



# BUILDING STRATA SECTOR RESOURCES

## MODEL RULES COVERSHEET

The Building Strata Sector Resources project  
was supported by the Victorian Government



# STRATA LIVING

Strata living is a very different experience to living in a single dwelling such as a detached house. Closer proximity to neighbours, more frequent interaction with fellow residents, the provision and use of common spaces, and shared responsibility for maintenance are all hallmarks of the strata living experience.

Additionally, strata properties often bring people together from a diverse array of backgrounds and life experiences. It is not uncommon for young people, couples, families, and elderly people of various ethnic and religious groups to live (and work) together within a strata community.

Some of the benefits of life in strata properties include location and the ability to live in proximity to more desirable areas and infrastructure, amenities such as pools and gyms, additional security, as well as often being a more affordable lifestyle choice.

However, there are challenges which can occur in such living arrangements, and these range from very common issues through to unique and complex concerns. Behavioural issues, noise complaints, unruly pets, cleanliness and maintenance issues can – and unfortunately do – occasionally arise.

# ROLE OF AN OWNERS CORPORATION

An owners corporation is a legal entity, created by law when land is subdivided and registered as having common property, which combines all the lot owners within that scheme to collectively manage the common property and services associated with it.

Common property in a residential or mixed-use property development typically includes areas such as the foyer, lifts, stairwells, hallways, walls, gardens, driveways and fences. In other words, this is usually understood as being the shared areas of a residential building and land which are not included in an individual's property (such as an apartment).

Many owners corporations appoint professional strata managers to help the owners corporation with handling various aspects of the management of a property. Examples of the types of responsibility a professional strata manager will assist with include:

- Conducting meetings,
- Charging and collecting levies,
- Organising maintenance,
- Sourcing and placing insurance, and
- Maintaining financial accounts.

# PURPOSE OF MODEL RULES

A crucial tool to reduce the likelihood of such problems happening, as well as to clearly establish the rights and expectations of owners and residents, is a set of rules to help govern strata life.

Owners corporations can draft their own rules, but this can take considerable time and effort to ensure the language adheres to legal requirements, provides appropriate procedures, and does not unfairly discriminate against a lot owner or occupier.

A simpler and more efficient method is for owners corporations to use this set of model rules. Ultimately, no matter the type of strata property, residents want to live in a safe and harmonious environment and these model rules have been created to provide a template for strata communities to help achieve that.

## HOW TO IMPLEMENT OWNERS CORPORATION RULES

If using the model rules, or drafting your own, the next step for implementing them in your owners corporation is to convene a general meeting or organise a postal ballot.

The notice for either of these methods should include an agenda with the rules, text of the resolution, and a copy of the proposed rules. Notice must be provided at least 14 days before the meeting or ballot. After this, the owners corporation will need to vote on the rules.

To pass the new rules as a 'special resolution' requires at least 75% of votes to be in favour, which then needs to be recorded in the minutes (either the minutes of the general meeting or a committee meeting if this occurred via postal ballot).

However, if at least 50% of votes are in favour of the new rules (but this does not pass with at least 75% approval) then an 'interim special resolution' is passed. In the event of an interim special resolution, notice of this occurring and the minutes of the meeting need to be sent to all lot owners within 14 days of the close of the ballot.

Following on from this, the decision can only be acted on after 29 days have passed and providing there has not been a petition against the decision with the support of more than 25% of lot entitlements. Should such a petition occur, then the special resolution would be deemed to have failed and the rules would not be adopted.

# WHAT TO DO AFTER MODEL RULES HAVE BEEN ACCEPTED

Congratulations, your owners Corporation has passed a resolution to adopt the model rules!

The next step is to submit a copy of the consolidated rules with Land Use Victoria (LUV), which must be certified by the owners corporation secretary in a form approved by LUV, and submitted with the required fee. The model rules will then be recorded as part of the plan of subdivision.

After this, the owners corporation must provide notice of the model rules to lot owners, tenants, sub-lessees and other occupiers.

