the installation of blinds inside the apartment which have a significant impact on the external appearance.

The model rules also say that an owners corporation cannot unreasonably prohibit the installation of sustainability items on the exterior of the lot. However, this need to gain permission is still an additional barrier to action not faced by owners of standalone homes.

How rules can enable upgrades

Owners corporations can include upgrade specification in their rules to enable apartment upgrades without the need for a case-by-case resolution. To update the rules, a special resolution is required.

Take upgrading apartment windows to double glazing as an example. Upgrading windows across an entire apartment building is usually challenging to fund, especially in buildings without a healthy maintenance fund. While some owners might be willing to make the investment via a special levy, others will not and a stalemate is often reached.

An alternative is for the committee to develop specifications or design guides that describe in detail what windows in the building must look like and provide permission for owners to upgrade their windows at any time, as long as they meet the specifications. The specifications might include things like window type, placement, shape, colour, materials, size, and opening direction. These specifications are added to the rules via a special resolution, thereby providing a clear pathway for any future window upgrades.

If the owners corporation is not able to pass the special resolution to create or amend rules, the committee can adopt the design specifications as a policy as part of their approval for an application received under Model Rule 5.2 and 5.3. The committee reports annually to members any approvals made under the Model Rules. Design guides created should be noted at every AGM and placed on the owner portal (where one is in place).

HOW MAINTENANCE PLANS AND FUNDS IMPACT UPGRADES

In theory a maintenance plan could stipulate that common property gas powered infrastructure is upgraded to all-electric on replacement. However, more often than not, a like-for-like replacement is assumed. There are a few reasons for this:

- The quantity surveyor or whomever is writing the plan, does not prioritise sustainability
- Significant additional work is likely required to determine the feasibility of an all-electric system (e.g. the space, load, and electrical requirements are likely to be different). Specialist consultants may need to be employed as part of this process
- It is complex to estimate the costs of switching a gas system out and replacing it with an electric system. For example, it's likely upgrades to the electrical system or the roof will be required to accommodate the different, electrical loads, size and weight of the new system.
- The committee isn't aware of the need to switch from gas to electric and therefore does not instruct the surveyor or consultant to investigate options.

Plans don't specifically encourage capital improvements

Under Victorian legislation, legislated maintenance plans and funds set the minimum requirements for the types of assets and structural elements that a Maintenance Plan must contain. The Act provides that the plan may by ordinary resolution, amend an approved maintenance plan. This allows an owners corporation to continually modify the approved plan so it can include "other" items that the owners corporation has added or acquired that will require replacement in the future.

It is not clear, if this includes capital improvements, nor has it been tested at VCAT. To understand any risks in amending an approved plan for the purposes of installing sustainability items the owners corporation should obtain legal advice.

A note on portals

Secure online platforms allow strata managers and owners to access core information about their property and owners corporation. Rules, meeting minutes, and financial statements are examples of items stored on portals. Portals are increasingly common but not mandatory.

Portals are usually provided by owners corporation management companies as part of contracted services. Most portals are built on third party platforms initially designed to support managers. These portals are or should be a useful tool, however there are anecdotal reports that they do not always meet the needs of owners corporations or committees. Reported issues include:

- Limited functionality: Most portals serve primarily as self-serve document repositories, with little or no capability for interactive reporting or discussion. However, some versions do have chat functions and push notifications.
- Inflexible design: A lack of customisation limits the usefulness to the owners corporation and committee.
- Missing or delayed documents: Documents are not always uploaded in a timely manner and in some cases, are missing. This is often an issue when transitioning between owners corporation management companies. This creates transparency concerns and makes it more challenging for committees to fulfill governance responsibilities.

There are also owners corporation self-management platforms which offer portal services. And, some building managers offer portals for push notifications, receipt of issues and requests, document storage for resident matters such as key/fob replacement, gym induction, and booking common property facilities.

Given the rapid evolution of digital technology, particularly AI, it's likely that portal tools will continue to evolve quickly.

EMBEDDED NETWORKS

Embedded electricity networks are privately owned and managed electricity networks that often supply all premises within a specific area or building. Embedded networks generally buy electricity in bulk and then on-sell it to customers inside their network. Victorian Default Offer prices are now the maximum price for all households and most businesses in embedded networks.

Following an election commitment in 2018, the Victorian Government commenced an Embedded Networks Review. The Review is ongoing, with changes continuing to 2027. As a result of the review, embedded networks established on or after the 1 January 2023 are operating under different obligations than those established prior. While the review is driving positive change, in this transition period it is increasing the complexity for all stakeholders.

Embedded networks are a specialist area of knowledge. The complexity of embedded networks and their impact on owners corporations and apartment residents warrants an entirely separate report. What is presented here is intended as an high-level overview only.

Supply and ownership

While we often think about embedded networks in terms of electricity, embedded networks are not uniform. They exist across different utilities, including electricity, gas, and even communications/data and chilled water. Each network has distinct regulatory and operational considerations.

While the embedded network operator is responsible for supplying the utility (e.g electricity), who owns the related infrastructure varies from building to building (i.e. from contract to contract).

The embed network operator may own all the equipment or none of the equipment. In cases where the embedded network operator owns the infrastructure, they will maintain it over the lifetime of their contract but may charge an exit fee when the contract ends. In other cases, infrastructure ownership transfers to owners corporation as soon as infrastructure asset is been paid off.

Renters and embedded networks

According to Consumer Affairs Victoria, before a renter signs a rental agreement, the rental provider must also let the renter know if the rented premises are supplied with electricity from an embedded electricity network. If so, the rental provider must provide the renter with the:

- Trading name of the embedded network
- ABN of the embedded network operator
- Contact details
- Electricity tariffs and any other fees applicable (or details where that information may be accessed)

Issues with embedded network data

State Government data as at 2022 indicated that 140,000 Victorians were living in homes with residential embedded networks. Since then, this number is likely to have grown. Research commissioned by the City of Melbourne in 2024 indicates that embedded networks continue to be installed, despite increasing restrictions stemming from the Embedded Network Review.

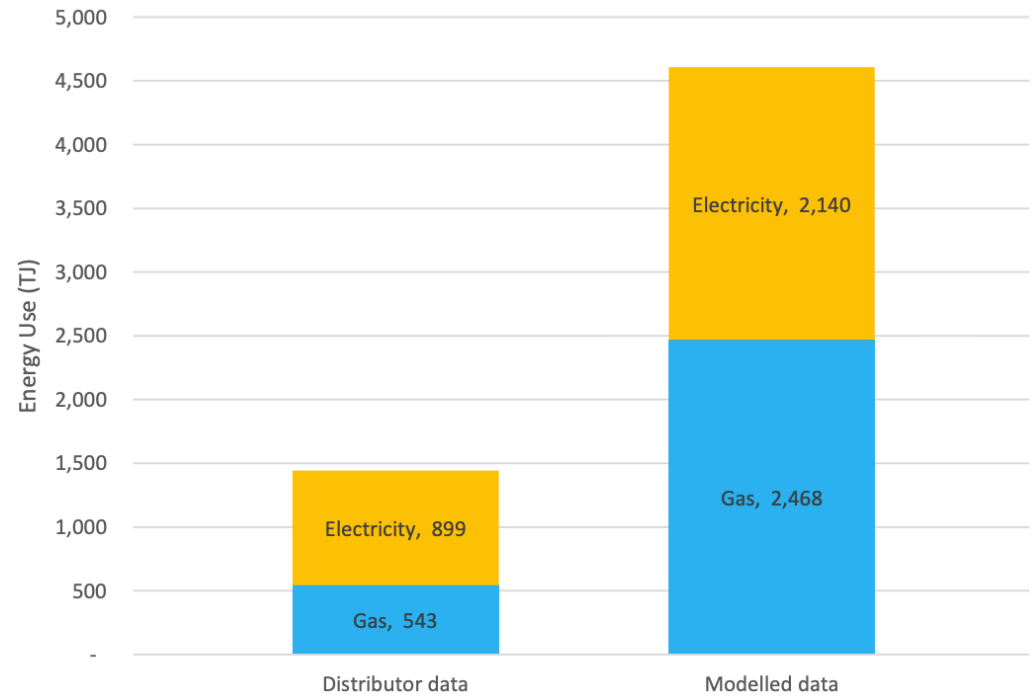
The research (Buildings Energy Use and Emissions Study) also found that energy data analysis based on distributor data likely under-represents the residential sector. This is because electricity consumption associated with embedded networks does not appear to be recorded as residential consumption in distributor data, but rather as commercial.

In relation to City of Melbourne, the reports states "This is likely due to one meter carrying the load of sometimes many hundreds of apartments, with the load size and shape of that meter indicating to distributors that it is a commercial building. Given the scale of apartment floorspace associated with an embedded network, 4.3 million sqm, and the relative energy intensity of high-rise apartment buildings, this omission obscures a large portion of total residential energy consumption."

This also applies to gas. Gas consumption associated with apartment building central services, such as space and water heating, does not appear to be recorded as residential consumption in distributor data.

The graph on the right shows the impact of this distributor misallocation within City of Melbourne.

These insights are potentially important for councils reporting on community emissions, particularly in municipalities with lots of large apartment buildings. Depending on how data is analysed, it's possible some councils (or their consultants) are apportioning energy use (and therefore emissions) to the commercial sector that actually sit in with the residential sector due to mislabeled distributor data.



Total Residential Energy Consumption (TJ) by Fuel, Original and Modelled, City of Melbourne, 2022. Buildings Energy Use and Emissions Study, page 57



The interplay between developers, owners corporations, and embedded network providers

In apartment buildings, embedded networks are most often established by developers with the utility infrastructure supplied and installed by third-party operators, which can reduce capital costs and streamline installation for developers.

There is an ongoing debate about embedded networks and their impact on residents and owners corporations. Reported issues include:

- Loss of documents. It is important for owners corporations, and in particular their committees, to understand and have access to the detailed documentation related to their embedded network. However, it is not uncommon for documents to get lost in the complexity of all that's handed over between all the parties (i.e. embedded network operator, the developer, the owners corporation manager, the building manager, and the committee). Without these documents, maintenance and forward planning is more challenging.
- Power imbalance. Embedded networks are highly regulated and complex to understand. Owners corporations often lack market knowledge or negotiating strength when dealing with large industry players, making it difficult to secure favorable terms.
- Transitioning out of them is both legally and financially burdensome. Exiting an embedded network often requires a special resolution, which is time-consuming and may fail. Given this, many owners corporations maintain the status quo even though they would prefer not to continue under their established embedded network arrangements.
- Significant administration burden. Owners corporations are responsible for managing the embedded network contracts and handling legal obligations. They also inevitably play a role in dealing with the implications for residents. This places significant administrative responsibilities onto the owners corporation, including contract negotiation, compliance monitoring, and dispute resolution.
- Long contracts, sometimes established by developers, means that owners corporations lack the ability to control or influence the network and how it operates.
- Restriction of choice for residents. Even where contracts are entered into by the owners corporation, there are long-term implications for owners and residents. While these agreements may include bulk-purchasing benefits, they do restrict individual choice. Some embedded network agreements provide financial benefits back to the owners corporation (e.g. contributions to infrastructure upgrades or rebates). While legal, this can create a perceived conflict of interest between the owners corporation financial interests and outcomes for residents.
- A lack of competition within embedded networks leading to pricing structures that are less competitive than those available to standalone households.
- For embedded networks established prior to 1 January 2023, owners corporations and residents can struggle to access renewable energy (on-site or off-site)

There are instances in which it is the owners corporation that holds the exemption¹ and engages the embedded network operator. In these cases, the owners corporation has a lot more control over their energy procurement and overall energy system.

1. Most entities that sell energy in embedded networks are known as "exempt sellers" because they do not need to become authorised by the AER as energy retailers.

Residents impacts

Many owners and renters are unaware their building operates within an embedded network until an issue arises. This lack of awareness can make it difficult for residents to understand their rights, pricing structures, and the limitations of their ability to switch providers.

Embedded network customers do have a right to switch to a licensed retailer, and recently, government and regulators have introduced new rules to try to make this easier to do. However, there are still barriers that may make switching difficult for embedded network customers.

Embedded network customers can only switch part of their bill. An ordinary electricity bill covers:

- The cost of the electricity consumed
- The cost of using the electricity network (the poles and wires)

Customers in embedded networks have the right to choose to buy the electricity they use from a licensed retailer, rather than from their embedded network. However, because of the way embedded networks are set up, customers must continue to pay the embedded network – not their new retailer – for network-related costs.

If a residents successfully switches to another electricity retailer, they will receive two bills:

- One from the retailer for the electricity
- One from the embedded network

In order to switch out of an embedded network, customers must find and agree to a contract from a retailer. However, retailers don't have to make offers to customers in embedded networks. [Energy and Water Ombudsman of Victoria](#) has reported that some embedded network customers have tried to switch but couldn't find any retailers that would make contracts available.

The [Essential Service Commission](#) has information designed to support residents living in an embedded network.

Embedded network reforms and renewable energy

Providers running embedded networks established on or after 1 January 2023 must ensure:

- 100% of electricity consumed at the site by residential customers is met from a mix of on-and off-site renewable sources
- A minimum of 5% of electricity consumed by residential customers at the site is met from on-site renewable energy generation.

Existing networks are not yet subject to this same renewable energy obligation, however the [timeline for transitioning the licensing framework](#) indicates the obligation will be rolled out more broadly in 2027. If all apartment electricity embedded networks switch to renewable energy, it will drive a tangible emissions reduction in inner Melbourne.

AGMS ARE OFTEN PIVOTAL

Big ticket sustainability upgrades, like switching a common gas hot water system to an efficient, electric system, will nearly always require a special resolution. Preparing for a special resolution is a significant administrative burden. Given this, sometimes committees will choose to include special resolutions into AGMs. This prevents effort duplication and is the one annual event likely to engage a significant number of owners.

Having the AGM as a marker, can spur owners corporations to action. However, if an AGM is missed, it's a full 12 months before the next AGM. This means decision-making cycles for major upgrades are long and the implications are significant. For example, a 100-lot apartment building remaining on gas for an extra 12 months results in a huge amount of unnecessary carbon emissions and utility costs!

This decision-making cycle also has implications for government programs. Ideally, any programs that aim to support major upgrades in apartment buildings should run for at least 2 years.

OWNERS CORPORATIONS FINANCING LIMITATIONS AND OPPORTUNITIES

Financing major upgrade projects is one of the biggest barriers to completion. It's quite common for most people in the owners corporation to agree in principle to a project like installing solar or upgrading to all-electric but, having the ability or willingness to pay is another matter.

There are a range of financing avenues available to an owners corporations for major projects or upgrades:

- If the upgrade is replacing a current piece of infrastructure and it breaks down or is included in the maintenance plan, it may be funded from the maintenance fund. This assumes there is a fund, and that the fund contains enough money to accommodate the costs.
- Raising a special levy. This nearly always require a special resolution.
- Obtaining a loan. For loans less than annual fees, an ordinary resolution is required. For loans exceeding annual fees, a special resolution is required. The interest rate on owners corporation loans is often higher than the loans most of us are familiar with (such as home loans). This can be off putting for some owners. One potential way around this is to demonstrate that the savings from the upgrade will offset the interest on the loan.

Differing priorities within the owners corporation

Many people see their homes as an expression of who they are and what they care about. Given this, some people may want prioritise investment in responding to climate change, others may care more about the building looking good and current, others might see accessibility as the biggest need, and others still might prioritise saving money.

While this diversity is absolutely normal, it can make getting enough agreement to move forward with investing in upgrades challenging.

WHY DO UPGRADE PROJECTS TAKE SO LONG?

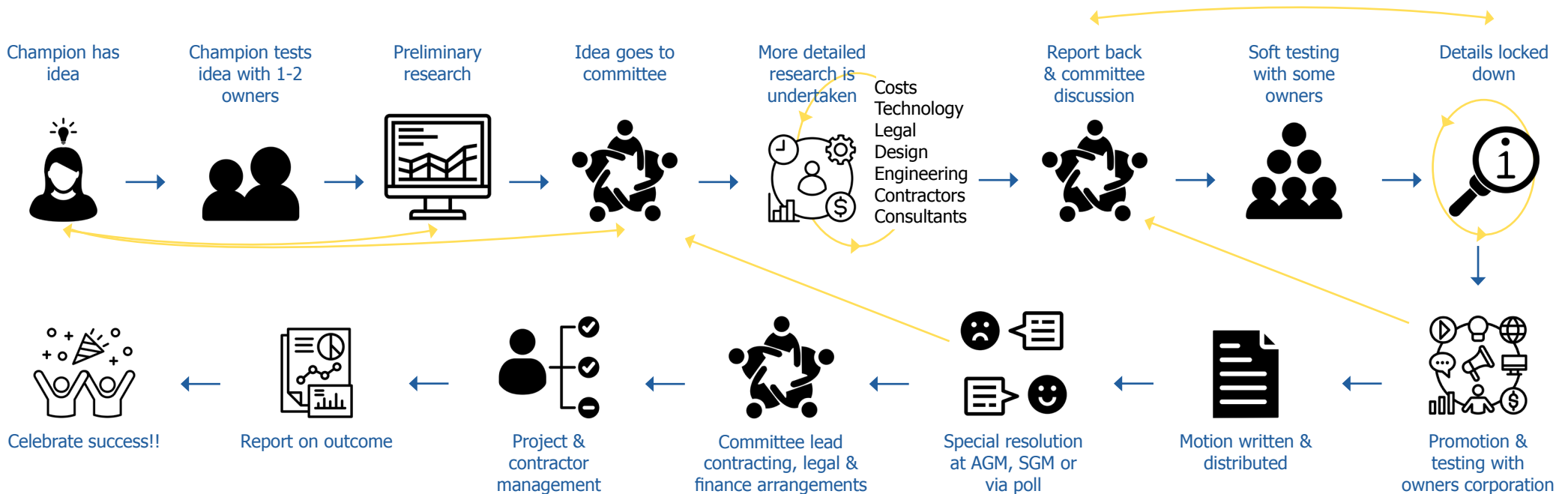
Common area upgrades generally take a long time to implement, especially in larger or complex buildings. It's nearly always more than 12 months, and often 3-6 years.

Most upgrade projects start because one or two passionate owners have a vision to improve the building. Let's call them the project champions. Typically, it will be up to them to drive that vision. To do the research, gain buy-in, and manage the project. In some instances, a subcommittee is formed to support the development and management of the project and ultimately the upgrade.

As explored earlier, the decision-making process itself is time consuming. Prior to that, there's a huge amount of research and groundwork that must be done to prepare for the decision-making process. Then once the decision is

made, there is usually commercial scale contracting and project management to undertake. And while all of this is going on, the regular business of the owners corporation and committee/s – like reporting, issues management, insurance, chasing up arrears, building management, security issues, budgeting, and meetings – must continue.

The diagram below is a simplified approximation of what the process might look like. The yellow arrows indicate common revision and refinement loops but it should be noted that these can occur at any point prior to voting. And even during the project management phase, further refinements might be required, without losing the project intent that was voted on by the owners corporation. An owners corporation manager may support all or part of the process, depending on what they are contracted for.



THE OPPORTUNITY FOR IMPACT AT SCALE

Under current conditions, delivering common area upgrades is extremely challenging. However, the balance of effort to output is usually worth it.

Yes, it might take 2-3 years (or even longer!) to get a common gas hot water system switched to a heat pump but in doing so, potentially hundreds of households suddenly switch to efficient, electric hot water. There is an economy of scale to leverage.

Now imagine if the legislative and cultural barriers slowing sustainability upgrades were removed. The balance of effort to output would be suddenly skewed in favour of output, and the opportunity for impact at scale would grow significantly. Couple that with more government initiatives like the Solar for Apartments program, and we could really start to transform the lives of people in our apartment building communities.

APARTMENT BUILDING COMMUNITIES ARE READY TO BE ENGAGED

Because apartment building communities are so often overlooked in programs, initiatives, and conversations about homes, when they are specifically addressed, they engage. This has been demonstrated time and time again through the City of Melbourne's High Life Expo program, and more recently through the 2024 High Life Expo and Solar Victoria's Solar for Apartments programs.

Apartment and strata titled buildings should not be conflated with commercial buildings

Because the scale of infrastructure is similar, there can be a tendency for sustainability and government professionals to consider them in a similar way.

While there are certainly technical infrastructure retrofit insights from the commercial sector that could be helpful for larger apartment buildings, programs, solutions and pathways for these two sectors should be developed separately because of key differences such as:

- Legislation and governance arrangements
- Apartment building management being led by unpaid committees
- Different social norms and building use because apartment buildings are peoples homes

Community connection is crucial

Change is driven by people who can collaborate, and we know that connected communities are more resilient.

Although the proportion of Australians living in apartments is growing rapidly, we're not yet making the cultural shift needed for this more collective style of living. This is a significant issue given strata legislation mandates collective decision-making. Without apartment owners being able to make effective decisions together, it is near impossible to manage the basics in an apartment building, let alone proactively deliver retrofitting projects.

Working together effectively

The need for connection and community isn't just about feeling good. Apartment owners are in a legally binding relationship with each other, responsible for the communal upkeep and maintenance of their property. The governance structures mediating these communities essentially represent a new form of civic relationship in Australia. The impact of which effect not just owners, but also renters who have little ability to affect change.

The Governing the Compact City project (UNSW), Australia's first comprehensive assessment of how the strata title system is operating in regard to governance and management, found that the role of interpersonal relationships and skills amongst residents, owners and committee members are critical factors in determining the success or otherwise of strata living and management. It found that good relationships with neighbours can have significant positive benefits, not only for the individuals involved, but also for the smooth operation of the scheme.

Collective governance requires us to "get along", at least to a degree. And while some owners corporations or committees have skilled facilitators and communicators, many do not. In fact, the performance of owners corporation committees is highly variable.

There is a need to up-skill strata owners to make decisions, to collaborate well together, to work through disputes when they inevitably arise, and ultimately to create vertical communities that are also inviting to tenants.

The co-benefits for investing in community connections

Beyond enabling building retrofits, creating social connections and building vertical communities has a range of co-benefits essential for liveability in the face of climate change and unexpected disasters such as the COVID-19 pandemic and fire response.

Research (by University of Sydney and many others) has confirmed that social connection enables personal and community resilience. People who are isolated and socially disconnected are more exposed to climate risks. Despite their proximity to each other, Macquarie University researchers found that during the COVID disruptions, more than one third of apartment residents felt lonely. Research by the University of Sydney found that living in small apartments is a factor in increased loneliness.

RMIT Place Lab's report on Living Together found that being part of a community had many benefits and joys, some of which residents did not expect. One of their research participants commented: "We'd lived in apartments before but ... there's something special about everyone in the building, and in the neighbourhood, opt[ing] in to being a bit more connected with their neighbours and wanting to live in a sustainable [way] ... having people around you that share your values."

It is important to note that community connection should reflect the desires and needs of those within the building. In some buildings there's a desire to connect more deeply, on a social level. For others, it might be enough to have a culture where you say hello in the hall and can knock on your neighbours door in times of emergency. And of course, not everyone will want to connect. But, if many or most within a building are interconnected in some way, community resilience and safety is likely to be higher overall.

How can connection be facilitated in apartment buildings?

When we talk about building community, making connections, and working together, it's important to acknowledge that this can come in different forms and to different degrees. The shape of any community should not be imposed from the outside but rather be determined by those who are part of it.

The residential community within some buildings may simply want to normalise basic connections like chatting in lifts or knowing the names of neighbours. In other buildings, there will be a drive to create deeper social connections or even official groups or events.

In the strata context, there is a legal obligation for an Annual General Meeting (AGM). Those people with an interest in having a well-managed building will likely attend. While the AGM is rarely pitched as such, it does present an opportunity for connection. Simple acts like:

- Hosting the meeting in person instead of or as well as online
- Asking people to wear name labels
- Ensuring introductions are made at the start of the meeting or
- Having tea, coffee and cake after the meeting can be a good place to start

Some communities form almost by accident, as happened to [Flip and Kevin](#) when they sat next to each other in a bar and discovered they were neighbours in the apartment building across the road. An unlikely friendship bloomed, and then expanded into a social committee for the building. Some residents began socialising together, and instead of standing in awkward silence in the lift, people were comfortable chatting.

More recently, at the [High Life Expo 'Building Bonds: creating connected and resilient apartment communities'](#) seminar session there was a discussion about the power of informal social gatherings with neighbours. Having recently moved into a complex of 12 units, Karen was inspired to try the idea. She letterboxed her neighbours, six people turned up for a pizza party and had a great time, and there's already talk of who is hosting the next one.

And, Karen has since decided to join her owners' corporation committee so she can be part of proactively managing her building.

In other apartment buildings, community are at the very heart of the development and there is a more intentional and concerted focus on connection. The Urban Coup is one such example. In their words "Urban Coup is an initiative of a group of Melbournians with a shared vision of creating not just housing, but community."

[The Urban Coup](#) is a medium-density development made up of 29 households, is strata titled, and was designed under a [co-housing model](#) where residents enjoy the privacy of their home, but can also walk out their door to be part of a community with shared common facilities, garden, and the opportunity for regular meals together. 25 per cent of the building is shared space, including a large communal dining and kitchen, common laundry, rooftop, multi-purpose spaces, and guest rooms. There is a lot that could be learned from co-housing and applied back to more standard strata developments.

Can owners corporations pay for community cohesion and social events?

Technically owners corporations can only collect and spend money to deliver on the prescribed functions and as outlined in the Owner Corporation Act, which broadly includes:

- To manage and administer the common property
- To repair and maintain the common property and associated equipment and services
- To take out, maintain and pay premiums on insurance required
- Keep an owners corporation register
- Provide an owners corporation certificate

This means events that are purely social in nature or designed to develop community cohesion cannot be funded via the owners corporation. However, apartment building communities with stronger social ties often function better overall. Given this, it's important to consider how the owners corporation can support social event. This could be done by:

- Integrating social occasions into prescribed meetings. For examples, some owners corporations offer a social gathering directly after the AGM
- Gold coin donations for events to cover costs
- Bring a plate style of events
- A gardening day to help maintain the common landscaping
- An event that has a focus on education about the proper functioning of the owners corporation is allowed to be funded by the owners corporation. So building relevant education into social events is another solution
- Setting up a social fund separate to the owners corporation. This could include developing an income stream through something like the container deposit scheme or residents paying directly for services

That said, we must be aware of placing another load onto already stretched committees. Communities wishing to support hyper-local connection may be best served by a social sub-committee or residents group who drive the social activities, and keeping the committee informed of their work.

How councils can support social cohesion

Councils generally offer a range of community grants and programs. Unfortunately, owners corporations are often excluded:

- Explicitly - grant or program guidelines do not allow owners corporations to be the recipient of community grants because they are not technically a community organisation or group, nor are they are not-for-profit as defined by the Australian Taxation Office (ATO)
- Implicitly - grant or program descriptions and guidelines read in a way that means owners corporations would not see themselves reflected, and therefore think the initiative wasn't for them

Owners corporations should be eligible for community grant funding given:

- There are ample "members" of the community. Medium or high rise buildings can house a community big enough to be a festival in itself, not to mention the rental providers who own in the building but live elsewhere. Funding one owners corporation in a medium or large building can support hundreds of people
- While owners corporations aren't not-for-profit as defined by the ATO, they do not exist to generate income for a minority. They are not a profit-making entity
- Funds invested in the building or community will improve the lives of many
- To support equity. Apartments generally house a higher proportion of people who live alone, have smaller incomes, speak a language other than English, and report higher levels of isolation. Investment in these communities can channel support to those most in need

Through its waste, green infrastructure, resilience and community development programs, City of Melbourne has been exploring different ways of working with and funding owners corporations.

A role for State Government

As outlined in the Governance chapter of this report, there is a lack of knowledge and active participation in apartment building communities stemming from a lack of focus, support and investment from Government.

As the owners of the Victorian Owners Corporation Act, and enablers for the development of high-density housing, it is more crucial that ever that the State Government overhauls and expands it's very limited and no longer fit-for-purpose services for people living and owning in apartment and other strata titled buildings. Further, we need pro-active communications campaigns to drive a broader cultural shift in how people understand and participate in apartment living.

In Victoria, government support for apartment building communities has been patchy at best, sometimes non-existent. This reflects the cultural blind-spot which assumes Australian homes are all houses. This is clearly not the case.

FEDERAL GOVERNMENT

The Council of Australian Governments (COAG) Energy Council comprises the energy and resources ministers of all federal, state and territory governments of Australia as well as New Zealand. The COAG Energy Council is responsible for policy related to electricity markets.

The COAG's original Trajectory for Low Energy Buildings (December 2018) failed to mention apartments or residential strata titled buildings. The Addendum to the Trajectory for Low Energy Buildings - Existing Buildings (November 2019) includes two mentions specifically related to residential strata and apartment buildings:

- By end 2020: Establish targeted initiatives for strata titled buildings, or variations of the 'Targeted Residential Building Policies', which improve their energy efficiency.
- Opportunities for Strata titled buildings: Further analysis should be delivered to identify the initiatives that would see energy efficiency benefits realised in strata titled buildings and common areas. Strata titled buildings face unique challenges due to the need for collective decision-making or other physical constraints.

Very little seems to have arisen from these commitments.

Across 2024 and 2025, there has been some Federal funding to support solar for apartments in Victoria and NSW, and Race for 2030's Realising Retrofit Opportunities for Apartment Buildings Project.

STATE GOVERNMENT

The State Government has a strong hand in facilitating the function (or dysfunction) of owners corporations via their regulation of the Owners Corporation Act, their role to provide information and support through Consumer Affairs Victoria, and their broader programs.

Owners Corporation Act is due for review

The Victorian Owner Corporation Act does little to actively support energy and other sustainability upgrades. It makes a minor contribution by prohibiting owners corporations from unreasonably preventing the installation of sustainability items on the exterior of lots. According to the Act "sustainability item means any thing that eliminates or reduces a reliance on non-sustainable energy sources and includes— (a) a solar hot water system; and (b) solar energy panels; and (c) a roof with colours having a particular solar absorption value".

By comparison, the NSW Act:

- Requires owners corporations to consider sustainability at each annual general meeting and when estimating levies for the year ahead
- Allows for a "sustainability infrastructure resolution" which only requires a simple majority vote (50%) from eligible voters at a general meeting

As yet, there are no publicly available documents that report on the impact of these legislative interventions.

Section 210 of the current Victorian Owners Corporation Act calls for "a review of the operation of the amendments made to this Act by the 2021 Act. The review must commence at least 2 years after the commencement day and no later than 5 years after the commencement day."

This means the Act must be reviewed by December 2026 at the latest. As at February 2025, there has been no public announcement or process outlined for this review.

Supporting the base functions of owners corporations

The information and services offered by Consumer Affairs Victoria in relation to living in and owning in residential strata titled buildings is inadequate to serving the complex needs of the community. The information on their website is not clear or comprehensive enough, and there is no pro-active consumer education.

We can compare this to what's available in NSW:

- The Strata Hub is a digital platform that centralises key information for people who live, own, build or work in strata schemes in NSW. This includes residents, owners corporations, strata managers and developers.
- Strata living guides
- A Strata and Property Commissioner as part of the NSW Fair Trading

Gas Substitution Roadmap

The original Roadmap made no mention of apartments or strata. The 2024 update points to the Solar for Apartment Program and VEU as the mechanisms to drive energy upgrades in apartments.

It misses the opportunity to drive electrification through the Owners Corporation Act as part of long-term maintenance planning.

Solar Victoria and other State-led energy programs

Commencing in early 2024, the Solar for Apartments program was set to run until February 2025, or until rebates are exhausted, whichever comes first. As at 7 March there has not been a third round of funding announced.

The impact of the program to date is still hazy. As at January 2025, the most up-to-date statement from Solar Victoria in terms of impact is:

"During the first round of the program, Solar Victoria received massive demand for the program with more than four hundred applications from Owners Corporations for 12,000 kilowatts of solar capacity, covering more than 5,000 apartments, almost 50 per cent of which are occupied by renters."

While this statement shows impressive (but not surprising) demand, it does not reveal how many buildings have actually installed solar under the program. Anecdotal evidence to date suggests the number of successful installations might be much lower, however it is impossible to determine without further data from Solar Victoria.

To the credit of Solar Victoria, they have made a concerted effort to tailor their program to the needs of the strata sector, however this is a big learning curve.

Other State Government programs such as Victorian Energy Upgrades (VEU) and the SEC currently have no tailoring to ensure services are relevant to strata communities. Most State Government resources designed to support energy efficiency and electrification describe solutions within the context of standalone houses. The only state-funded strata specific energy resource is the Solar for Apartments Guide, produced by the Yarra Energy Foundation.

The current SEC Strategic Plan recognises the complexity of apartment living but does not go on to provide solutions or services to overcome the challenge: "Cost and complexity can be barriers to switching, and many people don't know about the services and technologies available or the longer-term financial benefits. The challenges are even greater for tenants and those who live in apartments."

Given everything Solar Victoria has learned rolling out the Solar for Apartments program, there's an opportunity for insights to be shared to other departments, councils, and publicly in order to support more effective programs for people living and owning in apartment buildings.

VICTORIAN LOCAL GOVERNMENTS

In Victoria, councils have been inconsistent in how they deliver for and with apartment building communities. However, there have been some great sprints of work delivered by councils, in partnership with stakeholders. The missing element is the momentum built through consistent, long-term delivery which will ultimately maximise outcomes and make the most of the investments.

Here's a taste of what's happened in Victoria:

- Approximately 10 years ago, Port Phillip historically delivered one-on-one advice and support for apartment communities looking to improve sustainability outcomes. They also encouraged block parties in apartment buildings
- Between 2008-2010, City of Melbourne ran the Sustainable Living in the City program, which assessed the five high rise buildings and supported them to improve energy, water and waste outcomes
- In 2012, Higher Density Residential Efficiency Solutions (Hi-RES) Project was delivered by City of Melbourne, City of Yarra, City of Port Phillip, SCA (Vic), Moreland Energy Foundation, and Yarra Energy Foundation. This project sought to identify barriers to retrofitting apartment buildings and produced some guidance to help strata titled buildings navigate the process of decision-making
- Smart Blocks was a national program which aimed to help apartment owners and their building and strata managers improve the energy efficiency of common property in apartment buildings. The program was developed in partnership between Strata Community Australia, City of Sydney, City of Melbourne, Owners Corporation Network of Australia and Green Strata. It ran from 2012-2015.
- City of Melbourne has been running waste programs tailored to apartment building communities for around 10 years. A number of other councils, have also tailored waste programs to apartment communities
- For a number of years, City of Melbourne's Urban Forest Fund has been supporting apartment building communities to build gardens and retrofit green walls
- In 2022, seeking to reinvigorate the conversation related to sustainability in strata, City of Yarra, Merri-bek City Council, The Knight, SCA (Vic), and HIP V HYPE delivered the Unlocking Sustainable Strata project which included high-level sustainability guides for a range of typologies, plus a starting guide related to electrification retrofits
- Also launched in 2022 was the Yarra Energy Foundation's Solar for Apartments guide, funded by Sustainability Victoria
- More recently, in 2023-25, City of Yarra has been piloting the delivery of technical sustainability support for a small number of buildings
- During 2024-25, many inner-Melbourne councils have been holding events to encourage and support their apartment building communities to participate in Solar Victoria's Solar for Apartment program
- In 2024, Melbourne councils supported the High Life Expo, a website and event seeking to connect and provide education opportunities for anyone living, owning or working in apartment building communities
- Also in 2024, City of Melbourne and the Centre for Public Impact delivered the Rising Resilience program with 30 resilience champions re-imagining how we think about resilience in "vertical villages"

Smart Green Apartments

Annual report 2023/24



NEW SOUTH WALES LOCAL GOVERNMENTS

Councils across Greater Sydney have been running energy upgrade programs for strata for a number of years. In particular, the City of Sydney has consistently run Smart Green Apartments (SGA) since 2016. Over this period SGA has worked with 279 buildings, identified that on average buildings can reduce their energy use by 36 per cent, and saved participants \$14,205,725 in energy and water bills (read more in their annual report). SGA uses NABERS assessments as the basis of its program and their approach is customised to their municipality.

Many other Greater Sydney councils are largely dependent on external providers to administer their programs, with Wattblock and Rebately being the two most common delivery partners. Anecdotal feedback on the success and efficacy of the suppliers, design and delivery of these programs is mixed.

NSW councils are primarily running their own programs, rather than pooling resources to run a centralised program across municipalities.

Some councils are also adapting community development approaches so they better fit the strata context. For example, the Hi Neighbour program and toolkit developed by Willoughby and Lane Cove Councils aims to promote neighbour connections and reduce social isolation among high rise apartment residents.

Willoughby Council has been working with residents to develop their own projects to engage their neighbours and foster a sense of community within their own apartment buildings. The approach is built around self-nominated community activators who could be a resident, building manager or strata committee member. Participating buildings receive support and funding for events or activities aimed at promoting neighbour connections among residents of high density apartments.

Program examples

The table to the right summarises approaches taken by the listed Victorian and New South Wales councils that are working to support electrification in apartment building communities.

The majority of programs have a focus on financial incentives. While financial incentives have been successful in drawing the attention of apartment owners, there is strong anecdotal evidence that financial incentives (especially small financial incentives) is not the major enabling factor to drive change, particular change at scale.

All indications are that councils should beware investing in financial incentives without a strong underpinning program and/or advocacy approach.

Program evaluation reports were not easy to obtain so interviews were conducted with 5 Sydney Councils to better understand the NSW context. Insights from these interviews, and conversations with Victorian based council officers are included in the following chapters.

Program & council	Free assessment only	Free assessment & technical support	Free assessment & financial incentive	Financial incentive only	Free assessment, info & grant
<u>Solar Potential for Apartments:</u> Moonee Valley	●				
<u>Energy Assessments & Solar for Apartments (+ Hi Neighbour):</u> Willoughby	●				
<u>Apartment and Strata Energy Savings:</u> Woollahra (under review)	●				
<u>Energy Audits for Apartments:</u> Canada Bay	●				
<u>Apartment & Strata Savings Program:</u> Mosman		●			
<u>Go Solar for Strata:</u> Inner West Council		●			
<u>Greener Apartments Program:</u> Lane Cove		●			
Apartment Support Pilot: Yarra		●			
<u>Building Futures strata program:</u> Waverley			●		
<u>Futureproofing Apartments Program:</u> North Sydney			●		
<u>Apartment Subsidy:</u> Stonnington				●	
<u>Strata Sustainability Rebates:</u> Randwick				●	
<u>Smart Units Rebates:</u> Ku-ring-gai				●	
<u>Smart Green Apartments:</u> Sydney					●



The barriers and how we can
break through them

The barriers and how we can break through them



Photo by: jarondunk

Sustainability and resilience needs in apartment building communities cannot be addressed in isolation. To enable sustainability and resilience outcomes, it is essential to remediate the legislation, governance, and cultural norms under which these communities operate.

The key barriers, and strategies to help overcome them, are summarised across two streams in this chapter:

Foundational: Addressing underlying legislation, governance and social norms that negatively impact strata and apartment building communities

Sustainability: Addressing issues specific to sustainability and climate resilience in strata and apartment buildings and communities

FOUNDATIONAL

Barriers to action

- Apartment building communities not knowing where to turn to get trusted and affordable information and support.
- Lack of foundational information, education and support services related to owners corporation governance and proper management. The information provided by [Consumer Affairs Victoria](#) is inadequate and difficult to understand.
- Following, a lack of knowledge and active participation in owners corporation and building management by many owners.
- The significant burden to manage, maintain and in some cases, improve, apartment buildings and communities falls to an individual person or small group of untrained volunteers. It is challenging to find the time and resources to do the basics, let alone special projects such as electrification.
- Developers and real estate agents often sell apartments as 'low maintenance'. While this might be true from a physical perspective within the apartment itself, there is a high volume of administrative, governance and community maintenance that must be undertaken. This means people are buying into apartment buildings with often unrealistic expectations about their role in maintaining and governing the building.
- Government departments do not have a strong understanding of the apartment and multi-unit residential sector.
- Apartment buildings and the associated communities have very different needs to those in standalone homes. Australia has a culture of "houses", which means the unique needs of apartments and other multi-unit residential buildings are generally not considered in Government residential policy.
- Apartment communities are seen to be "too hard" and therefore pushed down the list of priorities to address.
- There is no contact register for owners corporations in Victoria, making communications between government and stakeholders/communities extremely challenging.
- There is no clear mechanism in the Victorian legislation through which owners corporations can save for capital improvements (as opposed to maintenance).
- The decision-making threshold for major energy and sustainability project is too high (e.g. 75% of lot owners are required for a Special Resolution).
- The differing financial capacity of owners means that even if there is a shared will to electrify, there is not always the ability to fund the project.
- While it's possible for owners corporations to get loans for infrastructure projects, the interest rate is typically high.
- When large retrofit projects are undertaken by owners corporations, they typically take more than 2 years to achieve (sometimes much longer), which is too long for some government programs.

How we can break through the barriers

- Improved information and services related to strata living in Victoria. The NSW model could be looked to as an example.
- Proactive communications from the Victorian Government to promote best practice approaches strata living.
- A strata commissioner for Victoria.
- A strata hub for Victoria. The NSW model could be looked to as an example.
- Capacity building, including training and support programs for owners corporation committees and owners.
- All residential policy and programs consider the specific needs and implications for apartments and multi-unit residential communities.
- Continued evolution of the recent Solar Victoria Solar for Apartments program.
- Solar for Apartments program insights shared across the Victorian Government and other stakeholders to support the design of future apartment programs.
- Update the Owners Corporation Act to:
 - Reduce the decision-making thresholds for common area electrification and sustainability initiatives, for example down to an Ordinary Resolution.
 - Expand the maintenance planning process to encourage and enable the development of capital improvement funds.
- Implementing or strengthening community development programs and approaches in vertical communities.
- Building and strengthen connections between stakeholders (owners, residents, councils, consumer and industry bodies) in order to work and advocate more effectively together.
- Increasing advocacy to the State Government to ensure law and regulations drive better outcomes for people owning in and living in apartment buildings and units



SUSTAINABILITY

Barriers to action

- Government communications related to electrification and other sustainability issues largely showcase standalone homes, not apartments and common infrastructure.
- Aside from Solar Victoria, current government electrification incentive services do not adequately address the unique needs of apartment owners and owners corporations.
- Lack of examples of whole building electrification retrofits.
- Not being able to find consultants able to deliver electrification retrofit plans and advice which consider the complexities of apartment living.
- The significant costs associated with paying consultants for fact-finding before planning and delivery, e.g. the exploration of electrification, green infrastructure or water saving opportunities and barriers.
- The diversity of expert advice required throughout the building upgrade processes gets expensive and is hard to access in a timely manner. From idea to installation, it's likely advice may be needed across categories such as: strata legislation and governance, financing, engineering, marketing, legal, and technical sustainability (e.g. energy systems, green infrastructure, waste experts).
- Engineering and load requirements (e.g. many buildings can't put solar on the roof without upgrading the roof itself, which adds a huge amount of cost).
- Space constraints can apply to electrification projects as well as other sustainability initiatives such as waste and resource management, green infrastructure, and EV charging (e.g. a common instantaneous hot water system has very different space requirements to a heat pump system).
- In some buildings, particularly those highly reliant on gas, the electricity supply to site is not adequate to meet the higher electricity needs associated with going all-electric. Again, investigating and then fixing this issue has cost implications for the owners corporation.
- The cost and disruption associated with upgrading electrical infrastructure throughout the site/building.
- The interplay between private space (lots) and common space and infrastructure. (e.g. everyone installing an induction cooktop in their apartment will have an implication over overall energy loads).
- Consideration of shared comfort and amenity (e.g. someone installing an efficient split system air conditioner for their apartment needs to consider the visual and noise implications on their neighbours. Owners are usually required to get permission from the owners corporation before installing a piece of private infrastructure that impacts on broader amenity).
- Limitations of existing infrastructure (e.g. a waste shoots not accommodating new resource separation streams).
- Inconsistent service contracting across buildings (e.g. some apartment buildings access council waste services, while others employ private contractors).
- Concerns about fires associated with EV and other battery charging.
- Embedded networks established prior to 1 January 2023 can be a barrier to owners corporations (and residents) to accessing renewable energy.

How we can break through the barriers

- Government support for an action research project for whole building (common areas and apartments) electrification trials, which also generate templates, tools and case studies for use by other apartment building communities.
- Ongoing and consistent support mechanisms at the right time for apartment building communities. This could include increased support for initiatives like the [High Life](#) and [Owners Corporation Network](#), which provide support to owners, a collective of councils developing services, or supporting the upskilling of an organisation like [Renew](#) to deliver services.
- Capacity building for committee members and project leads, including training and other opportunities for apartment building communities to come together to learn from each other and from experts.
- Normalising energy upgrades and other sustainability initiatives via examples of strata buildings and communities that have completed electrification project.
- Investment in monitoring and evaluation of apartment programs so insights can be shared across government and industry.
- Cross pollination of insights between teams, programs, level of government and stakeholder organisations.
- Shared investment in solutions across municipal boundaries.
- Increased fire safety in apartment building education and resources.
- Increasing advocacy to the State Government to ensure law and regulations drive more sustainable outcomes (e.g. the owners corporations act and regulation related to embedded networks).



2024 [High Life Expo](#), an event for anyone who lives in or own apartments and units, and the people that help manage them. Photo by [Matto Lucas](#)

Advocacy priorities

All levels of government will need to play a role in upgrading apartment and other residential strata titled buildings, and ensuring their resilience and livability.

Local Governments are well placed to support community cohesion and connect strata communities into their programs. They can also play an important role in bringing the voice of their communities to State and Federal governments.

State Government has a huge role to play in maintaining the legislation to match current and future needs of owners and residents. They must also lead the charge when it comes to investment to improve the cultural, educational and support systems within and for these buildings and communities.

Federal Government will need to contribute funds to drive the transition at scale, and to raise the profile of apartment living as part of a quality Australian lifestyle.

This chapter summarises advocacy priorities that will support the needs of Victorian apartment and strata communities.



Photo by rotekirsche20

FOUNDATIONAL

1. Establish a Strata Commissioner

- A dedicated regulatory body (as seen in NSW and QLD) to:
 - Support strata governance, enforce compliance and manage disputes
 - Ensure consumer protection and professionalism in strata management, including promoting transparency in insurance, management fees and financial services
 - Ensure strata rights and unique needs are adequately addressed in all government policies and programs, and that related policies are consistent, coordinated, and integrated across agencies
- Establish an advisory committee of strata owners, residents, industry bodies, and service providers to inform government policy.

2. Create a Strata Hub

- A digital registry for key strata records, ensuring owners and committees have direct and ongoing access to essential information.
- A communication portal enabling direct government engagement with strata communities (e.g., registration of names and contact details for the scheme, strata manager, and committee chair and treasurer).

3. Develop education and training standards

- Tailored, free or low cost, and easily accessible training for committee members to improve governance, financial oversight and dispute management.
- Development of training requirements and standards for strata managers to enhance professionalism and accountability.

4. Design and deliver a public campaign about strata living

- Establish a long-running communications campaign to raise the profile of obligations for living and owning in residential strata titled buildings.
- Develop public information resources for new buyers to understand their rights and obligations, and require real estate agents to disclose these rights and obligations as a clear part of the sale process.
- Develop resources and information relevant to the diversity of people living in strata titled and apartment buildings, including renters and people who speak a language other than English.
- Fund opportunities for people living in and owning in strata communities to connect and to learn from each other and experts.
- Use codesign methodologies to ensure public education address the needs of strata and apartment building communities.

SUSTAINABILITY

Items 5, 6 and 7 below work together to spread the innovation and implementation cost burden across government, industry and owners corporations. In order to be effective, they must be delivered as a suite.

5. Plan for upgrading existing residential strata building communities

- As part of Victoria's Gas Substitution Roadmap, develop a more robust strategy for upgrading and electrifying strata and apartment buildings founded on points 6 and 7 below.
- Publish and actively share data and evaluation reports from the Solar from Apartments programs, VEU and other relevant programs.
- Specific consideration of residential strata buildings and communities in planning, programs and initiatives, including Adaptation Action Plans, VEU, and the SEC, including rebates specifically packaged and promoted to residential strata buildings.

6. Fund action research to support policy development, owners corporations, and renters

- Fund a 4 year, whole of building electrification action research project that considers lots and common areas, owner occupiers and renters, and a variety of typologies.
- As part of the action research project, fund the development and dispersal of resources tools, and case studies, based on the research findings.
- Following, strengthen programs and policy to support phase out gas, including common and centralised infrastructure, electricity supply upgrades and consultant costs.
- Identify new and expanded opportunities to unlock Commonwealth government funding for upgrades, particularly related to major common property upgrades.

7. Update the Owners Corporation Act to unlock upgrades

- Reduce the resolution type, for all steps (funding, significant improvements, upgrades, Rule amendments) related to sustainability items to be an ordinary resolution. Update the following sections to enable this change:
 - Section 24 Extraordinary fees and charges
 - Section 25 Power to borrow money
 - Section 52 Significant alteration to common property requires special resolution
 - 53 Upgrading of common property
- In consultation with sustainability and energy experts, more clearly define "sustainability items" in the Act, while allowing for innovation
- Require all tiers of owners corporations to plan for electrification via the maintenance plan and fund, including:
 - A statutory requirement to obtain a 3, 5 or 10 year road map, funded through the maintenance plan
 - Set time frame for adoption in advance of the net zero by 2045 Victorian Government target
 - Report on progress of implementation at each AGM
 - Sale of Land Act and Owners Corporation Certificate (151) for statutory disclosure of plan and to be included in contract of sale

Advocacy opportunities for further investigation

There is arguably a role for councils to drive advocacy related to embedded networks, given that the function or dysfunction of regulation will impact their residents and also local carbon emissions.

Potential State Government advocacy points are outlined below. Further consultation with owners corporation representatives and embedded network experts should be carried out prior to progressing this advocacy.

- The development of guidance for owners corporations on navigating embedded networks, negotiating better terms and fair pricing structures.
- The development of guidance for owners corporations looking to transition out of an existing embedded network contract.
- Ensuring the transition of all embedded networks to the established renewable energy obligations in 2027.
- Calling for a clear timeline to remove gas embedded networks (this links to point 7 on the previous page).
- Stronger disclosure requirements so owners corporations and residents better understand pricing structures.
- Clearer termination provisions, which include clarity on fair payout conditions for infrastructure (with no double dipping).
- A pathway to end long-term legacy contracts.

RENTERS

Foundational and base building improvements will benefit renters

It is important to remember that the advocacy asks on the previous pages, even those which do not specifically apply to renters, will have a positive flow on positive impact for renters. Apartment building communities with high functioning, well informed owners corporations and renters will improve the lives of renters. Owners corporations that succeed in removing gas from their building, will automatically benefit renters.

Broader home energy advocacy will benefit renters

Equally, many of the broader, existing advocacy councils are undertaking related to home energy efficient will benefit apartment renters (if they are extended to apartments). For example:

- **Mandatory Disclosure at Point of Sale/Lease:** Advocate for a nationwide mandatory disclosure scheme requiring energy efficiency ratings to be disclosed when homes are sold or leased. Ensure ratings are disclosed for each apartment, not averaged across all apartments in a building. Push for harmonised standards across states to avoid inconsistencies.
- **Increasing Minimum Standards for Rental Homes:** Strengthen minimum energy efficiency standards for rental properties, ensuring landlords upgrade insulation, heating/cooling, and appliances to electric.
- **Gas Phase-Out for All Homes:** Implement Option 2 in the [Victorian Building Electrification RIS](#) including the phase out of gas cooking in existing residential properties. Include specific programs pathways for strata, rental, social/low-income housing (including subsidies, no-interest loans, or tax incentives) to help households transition to electric

appliances.

Releasing more existing housing stock will benefit renters

Given that 21% of apartments in Victoria were deemed to be unoccupied (2022 data), any advocacy councils carry out support the release of more existing stock, is likely to improve outcomes for renters. If there is more competition in the rental market, rental providers will be likely to upgrade their properties to ensure the property is rented.

Apartment renter specific advocacy

There are opportunities for councils to develop specific advocacy related to apartment rentals, however additional work would be required (beyond the scope of this report) to ensure the highest impact advocacy solutions are prioritised.

Examples of advocacy pathways are outlined below:

Better protect apartment renter rights in the Minimum Rental Standards

- In consultation with apartment rental providers and strata sector representatives, investigate mechanisms to effectively and fairly overcome the exemptions provided to apartment rental providers where it is "not be practical to install an energy efficient heater - because of owner's corporation rules, or costs, for example."
- Publicise solutions and ensure the Standards are updated to increasingly limit the opportunities for exclusions.

Before pursuing, it will be important to understand the overall effectiveness of the Minimum Rental Standards, and how many potential energy efficiency

upgrades are not occurring as a result of the current apartment exemption.

Recognise and support renters within the strata ecosystem

- Consult the NSW Government about the impact of their legislative amendment to allow the tenants to nominate one tenant representative to sit on the owners corporation committee where there are renters in at least half the lots of a building or scheme.
- Ensure the Victorian Owners Corporation Act protects the rights, and services the needs, of renters, and directs owners corporations to do the same.

It is of course essential for renters to be acknowledged and included as part of any apartment building community. Equally, it is important to develop solutions which are respectful and viable for all parties involved - renters, rental providers, owner occupiers and of course the owners corporation committees that deliver the bulk of the work on behalf of owners and residents. It is easy for a solution to look good on paper but given the significant government resources required to update legislation, and the flow on resources required for owners corporations to uphold the legislation, it is crucial to get the ask right.

There is not yet clear, public reporting on the value and impact of the NSW legislation to define a role for renters. It would be wise to pursue insights from NSW, before developing a solution for the Victorian context. The Tenants' Union of New South Wales and the Marrickville Legal Centre both wrote submissions to the NSW Government during their 2021 strata laws

Essential elements for council programs

To drive effectively change at scale and deploy resources efficiently, a long-term strategy to working with apartment building communities is needed. While we have had a stop-start approach in Victoria, and nationally there is a lack of accessible program evaluations, there is academic research and anecdotal evidence about what works and what doesn't.

Key insights collected to date are outlined in this chapter and presented as key enablers and essential program elements. These insights are focused towards programs looking to drive significant upgrades or projects within apartment building communities. It includes specific insights related to electrification given the current prominence of this issue.

CONSIDERATIONS AND ENABLERS

- Develop programs targeted specifically for owners corporations
- Timelines must be longer and more flexible for common property upgrades. The time between raising the idea of an upgrade to implementation is highly variable. 6 months is an extremely quick turnaround. Most projects take at least two years to complete, and some take many more. Given this, multi-year programming support is ideal
- Recruit a dedicated owners corporation committee member/s to actively drive the project
- Key contacts for buildings/owners corporations change, which makes it hard to communicate and connect over time. Make sure there is more than one point of contact
- Build progress around AGMs to help drive engagement and ultimately support decision making
- Being able to effectively communicate about the project to the whole owners corporation and the opportunity for owners to have their questions answered. Ensure there are multiple communications touch points across different channels. Ideally communication would include interactive (e.g. at meetings) as well as information available at any time (e.g. videos or fact sheets)
- Mentor or facilitate access to mentors to support owners corporations and committees through change processes. The type of advice and support required will depend on the project but is likely to cut across navigating strata, technical, communications and marketing, and potentially legal and / or financial
- Long, irregular timelines and changing contacts make it difficult to track the journey of a building from idea to upgrade. And following, collecting data and program evaluation is made more difficult. Work to build relationship with multiple key contacts and regularly reach out to check-in
- Design for flexibility. Within strata, complexities inevitably arise. Council (and other government) programs need to be scoped widely enough to flex with the needs of the building and owners corporation. For example working in a building with an embedded network will be different to one without an embedded network when it comes to energy upgrades. Or perhaps the roof develops a leak while an owners corporation is working to get solar. Dealing with the leak takes priority and people become worried about the potential for more leaks if solar is installed so new information needs to be developed and communicated to reassure owners
- Ensure programs don't rely just on incentives or audits to deliver outcomes. Incentives and audits drive interest but this may not convert to a physical upgrade (or at least not one that is recorded against the program). For example, a NSW council reported 75 buildings participated in their audit and incentive program but only around 10 have reported a completed retrofit. Following, financial incentives alone aren't enough to drive real change at scale. It is usually the highest functioning apartment building communities who are prepared and well positioned to respond to and benefit from financial incentive offers

- Physical load limitations, space constraints, and the need to work at height can limit or increase the costs of some building upgrade opportunities. For example a commercial scale heat pump will likely have different space requirement than an existing gas system. Consider how engineers can be consulted to help resolve these issues
- Getting agreement from owners in order to raise / spend owner corporation funds on energy upgrades is a barrier. A choice has to be made to spend funds the OC has saved, raise a special levy, get a strata loan (which have relatively high interest rates), or not progress the project. Consider opportunities for owners corporations to get financial advice
- While barriers for common property upgrades can spill over into private residences, some councils have experienced that it's comparatively easier to encourage upgrades in private spaces. Given this experience, there may be value in councils being more explicit that individual units and apartments can access broader council energy upgrade programs
- Finding reputable suppliers and technical experts who understand the strata sector is a barrier to upgrades. Programs must find ways to capture and share information about suppliers
- The need to pay for meter and other electrical upgrades prior to electrification is a barrier to energy upgrades, especially in older buildings. Anecdotally, some owners corporations in older, highly gas dependent buildings are reporting their grid connection cannot deliver enough electricity to accommodate a switch to all electric. More research is required to understand the scale and implications of these issues. Programs should capture these issues to support advocacy efforts

Note that owners corporation legislation is state based so while there could be opportunities for program delivery through interstate/national partnerships, state based tailoring would be required.

ESSENTIAL PROGRAM ELEMENTS

When designing council programs, the elements below should all be covered, either by the program itself or via linking out to complementary services:

- Long program lead times and support mechanisms accessible at the right time for the strata/apartment building community
- Advice and support (or connection to affordable advice and support) related to:
 - Owners corporation legislation and governance
 - Financing
 - Generating apartment community buy-in (e.g. marketing, communications and community connection)
 - Energy supply, infrastructure, and upgrades
 - Engineering and design
- Direct or indirect connections to suppliers and products
- Access to tools and templates that will help streamline processes
- Normalising energy upgrades via examples of strata buildings and communities that have completed electrification projects
- Opportunities for stakeholders (particularly owners and residents) to come together to learn from each other
- Ongoing program monitoring, evaluation and information sharing
- Advocacy to the State Government to drive ongoing regulation improvements (drawing on insights from the monitoring and evaluation)
- Support from Executive/Leadership and core strategic documents

Note that financial incentives have been deliberately left off this list. While there an indication that financial incentives act as a catalyst to drive interest in building upgrades, it is not yet clear that they are fundamental to change. More action research is required to truly understand the role of financial incentives in this sector, in particular because it's unlikely councils will have large enough budgets to provide meaningful financial incentives ongoing.



Resources and further reading

Resources and further reading

- [Consumer Affairs Victoria](#)
- [Owners Corporation Network](#)
- [Strata Community Association, National and Victoria](#)
- [The Knight](#)
- [Above OCM](#)
- [Facilities Management Australia](#)
- [Land Use Victoria](#)
- [Turnbull Cook](#)
- [Pica Group](#)
- [FMA](#)
- [Above OCM](#)
- [ABC](#)
- [City of Sydney](#)
- [2022 Australasian Strata Insights Report](#), UNSW
- [2022 Australasian Strata Insights local government and electoral district information](#), UNSW (select jurisdictions)
- [Delivering sustainable apartment housing: new build and retrofit](#), AHURi (2023)
- [Unlocking Sustainable Strata Report](#), Amy Brand, HIP V. HYPE, The Knight, Merri-bek City Council, City of Yarra, Strata Communities Association (2022)
- [Retrofitting apartment buildings: the technical challenges of strata ownership](#), Amy Brand, Cities People Love (2024)
- [Retrofitting apartment buildings: The importance of community connection](#), Amy Brand, Cities People Love (2024)
- [High Life seminars, resources and case studies](#) (2024)
- [Sustainable Retrofits of Apartment Buildings: Developing a Process to Address the Barriers to Adoption](#), Rebecca Leshinsky RMIT University (2016)
- [Apartments, Co-ownership and Sustainability: Implementation Barriers for Retrofitting the Built Environment](#), Journal of Environmental Policy & Planning (2013)
- [Accelerating Net-Zero High-Rise Residential Buildings in Australia](#), Pitt and Sherry (2016)
- [Adapting strata and community title buildings for climate change](#), Griffith University and NCCARF (2013)
- [Living well in greater density](#), FutureCities UNSW (2010)
- [Delivering Sustainable Solutions for Apartments](#), Hi-RES, City of Melbourne (2012)
- [‘Growing Up- How Strata Title Bodies Might Learn to Behave’](#), Michael Teys
- [Life Between Apartments Seminar](#), Merrick Morley (PhD candidate) (2025)
- [Strata Living Guide](#), NSW Government
- [Developing Emergency Action Plans for All-Hazard Emergencies in High Rise Apartment Buildings](#), City of Columbus High Rise Building Safety Advisory Committee (2018)
- [Strata disaster: How prepared are our apartment communities for emergencies and disasters?](#), Owners Corporation Network (2024)
- [Investigating passive fire protection defects in residential multi-owned properties](#), Deakin University (2022)
- [Planning for the inclusion of families with children in apartments](#), James Martin Institute for Public Policy (2024)
- [Mandatory Inspection Regulations for Ageing Buildings](#), Strata Knowledge
- [Multi Owned Property Research Hub](#)
- [EV charging for strata buildings](#), Australian Government
- [The Renters Journey](#), Consumer Policy Research Centre

Linkedin

The following pages/people on LinkedIn provide useful insights into the strata sector:

- [Strata Community Association National](#)
- [Strata Community Association Victoria](#)
- [Owners Corporation Network and Victorian Chair Janette Corcoran](#)
- [Amanda Farmer](#), strata lawyer (NSW)
- [Look Up Strata](#)
- [Michael Teys](#), Strata Advisory (NSW)
- [Julie McLean](#), strata educator and consultant
- [Janette Corcoran](#), OCN Director
- [Merrick Morely](#), University of Melbourne PhD
- [Hazel Easthope](#), UNSW Professor
- [Nicole Johnson](#), Strata Knowledge



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