



Review of the *Owners Corporations Act 2006*

**City of Melbourne submission to the
Expert Panel Review appointed by the
Minister for Consumer Affairs**

September 2025

12 September 2025

To: Expert Panel

Re: Review of the Owners Corporations Act 2006

The City of Melbourne is pleased to provide input into the independent review of the *Owners Corporations Act 2006* commissioned by the Victorian Government's Minister for Consumer Affairs.

This submission is provided by the management of City of Melbourne and is based on Council policy, including the draft [M2050 Vision and Council Plan 2025-29](#), [Inclusive Melbourne Strategy \(2022\)](#), [Neighbourhood Planning Framework \(2022\)](#), [Climate Change Mitigation Strategy to 2050](#), and [Affordable Housing Strategy 2020-2030](#). It has been informed by the voices of our community gathered through responses to our [Neighbourhood Survey 2024](#), meetings with residents associations, community consultations conducted via our [Participate Melbourne](#) digital engagement platform, and direct interactions with community members by our on-the-ground Neighbourhood Partners, who serve as liaisons between our organisation and our community.

This submission also reflects insights gained through delivery of City of Melbourne-led and supported projects and programs, including the [High Life Expo \(2024\)](#), [Rising Resilience Program \(2024-5\)](#), Smart Blocks sustainable strata program (2014-18), and the [Handbook: Working with Apartment and Strata Communities](#) that was commissioned by City of Melbourne and co-authored by industry experts from [Strata Communities Association \(Vic\)](#), [Owners Corporation Network](#), and social change agency [Let Me Be Frank](#).

The City of Melbourne is home to 189,381 residents¹, of whom 83% (~157,186 residents) live in apartments and therefore mostly living within a strata scheme. With such a high proportion of apartment residents and strata communities, City of Melbourne teams have a great deal of direct interaction with owners corporation (OC) committee members, chairs, and residents living in strata schemes. We hear first-hand the challenges of apartment living, and people's frustrations with the complexities and limitations of the governance regime established by the *Owners Corporations Act 2006 (the Act)*.

Like all local governments, the City of Melbourne is responsible for providing services to meet the needs of our local community. Through our service delivery, local laws, activities and programs, we work to enhance the health, wellbeing, and liveability of our community. In many instances however, achieving these objectives is made more difficult where they intersect with strata governance; for example, areas such as:

- Community connection
- Health and wellbeing
- Environmental sustainability and building upgrades
- Waste and recycling
- Community resilience, preparedness and emergency management

Our submission seeks to highlight these challenges to make the point that further reforms are needed to *the Act* to improve outcomes for people living in strata communities and to better enable local governments to support the strata sector.

¹ <https://profile.id.com.au/melbourne/>

In response to the topics raised in the Consultation Paper and the issues mentioned above, our submission focusses on the following topics:

- Topic 1: Governance and related reforms
- Topic 2: Short-stay accommodation
- Topic 3: Financial hardship
- Topic 4: Manager conduct
- Topic 7: Voting processes

Summary of recommendations

The City of Melbourne makes the following recommendations for the Expert Panel's consideration:

1. **Establish a Strata Commissioner** to support and advocate for strata communities
2. **Create a Strata Hub** to improve communication and access to essential information
3. **Develop education and training programs and standards** for OCs and OC Managers
4. **Deliver an information campaign** to increase understanding about strata living
5. **Track and regulate the short-term rental industry** and amend resolution requirements
6. **Give OCs discretion to invest in community connection and cohesion** to recognise that community connection is an essential element of a well-functioning building and OC
7. **Further define sustainability items** and clarify powers regarding sustainability upgrades
8. **Amend resolution requirements for sustainability initiatives** to unlock upgrades
9. **Require all tiers of OCs to plan for electrification** via maintenance plans and funds
10. **Support OCs and OC Managers to create building-specific emergency plans** to ensure the safety and resilience of strata communities and other apartment residents.

The City of Melbourne believes such reforms to *the Act* would greatly improve the lives of people in strata communities; as well as enhance community connection, sustainability, affordability, wellbeing and the liveability of our city.

In addition to this written submission, Maria Tomasetig, Principal Land Surveyor and Principal Subdivision Officer at the City of Melbourne is scheduled to attend an in-person discussion with the Panel to provide practical advice on these laws to assist in the formulation of recommendations.

We appreciate the opportunity to contribute to this consultation process and would be pleased to discuss any aspects of this submission in more detail should the Expert Panel wish.

Sincerely



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City of Melbourne context

The City of Melbourne municipality comprises 11 unique neighbourhoods – Carlton, CBD, Docklands, East Melbourne, Fishermans Bend, Kensington, North Melbourne, Parkville, Southbank, South Yarra, and West Melbourne – that people from many cultures call home.

The City of Melbourne is home to 189,381 residents², of whom 83% (~157,186 residents) live in apartments and thus mostly living within a strata scheme.

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 lots³.

City of Melbourne population 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 strata titled apartments⁴.

Melbourne has one of the biggest short-term rental markets in the country, with (as at June 2024) more than 4,100 residential properties (14 per cent of total residential stock) being used for short stays in the City of Melbourne. This has resulted in fewer homes being available for people wanting to live in Melbourne, including key workers and students.

Lived experience of our apartment and strata communities

The City of Melbourne contains several neighbourhoods like the CBD, Docklands, Southbank where almost all residents live in high-rise accommodation. The City of Melbourne also has a high rate of single occupant dwellings, 40% of households in the CBD are lone person.

As part of our 2024 Neighbourhoods survey⁵ (n=4,424) residents in our high-rise neighbourhoods reported a lower sense of connection to communities compared to other neighbourhoods in the City of Melbourne. This accompanies experiences of loneliness and social isolation in high-rise buildings which the City of Melbourne hears about through feedback from residents.

“The current state of society coupled with city design makes it hard for people in the same community to talk and socialise with each other causing people to become more and more isolated even when living in such a dense area.”

Resident, Southbank

Residents tell us that they want their owners' corporation to take a more proactive role creating a sense of community within the building.

“I live in the building but there is no neighbourhood activities advertising. I think each building should have one. It brings community together. Not everyone comes to the library to check out the posters.”

Resident, Southbank

² <https://profile.id.com.au/melbourne/>

³ UNSW data analysis of City of Melbourne municipality, 2022 [2022 Australasian Strata Insights | City Futures Research Centre](#)

⁴ [Population estimates and forecasts | City of Melbourne](#)

⁵ <https://participate.melbourne.vic.gov.au/neighbourhoods/neighbourhoods-survey-2024-results-published>

Positive feedback from our residents supports that active, innovative and community minded owners' corporations make a significant positive impact to life in high-rise living.

"We have a new OC manager. She works really hard and brings a wonderful energy, and things began to change. People changed. Now people stay in the common area, have a chat, and laugh together. It's about community."

Resident, Southbank

Residents call for government bodies and owners corporations to collaborate, something that could be more easily achieved if a central contact register or Strata Hub was maintained for all strata communities. This is particularly relevant to managing issues across agencies.

"More consultation between local council and the various building strata chairpersons. A coordinated approach between police, council and the EPA to crack down on noise affecting high density residential areas."

Resident, Docklands

"Contact building managers and owners corporations to share relevant news, programs or activities. So residents in the area know what is happening on a regular basis."

Resident, CBD

Residents in high-rise living also tell us that they want to be able to participate in sustainability schemes, but that current settings and programs do not accommodate apartment environments.

"It is imperative that schemes and programs are developed for owners corporations (i.e. high-rise residences) such as energy efficiency, waste management etc. 99% of Docklands residents live in high-rise apartments, yet there are very few targeted programs."

Resident, Docklands

Other topics that apartment and strata communities in our municipality have shared about their experiences that City of Melbourne would like to highlight include:

- challenges with obtaining adequate compulsory building insurance for common property, particularly for buildings over \$200M in value, leading to significant time required to obtain insurance cover and increased premiums for OCs.
- challenges with voting and achieving 75% agreement, particularly in large OCs with hundreds of owners, and the 5% proxy provision.
- potential conflicts of interest between roles within the strata sector (facilities management, leasing agents, OC management companies) where the same entity is playing multiple roles.
- a dramatic increase in the number of apartments and OCs resulting in the need for more well-trained OC managers and building managers (labour market issue).
- considerations around bringing renters' voice and community engagement into strata meetings.
- concerns about lithium-ion batteries and the potential for building fires and equipping OCs to better manage these risks.

The City of Melbourne urges the Expert Panel to review the above issues and take consideration of the capital city context and scale in which these challenges are experienced within the Melbourne CBD,

Docklands and Southbank in particular, but also across our municipality, Greater Melbourne and across Victoria.

The weight of being on an owners corporation committee

The [*Handbook – working with apartment and strata communities*](#) commissioned by City of Melbourne presents a clear picture of the multiple issues and responsibilities faced by OCs. To illuminate these points, key extracts from the Handbook are provided below:

The functioning of a building and OC relies on a small set of hardworking, unpaid committee members tackling a huge range of issues such as financial management, budgeting, insurance, dispute resolution, 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 OCs and tenants*
- *Need to facilitate collective decision-making, which typically has financial implications 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 committee roles. Anything they don't know, they learn "on the job" via other committee members, their strata manager, or independent research.

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 work⁶.

Without a highly functioning owners corporation and committee, good financial management and effective communication, efforts to achieve positive outcomes for a strata community or capital improvements and special projects nearly always fail. Again, referring to the *Handbook* (p.50):

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.

In response to these broad sets of issues and concerns, which can be characterised as 'missing foundations' in Victoria's strata governance regime, the City of Melbourne urges the Expert Panel to consider the following recommendations in relation to reforming *the Act*, the role of Consumer Affairs Victoria, and broader Victorian Government policy:

Recommendation 1: Establish a Strata Commissioner to support and advocate for strata communities

Establish 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 transparency in insurance, management fees and financial services

⁶ <https://vic.strata.community/wp-content/uploads/2025/06/Handbook-Working-with-the-Apt-Sector.pdf> p. 34

- Ensure strata rights and unique needs are adequately addressed in all government policies and programs

The Strata Commissioner should have responsibility for establishing an advisory committee of strata owners, residents, industry bodies, service providers to inform government policy.

Recommendation 2: Create a Strata Hub to improve communication and access to essential information

Establish a digital registry of key strata records, ensuring owners and committees have direct and ongoing access to essential information.

The Strata Hub should include a communication portal enabling direct government engagement with strata communities, including a register of names and contact details for the scheme, strata manager, and committee chair and treasurers.

Such a register would support the work of owners committees, as well as enable local governments to connect with owners committees to provide support and assistance.

Recommendation 3: Develop education and training programs and standards for OCs and OC Managers

Expand support, services, training programs and standards for people living in and owning apartment and other strata titled buildings.

Provide tailored, free or low-cost, and easily accessible training for committee members to improve governance, financial oversight and dispute management.

Require continual professional development and training requirements and standards for strata managers to enhance professionalism and accountability, support overall asset management and maintenance, and better enable the implementation of sustainability initiatives.

Recommendation 4: Deliver an information campaign to increase understanding about strata living

Develop and deliver pro-active information and communications to drive a broader cultural shift in how people understand and participate in apartment living, and to increase understanding 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 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 co-design methodologies to ensure public education address the needs of strata and apartment building communities

Short-stay accommodation impacts in the City of Melbourne

The City of Melbourne conducted community engagement in 2023 to understand the community's perspectives on rental registration, capping short-stays and a code of conduct for short stays. In particular, the code of conduct received support as a mechanism for clarifying responsibilities and guidelines for both owners, corporations, building managers and guests.

As part of this engagement, City of Melbourne heard that residents who lived in buildings with a high number of short-term rental properties feel a lack of safety and security in their own building and were generally supportive of the proposals.

Residents have also shared with the City of Melbourne that short stay guests can impact quality of life and amenities in high-rise settings.

"AirBnB people are so noisy and they make a lot of trouble. They have a party everyday (weekend and week night), and recently they shattered a vase in the foyer. But the building manager said that there's nothing they can do about it. And as a renter, I don't feel comfortable raising any more issues."

Resident, Docklands

Since the new amendments to the Owners Corporations (Short-Stay) Accommodation Act 2018 were introduced on 1 January 2025, City of Melbourne has received 40 customer enquiries related to short-stay accommodation. Of these, eight were from individuals expressing concerns about nearby short-stay properties, citing issues such as dumped rubbish, noise, and limited street parking. The remaining enquiries were primarily from customers seeking clarification on our policy, as they were considering purchasing an apartment to operate as a short-term accommodation rental.

"I live in docklands I have an Airbnb above me...there's been a lot of issues, and I've had three nights of no sleep... I've called security to the building"

"Could you please advise if someone use their apartment as short stay, do they need to notify the Owners Corporation and local council?"

"May I know what's the Melbourne city council's policy to short term rental - Airbnb? Is there any registration system or cap on the number of days being rented via Airbnb each year?"

Recommendation 5: Track and regulate the short-term rental accommodation industry and amend resolution requirements

The City of Melbourne maintains the adopted policy position that there is a need to track and regulate the short-term rental accommodation industry to relieve a tight housing rental market by increasing the availability of housing being used for longer term homes for people.

Further, short stays continue to be a major cost and administrative burden for some OCs, including through insurance claims, disputes (e.g. noise), and anti-social behaviour. Many OCs are ill-equipped to manage and/or enforce better outcomes for residents.

Successful precedents exist around the world and in NSW, including the requirement for local registration, caps and code of conducts. As mentioned previously, challenges exist with voting and achieving 75% agreement, particularly in large OCs with hundreds of owners, and this also applies to the short-stay accommodation provision.

Affordable housing in strata schemes

The City of Melbourne has implemented a number of different approaches to secure affordable housing contributions through the planning system (refer to [Affordable Housing Strategy](#) for further information). These contributions can take the form of dwellings within a larger strata development, which are either sold at a discount or gifted to a Community Housing Provider (CHP). The CHPs manage the dwellings as affordable housing.

The City of Melbourne is increasingly receiving feedback that owners' corporation fees are cost prohibitive for CHPs, even when dwellings are provided to them at no cost. The rents that CHPs can charge are capped at 30 per cent of household income (and the incomes of eligible residents are capped) and must cover other critical expenses including rates and maintenance. We are aware of CHPs refusing to take ownership of dwellings (even when gifted to them) because the operational expenses exceed rental income. This is particularly problematic given that OC fees may increase over time, and particularly in the first few years of a building's operation. There can also be unanticipated costs, further impacting the operational costs for CHPs.

This matter could be considered through the Panel's review of 'financial hardship' provisions, given CHPs are not-for-profit providers and their residents are very low to moderate income earners.

Building community connection and cohesion in strata communities

Community connection and cohesion is an essential element of a well-functioning apartment building and owners corporation. Improvements to apartment living can only be driven by people who can successfully collaborate with each other. Through City of Melbourne's [Neighbourhood Partners](#), [Connected Neighbourhood Small Grants](#) and [Neighbourhood Portals](#) we work to activate community and build community connection.

OCs could potentially play a greater role in building community connection, through strategic planning, social events and placemaking activities. Sentiments expressed through our [Neighbourhoods Survey 2024](#) reveal many residents want their owners' corporations to take a more proactive role in creating a sense of community within their buildings.

However, under the Act, OCs can only collect and spend money to deliver on prescribed functions, which broadly includes:

- Managing and administering common property
- Repairing and maintaining common property and associated equipment and services
- Taking out, maintaining and paying premiums on insurance required
- Keeping an OCs register
- Providing an owners corporation certificate

This means events or activities that are purely social in nature or designed to develop community cohesion cannot be funded via the owners corporation. This is despite the fact that apartment building communities with stronger social ties often function better overall, as social capital facilitates good governance, behaviour change, and community resilience.

Research and lived experience shows⁷ that connected communities are more resilient communities. Focus groups conducted by City of Melbourne on waste and recycling demonstrated that residents who feel more connected to their apartment communities are more likely to treat communal facilities with respect and engage in initiatives introduced by the building management.

Recommendation 6: Give OCs discretion to invest in community connection and cohesion

The City of Melbourne believes the Act should be updated to allow OCs some discretion to invest funds in activities that build community connection and cohesion. Building a sense of belonging motivates people to improve and participate in their own community. This change could also enable connection and dialogue between renters, owner-occupiers and OCs which is often a missing part of strata governance.

Energy hardship in the City of Melbourne

Research by the City of Melbourne reveals how the barriers for strata and apartment communities in accessing efficient, affordable, and renewable energy options are factors that are driving and entrenching energy hardship the municipality⁸.

In 2024, a significant proportion of City of Melbourne residents reported that they were having trouble paying their energy bills (27.5%) and even more (43.3%) were reducing their energy consumption to inadequate levels to afford them⁹. In the research, people reported energy bills were taking up a disproportionate amount of their household budget and that apartment owners with mortgages were foregoing spending on other essential items at a higher rate (43%) than apartment renters (41%)¹⁰. The fact that apartment owners are required to pay for both their own energy bills and also a share of the common area bills, is a key factor likely driving their experience of energy hardship.

Our research also revealed that the drivers of energy hardship for apartment and strata communities include poor building energy performance, strata governance and regulatory barriers to upgrades, a lack of relevant information and policy support for strata, and the prevalence of embedded networks which impede access to affordable energy options¹¹.

Embedded networks in City of Melbourne

Within the City of Melbourne there are approximately 168 residential apartment buildings with embedded networks¹². In theory, embedded networks ought to enable lower energy costs by allowing energy to be purchased at wholesale rates for the building to be passed through to residents. In practice however, they tend to produce the opposite; with evidence suggesting embedded network

⁷ https://ocn.org.au/wp-content/uploads/2024/06/Strata-Disaster-Report-V10_interactive.pdf and <https://vic.strata.community/wp-content/uploads/2025/06/Handbook-Working-with-the-Apt-Sector.pdf>

⁸ City of Melbourne (2025), Fair Energy Futures: combatting energy hardship and climate vulnerability in Melbourne apartment communities, Melbourne

⁹ City of Melbourne (2025a), Open Data Platform, www.data.melbourne.vic.gov.au/pages/home

¹⁰ ibid

¹¹ ibid

¹² City of Melbourne (2024), Buildings energy use and emissions study', Melbourne, <https://mvga-prod-files.s3.ap-southeast-4.amazonaws.com/public/2024-11/buildings-energy-use-and-emissions-study.pdf>

customers generally pay higher electricity prices than non-embedded network customers¹³. Embedded networks customers are effectively locked in and cannot readily switch to a different retailer, meaning they are unable to access competitive retail energy offers from the market in the same way as other customers¹⁴.

The regulatory and commercial complexity of embedded networks – often compounded by opaque and long-term contractual arrangements entered into by the developer and over which the OC has little control – tends to be a source of great frustration and financial stress for strata and apartment communities and OC committees. The particular impact of embedded networks on strata communities is explored in some detail in the *Handbook*¹⁵ prepared for City of Melbourne (p.55-58), with reported issues including: restriction of consumer choice for residents, less competitive energy pricing, significant administrative burden on OCs, long contracts that are legally and financially burdensome to exit, and power imbalances between OCs and industry players, making it difficult to secure favourable terms.

The City of Melbourne considers it unreasonable to expect volunteer strata committees to have to work through such complexities on their own, especially as the embedded network regime is one that has been established by the Victoria Government. Cases such as this underscores the need to establish a Strata Commissioner (**see Recommendation 1**), as seen in NSW and QLD, to support and advocate on behalf of OCs and ensure strata rights are adequately addressed in all government policies and programs, and integrated across agencies (which in the case of embedded networks include Consumer Affairs Victoria, the Essential Services Commission, and the Department of Environment, Energy, and Climate Change Action).

Sustainability in the City of Melbourne

The City of Melbourne is committed to addressing the causes and impacts of climate change, to support the health and wellbeing of our community and enhance the liveability and prosperity of our city. The City of Melbourne's climate ambition is to be a zero-emissions city powered by renewable energy and to ensure our community is connected, prepared, adapting and resilient to climate-related hazards and extreme weather.

The City of Melbourne commends the Victorian Government on its suite of policies to reduce emissions, transition to renewable energy, build circular economies, and create climate resilient communities. To ensure the benefits of these policies and programs are available to all Victorians – including those living in strata communities – the *Owners Corporations Act* needs to be updated to better facilitate the sustainability aspirations and needs of OCs, especially as it relates to the areas of governance, strata management, community connection and capacity building, availability of information and supports, maintenance and property management, definition of sustainability items, and voting process.

Emissions, energy upgrades, and renewables

¹³Victorian Government (2022a), Embedded Networks Review Issues Paper, Victorian Government, Melbourne

¹⁴ ibid

¹⁵ <https://vic.strata.community/wp-content/uploads/2025/06/Handbook-Working-with-the-Apt-Sector.pdf>

The City of Melbourne works to connect our apartment and strata communities to state government support programs such as [Solar for Apartments](#) and the [Victorian Energy Upgrades program](#), and resources to enable [electric vehicle-ready buildings](#).

Strata apartment communities face unique sustainability challenges and climate risks compared to residents in standalone homes due to the nature of the built form, complex strata governance, and shared infrastructure such as centralised hot water systems and embedded networks. As a result of these factors, strata communities experience significant barriers to accessing renewable energy (e.g. onsite solar, GreenPower) and undertaking energy efficiency upgrades (both in common areas and individual lots) – all initiatives which can greatly support energy affordability, thermal comfort, health, wellbeing, and overall amenity.

Definition of sustainability items

To support implementation of sustainability initiatives in common areas and individual lots (e.g. where upgrades are externally visible), the Act needs to more broadly define what ‘sustainability items’ are as this will help clarify OC and individual lot owners powers regarding sustainability upgrades.

Recommendation 7: Define sustainability items further to clarify powers regarding sustainability upgrades

This should be done in consultation with sustainability and energy experts, be flexible to allow for innovation, and ensure the list includes activities related to indoor air quality, energy efficiency, electrification and renewable energy. Definitions should also encompass Energy Product Disclosure statements, Minimum Energy Performance Standards, and minimum star ratings for energy and water appliances.

The expanded list and definition of sustainability items should encompass a wide range of technologies and upgrades necessary for building electrification, renewable energy, energy efficiency, water efficiency and management, transport and greening, including but not limited to:

- heat pumps for space and water heating
- solar hot water systems
- mechanical ventilation and heat recovery systems
- ceiling fans
- smart building energy management systems
- building energy tuning and optimisation
- energy metering infrastructure
- LED lighting
- energy efficient appliances
- bike storage and end-of-trip facilities
- electric vehicle charging infrastructure
- solar photovoltaic panels and building-integrated solar photovoltaics
- battery energy storage systems
- building fabric improvements including wall and ceiling insulation, and window glazing
- roof materials and colours for solar reflection
- green walls, roofs and planters
- stormwater management and storage

The list and definition of sustainability items should also have regard to Victoria's new minimum rental standards¹⁶ introduced in 2025, which require an energy efficient fixed heater with a 2 star or above rating. Additionally, the definitions of sustainability items related to renewable energy and energy metering should consider the Victorian Government's reforms to the embedded network regime and implications for legacy embedded networks, many of which will require metering and infrastructure upgrades to achieve renewable energy obligations.

By introducing more comprehensive definitions, the Act would support the uptake of a broader range of sustainability upgrades to enhance the comfort, health, wellbeing and affordability for people living in strata communities. It would also help to ensure that owners corporation rules do not become a barrier to compliance with Victoria's minimum rental standards and embedded network reforms.

Governance, voting processes, and resolution requirements for sustainability upgrades

The City of Melbourne regularly hears from strata committee members and members of residents associations interested in sustainability upgrades, but who report stalled progress due to governance challenges. Even where there are champions on the owners corporation committee to pursue initiatives such as solar or electric vehicle charging, progress is often stymied by complex strata governance and voting processes which make it difficult to gain support for sustainable building upgrades. In particular, the requirement to obtain a special resolution with 75% approval is a significant barrier to sustainability upgrades.

Recommendation 8: Amend resolution requirements for sustainability initiatives to unlock upgrades

Lowering the voting threshold for implementation of sustainability items (including electrification and energy efficiency upgrades) on common property or affecting the external appearance of a lot would accelerate building decarbonisation of the strata apartment sector and would reduce the cost of building operations for tenants.

The City of Melbourne recommends amending the Act to reduce the resolution type for sustainability initiatives from special resolution to ordinary resolution; reduce quorum to at least 25% of eligible voters present in person or by proxy (as in NSW); and allow decisions to be made by simple majority.

Planning for electrification via maintenance plans

With energy (electricity and gas) use in apartment buildings accounting for 17% of total emissions across our municipality, the City of Melbourne is highly supportive of the Victorian government's policies to empower households to upgrade to efficient equipment, electrify and phase out fossil gas.

To support delivery of Victorian Government and City of Melbourne policy, amendments to the *Owners Corporations Act* are needed to ensure building electrification and energy efficiency upgrades are made easier and simpler for owners' corporations. One way to achieve this in common areas is to require all tiers of OCs to plan for building electrification through their maintenance plans and maintenance funds.

Recommendation 9: Require all tiers of OCs to plan for electrification via maintenance plans and funds

Strengthening the Act with respect to sustainability by building on the existing maintenance plans and fund framework, would support the Victorian Government to deliver on its broader policy goals and

¹⁶ <https://www.consumer.vic.gov.au/housing/renting/repairs-alterations-safety-and-pets/minimum-standards/minimum-standards-for-rental-properties>

ambitions relevant to the gas substitution roadmap and building electrification requirements in a way that acknowledges and addresses the complexity of the strata apartment sector.

Waste and recycling in strata and apartment communities

Local governments have an obligation to introduce new recycling services (Food and Garden Organics, separated glass recycling and e-waste), increase diversion from landfill and manage contamination under the *Circular Economy Act 2021*. Over 90 per cent of the dwellings that receive a City of Melbourne waste or recycling service are within apartment communities. Each building is unique, with its own constraints and challenges, which means that there is no 'one size fits all' approach to planning or implementing new services or managing contamination.

Governance and systems to improve access to essential information

In City of Melbourne's experience in engaging with apartment and strata communities, waste management is one of the main areas of frustration for owners corporations and residents. Building representatives (Building Managers, OC Managers and OC committee members) play a vital role in distributing information to households and managing these services within buildings and providing feedback on how these services could be improved. Finding the right building representative to engage with is a challenge, as contact information is often out of date as facilities staff or owners corporation managers change. City of Melbourne also provides a range of free signage and stickers to help residents better manage their garbage, recycling, food and garden organics, and e-waste¹⁷, but much more could be achieved with a centralised hub for distributing critical information on essential services like waste and recycling.

The City of Melbourne believes there is a need to establish a Strata Hub (**see Recommendation 2**), potentially through Consumer Affairs Victoria, to ensure owners and committees have direct and ongoing access to essential information, as well as to enable organisations like local governments to connect with owners committees to provide support and assistance for discretionary programs and legislative requirements.

Governance, voting processes, and resolution requirements for sustainability upgrades

In implementing state government policy to provide food and garden organics (FOGO) recycling services for Victorian communities, City of Melbourne has been running a high-rise food organics pilot with strata apartment buildings¹⁸. This pilot program provides buildings with an organics dehydration system which reduces the volume of food waste by 80 per cent and processes it on site into soil conditioner. For larger apartment buildings, this technology provides an alternative to multiple food waste bins saving space and preserving amenity.

Seeking endorsement from the owners corporation committees to implement alternative services like these that ultimately benefit these buildings has been a challenge because getting in contact with these strata communities is difficult, and OC committees are not always empowered to implement sustainability initiatives, including waste management, without a special resolution. The City of Melbourne believes empowering OC committees to introduce and fund waste and sustainability initiatives through an ordinary resolution with decision by simple majority (**see Recommendation 8**), would significantly streamline the introduction of these vital interventions to address common challenges.

¹⁷ <https://www.melbourne.vic.gov.au/waste-signage>

¹⁸ <https://www.melbourne.vic.gov.au/food-organics-high-rise-pilot>

Community resilience, preparedness and emergency management

Strata apartment communities are particularly exposed to climate-induced hazards such as extreme heat. They are also vulnerable to emergency events such as power outages as many apartment buildings rely on mechanical air conditioning to stay cool. If a heatwave hit Melbourne and the power blacked out, most apartment buildings would bake, with indoor temperatures exceeding international health standards¹⁹.

The need to ensure readiness of the apartment sector to respond to climate and non-climate related emergencies and disasters has been highlighted by the Owners Corporation Network in their report *Strata Disaster*²⁰. The findings in this report revealed emergency preparedness, response and recovery is being hindered by a range of underlying sector-wide issues, including strata legislation which 'places significant demands on volunteer strata committee members who are tasked with the day-to-day administration of buildings whose assets and running costs are often valued in the millions of dollars'. Recent research conducted by Sweltering Cities, on behalf of City of Melbourne, 'Renters in Apartments and the Cost of Keeping Cool' found that emergency preparedness was low across apartment buildings, with over 50% of residents surveyed reporting no existing emergency plans. Many residents also highlighted a lack of connection with their neighbours and without clear information on what to do in an emergency, felt their health and safety was at risk.

Recommendation 10: Support OCs and OC Managers to create building-specific emergency plans to ensure the safety and resilience of strata communities and other apartment residents.

Ensuring that OCs and Building Managers create building specific emergency plans that consider climate change hazards such as heatwaves, and compounding shocks such as blackouts, as well as conducting drills and communicating to residents, including renters, is essential to ensuring the safety and resilience of strata communities and other apartment residents.

¹⁹ [Why apartments are failing the heat stress test | Pursuit by the University of Melbourne](#)

²⁰ https://ocn.org.au/wp-content/uploads/2024/06/Strata-Disaster-Report-V10_interactive.pdf