

Owners Corporations Act review – what the proposed reforms mean for your building.

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Agenda



Governance and decision-making — what isn't working?

Boundaries, maintenance and The Benefit Principle – why so much confusion?

Developers, committees and building managers – where is accountability missing?

OC managers — is the industry ready for professionalisation?

Enforcement, Consumer Affairs Victoria (CAV) and VCAT — who should hold the stick?

Short stay — how do we balance competing interests?

Levies and financial hardship — supporting owners without undermining the OC

Governance and decision-making

What's not working?	Panel recommendations	Government response
<ul style="list-style-type: none"> Overseas owners + low engagement = decision paralysis Poll votes and proxy farming distorts outcomes 14-day ballot window too short for diverse communities Access to information is limited or piecemeal Can't enforce rules 	<ul style="list-style-type: none"> Technology focus, online voting and hybrid meetings 	<ul style="list-style-type: none"> Increase education No statutory amendments needed
	<ul style="list-style-type: none"> Education for owners to drive engagement 	<ul style="list-style-type: none"> Support in principle
	<ul style="list-style-type: none"> OC certificates to include budgets + special levies 	<ul style="list-style-type: none"> Already available in s 32, OC certificate and AGM minutes
	<ul style="list-style-type: none"> Increased transparency, access to records, proposal for a centralised OC Hub 	<ul style="list-style-type: none"> Consult with OC sector Consider public + private data Penalties for poor record keeping
	<ul style="list-style-type: none"> AGM agenda 4 weeks before 	<ul style="list-style-type: none"> Proposes 21 days
	<ul style="list-style-type: none"> Extending ballots from 14 to 21days 	<ul style="list-style-type: none"> Give OCs flexibility (14-28 days)
	<ul style="list-style-type: none"> Further limit smoke drift laws to include vapes 	<ul style="list-style-type: none"> Support in full
	<ul style="list-style-type: none"> Amend section 18 (2) OC Act 	<ul style="list-style-type: none"> Amend to include non-monetary actions



Boundaries, maintenance and the Benefit Principle

What's not working?	Panel recommendations	Government response
<ul style="list-style-type: none"> Plans of subdivision are too complex Owners often misunderstand responsibility and liability, Benefit principle unclear Smaller OCs failing to maintain property Sustainability: affordability, consent thresholds Gaps in insurance 	<ul style="list-style-type: none"> Simplify boundary rules and amend Subdivision Act 	<ul style="list-style-type: none"> Support in principle
	<ul style="list-style-type: none"> Clarify who pays to reduce reliance on the benefit principle 	<ul style="list-style-type: none"> Publish explanatory guidelines
	<ul style="list-style-type: none"> Duty for OCs to implement maintenance plans 	<ul style="list-style-type: none"> Consider given current duty to repair and maintain, possible penalty for non-compliance
	<ul style="list-style-type: none"> Maintenance plans recommended for tiers 3 and 4 	<ul style="list-style-type: none"> Agree for tier 3, not tier 4
	<ul style="list-style-type: none"> Sustainability uptake review and new standing AGM item 	<ul style="list-style-type: none"> Support in full Awaiting report into renewable and affordable energy for apartments due 30 September
	<ul style="list-style-type: none"> Ensure all structural elements are insured by OC 	<ul style="list-style-type: none"> Current insurance obligations Developer bond for more protections
	<ul style="list-style-type: none"> Amend Subdivision Act to permit applications for majority supported proposals 	<ul style="list-style-type: none"> Consumer Legislation Amendment Bill 2026 Amend 34D(3)(b)



Developers, committees and building managers

What's not working?	Panel recommendations	Government response
<ul style="list-style-type: none"> • Long-term contracts signed before owners take control • Defects delayed or suppressed • Conflicts of interest with builders and related entities • Building Managers currently unregulated and undefined • Committees are volunteers and can lack support 	<ul style="list-style-type: none"> • Independent certification of maintenance plans 	<ul style="list-style-type: none"> • Support in full with penalties for non-compliance
	<ul style="list-style-type: none"> • No embedded network contracts unless benefit for OCs 	<ul style="list-style-type: none"> • Jan 2023 amendments in force • Will consider further reforms
	<ul style="list-style-type: none"> • Statutory duty to act in best interests of OC 	<ul style="list-style-type: none"> • Amend Act, consider scope of duty and penalties
	<ul style="list-style-type: none"> • Accessible online training for committees 	<ul style="list-style-type: none"> • Consult with OC sector
	<ul style="list-style-type: none"> • Regulating BMs by licensing and introducing a model contract 	<ul style="list-style-type: none"> • Support in principle
	<ul style="list-style-type: none"> • Prohibit proxies to OCMs, BMs and developers 	<ul style="list-style-type: none"> • Restriction on multiple employees • Keep proxies for OCMs, BMs and developers up to cap • Penalty for non-compliance



OC managers



What's not working?	Panel recommendations	Government response
<ul style="list-style-type: none"> • Registration alone hasn't lifted standards Conflicts of interest remain embedded • Lack of transparency and understanding for fees and charges 	<ul style="list-style-type: none"> • Licensing regime 	<ul style="list-style-type: none"> • Support in full to be managed by CAV / BLA
	<ul style="list-style-type: none"> • Ban on all commissions, financial incentives, rewards, benefits other than fees in contract 	<ul style="list-style-type: none"> • Further investigation needed Possible increased disclosure • Penalties/disciplinary action
	<ul style="list-style-type: none"> • Standardised model contract 	<ul style="list-style-type: none"> • Will investigate, concerns 'one size fits all' model not appropriate
	<ul style="list-style-type: none"> • Transparent and line item invoicing 	<ul style="list-style-type: none"> • Under review



Enforcement, Consumer Affairs Victoria (CAV) and VCAT

What's not working?	Panel recommendations	Government response
<ul style="list-style-type: none"> • CAV receives complaints but issues no penalties • VCAT remains overloaded • Owners lack early-resolution pathways 	<ul style="list-style-type: none"> • A dedicated strata division within CAV 	<ul style="list-style-type: none"> • Support in principle • Currently agrees to expand compliance and enforcement and establish OC Hub • Will consider best model
	<ul style="list-style-type: none"> • Give CAV powers to investigate, enforce and penalise • See Table A6 of Report for suggested penalties 	<ul style="list-style-type: none"> • Support in principle • Consider which breach attracts penalties • Consider specific powers for CAV and BLA
	<ul style="list-style-type: none"> • Mandatory mediation for OC disputes prior to litigation 	<ul style="list-style-type: none"> • Support in principle • Comment not to 'force' lot owners • Resourcing and funding factors



Short stay



What's not working?	Panel recommendations	Government response
Enforcement of short stay rules is impossible	<ul style="list-style-type: none"> • Full review of Short Stay Levy Act 2024 	<ul style="list-style-type: none"> • Support in full – 2030
	<ul style="list-style-type: none"> • Occupancy limits on short stay 	<ul style="list-style-type: none"> • Not supported, sufficient provisions under OC Act
	<ul style="list-style-type: none"> • Mandatory registration for SSA 	<ul style="list-style-type: none"> • Notify relevant OC • No central register
	<ul style="list-style-type: none"> • Bonds or additional levies to help OCs pay for additional insurance, repairs or general wear and tear 	<ul style="list-style-type: none"> • Feasibility study only, but support in full
	<ul style="list-style-type: none"> • Clarify “principal place of residence” 	<ul style="list-style-type: none"> • No to legislative definition • Possible clarity for rules
	<ul style="list-style-type: none"> • Penalties for short stay operator duties, pathway to 	<ul style="list-style-type: none"> • Support in principle



Levies and financial hardship

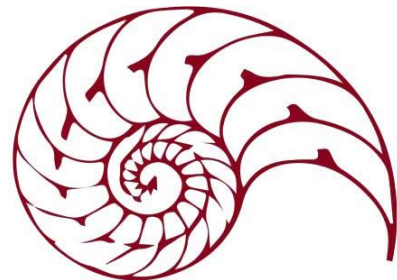
What's not working?	Panel recommendations	Government response
<ul style="list-style-type: none"> • Hardship framework • Payment plans • VCAT vs Magistrates Court? 	<ul style="list-style-type: none"> • Establish legislative framework for financial hardship including payment plans 	<ul style="list-style-type: none"> • Consumer Legislation Amendment Bill 2026 • Approved form for payment plan • 28 days for OC to decide • Limited grounds to refuse request • Not 'unfinancial'
	<ul style="list-style-type: none"> • No penalty interest or legal action during negotiations or during a payment plan 	<ul style="list-style-type: none"> • Support in full
	<ul style="list-style-type: none"> • Different rules for owners and investors for hardship 	<ul style="list-style-type: none"> • Supports investigation in full
	<ul style="list-style-type: none"> • Overhaul of levy recovery processes in VCAT 	<ul style="list-style-type: none"> • Support in principle
	<ul style="list-style-type: none"> • New debt recovery list for VCAT with powers for default judgment to maximise efficiency 	<ul style="list-style-type: none"> • Will liaise with VCAT



Thank you

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