

28/8/25

To whom it may concern,

Re: Review of the Owners Corporation Act 2006

Thank you for the opportunity to engage with the *Review of the Owners Corporation Act 2006*.

The EEC is the peak body for energy management and energy efficiency in Australia. Our members include technology suppliers, energy service providers, major energy users, governments, education providers and NGOs. Energy efficient products and services are essential for a cost-effective, equitable, and orderly transition to net zero.

Victoria's energy system is undergoing a rapid transition from fossil fuels to a system dominated by renewable energy. Major benefits such as bill savings and improved comfort are available to households that are able to participate in the energy transition by taking up energy efficiency improvements, electrification, onsite solar and batteries, electric vehicle charging, and home energy management systems. However, residents in multi-unit dwellings such as apartments face particular barriers to accessing upgrades and risk being locked out of the benefits of the energy transition.

A broad range of policy measures is required to enable efficient, all-electric homes for residents of apartments and other strata-titled homes, within and beyond the scope of this review.

Recommendation 1: ensure sustainability and energy upgrades can be made without special resolution

The requirement for a special resolution necessitating 75% approval to enact a sustainability upgrade (such as energy efficiency upgrades or solar panels) has been a barrier to upgrades. Energy upgrades in strata-titled units are often highly dependent on the proactive initiative and commitment of a small number of residents. While upgrades are likely to deliver benefits to other owners and residents, active residents have reported challenges in securing the interest and engagement of a sufficient number of owners. The issue has been particularly significant in larger apartment buildings with a high proportion of investors as owners, who may be unlikely to take an active interest in building operations. The model adopted in NSW of allowing sustainability upgrades to be undertaken as a normal operating decision of the Owners Committee rather than as a special resolution is an appropriate model to be adopted in Victoria as an outcome of this review.

Recommendation 2: ensure strata governance is consistent with objectives for residential sector in energy transition

The Owners Corporation Act review and any subsequent review relating to strata homes should be undertaken with a broad view to the context of barriers faced by strata residents to improved home energy performance. Strata governance should be aligned to broader policy objectives on the role of the residential sector in Victoria's energy transition and achieving emissions reduction commitments.

The recently updated cross-jurisdictional *Trajectory for Low Energy Buildings* notes that policy support for apartments and strata-titled dwellings in the energy transition may include: consideration of streamlining apartment body corporate decision-makers' access to financial support; investigation of upgrade implementation in the context of possible mandatory disclosure of energy ratings; and addressing additional barriers to the implementation of minimum rental standards for apartments.

Consideration should be given to requirements and support for Owners Corporations to access and disclose energy ratings (NatHERS for dwellings and NABERS for common areas), in line with the introduction of mandatory disclosure requirements. Greater requirements and support for accessing ratings can play a role in informing strata managers and residents about opportunities for improved energy performance and operational savings on energy costs.

Further analysis and research may be required for effective policy development and implementation and should be resourced where required. This may include gathering of data and evidence on the progress of energy efficiency and electrification upgrades in Victoria's multi-unit dwellings.

Thank you for your consideration of our comments. Should you require further information or wish to discuss the issues raised above, please contact EEC Senior Advisor Rob McLeod at rob.mcleod@eec.org.au.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Jeremy Sung', with a stylized, fluid script.

Jeremy Sung

Head of Policy

Energy Efficiency Council