

Aurora Horribilis: High-Profile Strata Dispute Underscores Desperate Need for OC Reform

Wednesday, 1 March 2023: Following the situation unfolding at Aurora Melbourne Central, property peak body Strata Community Association (Vic) has urged the state government to act to improve education, advice and dispute resolution for Victorian apartment and townhouse owners and residents.

As recently reported by the Herald Sun newspaper, a litany of issues and disputes arising within the owners corporation (body corporate) at the Aurora high-rise residential tower in Melbourne owing to a change of chairperson via proxy has laid bare many chronic issues affecting the strata living sector, including:

- **No effective enforcement of the *Owners Corporations Act 2006 (The Act)* and associated regulations**, such as those pertaining to proxy farming.
- **A backlog of hearings at the Victorian Civil and Administrative Tribunal (VCAT)** affecting timely and effective dispute resolution - **pending owners corporation list cases increased by 4 per cent to a total of 1,153 in 2021-22.**
- **An inability for strata owners to seek advice and information about their owners corporation, or have common procedural questions answered** prior to pursuing costly legal advice or initiating dispute resolution proceedings.
- **A lack of a minimum standards of education or effective regulation for owners corporation managers in Victoria.**

While reporting of the dispute at Aurora has only recently come to light, the need for better policy intervention into the Victorian owners corporation sector by government is long overdue.

In the lead up to the 2022 state election, SCA (Vic) advocated for measured policy proposals and initiatives to solve many of these issues.

These were ultimately ignored by the Andrews Labor Government, while receiving strong support from the Coalition and the Greens.

SCA (Vic)'s policy proposals include:

- A dedicated and costed **Strata Helpline to provide general advice and information to lot owners and residents**, to address administrative burden placed on dispute resolution services such as VCAT, while also reducing out-of-pocket costs for legal advice on owners corporation matters for lot owners.
- **Implementation of a Strata Commissioner or Ombudsman model of regulation for Victoria's owners corporation sector.**
- **A minimum education standard for Victorian owners corporation managers be implemented within the next term of government, to create a quality benchmark for services provided by the whole of industry to strata owners.**

"It is a combination of good owners corporation management, legal processes being followed by everyone, and proper attention from government that will go a long way to stopping a situation such as the Aurora dispute, from happening again," said SCA (Vic) President Julie McLean.

“We call on Minister Pearson, Premier Andrews and the Victorian Government to be less strata-blind, and to address these serious problems via policy reform before they get even worse in the future.

“With strata living only set to grow in popularity over coming decades from 1 in 4 Victorians now to 1 in 2 by 2050, measures can and must be taken now to protect consumer confidence in apartment living, give owners and managers the tools they need to work together in harmony and ensure greater respect and understanding in strata communities,” she said.

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About Strata Community Association (Vic)

[Strata Community Association \(Vic\)](#) is the peak body for the Owners Corporations sector, which comprises commercial, industrial, and recreational properties ranging from two units in a suburban street to many hundreds of units in inner city apartment buildings.

Owners Corporations represent property valued at over \$300 billion dollars and encompass commercial, retail, lifestyle resorts, retirement villages, car parks, storage facilities, industrial and, increasingly, mixed developments.

More than \$1 billion per year is collected and spent. It is estimated that around 1.6 million Victorians — a quarter of the state’s population — either live in, or own property in, an owners corporation.

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