

TRANSCRIPT

LEGISLATIVE ASSEMBLY ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into Renewable and Affordable Energy for Apartments

Melbourne – Tuesday 24 March 2026

MEMBERS

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WITNESS

Dr Janette Corcoran, Board Director, Owners Corporation Network.

The CHAIR: Welcome back to the broadcast. Today we are a part of the public hearings for the Legislative Assembly Environment and Planning Committee's Inquiry into Renewable and Affordable Energy for Apartments. All mobile telephones should now be turned to silent.

I am very pleased to warmly welcome Dr Janette Corcoran from the Owners Corporation Network.

All evidence given today is recorded by Hansard and broadcast live on the Parliament's website. While all evidence taken by the committee is protected by parliamentary privilege, comments repeated outside the hearing, including on social media, may not be protected by this privilege.

Janette, you will be provided with a proof version of the transcript to check. Verified transcripts and other documents provided to the committee during the hearing will be published on our committee's website.

I invite you to make a 5-minute opening statement, followed by questions from the committee members. Welcome.

Janette CORCORAN: Thank you, Chair, and thank you, members of the committee, for this opportunity to contribute. My name is Janette Corcoran. I am the Board Director of the Owners Corporation Network. OCN represents strata communities nationally, who now number in the millions, and we advocate for effective governance, consumer protection and sustainable outcomes in apartment living. As has already been said here today, more than 1 million Victorians now live in residential strata. Combined with the rollout of activity centres, this sees apartments as a key and growing part of Victoria's housing system, which of course must be part of the energy transition. Just a note: in the City of Melbourne, in which we are holding this, four out of five residents live in strata.

A necessary starting point, reflected by this inquiry, is that energy policy has largely been designed around detached housing where individuals control their roofs, control their energy systems and control their investment decisions. As we know, apartment living operates differently. Energy infrastructure is shared, decisions are collective and responsibility sits with volunteer-governed owners corporations, and we operate within a strict regulatory framework. However, while the sector is indeed distinct, it is not homogeneous. Buildings vary in size. They vary in the construction era, which means there are different building codes under which they were constructed. They are at different life cycle stages and also their ownership composition differs significantly. They may or may not have balconies. Consequently, buildings face very different upgrade pressures, and they have very different capacities to act, meaning that they must have different transition pathways. There was a question asked earlier, I think it was by the Deputy Chair, about is there ever a case where an upgrade is not viable. Well, I think we are seeing that in some of the buildings, for example, in St Kilda Road where they have reached the end of their life. Now, under the OC Act review, which is currently underway, one of the themes there is about collective sales, and that is there specifically for those types of situations where buildings have reached almost the end of their life, it is not economically viable to upgrade them and how do you do it. So yes, there are times when it is not.

OCN strongly advocates for a residential strata typology, recognising not just different sizes but age and construction profile, to ensure that policy is appropriately targeted. Our submission – the 21 pages – identified a range of barriers. I am just going to mention three. First, knowledge and capability – there are significant knowledge gaps across multiple fronts. Owners corporations themselves often lack access to reliable, independent advice suited to their building. Many also lack basic data about their own infrastructure, including their energy profile, meaning they do not know how energy is consumed across the various systems – lifts, central plant, ventilation.

There was also a call in an earlier presentation about having mandatory ratings for buildings. I will just note that there was a pilot NABERS for apartment buildings I think conducted in the City of Melbourne in 2018, with I believe 40 buildings. I do not believe any of those other buildings continued on after that initial assessment. It seemed to be there were issues about what could be done with this rating. What is the information? Because it

is a comparative thing. So there are issues there about what tools you can actually use to give ratings and what you can do with it.

In older buildings, documentation, including wiring plans, is often incomplete or inaccurate, with issues such as unmetered connections or misallocated supplies only discovered once works are committed. Oftentimes that will happen particularly in the larger buildings with multiple OCs, where you have unlimited OCs and then limited OCs that sit underneath that, and there may be miswiring or misallocation of supply, with one OC paying for another OC's. On the supply side, retrofit systems remain limited. We have heard a lot about the technology today, but unless they are actually ready for market, we cannot avail ourselves of that. I was looking back at a presentation that I did in 2016, which was talking about some of these things, particularly photovoltaics. Additionally, service providers often lack experience in strata, and we often are in receipt of a complexity premium.

Second, governance: apartment buildings operate through collective decision-makers. As we have heard, upgrades require agreement across multiple parties, from committees through to the broader ownership group. Agreement takes time, as proposals must align with maintenance plans, budget cycles and also, as we have heard, require additional approvals, oftentimes special resolutions and/or potentially special levies. Again, the question was asked: how long does it take? If you are going to put an ordinary resolution through, you will need to align that with the AGM cycle. Oftentimes in Victoria they happen towards the end of the year, so you will actually have to have that month period at least before that. However, it is not just having the resolution there; you have got to get that support, as already has been discussed. And then you actually have to get approval for the budget. The budget is normally produced at the same time in the AGM for approval. So it is all of those sort of timing things. There was a question also too about, 'Can we google and actually get a resolution for it?' Again, the devil is in the detail, but these are the sort of things that would be great to have on something like a strata hub.

Support is also shaped by the ownership composition, be it investor dominated – and some buildings are over 90% investor owned – or owner-occupier led, and is also tempered by our overarching obligation to act in the best interest of all owners. At the same time, volunteer committees are increasingly required to make legal, financial and technical decisions of an increasingly complex level, all without access to tailored training or tools. This is a recognised gap. In New South Wales mandatory training for committees is being introduced, and OCN is assisting with this rollout. It is highlighting the need for similar support in Victoria. There are also growing calls, which we heard this morning, to add obligations to OCs, including mandatory audits, plans, retrofit requirements, which now come atop calls for compulsory hardship funds, new FOGO infrastructure, fibre upgrades. While these calls have merit, OCN cautions against assuming that obligations alone will deliver change.

Third, financial capacity – it is an often overlooked area. Owners corporations are not-for-profits. They are funded primarily through the levies set in annual budgets and approved at AGMs. These budgets are already covering significant and rising costs: insurance, which I am sure you are well aware of; essential services; maintenance; utilities; professional management, so that is strata management; and building management if they have it. Financial hardship, as noted in the OC Act review, is increasing, and unpaid levies directly impact the OC's abilities to meet its obligations.

Our sector is facing rising costs, growing arrears and ageing building stock. These pressures limit the capacity to fund additional upgrades, including those in the energy transition. However, improving access to renewables and affordable energy in apartments requires both apartment-specific solutions, again across both demand and supply, and policy settings that recognise sector diversity, build capacity and address market conditions. We need the tools, not simply more obligations. Thank you.

The CHAIR: Thank you very much. There are so many challenges in the space. If I could just start with the questions: obviously renters play an important role in any apartment community, but we know that they do not necessarily have a voice when it comes to owners corporations. In your view, and looking at the jurisdictions that you represent, how could the voice of renters better be heard and taken into account by owners corporations in relation to particularly our inquiry about sustainability?

Janette CORCORAN: Again, the devil is in the detail with these sorts of things. It really depends what you are talking about when you talk about renters having more of a voice. There are a number of different ways that

renters can already engage, which are by things like subcommittees, which a lot of owners corporations already operate on. Again, I suppose what I am really trying to say is it depends what decisions the renters want to be involved with. Sorts of things like for example maintenance plans – are they something that renters really need or want to have a say in? You need to also temper it with what the tenure of renters is. In the CBD for example in places like Docklands, the average tenure or resident stay is 18 months. So that is not something where people are necessarily wanting to get involved. They are more looking for things that affect how they live at the moment – services and making sure that the operation of the building is happening. There are other scenarios. We have people who are into double digits living there – they may wish to have greater involvement. You can do this by having a proxy assigned to you, which I would suggest is something that we need to look at with owner investors – landlords – and with tenure being able to perhaps have those rights transferred or allocated during a period of time.

The CHAIR: Interesting.

Martin CAMERON: Very much so. How do owners corporations typically access financing? Like, if they have got to do electrical upgrades or anything like that to accommodate solar power becoming part of the mix, what is the process?

Janette CORCORAN: Not all buildings have to have maintenance plans – it is the larger buildings. They are 10-year maintenance plans. If it is an identified expense or something that is going to happen, it is in the maintenance plan, and maintenance plans have to be funded. That and other expenses are what the levies are based on. Now, if there is an unexpected expense, that is when special levies come into play. Again, they are very difficult to get through; you have got to do a lot of preparation. There are other avenues. You can seek bank loans, but again, it is not a straightforward process. But they are the major sources of income.

Martin CAMERON: And you are relying on volunteer people coming together to decide that and access it.

Janette CORCORAN: Exactly. Yes. It is committees, who have no access to training. Of course the larger buildings have strata managers. They are not necessarily skilled in those areas either, but together you work with that. There are specialty strata finance companies as well. But yes, you are right, it is all undertaken by volunteer committees.

The CHAIR: Excellent. Martha, you have your hand up.

Martha HAYLETT: Thank you, Janette. I am just wanting to touch a little bit more on your point, which we have heard very loud and clear today, about the lack of training and resources for owners corps, and how it is quite a clunky process now if you actually want to seek upgrades. How do you think we best do that? What would your advice be for the Victorian government for this inquiry in terms of how we can make it the most simple, and where do you think those resources and training should come from? Do you have any suggestions or recommendations on that front?

Janette CORCORAN: There are a number of things. In our previous submission to the OC Act review we talked about three things, which were: a strata commissioner, as they have in New South Wales and Queensland; a strata hub, which is not only a document repository for key documentation which can go missing but also a way to additional resources; and then education and training. In terms of the Victorian government, while this expands and will deal with more issues than energy, a strata commissioner having an overarching facilitating and coordinating role I think is imperative. This is the way that other states are actually operating at the moment.

In terms of education and training there are a number of different points. There should be, we believe, training for committee members, ideally before they nominate but there can be a requirement afterwards. There is a lot of learning on the job from peers, and that is not always accurate. There is a lot of hearsay, and people believe that it is the way that it is being done because it has always been done that way. There is also a piece of work about the requirements for strata managers as well. I believe the next cohort will be able to talk to that as well. So they are some of the things. Also, at point of sale, when people actually are buying in, there needs to be more information available to purchasers. It still comes as a surprise to some people: ‘What’s this levy that we have to pay?’ It is ongoing, and it is required to operate the building, but as I said, it still comes as a surprise to some people.

Wayne FARNHAM: Thank you, Chair. I am a little bit curious: there has been a lot of frustration today from submissions and people who have been here around owners corporations and probably owner-occupiers versus investors. Owner-occupiers are obviously probably more invested because that is their home, that is where they live; and for an investor, that is their investment. So there is a clear definition between the two. Do you think, given that the feedback I am getting is that investors will tend to block because they want to maximise their investment, that an investor's vote should be worth less than an owner-occupier's vote when it comes to these types of decisions going forward?

Janette CORCORAN: Tricky question, that. It has been historically – owners corporation law is grounded in property law. That is the basis, so you would be moving away from that. But on the point or the question that you asked before, too, about renters rights and investors, there could be something very interesting to explore in that area. If you are a landlord and you are offering this product, which is a residence, do the people that occupy that – is there some sort of opportunity to share that? But again, you need to look at short-term versus long-term interests. Long-term interests, doing things like facade rectification – is a tenant going to be interested in doing that, participating in that? I would say transfer – well, that is going to be a major change in the way that we undertake it. I think we have a solicitor in the next session that might have some interesting comments on that.

Wayne FARNHAM: He might come back and beat me up on that.

The CHAIR: You got a wave.

Janette CORCORAN: I think it is an interesting knot to unpick because we are creating a new way of living. I do not like the term 'corporation'. I think referring to it as an 'owners collective' is more representative, because I think when people hear 'corporation', they kind of think 'business' and that it is standalone. People even this morning were confusing terms. They were going, 'Oh, the owners corporation and the owner is trying to go into that', and you go, 'Well, you are part of the owners corporation. It is this collective.' And the committee plays a role. It is annually elected; it is probably one of the most democratic processes, but it is hard, it is unrelenting and it takes a lot of time.

The CHAIR: Jordan, do you have a question?

Jordan CRUGNALE: Yes. Thank you, Dr Janette, for coming. You spoke earlier around New South Wales having mandatory training. What are they doing that you think we could be looking at here as well, within that training component?

Janette CORCORAN: I am not in a position to talk. It is still being developed with New South Wales at the moment. However, in the short term I will be able to share greater information with you about that.

The CHAIR: Daniela, do you have a question?

Daniela DE MARTINO: Yes. I was going to ask: where you do see solar being invested in, or alternative energy schemes, how are the owners corporations typically accessing finance in that way? How are they making it happen?

Janette CORCORAN: As we have heard, a lot of them are not accessing solar. There is obviously the government support scheme, and that has been the one that people have availed themselves of. Other than that, if it is a planned thing, if it is in your maintenance fund, then your levies are set at a level that will cover that and build it. For example, a lot of buildings are going into facade rectification. They have been building up that amount of money to be able to undertake those works at the designated period. If it is unexpected or it is greater than that, then it will be a special levy. That will be probably the most common way of doing that. But again, it is a lot of work to get special levies through, and owners do not like special levies – 'Surprise – here's \$10,000 you've got to come up with.' You can access finance as well, but again, you have got to be approved to be able to access the finance.

The CHAIR: What role do you see the Victorian government playing in encouraging body corps to install solar?

Janette CORCORAN: Again, solar may not be the answer for buildings. I go back to the typology that I was talking about. I suppose it is encouraging them to look at what is the most energy-efficient profile that they

can have. The first step there is you go, 'What is your energy profile?' As I mentioned, a lot of them do not know, because they do not know what individual parts of these things – how much are the chillers using? We were involved with a pilot project with CSIRO a couple of years ago in which equipment was installed that was able to read that on a number of pilot buildings, which then were able to identify elements that were consuming more, so you could address it then. But if you do not know where it is being used –

There are also things non-energy-related. For example, there is an ongoing dispute about clothes drying on balconies. The issue there is about it being sighted and/or being blown off. If you do not have transparent balconies, then it is not an issue. However, even new construction is continuing with transparent balconies, and so it goes on. So there are those sorts of things that are even non-tech.

The CHAIR: Are you referring to the sorts of balconies that have slides on them that can open and close?

Janette CORCORAN: No, I am just talking about transparent balconies where you can see right in versus ones that are opaque, where you do not see – so a very simple, very low level sort of innovation, but it means that people can air-dry their clothes rather than having to use a dryer. It is things like that. Looking at the demand side, how can you decrease it? There is the 2017, I think, Uni of Melbourne study about west-facing, floor-to-ceiling single-pane glass. But added onto that, people with pets, then, when they are out, have to leave the air conditioning on all day to be able to have that. There is the surrounding infrastructure with the heat island effect, where the heat generates more discomfort in the building. Greening on the outside actually assists in those things. They are non-technology-related but actually assist.

I suppose the easy answer is to be able to say 'Grants that are accessible' and that sort of thing. At a council level, for example, the City of Melbourne has the urban forest fund, which is matched funding, which assists. More pockets that people can dive into make it easier to sell to the owners that 'This is a sound economic position. This improves and strengthens your building. It's a good use.'

The CHAIR: Really, really interesting. I have been to some presentations by Nightingale talking about their communal laundries and having communal space for drying clothes and stuff like that, different ways of design before needing to use clothes dryers – smart design and stuff like that. Were there any further questions? Thank you very much, Janette, for participating today. If you do have anything else that you would like to add, please be in contact with the secretariat.

Witness withdrew.