RACE for 2030

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Regulatory Review Report

November 2026



Regulatory review report

Identifying, modelling and realising retrofit opportunities for apartment buildings

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Project team

UNSW Sydney

- Hazel Easthope
- Edgar Liu
- Anna Bruce
- Mike Roberts
- Sophie-May Kerr
- Mohammad Abousaeidi

University of Melbourne

- Denise Ryan

Macquarie University

- Cathy Sherry

Project partners

NSW Department of Climate Change, Energy, the Environment and Water; City of Melbourne; City of Randwick; Government of the Australian Capital Territory; Lannock Strata Finance; the Australian Glass and Window Association; National Australian Built Environment Rating System; Australian Government Department of Climate Change, Energy, the Environment and Water; Owners Corporation Network

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Acknowledgement of Country

The authors of this report would like to respectfully acknowledge the Traditional Owners of the ancestral lands throughout Australia and their connection to land, sea and community. We recognise their continuing connection to the land, waters, and culture and pay our respects to them, their cultures and to their Elders past, present, and emerging.

What is RACE for 2030?

RACE for 2030 is a 10-year cooperative research centre (CRC) with $350 million of resources to fund and support research towards a reliable, affordable, and clean energy future.

Disclaimer

The authors have used all due care and skill to ensure the material is accurate as at the date of this report. The authors do not accept any responsibility for any loss that may arise by anyone relying upon its contents.

Executive summary

Purpose and scope

This report is one component of a larger research project Identifying, Modelling and Realising Retrofit Opportunities for Apartment Buildings, which is developing resources to help property owners make a case for retrofits and evidence to support regulatory and behaviour change. This report provides a resource to assist in navigating the complex regulatory landscape surrounding sustainability retrofits in privately owned, strata-titled apartment buildings in Australia.

Understanding the legal structure of strata homes

When attempting to effect change at the household scale, either through mandatory regulation or voluntary incentives, it is important to understand the legal structure of homes. If their legal structure is misunderstood or ignored, neither mandates nor incentives will work.

There are two dominant forms of residential property in Australia – strata title and non-strata title. Strata titled apartments are freehold fees simple, but have the added complication of collectively owned space, a governing body corporate, and extensive statutory obligations, including an obligation to pay for the maintenance of the building and any facilities.

These features of strata title have advantages and disadvantages when retrofitting. With multiple owners and larger buildings, strata schemes can create shared efficiencies, hosting bigger and more complex sustainability infrastructure than individually owned houses, and the legal obligation to pay for maintenance can fund professional management of complex sustainability infrastructure. However, decisions about retrofitting collectively owned property must be made collectively, and agreement can be hard to attain. In addition to owner agreement, decisions to retrofit must be made in accordance with complex strata title legislation, which varies between jurisdictions.

Legislation impacting sustainability retrofits

Key legislation that impacts sustainability retrofits in apartment buildings can be grouped into strata management, residential tenancy, planning, building, and electricity and gas legislation. Most relevant legislation is state/territory-based and the report outlines the relevant legislation across NSW, Queensland, Victoria and the ACT. Between them, these jurisdictions contain ninety per cent of all apartments in Australia.[1]

[1] Australian Bureau of Statistics (2022) Census of Population and Housing 2021.

A wide range of legislation simultaneously regulates strata schemes, their owners and tenants, and regulation by one Act does not exclude regulation by another. When navigating the intersection of legislation, it is necessary to identify all of the applicable legislation and systematically work through the effect of each provision.

Comparison of interventions to enable sustainability retrofits

Governments have given substantial attention to regulation to enable sustainability retrofits across Australian jurisdictions. Table 4 provides a scorecard assessment across the four focus jurisdictions.

Concluding observations

The regulatory environment is complex and rapidly changing. It is essential that regulators account for the existence of 1) strata property and 2) the legal and physical complexity of retrofitting strata titled buildings. However, the solution to this complexity is not just necessarily, or only, more regulatory reform. A key part of the solution will be experts who keep abreast of the laws and regulations, and who provide tailored information and services to strata owners and other service providers to support sustainability retrofits as demand for them inevitably grows.

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1. Project background and report overview

In the move to Net Zero in Australia, apartments have been largely left behind. While concerted efforts are being made to ensure that new apartment buildings are constructed with sustainable materials and infrastructure, the bulk of our apartments are existing housing stock that will need to be retrofitted. This project brings together experts in apartment building governance with experts in renewable energy to provide resources to help property owners make a case for retrofits and evidence to support regulatory and behaviour change.

This research comprises:

1. Information on common types of apartment buildings in Australia, with suggestions for potential retrofit options for different types (based on modelled outcomes).
2. A review of Australian regulations that impact upon apartment retrofits for sustainability.
3. Four detailed apartment building case studies, tracking their processes of implementing sustainability retrofits.

This report focuses on the second component. For more information and publications based on the other components of this project, please visit our webpage https://unsw.to/ApartmentRetrofit.

This report provides a resource to assist in navigating the complex regulatory landscape surrounding sustainability retrofits in privately owned, strata-titled apartment buildings. This document does not constitute legal advice, nor does it include recommendations for regulatory reform. Recommendations for reform arising from the broader project will be provided in future project outputs.

This report includes the following resources:

Understanding the legal structure of strata homes

A plain English overview of the key features of strata title, differences in terminology across jurisdictions, and key considerations that will impact on the realisation of sustainability retrofits.

Legislation Impacting sustainability retrofits

An overview of the key laws, regulations, instruments, policies and guidelines that impact on sustainability retrofits. The legislation is grouped into the key categories of strata management, renting, planning, building, and electricity and gas. Information is provided on Commonwealth (Cth) legislation as well as legislation in Queensland (Qld), New South Wales (NSW), Victoria (Vic) and the Australian Capital Territory (ACT). (These four jurisdictions between them contain 90% of all apartments in Australia.)[2]

[2] Australian Bureau of Statistics (2022) Census of Population and Housing 2021.

Comparison of interventions to enable sustainability retrofits

A summary table and detailed tables that compare the legislative and regulatory interventions currently in place to enable sustainability retrofits in apartments across Qld, NSW, Vic and ACT.

Other resources

Links to worked examples, which will be released and updated over time (as separate documents, available on the project webpage). Each worked example will provide an overview of different types of sustainability retrofits and the legislation and regulation that applies at each stage of the retrofit process in the selected jurisdiction.

The worked examples will include:

1) upgrading an individual apartment, including windows;

2) installing solar on the common property roof of a strata title apartment building;

3) full building electrification of a strata title apartment building.

2. Understanding the legal structure of strata homes

2.1. Effecting change in strata homes

When attempting to effect change at the household scale, either through mandatory regulation or voluntary incentives, it is important to understand the legal structure of homes. If their legal structure is misunderstood or ignored, neither mandates nor incentives will work. For example:

1. With respect to mandatory regulation, the regulatory burden on strata schemes is already high compared to non-strata property, which brings with it cost implications that will need to be considered.
2. With respect to voluntary incentives, those targeting 'households' may not have their intended impact in strata property where upgrades are needed on collectively owned common property.

2.2. Strata and non-strata property

There are two dominant forms of residential property in Australia – strata title and non-strata title. Most freestanding houses are ordinary freehold fee simple titles[3] and not strata title, while most apartment buildings are strata titled. Strata titled apartments are also freehold fees simple, but they have the added complication of collectively owned space, a governing body corporate, and extensive statutory obligations, including an obligation to pay for the maintenance of the building and any facilities.

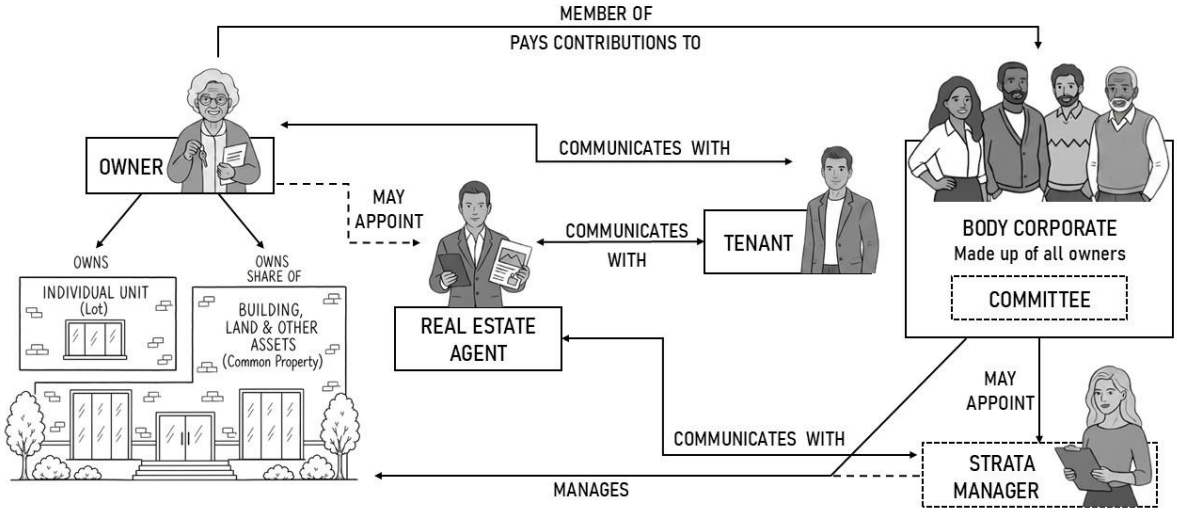
The specific obligations imposed in relation to strata schemes are outlined in state-based strata development and management legislation. There are differences between states and territories with respect to key details, such as the boundaries between lot and common property, lot 'entitlement' and liability, voting requirements for approvals for upgrades to lots and collectively owned property, and mechanisms for dispute resolution. However, all jurisdictions include the same key features (see Figure 1).

These features of strata title have advantages and disadvantages when retrofitting housing. With multiple owners and larger buildings, strata schemes can create shared efficiencies, hosting bigger and more complex sustainability infrastructure than individually owned houses.

[3] There are two forms of land title in Australia: freehold and leasehold. Within freehold, there are two kinds of ownership or 'estates': the fee simple and the life estate. Life estates are rare today, but the fee simple is the most common land title for housing. A freehold fee simple lasts indefinitely and generally does not have conditions or limitations inherent in the title. In contrast, leases are time-limited (e.g., six months, 20 years or even 99 years) and typically include significant restrictions and obligations (covenants/terms of the lease) imposed by the landlord (private or the Crown) on the tenant.

Further, the legal obligation to pay for maintenance, absent in non-strata housing, can fund professional management of complex sustainability infrastructure. However, in the context of retrofitting existing buildings, decisions about collectively owned property must be made collectively, and agreement can be hard to attain. Diverse owners have differing financial means, incentives and priorities (e.g., older owners vs younger owners, owner occupiers vs investors etc). In addition to owner agreement, decisions to retrofit must be made in accordance with complex strata title legislation, which varies between jurisdictions.

Figure 1: Strata Title Ownership in Australia



Source: Image created using Microsoft Copilot (building) and Gemini 3.6 Thinking (character icons)

2.3. Key terms

In this section, we define key terms necessary to understand strata ownership. There are differences in terminology used between jurisdictions in Australia (see Table 1).

Strata scheme: land and buildings subdivided into lots and common property by a strata plan, along with the body corporate and the rights and obligations of the body corporate and owners.

Community scheme: This is essentially the same as a strata scheme, that is, the subdivision of land into lots and common property, with a governing body corporate and by-laws (management statements). However, the lots may be freestanding houses, vacant land or townhouses, and the common property may be roads, parks, pavements and infrastructure. Some states use strata title legislation for apartments and separate community title legislation

for master planned estates, but this is not necessary. For example, Qld uses a single Act to regulate both apartment and master planned estates.

Strata plan: A plan registered with a land titles office that subdivides land (which includes air) into individually owned lots and collectively owned common property.

Lots: Individual dwellings (e.g. apartments or townhouses or vacant land) or commercial units. They are individual freehold fee simple, Torrens titles.

Common property: The space that falls outside lots, for example, corridors, lifts, roofs, car parks, building facades, windows and gardens. Significant decisions about common property, such as the addition of solar panels or batteries, adding shaders or retrofitting glazed facades, requires a body corporate vote, typically with special majority agreement.

Body corporate: All lot owners are automatically a member of a body corporate, most commonly called an owners corporation (also known by other names, such as a strata corporation). This is a separate legal entity with legislatively mandated responsibility for the management and maintenance of the strata scheme. It may elect a committee and it may be assisted by a strata and/or building manager, but the ultimate authority in all schemes is the body corporate made up of all lot owners. As a separate legal entity, a body corporate can be bound by contracts that owners must pay. This allows for collective action, but it can create vulnerabilities when the body corporate is bound to sustainability contracts negotiated by a developer (e.g. embedded network contracts in new buildings with long-term, suboptimal arrangements negotiated in the interests of the developer and a third-party company, rather than the ultimate apartment owners[4]).

Committee: Most bodies corporate will elect a committee of owners from within the body corporate to help make decisions for the strata scheme. The body corporate can determine exactly what the committee can decide and can over-rule any decisions the committee makes.

Strata manager: Many bodies corporate will engage a strata manager to assist running the strata scheme. The strata manager can assist with coordinating and conducting meetings, collecting levies, obtaining insurance, keeping financial records and advising on asset management. While a strata manager can be delegated almost all of the functions of a body corporate, they are simply an agent of the body corporate and not the ultimate authority in a scheme. A smaller proportion of bodies corporate may also engage a building manager who can assist with managing, maintaining and repairing common property.

Contributions: The key difference between strata and non-strata housing is that strata owners are legally obliged to maintain, repair and insure their buildings, while owners of non-strata

[4] Sherry, C. (2025) Collectively owned distributed energy resources and private property law: embedded networks in high-density and master-planned housing, Journal of Energy & Natural Resources Law, 43(3), pp. 383-399, https://doi.org/10.1080/02646811.2025.2540699

properties are not. Non-strata owners have control over decisions to repair their homes, including the power to defer maintenance indefinitely. In contrast, in strata schemes, the body corporate has a statutory obligation to maintain and repair common property. This requires the payment of annual contributions, and if these are insufficient, special contributions or strata loans can be used to fund new infrastructure or repairs. While the legal obligation to pay contributions is essential for collectively owned housing, and can assist sustainability initiatives, it can simultaneously make some owners vulnerable to financial obligations they cannot afford and to which they did not individually agree.

Administrative and sinking funds: Contributions are generally paid into two funds, one for expenses related to the day-to-day running of a strata scheme (administrative fund) and the other for capital works expenses such as replacing or upgrading parts of the common property (sinking fund).

Unit/lot entitlement and liability: All apartments have a unit entitlement that determines their proportionate ownership of common property; unit entitlement is generally based on the unimproved market value of the lot. In some jurisdictions, this also determines the share of contributions the apartment owner will pay and their voting rights. In other jurisdictions, there is a separate 'lot liability' that determines owners' contributions. This is generally based on a principle of equality, assuming that all lots use common property equally.

By-laws: Rules that residents living in a strata scheme must follow. By-laws can regulate matters such as noise, use of common property, parking, and renovations. By-laws can be created or changed by the owners corporation in compliance with the relevant state or territory legislation.

Table 1: Terminology by state and territory

	Qld	NSW	Vic	ACT	WA	NT	SA	Tas
Strata title	Community title	Strata title	Strata title	Unit title	Strata title	Strata title	Strata title	Strata title
Administrative fund	Administrative fund	Administrative fund	General account	Administrative fund	Administrative fund	General account	General account	Fund
Lot	Lot							
Common property	Common property							
Body corporate	Body corporate	Owners corporation	Owners corporation	Owners corporation	Strata company	Body corporate	Strata corporation	Body corporate
Committee	Committee	Strata committee	Committee	Executive committee	Council	Committee	Management committee	Committee of management
Strata manager	Strata manager	Strata managing agent or strata manager	Strata manager	Strata manager	Strata manager	Strata manager	Body corporate manager	Strata manager
Contributions	Contributions	Contributions or levies	Fees	Contributions	Contributions	Contributions	Contributions	Contributions
Sinking fund	Sinking fund	Capital works fund	Maintenance plan fund	Sinking fund and special purpose fund	Reserve fund	General account	General account	Fund
Unit entitlement	Contribution schedule lot entitlement (for fees) & interest schedule lot entitlement (for voting)	Unit entitlement	Lot liability (for fees) & lot entitlement (for voting)	Unit entitlement	Unit entitlement	Unit entitlement	Unit entitlement	General and special unit entitlement
By-laws	By-laws	By-laws	Rules	Rules	By-laws	By-laws	Articles	By-laws

2.4. Decision making

All strata schemes have a body corporate which has the power to make decisions for the scheme. The body corporate may appoint a strata committee, a smaller group with a chairperson, secretary and treasurer. A body corporate may appoint a strata manager, to whom most, but not all, of its functions can be delegated. Most day-to-day decisions in a strata scheme can be made by the strata manager or strata committee, but some decisions require an ordinary resolution at a general meeting and a small number require a special resolution or even unanimous resolution. Decisions to alter or add to common property generally require a special resolution, which will affect the addition of sustainability infrastructure to common property and even individual lots in most jurisdictions.

2.5. Maintenance, repair and upgrading

All strata schemes have a statutory obligation to maintain and repair their common property, which is the key feature that distinguishes them from non-strata property ownership. However, the statutory obligation to maintain and repair does not include an obligation to upgrade. Maintenance and repair can sometimes require upgrades, for example, replacing a broken air conditioning system with a new system that might also be more energy efficient. However, strata schemes have no obligation to replace a functioning air conditioning system with a new one simply because it would be more energy efficient.

Whether works are classified as repairs or as upgrades has important implications. 'Repair' refers to restoring an existing item to its previous condition or function, while 'upgrade' refers to improving something beyond its previous standard. (However, in practice the distinction between the two can sometimes be difficult to determine, especially when newer materials or building standards are used in replacement work.) While repairs must be undertaken, and the responsibility for arranging repairs is often delegated to a strata committee (within a set financial limit), upgrades must be voted on at a general meeting of all owners. Minor repairs can also be paid for out of the administration fund, while upgrades must be paid out of the capital works fund. There are also taxation implications for investor owners, who may be able to claim repairs and maintenance as a deductable expense in the current financial year, while upgrades may need to be claimed over time through depreciation schedules.

The distinction between repairs and upgrades can incentivise decisions that are not necessarily in the long-term interests of owners or improved building performance. For example, where windows require replacement, replacing single glazing with single glazing can be undertaken as repairs or maintenance, but replacing single glazing with double glazing would be considered an upgrade. Since windows typically last for many decades, a decision to replace with single glazing because it can be classified as a repair will have longstanding implications.

2.6. Lot and common property

Sustainability upgrades can include changes to lot property, common property, or quite often both. Even if an upgrade superficially seems to only affect a lot, common property will regularly be affected, for example by drilling through a wall. Responsibilities for decision-making, approvals and costs for upgrades will be influenced by whether the upgrades affect lot property or common property (or both). The precise location of boundaries between lot and common property can differ between jurisdictions and between strata schemes. For example, the boundary can be the median line through the middle of a wall or the exterior face of a wall. The boundaries between lot and common property are marked on the strata plan for each strata scheme.

2.7. Rental property

Approximately half of all strata title apartments are owned by investors and leased.[5] Tenants (renters/lessees) have no role in the governance of the building that is their home. This has implications for sustainability retrofitting because the people who may benefit from energy efficiency initiatives, for example, will have no power to instigate or vote for them.

Strata legislation and residential tenancies legislation are distinct but overlapping forms of regulation. Residential tenancies legislation and agreements regulate the relationship between landlords and tenants. Strata legislation regulates the relationship between the body corporate and owners (although it also regulates tenants' use of common property). This has implications for retrofitting. For example, residential tenancies legislation may require landlords to upgrade properties, but if that involves any change to common property, such as external windows, the landlord still must secure body corporate approval. Understanding the intersection of strata and residential tenancies legislation is essential to mandates and incentives.

The high proportion of investor owners is also important with respect to the tax treatment of repairs and upgrades, although this is now an area of law in flux.

2.8. Mixed use and mixed tenure developments

[5] Easthope, H., Lu, Y. & Riviera, A. (2025) Australasian Strata Insights 2024, Sydney: City Futures Research Centre, https://www.unsw.edu.au/research/city-futures/our-research/projects/2024-australasian-strata-insights

New, large developments are increasingly mixed use, combining residential, retail, commercial and public open space in a single building or site. Increasingly, developments are also mixed tenure, including private market housing and social, community and/or affordable housing. These developments are often 'stratum' or 'volumetric' subdivisions, rather than a single strata scheme. The site/building will be subdivided into separate Torrens lots. In this scenario, the retail, commercial and possibly social or community housing lots will remain as single owner lots, while the lot(s) intended for market housing will be further subdivided by a strata plan, creating individual apartments. Only the market housing components will be strata title. In other arrangements, social, community or affordable housing properties may be individual apartments inside the market housing strata scheme.

Using the New South Wales legislation as an example, outside of the individual strata schemes, stratum subdivisions do not have common property, but rather 'shared facilities', which is space or infrastructure on one lot's land, that is accessible by owners of other lots (e.g., car parks, open space, sustainability infrastructure). While the internal workings of individual strata schemes will be regulated by strata legislation, the overarching development is not. It will be regulated by a registered 'management statement', a document written by the developer (this should not be confused with body corporate by-laws which are also sometimes called management statements). A management statement in a stratum subdivision will control the use of all parts of the development, including any strata schemes, and most importantly, it will allocate costs for 'shared facilities'. The overarching development does not have a body corporate, but rather a 'building management committee' (BMC), whose membership, powers and voting processes are also determined by the developer-written management statement. The complexity and regulation of mixed use development will affect the capacity of individual strata schemes to retrofit for sustainability, as well as the effect of mandates and incentives. It is important to remember that stratum subdivision, and its regulation, is not the same as strata title.

3. Legislation impacting sustainability retrofits

This section provides an overview of key legislation that impacts sustainability retrofits in apartment buildings across Qld, NSW, the ACT and Vic. These four jurisdictions between them contain 86% of all strata and community title properties in Australia,[6] and 90% of all apartments in Australia.[7]

The sections that follow outline the key laws, regulations, instruments and guides that influence sustainability retrofits. Legislation is reviewed across the following categories:

Strata management. This legislation affects how decisions about retrofits are made, how funding is managed, how common property can be altered and how disputes must be addressed.

Residential tenancy. This legislation mandates notification of tenants of building works, and minimum standards of properties.

Planning. This legislation affects how buildings are designed, as well as what infrastructure is included, what retrofits works can be undertaken and under what circumstances, and what works can proceed with and without planning permission.

Building. This legislation impacts on how buildings are built and upgraded, with a focus on building quality.

Electricity and gas. This legislation governs the connection of electricity and gas to apartment units and buildings.

Explanatory notes:

a) Individuals and bodies corporate can be simultaneously regulated by multiple pieces of legislation, and regulation by one Act does not exclude regulation by another (see the sliding door example below).
b) Bodies corporate cannot write by-laws to opt out of or avoid legislative obligations or restrictions.
c) Consideration of government-enacted policies and guides may be mandated by Acts, regulations or instruments.
d) Parliaments strive to create legislation consistently, but in the event of conflict, later legislation overrides earlier legislation.

[6] Easthope, H., Lu, Y. & Riviera, A. (2025) Australasian Strata Insights 2024, Sydney: City Futures Research Centre. https://www.unsw.edu.au/research/city-futures/our-research/projects/2024-australasian-strata-insights [accessed 14 May 2026]
[7] Australian Bureau of Statistics (2022) Census of Population and Housing 2021.

e) Most legislation is state/territory legislation as a result of the Australian Constitution, which only gives limited powers to the Commonwealth, and all other power to the states/territories. Land, housing and building all largely fall within state powers. Sometimes jurisdictions voluntarily agree to adopt uniform regulation, such as the National Construction Code (NCC) and the National Electricity Law.

3.1. Strata management

Each state and territory has its own legislation – Acts and regulations – governing the creation and management of strata and community title schemes. Some jurisdictions have separate legislation for the creation of strata schemes and the management of schemes, such as the *Strata Schemes Development Act 2015* and the *Strata Schemes Management Act 2015* in NSW. Other jurisdictions, like Qld, have a single Act that regulates the creation and management of schemes: the *Body Corporate and Community Management Act 1997*. All state Acts have been subject to regular piecemeal amendment and occasional wholescale re-enactment. For example, NSW is up to its fourth generation of strata title legislation, with the latest Acts already being amended multiple times since their re-enactment in 2015.

While legislation is fundamental to the creation of strata schemes (either specific strata legislation or general subdivision legislation), it is the legislation that regulates the management of strata schemes that is most relevant to sustainability retrofits. This legislation outlines the duties and responsibilities of lot owners and owners corporations, changes to common property, procedures for voting and managing finances. Table 2 provides an overview of the key strata management acts and regulations across Qld, NSW, the ACT and Vic.

There are a few key differences between the states. Queensland relies on 'modules' that have different regulation for different types of schemes. There is a 'standard module' that is used for schemes with predominantly resident owners. There is an 'accommodation module' that is used for schemes developed for renting, including tourist accommodation (however, these also often have resident owners). There are also commercial, small scheme and two-lot scheme modules. In Victoria, there are five tiers of owners corporations, based on the number of lots. In New South Wales, there is separate 'community title' legislation for estates, which can be low rise, but can also include apartment buildings.

Table 2: Strata management legislation

	QLD	NSW		ACT	VIC
Acts	Body Corporate and Community Management Act 1997	Strata Schemes Management Act 2015	Community Land Management Act 2021	Unit Titles (Management) Act 2011	Owners Corporation Act 2006
Regulations	Body Corporate and Community Management (Standard Module) Regulation 2020 Body Corporate and Community Management (Accommodation Module) Regulation 2020 Body Corporate and Community Management (Small Schemes Module) Regulation 2020 Body Corporate and Community Management (Commercial Module) Regulation 2020 Body Corporate and Community Management (Specified Two-lot Schemes Module) Regulation 2011	Strata Schemes Management Regulation 2016	Community Land Management Regulation 2021	Unit Titles (Management) Regulation 2011	Owners Corporation Regulations 2018

3.2. Residential tenancy

Each jurisdiction has its own legislation governing the rights and obligations of residential tenants and landlords. Like strata legislation, residential tenancy legislation is subject to periodic piecemeal amendment and wholesale re-enactment.

Residential tenancy legislation is relevant for two main reasons. First, landlords can only access rented premises by agreement with the tenant or without agreement in limited circumstances. This in turn affects the owners corporation's ability to access or grant access to leased apartments to facilitate sustainability retrofits. Second, amendments to residential tenancy legislation to improve sustainability and living standards for tenants can be complicated when the property is in a strata scheme. Complying with obligations to upgrade a rented property is relatively straightforward if the property is not strata title and thus owned entirely by the landlord. Complying with obligations to upgrade a rented property when part of it is co-owned with others (the common property) is more complicated. When governments mandate sustainability upgrades for rented premises, careful attention needs to be paid to how those obligations intersect with obligations and limitations in strata title legislation.

All four jurisdictions have regulations relating to minimum standards for rental property generally, and are beginning to introduce minimum standards in relation to sustainability. In relation to sustainability, of the four jurisdictions, Victoria has the most comprehensive regulations. In 2025 regulations were introduced for new energy efficiency standards for ceiling insulation, draught proofing and cooling and increases to existing standards for heating, hot water system and shower heads in rental properties.[8] However, there are multiple exceptions for strata schemes, including consistent exceptions where owners corporation rules prohibit the installation of the sustainability measure.

In NSW, the government is considering new rules to improve energy efficiency in rental homes, known as the Minimum Energy Efficiency Rental standards (MEERS), but these are not yet in effect at the time of writing.[9]

In the ACT, the *Residential Tenancies Act* was amended in 2020 to allow the ACT Government to make minimum standards for rental properties.[10] To date, the ACT has instituted a minimum standard for ceiling insulation in rental properties.[11]

[8] https://engage.vic.gov.au/new-minimum-standards-for-rental-properties-and-rooming-houses

[9] https://www.energy.nsw.gov.au/nsw-plans-and-progress/regulation-and-policy/public-consultations/meers

[10] https://yoursayconversations.act.gov.au/expanding-rights-renters/minimum-standards

[11] https://www.act.gov.au/housing-planning-and-property/renting/minimum-housing-standard-for-ceiling-insulation-in-rental-properties

In Queensland, minimum standards for rental properties cover weatherproofing and electrical appliances but make no explicit reference to sustainability, energy efficiency or thermal performance.

Table 3 provides an overview of the key residential tenancy Acts and regulations across Qld, NSW, the ACT and Vic.

Table 3: Residential Tenancy Legislation

	QLD	NSW	ACT	VIC
Acts	Residential Tenancies and Rooming Accommodation Act 2008	Residential Tenancies Act 2010	Residential Tenancies Act 1997	Residential Tenancies Act 1997
Regulations	Residential Tenancies and Rooming Accommodation Regulation 2025	Residential Tenancies Regulation 2019	Residential Tenancies Regulation 1998	Residential Tenancies Regulations 2021 Residential Tenancies Amendment (Minium Energy Efficiency Standards) Regulations 2025 Minimum Energy Efficiency Standards for Rental Homes 2027

3.3. Planning

Many changes to land, including some sustainability upgrades, require planning approval, and each jurisdiction has its own planning legislation. In addition to Acts and regulations, there are extensive planning instruments, and government policies and guides. This sub-section does not present all legislation, regulation and instruments that apply to the planning system in each jurisdiction, but focuses on those that are relevant to sustainability retrofits. However, planning law includes considerable discretion and as a result, exact approval processes will depend on the specific apartment and buildings in question.

While minor sustainability upgrades will typically not require planning approval, more significant upgrades will, adding time and costs to retrofitting projects. In rare instances,

sustainability retrofitting may even be prohibited by planning law, such as the addition of solar panels to parts of heritage protected homes.

Figures 2-5 provide an overview of the relevant planning legislation and regulations across Qld, NSW, the ACT and Vic. As evident from these Figures, the planning system can be quite complex and difficult to navigate with respect to sustainability upgrades.

Figure 2: Queensland Planning Legislation

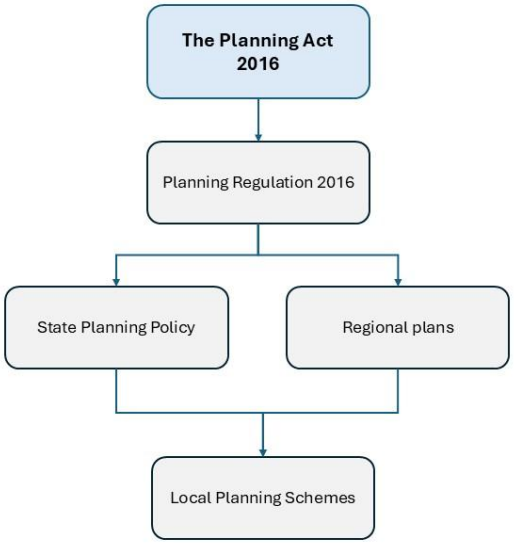


Figure 3: NSW Planning Legislation

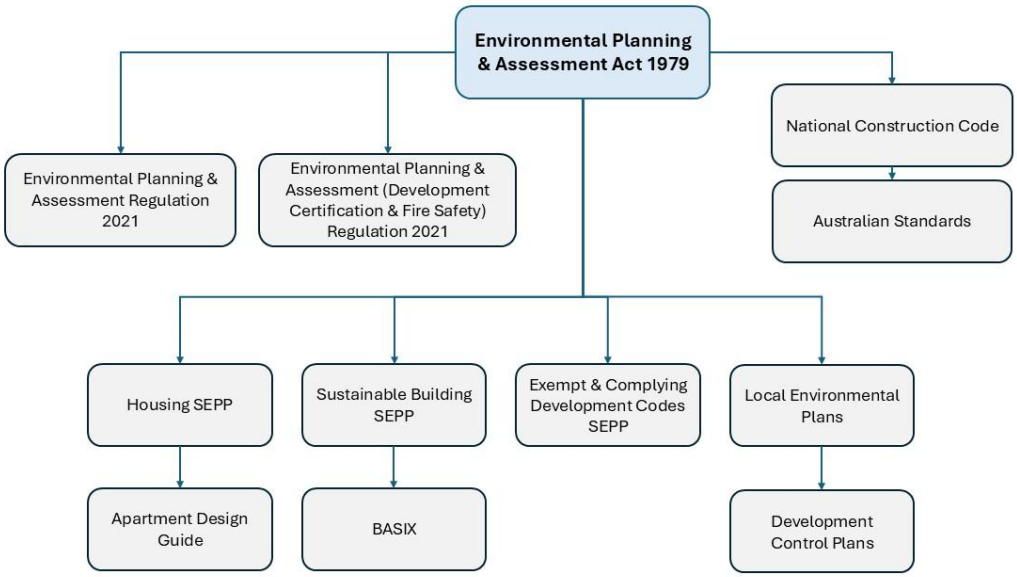


Figure 4: ACT Planning Legislation

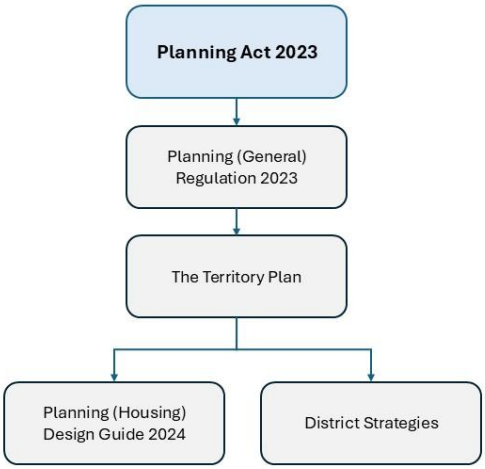
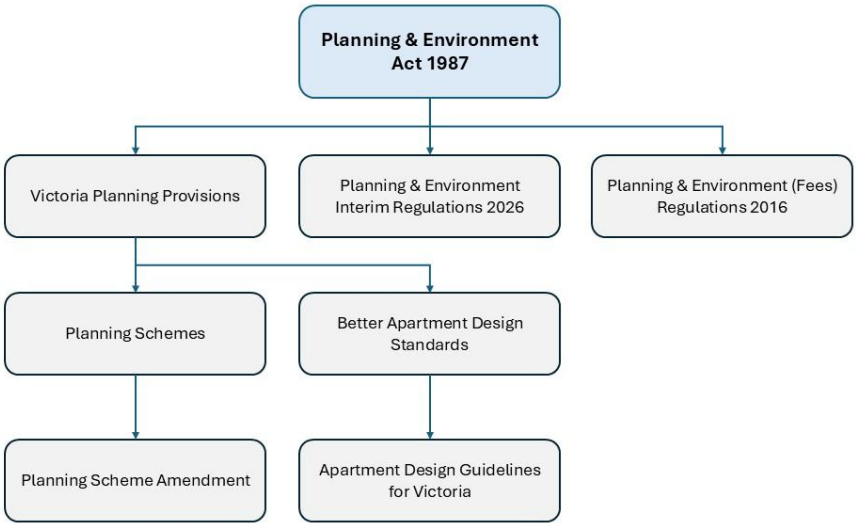


Figure 5: Victoria Planning Legislation



3.4. Building

The NCC sets minimum standards across Australia for building construction and applies both to new buildings and to some building upgrades. The NCC is given effect to by the building legislation of each state and territory (or in the case of NSW, the planning legislation, see Figure 3).

Building legislation and regulation is relevant to sustainability retrofits because it governs minimum building standards (including structural adequacy, energy efficiency and accessibility) as well as standards of building professionals (including licensing). Compliance pathways for retrofits will often require interaction with specific technical standards (including product compliance) and specialist practitioners.

As apartment retrofits become more common, the question of whether existing licensing, registration and competency frameworks for building professionals adequately support higher-risk building work (such as façade alterations, that have the potential to impact safety, weatherproofing and structural performance as well as energy efficiency) will become more pressing. It will also be important to ensure that the regulatory framework governing product compliance is adaptable, to avoid constraining the use of high-performing new products, while at the same time ensuring the suitability and safety of those products.

Figures 6-9 provide an overview of the relevant building legislation and regulations.

In NSW, a suite of relevant building Acts are administered by the NSW Building Commission, which was brought into effect by the Building Legislation Amendment Act 2023 (see Figure 7).

Figure 6: Queensland Building Legislation

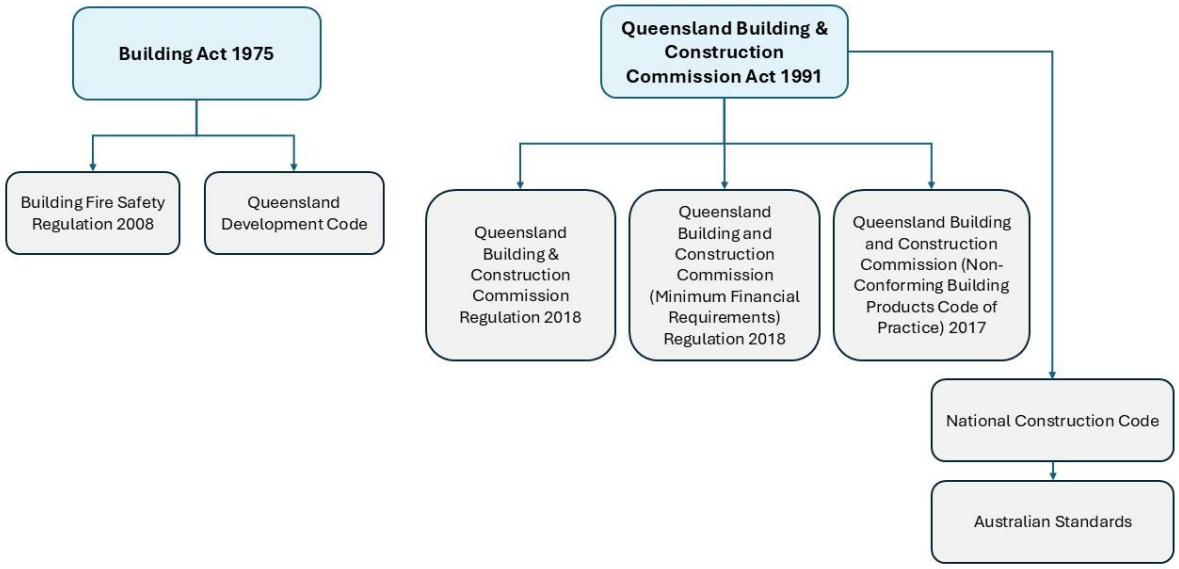


Figure 7: NSW Building Legislation

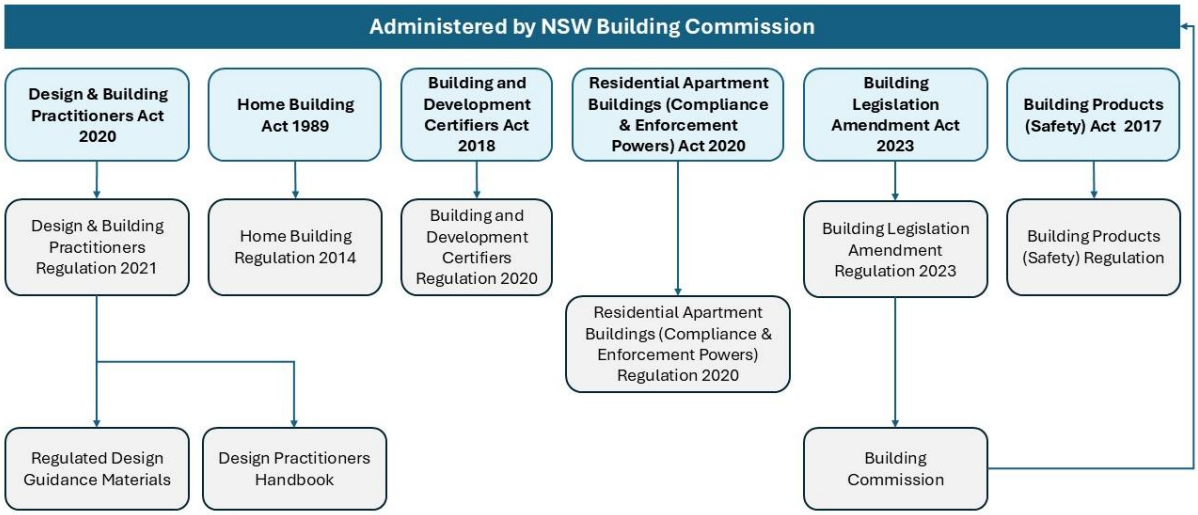


Figure 8: ACT Building Legislation

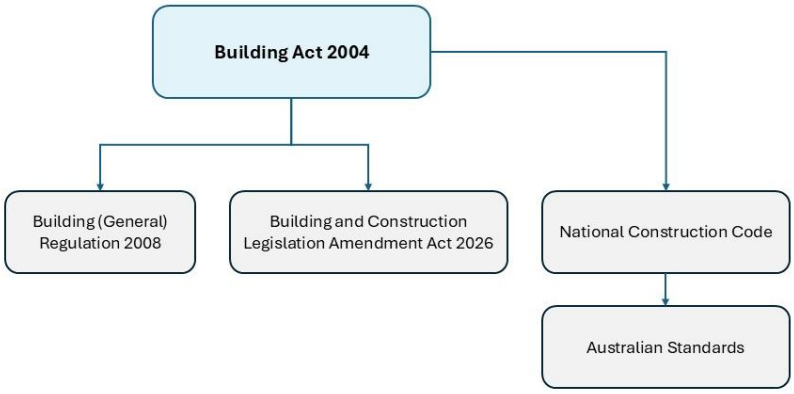
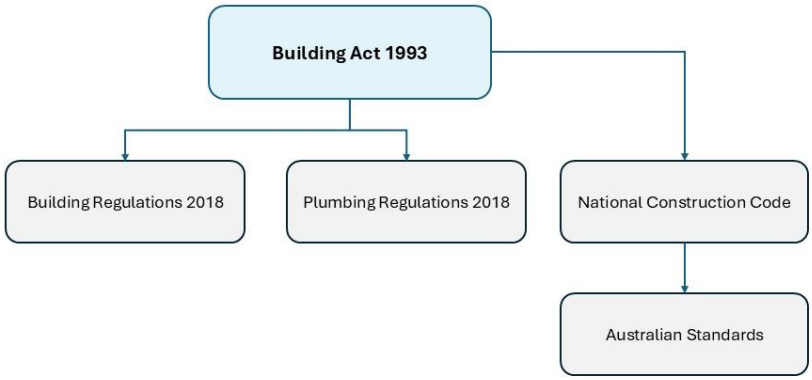


Figure 9: Victoria Building Legislation



3.5. Electricity and gas

Electricity and gas connections and retailing are governed by both national and state/territory-based legislation.

The National Electricity Law (under the *National Electricity (South Australia) Act 1996*) governs the National Electricity Market, supported by the National Electricity Rules and other regulations. This law has been applied by state application legislation in Qld, NSW, the ACT and Vic.

The National Gas Law (under the *National Gas (South Australia) Act 2008*) governs access to gas pipelines and establishes a gas market bulletin board, supported by the National Gas Rules and associated regulations. This law has been applied by state application legislation in Qld, NSW, the ACT and Vic.

The National Energy Retail Law (under the *National Energy Retail Law* (*South Australia*) *Act 2011*) regulates the supply and sale of gas and electricity to retail customers, supported by the National Energy Retail Rules and associated regulations. This law has been applied by state application legislation in NSW, Qld and the ACT. In Vic, only Chapter 5A of the National Electricity Rules apply,[12] but similar consumer protections are provided under the Victorian Energy Retail Code.[13]

Key market bodies are the **Australian Energy Regulator** (the economic regulator), the **Australian Energy Market Commission** (the rule-maker) and the **Australian Energy Market Operator** (which administers the national wholesale market).

A further important national agency is the **Clean Energy Regulator**, which is responsible for administering Australian Government schemes to measure, manage, reduce and offset carbon emissions.[14] The Clean Energy Regulator was brought into effect by the *Clean Energy Regulator Act 2011* (Cth) (see also the Clean Energy Regulator Regulations 2018). The Clean Energy Regulator has also operated the Renewable Energy Target certificate scheme which is due to finish at the end of 2030.

In addition to the above legislation that has been adopted by the states/territories, there are jurisdiction-specific laws that are relevant to sustainability retrofits. These are:

NSW:

- *Electricity Supply Act 1995* includes a schedule (Schedule 4A) of energy security safeguard schemes such as the Energy Saving Scheme (ESS) and the Peak Demand Reduction Scheme. The Energy Saving Scheme is an energy efficiency certificate scheme with obligations on retailers and large energy users. The ESS also provides rebates to strata schemes on installation of equipment such as domestic hot water heat pumps or CO_2 sensor systems retrofitted to carpark ventilation fans. The Peak Demand Reduction Scheme (PDRS) runs until 2050 and provides financial incentives to electricity users to reduce their demand on the grid during peak times for appliances such as pool pumps, air conditioners, and rebates on battery energy storage systems. The PDRS also has financial incentives for connecting common property batteries to Virtual Power Plants.

ACT:

- *Climate Change and Greenhouse Gas Reduction Act 2010*. The purpose of which is to reduce greenhouse gas emissions, increase renewable energy use and increase renewable energy generation.[15] Notably, this Act (Part 2A, 13A), prohibits new gas

[12] https://www.aemc.gov.au/regulation/energy-rules/national-energy-retail-rules/necf
[13] https://www.dcceew.gov.au/energy/markets/energy-market-legislation
[14] https://cer.gov.au/
[15] https://www.legislation.act.gov.au/View/a/2010-41/current/html/2010-41.html

connections, including the addition of another connection point in a residence with an existing gas connection (see also Table 2 below).
- The *Energy Efficiency (Cost of Living) Improvement Act 2012* places an obligation on registered energy retailers in the ACT to attain energy efficiency credits each year in proportion to the volume of their energy sales. Retailers are free to choose whatever measures they wish to implement to achieve these targets from a list of approved activities such as lighting upgrades or giving customers rebates on efficient hot water systems.

Victoria:

- *Victorian Renewable Energy Act 2006* and *Victorian Energy Efficiency Target Act 2007*. The purpose of which is to provide for the creation and acquisition of renewable energy and energy efficiency certificates respectively.

3.6. Intersection between legislation

A wide range of legislation simultaneously regulates strata schemes, their owners and tenants. An obligation or prohibition under one Act will not change an obligation or prohibition under another. For example, under residential tenancies legislation, landlords are required to ensure residential premises are in a reasonable state of repair and under strata management legislation, the body corporate is required to keep common property in repair. If there is a leak in the common property roof that causes disrepair in a rented apartment, the landlord is still in breach of their obligation to repair even though the disrepair was caused by the body corporate's failure. Breach of an obligation under one Act does not excuse breach of an obligation under another.

Similarly, while body corporate approval might be granted to alter common property, if that alteration requires council consent and consent is refused, the alteration cannot be made. Conversely, if planning law would allow the alteration but body corporate consent is refused, it generally will not be possible. This latter situation has necessitated the enactment of bans on body corporate power to stymie sustainability upgrades (see Table 4).

In short, when navigating the intersection of legislation, it is necessary to identify all of the applicable legislation and systematically work through the effect of each provision. This is a generic feature of legislation in all jurisdictions. The following scenario demonstrates this process for the simple replacement of sliding doors in an apartment in NSW.

Scenario: Replacing glass sliding doors to a balcony in NSW

An owner has sought approval from their owners corporation to replace a single glazed glass sliding door with a double-glazed door. This will require replacing the whole door structure.

They have sought and received approval from the owners corporation to make this change to their sliding door, which is common property. This has necessitated a common property by-law, which sets out their responsibilities to pay for the works, ensure that appropriately qualified tradespeople do the work and to maintain the door once the works are done [***strata schemes management legislation***].

Their apartment is leased, so they make sure to give the required notice to their tenant that the works will be carried out and get their tenant's agreement to allow the tradespeople to access the balcony through their apartment [***residential tenancies legislation***].

Replacement of a window in NSW is typically exempt from requiring planning approval in NSW, and the owner has double-checked that this is the case for their sliding door replacement [***planning legislation***].

The installer arrives and starts work, but discovers that the waterproofing in the door sill is failing. The installer is not licensed to replace or fix the waterproofing [***building legislation***].

A registered waterproofing practitioner is required to address the waterproofing fault [***building legislation***] and the works are now no longer exempt from development application approval [***planning legislation***].

Because the waterproofing issues are affecting the door sill and this is connected to the waterproofing of the balcony, the whole balcony now needs to be re-waterproofed [***building legislation***].

The works are going to take a lot longer than anticipated and so the tenant applies for a rent reduction [***residential tenancies legislation***].

The owner approaches the owners corporation to cover the costs of re-waterproofing the balcony, which is also common property, and the rent reduction to their tenant, while still being committed to paying the costs for the door replacement. There is disagreement about whether the owners corporation should pay for either or both of these additional costs in the light of the common property by-law entered into by the owner [***strata management legislation***].

4. Comparison of regulatory interventions to enable sustainability retrofits

Governments have given substantial attention to regulation to enable sustainability retrofits across Australian jurisdictions. Tables 4 and 5 provide an overview of key legislative and regulatory amendments to encourage sustainability retrofits in strata buildings in Qld, NSW, the ACT and Vic. Interventions range from 'carrots' (e.g., lower voting thresholds) to 'sticks' (e.g., bans on new gas connections or bans on by-laws that restrict sustainability upgrades).

The purpose of these tables is to demonstrate the breadth of actions already in place around the country, as well as the differences between jurisdictions. Table 4 provides a scorecard assessment, while Table 5 provides the detail behind the assessments.

Tables 4 and 5 provide an overview of existing interventions (as of September 2026). However, there are further regulatory interventions planned that, if and when adopted, will change the summary in this table. Particularly important will be the roll-out of the Home Energy Disclosure Framework,[16] under which a Home Energy Rating will be shared at the time of sale or lease of property. This will require updates to the Conveyancing Acts and Tenancy Acts in each participating jurisdiction. As well as regulatory interventions, there are also grants and incentives introduced by both Federal and state/territory governments to encourage sustainability retrofits in apartments. For example, schemes that apply across all jurisdictions include the Federal Small-scale Technology Certificates incentives for solar and heat pumps, and the Federal Cheaper Home Batteries Program. Some jurisdictions also offer additional incentives (such as rebates and loans), as well as grants. Across the four focus jurisdictions (Qld, NSW, ACT, Vic), Queensland was the only one where grants targeted specifically at bodies corporate for sustainability retrofits were not identified. NSW has a Solar for Apartment Residents grant program and an Electric Vehicle Ready program; the ACT offers a Solar for Apartments Program; while Victoria offers the Victorian Energy Upgrades program and Solar Victoria.

[16] https://www.homeenergyrating.gov.au/about/governance-and-strategy/disclosure

Table 4. Comparative review of key legislative interventions across Qld, NSW, Vic and ACT: Summary

Jurisdiction	Sustainability is dealt with in an Act covering strata &/or community schemes	Bans on prohibitions or restrictions on sustainability upgrades contained in management statements, by-laws & covenants	Lower voting thresholds exist for sustainability resolutions	Aesthetics cannot be used as a reason to not approve sustainability measures	AGM agenda item on sustainability, including common property energy & water	10-year plans are required for major expenditure from the capital works fund	Residential Tenancy Act includes energy efficiency standards that apply to strata properties	Residential Tenancy Act requires lease advertisements to include an energy efficiency rating or statement to that effect	Regulation to disallow new gas connections applies to existing buildings
QLD	✗	✓	✗	✓	✗	✗	✗	✗	✗
NSW	✓	✓	✓	✓	✓	✓	✗	✗	✗
ACT	✓	✓	✓	✓	✗	✓	✓	✓	✓
VIC	✓	✓	✗	✓	✗	✓	✗	✗	✗

Disclaimer: the information in this table is current as of August 2026. The information provided in this table does not constitute legal advice. While we aim to provide accurate information at the time of publishing, the law is complex, varies according to circumstances, and changes over time. Readers should return to the cited Acts and Regulations for the most up to date information and seek expert advice for the application of the law to their individual circumstances.

Table 5. Comparative review of key legislative interventions across QLD, NSW, VIC and ACT: Detail

Jurisdiction	Sustainability is dealt with in an Act covering strata and/or community schemes
QLD ✗	**Sustainability is not mentioned in the *Body Corporate and Community Management Act 1997***
NSW ✓	**'Sustainability infrastructure' and 'sustainability infrastructure resolution' are defined in *Strata Schemes Management Act 2021*, s132B(2), and s5(1)(b)(ii) lowers the threshold for a sustainability infrastructure resolution.**
ACT ✓	**Sustainability is defined in the *Unit Titles (Management) Act 2011*, Dictionary.**
VIC ✓	**'Sustainability item' is defined in the *Owners Corporations Act 2006*, s138B(4).**

Jurisdiction	Bans on prohibitions or restrictions on sustainability upgrades are contained in management statements, by-laws and covenants
QLD ✓	Via reference to the *Building Act 1975*, by-laws or management statements cannot: prohibit or restrict a colour that would achieve a solar absorptance value for the upper surface of the roof of not more than 0.55 (Class 1a and attached 10a); prohibit or restrict a window or window treatment that is energy efficient (Class 1a, 2 and attached 10a); require a minimum floor area, number of bathrooms or bedrooms (Class 1a); require a building orientation which would have the effect of construction of a less energy efficient building (Class 1a and attached 10a); prohibit or restrict the installation of a solar hot water system or photovoltaic cells on the roof or other external surface of a building (Class 1a and Class 2, and attached class 10a). If an owner of a strata property has their own roof or external wall, they will be allowed to install solar panels or solar hot water. However, if the surface is common property, the by-laws and management statements can still have some effect, but it is very limited. They can only prohibit solar hot water or PV cells if this is necessary to protect the building's structural integrity or there is insufficient space for all owners to install solar hot water or PV cells or if it is the solar hot water will create unreasonable noise from piping.
NSW ✓	*Strata Schemes Management Act*, s139B A by-law has no force or effect to the extent it would prevent the installation of sustainability infrastructure solely for the purpose of preserving the external appearance of a lot or the common property.
ACT ✓	*Unit Titles (Management) Act 2011*, s108(3)(f) prohibits rules (by-laws) that prohibit or restrict the installation, operation or maintenance of sustainability infrastructure on common property or in a unit.
VIC ✓	*Owners Corporation Act 2006*, an OC cannot make rules (by-laws) that unreasonably prohibit the installation of sustainability items on the exterior of a lot: s138B(2). A prohibition only on aesthetic grounds is unreasonable: s138B(3)(a). In this section, a 'sustainability item' is defined to mean any thing that 'eliminates or reduces a reliance on non-sustainable energy sources' and it includes solar hot water systems, solar energy panels and a roof with colours having a particular solar absorption value: s138B(4)

Jurisdiction	Lower voting thresholds exist for sustainability resolutions
QLD ✗	**No lower voting threshold for sustainability upgrades in the *Body Corporate and Community Management Act 1997*. However, there is protection from by-laws and management statements that attempt to prevent upgrades:** **s180(8) A by-law must not include a provision that has no force or effect under the *Building Act 1975*, chapter 8A, part 2** ***Building Act 1975*, chapter 8A, part 2 attempts to ban prohibitions on sustainable building practices. It is colloquially referred to as 'ban the banners'. It applies to non-strata homes too but is relevant to strata schemes because it prohibits particular by-laws and management statements that purport to stop sustainable building and upgrades.** **Parts of chapter 8A only apply to Class 1a buildings (single dwelling being a detached house; or one of a group of attached dwellings being a town house, row house or the like) and Class 10a enclosed building attached to a class 1a building (non-habitable buildings including sheds, carports, and private garages). If a body corporate community includes freestanding homes or townhouses, these will be class 1a buildings. However, some parts of the Chapter also apply to Class 2 buildings, which are apartment buildings.** **Also, the threshold vote for many improvements is lower than some other jurisdictions. Queensland has different 'modules' for different kinds of development. The following is based on the Standard Module in the *Body Corporate and Community Management* (*Standard Module*) *Regulation 2020*.There are three levels based on the cost of the improvements:** **Committee resolution – can approve improvements of $300 x number of lots in scheme** **Ordinary resolution of body corporate at general meeting – can approve improvements of $2000 x number of lots in the scheme** **Special resolution of body corporate at general meeting – can approve improvements of more than $2000 x number of lots in the scheme.** **Some sustainability upgrades may fall within (ii) and some, like a worm farm or vegetable garden, within (i). However, more substantial upgrades, like solar panels, are likely to fall within (iii) and need a special resolution.**
NSW ✓	**In the *Strata Scheme Management Act 2015*, a sustainability infrastructure resolution requires that no more than 50% of the value of the votes cast at the meeting vote against the measure: SSMA, s5(1)(b)(ii) (Normally, a special resolution requires not more than 25% of votes cast against the resolution).** ***Sustainability infrastructure resolution* means a resolution to do any one or more of the following that is specified to be a sustainability infrastructure resolution— (a) to finance sustainability infrastructure, (b) to add to the common property, alter the common property or**

	erect a new structure on common property for the purpose of installing sustainability infrastructure or (c) to change the by-laws of the strata scheme for the purposes of the installation or use (or both) of sustainability infrastructure.
ACT ✓	**Ordinary resolution (simple majority) only needed for the installation and financing of sustainability infrastructure on common property, along with the granting of an easement for its installation, maintenance and operation: s23 of the *Unit Titles* (*Management*) *Act 2011*.** **The OC can only approve it if it is satisfied that 'the long-term benefit of the proposed infrastructure is greater than the cost of installing and maintaining the infrastructure'. In coming to this conclusion, it must consider the site, maintenance plan, the terms of any financing arrangements, the direct and indirect costs, and the long-term environmental sustainability benefits of the proposed infrastructure.** **Sustainability infrastructure is defined in the Dictionary to the Act as infrastructure or equipment that 'improves the environmental sustainability' and 'reduces the environmental impact' of units, unit owners and owners corporation, (but not the common property).**
VIC ✗	**No lower voting threshold for sustainability in the *Owners Corporation Act 2006***

Jurisdiction	Aesthetics cannot be used as a reason to not approve sustainability measures
QLD ✓	Via reference to the *Building Act 1975*. If by-laws or a management statement require body corporate consent, a body corporate cannot withhold consent to (i) or (ii), above, if the colour, window or window treatment minimises potential adverse effects on the external appearance of the building and does not unreasonably interfere with a person's use and enjoyment of the building or another building. If body corporate consent is required to install a solar hot water system or photovoltaic cells on the roof or other external surface of a class 1a, 2 or attached 10a building, it cannot withhold its consent, even if it is common property. The only exceptions are if the surface is common property and refusal is necessary to preserve the building's structural integrity or there is insufficient space for all owners to install solar hot water or PV cells or if it is solar hot water, refusal is necessary to prevent unreasonable noise from piping.
NSW ✓	*Strata Schemes Management Act 2015*, s139B A by-law has no force or effect to the extent it would prevent the installation of sustainability infrastructure solely for the purpose of preserving the external appearance of a lot or the common property except where the strata scheme is a heritage item or within a heritage conservation zone.
ACT ✓	No reference in the *Unit Titles* (*Management*) *Act 2011*, although this is arguably unnecessary given the blanket ban on rules that prohibit or restrict sustainability infrastructure in s108(3)(f), above.
VIC ✓	*Owners Corporation Act 2006*, an OC cannot make rules (by-laws) that unreasonably prohibit the installation of sustainability items on the exterior of a lot: s138B(2). A prohibition only on aesthetic grounds is unreasonable: s138B(3)(a)

Jurisdiction	AGM agenda item on sustainability, including CP energy & water
QLD ✗	**There is no requirement to include sustainability as an annual agenda item.**
NSW ✓	***Strata Schemes Management Act 2015*** **(NSW), Sch 1, cl 6 requires the agenda for each annual general meeting to include an item to consider environmental sustainability within the scheme, including consideration of the common property annual energy and water consumption and expenditure.**
ACT ✗	**There is no requirement to include sustainability as an annual agenda item.**
VIC ✗	**There is no requirement to include sustainability as an annual agenda item.**

Jurisdiction	10-year plans are required for major expenditure from the capital works fund
QLD ✗	Queensland does not have provisions that require a 10-year plan
NSW ✓	*Strata Schemes Management Act 2015,* s80 requires owners corporations to prepare a 10-year plan of anticipated major expenditure to be met from the capital works fund. The plan must be done every 10 years, revised every 5 years and implemented 'so far as practicable'. When estimating the amount of money needed for the capital works fund each year, the 10-year plan must be considered: s79(5),
ACT ✗	The *Unit Title* (*Management*) *Act 2011*, s81 requires unit plans with four or more units to have a sinking fund, and s82(2) requires sinking funds to have a 10-year plan, which must be reviewed every five years.
VIC ✓	*Owners Corporations Act 2006*, s36 requires tier one and two owners corporations to prepare a 10-year maintenance plan and allows tier three, four and five owners corporations to do so. It must set out the major capital items that require repair and replacement in the next 10 years, their present state of repair, estimated cost of repairs or replacement and their estimated life span once repaired or replaced: s 37. If an owners corporation has a maintenance plan, it must establish a maintenance fund, which is regulated under the Act: ss 40-45.

Jurisdiction	Residential Tenancy Act includes energy efficiency standards that apply to strata properties
QLD ✗	***Residential Tenancies and Rooming Accommodation Act 2008*, s17A says that the Regulations may prescribe minimum housing standards in relation to ventilation and insulation (ss(3)(b)) and energy efficiency (ss(3)(k). However, the *Residential Tenancies and Rooming Accommodation Regulation* (*2024*) currently does not prescribe any for these matters.**
NSW ✗	**The *Residential Tenancies Act 2010* does not include energy efficiency standards.**
ACT ✓	**The *Residential Tenancies Act 1997* can stipulate minimum standards for housing in relation to energy efficiency: s19A(1)(b). Currently, the Residential Tenancies Regulation 1998, Part 3, only deals with ceiling insulation. The landlord can only refuse consent to a tenant making energy efficient modifications to the property if they obtain the approval of the tribunal: s 71AB, and that will only be granted in limited circumstances: s71AC. Planting vegetables, fruit, flowers, herbs or shrubs and installing a compost bin/tumbler are defined by the *Residential Tenancies Regulation 1998*, cl 5B, as a 'minor modification', which the landlord can only refuse after obtaining the approval of the tribunal: s 71AB, and that approval will only be granted in limited circumstances: s71AC. However, this provision does not apply to the common property or balcony of an apartment or if the modification contravenes an OC rule or the OC has not given consent.**
VIC ✗	***The Residential Tenancies Act 1997* stipulates that landlords cannot unreasonably refuse consent to a tenant modifying the property to increase the thermal comfort of the premises or reduce energy and water usage costs for the premises: s64(1B)(g). Tenants can install LED light globes, water efficient shower heads and non-permanent window film without landlord consent: cl 26 *Residential Tenancies Regulation*. Landlords may not unreasonably refuse consent to draughtproofing or the installation of a herb and vegetable garden: cl 27 Regulation. If a landlord is replacing a fixture or fitting that uses or supplies water, electricity or gas, it must be at or above efficiency ratings: s69 Act, defined in the Regulations, cl 31. Minimum standards in relation to energy and water efficiency can be prescribed by the regulations: s511; Schedule 4 of the *Residential Tenancies Regulation* defines minimum standards for rental properties. This includes requirements for heaters installed after 2023 to be energy efficient, although there are exemptions for apartments if it would be unreasonably expensive or the OC rules prohibit it. There are also provisions about natural light and ventilation. Efficiency rating systems are defined in cl 23 of the Residential Tenancies Regulation. Victoria has extensive new provisions in the *Residential Tenancies Amendment* (*Minimum Energy Efficiency Standards*) *Regulations 2025* but they contain substantial carveouts for apartment buildings, in particular consistent carveouts where owners corporation rules prohibit the sustainability upgrade. In effect, this could allow apartment buildings to opt out, freeing their landlord owners from these obligations to upgrade their properties.**

Jurisdiction	Residential Tenancy Act requires lease advertisement to include an energy efficiency rating or statement to that effect
QLD ✗	No requirements included in the *Residential Tenancies and Rooming Accommodation Act 2008*
NSW ✗	No requirements included in the *Residential Tenancies Act 2010*
ACT ✓	*Residential Tenancies Act 1997*, s11A(4)(a): if there is an energy efficiency rating for the home it must be included in the advertising. The landlord must also provide the tenant with a copy of the energy efficiency rating statement and/or a fresh statement if work has been done affecting the energy efficiency of the home.
VIC ✗	No requirements included in the *Residential Tenancies Act 1997*

Jurisdiction	Regulation to disallow new gas connections includes existing buildings
QLD ✗	Queensland does not have regulation to disallow gas connections in either new or existing buildings.
NSW ✗	NSW does not have regulation to disallow gas connections in either new or existing buildings. Where this does exist at a local government level (e.g. City of Sydney), requirements only relate to new residential development and there is no mention of retrofits.
ACT ✓	*Climate Change and Greenhouse Gas Reduction Act 2010*, Part 2A, 13A, prohibits new gas connections, including the addition of another connection point in a residence with an existing gas connection. However, the alteration of an existing connection is permitted.
VIC ✗	Apartments are included in the prohibition on installation / connections on new gas (*Building and Plumbing Amendment Regulations 2025*) however existing apartments may install or replace a reticulated gas water heater if they meet certain criteria

5. Concluding observations

The regulatory environment affecting sustainability retrofits in apartments in Australia is fragmented and inconsistent.

To some degree, this is inevitable. Under the Commonwealth Constitution, the Commonwealth government only has power to make laws in relation to limited matters (for example, taxation, corporations, external affairs etc). All other matters fall to the states, including land and buildings. Sometimes states and territories act collectively to create national consistency, for example the NCC, and this is extremely beneficial for manufacturers and building contractors operating nationally. In relation to safe construction and manufacturing, there are sound reasons for national consistency.

However, the continued variation of other state legislation, including land titles, strata title and planning legislation, is constitutionally inevitable and this is not necessarily a problem. There are good reasons why Queensland might have different legislation to Tasmania, or Western Australia to New South Wales in many areas. For example, Victorian residential tenancies regulation requires all landlords to provide heating in rented premises, a provision that would be unnecessary in northern jurisdictions. Insurance for strata schemes in cyclone-prone Queensland is a pressing problem, while it obviously is not in Tasmania. Further, as most apartment residents only live in a single state, it is no inconvenience to them that property, strata and planning legislation varies between jurisdictions.

For Federal and state/territory government, grants, programs and incentives must take into account the differences between strata and non-strata property.

When the Federal government is enacting legislation that operates in multiple or all jurisdictions, and/or is creating programs, policies and grants that apply to all states and territories, the variation in state legislation can create challenges. However, because the underlying principles and concepts in all jurisdictions' legislation are the same, as long as they are properly understood, Federal initiatives will work. For example, as this report explains, all jurisdictions' strata legislation subdivides land and air into private lot property, collectively owned common property, all governed by a body corporate made up of owners. As long as Federal initiatives are cognisant of this basic legal structure, they should be effective in all jurisdictions.

At both Federal and state/territory level, consistent awareness when writing regulation and policies that increasing sections of our cities are made up of collectively owned and governed housing is essential. Whenever changes to that housing are made, the consent of multiple owners will typically be necessary and their ability to act will be constrained by legal and financial obligations under strata management legislation.

For State/Territory governments, lessons can be learnt from other jurisdictions for regulatory reform to support sustainability retrofits in apartments.

Multiple state jurisdictions can have the positive consequence that many governments are seeking to solve the same problems, and when one government finds a solution, other governments can follow suit. For example, lower voting thresholds for sustainability upgrades in NSW and the ACT set an example for other jurisdictions. Table 4 provides a quick reference for governments, their agencies, NGOs and property owners wanting to drive sustainability initiatives for apartment buildings in their own jurisdiction.

Within states and territories, the regulatory environment for sustainability retrofits is complex, which can have unintended consequences.

The regulatory environment for sustainability retrofits within jurisdictions spans strata management, residential tenancies, planning, building and electricity/gas legislation and regulations. Planning and building regulations are particularly complex in relation to sustainability upgrades. Simplifying this complexity is a challenge all governments struggle to meet.

In a complex regulatory environment, initiatives can also have unintended consequences, particularly if they are not fully understood. For example, NSW enacted child safety window reforms that require windows at a particular height to be limited to an opening that a 125 mm sphere (the width of a baby's head) cannot pass through. The regulation simply requires a lock or device that can be removed, overridden or unlocked by an adult. However, industry misunderstanding of the provisions has led to the installation and retrofitting of windows that cannot be fully opened, compromising cross-ventilation,[17] with consequences for indoor comfort and resident wellbeing.[18]

For property owners, it is difficult to effectively navigate the regulatory landscape impacting on retrofit projects without putting trust in expert consultants.

Unlike differences between state legislation, multiple, overlapping regulation within jurisdictions *does* affect property owners. Retrofitting strata title homes does not simply

[17] Liu, T. & Lee, W. (2019) Influence of window opening degree on natural ventilation performance of residential buildings in Hong Kong, Science and Technology for the Built Environment, 26(1), pp. 28-41, https://doi.org/10.1080/23744731.2019.1659026
[18] Jiang, Z., Kobayashi, T., Yamanaka, T. & Sandberg, M. (2023) A literature review of cross ventilation in buildings. Energy and Buildings, 291, 113143, https://doi.org/10.1016/j.enbuild.2023.113143

require individual property owner commitment to environmentally positive change; it requires understanding of complex legislation and policies.

For example, navigating the interactions between compliance requirements under the NCC, practitioner registration requirements, planning and fire safety triggers, and strata management regulations with respect to a sustainability retrofit can become both complex and expensive, as the example of the balcony door glazing replacement outlined. Such challenges present decisive blockers for bodies corporate, individual owners, and installers to undertake sustainability retrofits in strata properties.

While many owners may ultimately have to consult experts, including lawyers, to realise their desired retrofits, information and guides (such as those provided in this report) can assist owners to do initial scoping, some of the substantive work, and to understand the advice they are being given by experts and help keep them accountable. For many owners, retrofitting a collectively owned building will be completely uncharted territory and any guides will be beneficial.

For consultants and service providers, there is value in tailoring products and services to cater specifically to strata title properties.

The complexity of the regulatory environment means that there is value in service providers (including electricians, builders, architects, and solar or EV installers) tailoring products and services to cater specifically to strata properties.

There is also a lot of potential for other experts (including strata managers, lawyers and others) to provide guidance to help support service providers who may have experience with non-strata, freestanding homes, but to whom strata schemes are also uncharted territory. When providing services to apartment owners, it will help if service providers understand the difference between individually owned lot and collectively owned common property, as well as who constitutes the ultimate authority in strata schemes (i.e., the body corporate, not an individual owner or the strata manager). Providing guidance to service providers in providing right-sized solutions for strata properties is also important, as this can impact on cost and adoption rates. For example, demand management varies between strata schemes, and peak electricity demand for a 50-unit building is unlikely to be equivalent to peak demand for 50 detached dwellings.

The regulatory environment is rapidly changing, bringing both benefits and challenges

In recent years, there have been multiple legislative and regulatory amendments across jurisdictions in relation to strata schemes generally and in relation to sustainability upgrades in strata apartments specifically. Regarding the former, both NSW and WA have had wholesale

reenactment of their strata legislation in the last decade, and NSW and Victoria have also had piecemeal changes. Rewriting or gradual amendments to strata legislation is a response to increasing numbers of people living in strata schemes, the physical size of newer schemes and a growing recognition by governments that strata title is more complex, and its residents more vulnerable, than hitherto understood.[19]

Legislative and regulatory amendments that affect sustainability upgrades in strata schemes are a result of a now widespread acceptance of the imperative to respond to climate change, and an understanding of the extent to which the built environment, in particular homes, contribute to emissions. Legislative initiatives include NSW's reduction of the voting threshold for the adoption of sustainability infrastructure, as well as bans in the ACT on new gas connections.

More changes are likely in the near future in relation to both kinds of legislative reform. For example, Victoria is in the process of making significant amendments to its *Owners Corporations Act 2006,* and NSW is investigating minimum energy efficiency standards for rental properties (MEERS). While improvements to legislation and regulation are good, it can be difficult for owners, consultants and service providers to stay abreast of multiple changes, particularly when they may occur mid-upgrade.

Further, all players, but particularly owners corporations and governments, are challenged by rapidly evolving technology. While technological evolution is always welcome, it makes it difficult for regulators to keep pace and for owners corporations to commit to costly upgrades.

Summary

The regulatory environment is complex and rapidly changing. It is essential that regulators account for the existence of 1) strata property and 2) the legal and physical complexity of retrofitting strata titled buildings. However, the solution to this complexity is not just necessarily, or only, more regulatory reform. A key part of the solution will be experts who keep abreast of the laws and regulations, and who provide tailored information and services to strata owners and other service providers to support sustainability retrofits in the context of this complex and rapidly changing regulatory environment.

[19] See for example: NSW Government (2026) Apartment owners get better protections and greater rights as fourth strata bill passes Parliament, https://www.nsw.gov.au/ministerial-releases/strata-schemes-amendment-reduces-red-tape

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UTS
L10 10/235 Jones St Ultimo,
NSW 2007 Australia

ABN 46 640 317 559

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