strata community association VIC

Key Information

A Guide to Owning, Managing and Living in an Owners Corporation

strata community association® VIC

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This guide, which is based on a previous version published by Consumer Affairs Victoria, has been updated by SCA Victoria, to reflect current legislative requirements.

Consumer Affairs Victoria has not reviewed the updates made to this guide.

As this publication avoids legal terminology, some information may be presented in general terms. It should not be relied upon as a substitute for the *Owners Corporations Act 2006* or for professional legal advice.

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INTRODUCTION

An owners corporation manages the common property of a residential, commercial, retail, industrial, or mixed-use property development. Owners of flats, apartments or units are usually members of an owners corporation, previously known as a 'body corporate'. All bodies corporate became owners corporations on 31 December 2007, when the *Owners Corporations Act 2006* came into force. This law sets out the duties and powers of owners corporations.

An owners corporation is automatically created when a plan of subdivision containing common property is registered with Land Victoria. Examples of common property may include gardens, passages, walls, pathways, driveways, lifts, foyers and fences.

The plan of subdivision shows the parcels of land that can be sold separately. These are called 'lots'. The lot owners are the members of the owners corporation for the property.

More than one owners corporation can be created in a subdivision of land or buildings.

A person who owns property under an owners corporation automatically becomes a member of that owners corporation. As a member, that person has legal and financial responsibilities to the owners corporation.

Lot owners are not exempt from any owners corporation fees if they do not use the facilities.

Master Planned Estates
Some new land estates are becoming owners corporations. This is especially common where estates include private swimming pools, tennis courts, golf courses or gymnasiums. An owners corporation may also be formed to maintain parks and wetlands contained within the estate.

Retirement Villages
Many retirement villages have owners corporations. In a strata title village, the unit owners are automatically members of the owners corporation. They have the right to attend owners corporation meetings and stand for election to the owners corporation committee.

You can find more information about owners corporations in retirement villages at consumer.vic.gov.au/housing/retirement-villages

What Should I Do Before Buying a Property Managed by an Owners Corporation?
Get a copy of the owners corporation certificate and inspect the owners corporation register. These documents contain important information about fees, allocation of lot liability and lot entitlement, and legal liabilities.

The owners corporation certificate is part of the vendor's statement, also called a 'section 32', after section 32 of the *Sale of Land Act 1962*. The section 32 contains information which the seller must provide to the buyer advising of restrictions such as covenants and easements, outgoings such as rates, and any other notices such as compulsory acquisition.

The lot owner selling the property must ensure the certificate is included in the section 32. A buyer can also purchase the certificate from the owners corporation.

For more information and forms to help your owners corporation, visit:

consumer.vic.gov.au/housing/owners-corporations

consumer.vic.gov.au/resources-and-tools/forms-and-publications

For more information on owners corporation managers, visit:

consumer.vic.gov.au/licensing-and-registration/owners-corporation-managers

COMMON TERMS

Plan of Subdivision
A plan of subdivision depicts the break-up of a piece of land, showing parcels of land called 'lots' that can be sold separately. The plan of subdivision is registered with Land Victoria, and an owners corporation is automatically created if the plan includes common property.

The plan of subdivision defines and governs the ownership of land, buildings and air space. It sets out private lots, common property, and each lot owner's voting entitlements and financial contributions. Land Victoria registers and allocates numbers to the plan of subdivision and any owners corporations created by that plan.

Lots
A lot is a part of land, buildings and air space on a plan of subdivision that can be separately owned and sold. Technically, lots are those parts of land, buildings or air space that are not common property, road or a reserve, and include accessory lots such as car spaces, storage bays and storerooms.

Lot Entitlements and Lot Liabilities
These are set out in the plan of subdivision.

Lot entitlement refers to a lot owner's share of ownership of the common property and determines voting rights.

Lot Liability
Lot liability represents the share of owners

corporation expenses that each lot owner is required to pay. These entitlements and liabilities are determined by the developer at the time of subdivision.

Common Property
This includes any parts of the land, buildings and air space that are not lots on the plan of subdivision. It may include gardens, passages, walls, pathways, driveways, stairs, lifts, foyers and fences. The common property is collectively owned by the lot owners as 'tenants-in-common'. Floor coverings and fixtures within a lot are usually the property of the lot owner.

Multiple Owners Corporations
These are most common in large, multi-storey buildings, commercial properties, or developments that combine residential and non-residential lots.

Properties with more than one owners corporation will usually have:

- An unlimited owners corporation, which owns the common property, and
- One or more limited owners corporations, which will apply to only some lots.

Multiple owners corporations give groups of lot owners access to and responsibility for certain parts of the property.

For example:
A person buys a ground floor unit in a multi-storey building. The title includes off-street parking. As a lot owner, this person will be a member of the owners corporation. They may also be a member of the owners corporation responsible for the parking spaces, but not a member of the owners corporation responsible for the lifts.

Where a property has multiple owners corporations, it is important for lot owners to be aware that these owners corporations affect their lot.

Common Seal
As of the December 2021 amendments to the *Owners Corporations Act 2006*, the use of a common seal by an owners corporation is now optional, rather than mandatory. Previously, documents executed by an owners corporation were required to be sealed with a common seal. Under the amended Act, an owners corporation may still choose to use a common seal, but it can also authorise documents by resolution and have them signed by two lot owners, or by one lot owner and the manager, without needing a seal. This reform provides greater flexibility and reduces administrative burden, especially for smaller owners corporations.

ACTIVATING AN OWNERS CORPORATION

Further information can be found at:

consumer.vic.gov.au/housing/owners-corporations/buying-into-an-owners-corporation/activating-your-owners-corporation

Owners Corporation Number
An owners corporation number is the same as the number on the plan of subdivision, which is available from Land Victoria. See *Useful Contacts* at the end of this document for details.

Initial Owner's Role in Activating an Owners Corporation
The initial owner is usually the owners corporation's sole member at this stage.

To activate an owners corporation, an initial general meeting must be held within 6 months of the registration of the plan of subdivision. If the initial owner fails to call this meeting, lot owners who hold at least 25 per cent of the total lot entitlements may petition to convene the first general meeting:

- if the initial owner did not call the meeting within 6 months, or
- to reactivate an inactive owners corporation.

Alternatively, lot owners may apply to the Victorian Civil and Administrative Tribunal (VCAT) for an order compelling the owners corporation to hold an annual general meeting.

Notice of First Annual General Meeting
Notice must be handed, posted or sent electronically at least 14 days before the scheduled date to all lot owners. If the owners corporation is being reactivated, it is recommended that the original documents are read. These may be available from the initial owner, existing lot owners or Land Victoria.

First Annual General Meeting
To hold the first annual general meeting the notice, issued at least 14 days before the scheduled date to all members, should state an agenda including the following business:

1. The date, time and place of the meeting
2. A statement that lot owners may appoint a proxy
3. The financial statements setting out income, expenditure, assets and liabilities
4. The proposed budget
5. Election of a committee (mandatory if there are 10 or more lots)

6. Election of chairperson and secretary
7. Appointment of a registered manager
8. Instruments of delegation for the manager, committee, chairperson and secretary (if required)
9. Registration of the owners corporation for taxation purposes, including obtaining a Tax File Number and an Australian Business Number (ABN)
10. Notification to Land Victoria of changes to the owners corporation contact details
11. Letterbox and sign, if not already provided
12. The text of any special resolution or unanimous resolution
13. Details for items as outlined below

At this meeting, the initial owner or applicant for registration must give the owners corporation:

1. Strata Plan and Titles

- Registered strata plan and subdivision documents
- Lot entitlements and voting rights
- Common property details and easements

2. Legal and Compliance Documents

- Building Occupancy Permit or Certificate of Practical Completion
- Fire Safety Certificate and emergency evacuation plans
- Homeowners' warranty insurance (if applicable)
- Compliance certificates for electrical, plumbing, mechanical, and fire systems

3. By-Laws and Management Rules

- Registered Owners Corporation Rules (if applicable)
- Any developer-imposed by-laws or special conditions
- Guidelines for common property use

4. Financial and Levy Information

- Initial budget for the owners corporation
- Any outstanding debts or charges
- Details of levy contributions and payment schedules

5. Building Warranties and Defects Liability

- List of warranties for structural components, roofing, windows, and finishes
- Maintenance period obligations and developer's defect liability timeframe
- Contact details for rectification of defects

6. Contracts and Service Agreements

- Agreements with service providers (cleaning, security, waste management, etc.)
- Building maintenance contracts (lifts, fire services, HVAC)
- Any developer-appointed building management agreements

7. Operational and Maintenance Manuals

- Building operations manual (plant, equipment, fire, security systems)
- Instructions for essential services (power, water, gas, NBN, etc.)
- Access control and key register

8. Insurance Policies

- Strata building insurance policy
- Public liability insurance
- Developer liability insurance (during handover period)

9. Handover and Key Handover

- Master keys, security passes, fobs, and garage remotes
- List of authorised personnel with access permissions
- Digital copies of all handover documents (if required)

10. As-Built Plans and Engineering Reports

- Architectural and engineering drawings
- Structural and civil engineering certifications
- Drainage and plumbing plans
- Electrical and mechanical layouts

11. Handover Meeting and Training

- Developer or builder should provide an induction session for the strata manager
- Walkthrough of the building's essential systems and maintenance schedules
- Process for ongoing communication regarding defects or unresolved issues

After the First Annual General Meeting
After activating an owners corporation by holding the annual general meeting, there may be a need to open a bank account or take out insurance in the owners corporation name. To do this, evidence may have to be provided that the owners corporation is a legal entity. This includes:

- A statement that the owners corporation is incorporated on the registration of the plan under section 28 of the *Subdivision Act 1988*
- A copy of the plan of subdivision
- Minutes of the meeting recording the decision to open an account or take out insurance

THE OPERATION OF OWNERS CORPORATIONS

Tiers of Owners Corporations

As of 1 December 2021, the *Owners Corporations Act 2006* classifies owners corporations into five tiers, based on the number of occupiable lots and the scale of financial activity. These tiers determine the extent of governance, reporting and administrative obligations.

Tier One:

- More than 100 occupiable lots
- Must prepare a maintenance plan and establish a maintenance fund
- Must have its financial statements audited annually

Tier Two:

- Between 51 and 100 occupiable lots
- Must prepare a maintenance plan and establish a maintenance fund
- Must have its financial statements reviewed annually

Tier Three:

- Between 10 and 50 occupiable lots
- Must maintain financial records and prepare financial statements but are subject to fewer mandatory compliance requirements

Tier Four:

- Between 3 and 9 occupiable lots
- Fewer administrative obligations, though basic governance and financial record-keeping still apply

Tier Five:

- Two-lot subdivisions
- Exempt from many legal obligations, such as:
    - Requirements for notices of fees
    - Procedures for meetings and decision-making
    - Keeping certain records or registers
    - Holding insurance for the owners corporation

Levels of Owners Corporations

An owners corporation may operate through the following four levels of authority:

1. The Owners Corporation

   Consisting of all lot owners
2. The Committee

   Elected by lot owners or their proxies (required if the OC has 10 or more lots)
3. A Delegate of the Owners Corporation

   Such as a manager, chairperson, secretary, lot owner or employee
4. A Delegate of the Committee

   The committee may delegate responsibilities to a lot owner, a manager, or subdelegate to one of its own members

All owners corporations, committees, and delegates must act honestly, in good faith, and with due care and diligence in carrying out their powers, functions, and duties, in accordance with the Act and the regulations.

Obligations of Owners Corporations
An owners corporation must:

- Manage and administer the common property
- Repair and maintain the common property, fixtures and services
- Take out and maintain required insurance
- Raise fees from the lot owners to meet financial obligations
- Prepare financial statements and keep financial records
- Provide owners corporation certificates when requested

- Keep an owners corporation register
- Establish a grievance procedure
- Ensure compliance with, and carry out any functions and duties under, the *Owners Corporations Act 2006*, the *Owners Corporations Regulations 2018,* the owners corporation rules and any other legislation

PROPERTY MAINTENANCE

Maintenance Plans
An owners corporation maintenance plan must cover:

- Major capital items requiring repair or replacement over the next 10 years
- The present condition of those items
- When the items or components will need to be repaired or replaced
- The estimated cost of their repair and replacement
- The expected life of those items or components once repaired or replaced

Only Tier 1 and Tier 2 owners corporations must have a maintenance plan and maintenance fund, but Consumer Affairs Victoria recommends that, as part of responsible asset management, all owners corporations have a maintenance plan.

If an owners corporation has a maintenance plan, then it must have a maintenance fund to cover the cost of works in the plan. The owners corporation is required to report on implementation of its maintenance plan, if it has one, at each annual general meeting.

Upgrades, Renovations and Alterations to the Common Property
An owners corporation can only make significant alterations to the use or appearance of its common property if the changes are listed in the maintenance plan or approved by special resolution at a general meeting.

A special resolution is also required if the common property is to be upgraded, renovated or improved and the:

- Estimated total cost is more than double the annual total fees, or
- Works require a planning or building permit

Urgent works to ensure safety or prevent significant loss or damage do not require a special resolution. This applies only to the work necessary to address the safety, loss or damage.

Lot Maintenance and Renovations – Duties of Lot Owners
Lot owners in an owners corporation are entitled to renovate or refurbish the interior of their home. A lot owner must notify the owners corporation if the renovations require a building or planning permit.

A lot owner must maintain any part of the lot that affects the outward appearance of the lot so that it is in a state of good and serviceable repair.

- This duty applies to the external appearance of the lot, not just structural integrity.
- It ensures that the lot does not negatively impact the amenity or uniform appearance of the building or community.
- The owners corporation may give written notice requiring a lot owner to carry out repairs, and may undertake those repairs if the owner fails to act within a reasonable timeframe.

FINANCIAL MANAGEMENT

Lot owners risk financial and legal consequences through poor financial management of the owners corporation.

An owners corporation is responsible for actions taken on its behalf by delegates, such as a professional manager or committee member. It can pass on costs incurred by these actions to members by raising fees. There is no limit to members' financial and legal liability for actions of the owners corporation or its delegates.

An owners corporation should seek professional help to manage its financial responsibilities. An owners corporation has the power to:

- Set fees to cover general administration, maintenance and insurance
- Levy special fees for extraordinary expenditure
- Establish a maintenance fund to cover the cost of works in the maintenance plan
- Borrow money
- Invest money
- Recover money owed
- Charge penalty interest
- Operate a bank account

Consumer Affairs Victoria recommends that all owners corporations have their accounts

audited or reviewed each year. Tier 1 owners corporations must have their financial statements audited annually and Tier 2 must have their financial statements reviewed annually.

Financial Records
An owners corporation must keep financial records that:

- Record all its income, expenditure, assets and liabilities
- Enable it to make true and fair reports of its financial situation
- Record and explain all financial transactions for income tax and GST purposes, as required by the Australian Taxation Office (ATO)

Financial records can be kept in hard copy or in an electronic form. A free e-record system is available on ato.gov.au. The financial records must be kept in a safe and secure place.

Owners Corporation Fees
Your owners corporation can set both annual and special fees.

Annual fees cover general administration, maintenance, insurance and other ongoing costs. Lot owners are charged their share of annual fees according to their lot liability.

Special fees cover extraordinary or unexpected expenditure such as to urgently repair the building or to cover the cost of legal action against the owners corporation. Lot owners are charged special fees according to their lot liability, unless works are being undertaken that will only benefit one, or some (but not all) lots.

In such a case, special fees are charged using the **benefit principle**, which means that those who benefit more, pay more.

The way the benefit principle is applied does not need to be exact if it is not practical to apply it that way — the assessment only needs to be considered reasonable.

In some circumstances, applying the benefit principle may still result in lot owners paying according to their lot liability. Examples include:

- When the work is being funded partly from annual fees and partly from special fees, and the benefits of the work to certain lots is offset by their having paid higher annual fees (because of their higher lot liabilities), or
- When works being done on certain lots will indirectly benefit the other lots — for example, by raising the value of the entire building or by reducing the possibility of legal actions against the owners corporation

If the amount of proposed special fees is more than double the amount of the owners corporation's annual fees, it must be approved by a **special resolution**. A special resolution requires support from **75 per cent of all lot owners or lot entitlements**.

Overdue and Unpaid Fees
Owners cannot vote on ordinary resolutions if they owe fees to the owners corporation. An owners corporation can pass a resolution to charge the **penalty rate of interest** on unpaid fees (this rate is set by law and published on the Department of Justice website).

An owners corporation or its manager cannot charge a lot owner any other fees or charges, such as an "administration fee," for overdue owners corporation fees. However, the owners corporation can take action to recover unpaid fees in the Magistrates' Court of Victoria or at **VCAT**.

For more information and forms to help your owners corporation, visit consumer.vic.gov.au/housing/owners-corporations

INSURANCE AND RECORDS

Insurance
All owners corporations must take out reinstatement and replacement insurance for all buildings on the common property and for incidental costs of the replacement or repair of damaged common property.

This insurance must also cover services shared with a person other than the owners corporation or any of its members, such as pipes and cables for gas, electricity, water or data.

Owners corporations must also take out public liability insurance of not less than $20 million for common property.

Two-lot subdivisions are exempt from these requirements but should take out these forms of insurance if there are buildings on common property.

A Tier 1 owners corporation must, every five years, obtain a valuation of all buildings it is required to insure. For other tiers (Tiers 2 to 5), obtaining such valuations is not mandatory but is considered good practice to ensure adequate insurance coverage.

For more information and forms to help your owners corporation, visit consumer.vic.gov.au/housing/owners-corporations

Records
The *Owners Corporations Act 2006* and other laws, such as Commonwealth tax laws, require owners corporations to keep records; for example, financial statements, ballot results and voting papers.

Owners Corporation Register
All owners corporations, except two-lot subdivisions, must establish and keep an owners corporation register, which is a summary of its activities, undertakings and membership.

The register must be available for inspection free of charge.

The owners corporation, if requested, must provide copies of the register and may charge a reasonable fee for doing so.

Owners Corporation Certificates
All owners corporations must issue an owners corporation certificate within 10 business days to any person who submits a written application (a form can be downloaded from consumer.vic.gov.au/resources-and-tools/forms-and-publications). This may be accompanied by a fee, which must not be more than $150 (inclusive of GST).

The certificate must contain specific information and have relevant documents attached, for example, current quarterly or annual fees for the lot and the owners corporation rules.

For more information and forms to help your owners corporation, visit consumer.vic.gov.au/housing/owners-corporations/finance-insurance-and-record-keeping/records

DECISION-MAKING

An owners corporation makes a decision or resolution when its members vote. Decisions can be made by an ordinary, special or unanimous resolution, which require different percentages of the votes. Votes are allocated according to lots or lot entitlements, not by number of individuals.

Resolutions may be made by a meeting or ballot of the owners corporation, a meeting or ballot of the committee, or by a decision of a delegate. Only matters requiring ordinary resolutions and not required to be made at a general meeting can be delegated.

The Decision-Making Hierarchy

The Owners Corporation (all lot owners):

- Keeps control of all decision-making
- Must elect a committee at each annual general meeting if there are 13 or more lots
- Can delegate powers, but only for matters that require an ordinary resolution and not a general meeting
- Can overturn an earlier decision of the owners corporation, but only at a general meeting

The Committee:

- Can make decisions, except on matters that must be decided by a special or unanimous resolution or at a general meeting
- Cannot overturn decisions of the owners corporation
- Can appoint sub-committees if permitted by the rules

A Delegate:

- Can make decisions within the limits set by the owners corporation and only on matters that require an ordinary resolution and that do not require a general meeting
- Cannot overturn a decision of the owners corporation or the committee

Annual General Meeting
An owners corporation must hold a meeting of all lot owners if it receives or pays out money during the financial year. This is called the annual general meeting.

The annual general meeting is the main opportunity for lot owners to discuss issues concerning their property and elect the committee and office bearers for the next year.

Written notice of an annual general meeting must be provided to lot owners at least 14 days before the meeting. The time between the annual general meetings must not exceed 15 months.

Agenda
The lot owners, committee members and manager must organise an agenda that identifies items for discussion. More information on what must be included is available at consumer.vic.gov.au/housing/owners-corporations/meetings-and-committees/running-meetings

Resolutions
Different types of resolutions require different percentages of votes to pass. These include:

- **Ordinary resolutions**, which require the agreement of more than 50 per cent of lot owners
- **Special resolutions**, which require the agreement of at least 75 per cent of lot owners
- **Unanimous resolutions**, which require agreement from all lot owners

Delegations
Delegation of powers enables a chairperson, secretary, manager or committee to make decisions on behalf of the owners corporation and carry out day-to-day tasks without having to call a general meeting.

Some powers cannot be delegated, including all matters requiring a **unanimous resolution**, a **special resolution**, or an **ordinary resolution** at a general meeting.

Minutes of Meetings
The owners corporation must arrange for minutes of all meetings to be kept and available for inspection. The minimum required information for the minutes is available on the Consumer Affairs Victoria website:

consumer.vic.gov.au/housing/owners-corporations/meetings-and-committees/running-meetings

Proxies
If a lot owner cannot attend a meeting, another person can be appointed as a "proxy" to represent and vote on behalf of the lot owner. It is illegal for someone to demand or require another person to give a proxy:

consumer.vic.gov.au/housing/owners-corporations/meetings-and-committees/voting-and-ballot-guidelines

Powers of Attorney
A person acting under a power of attorney for a lot owner may vote on the lot owner's behalf at a general meeting or ballot. An attorney can only act for more than one lot if they are a member of the lot owner's family. It is illegal for someone to demand or require another person to give a power of attorney.

Special General Meetings
All meetings other than annual general meetings are called **special general meetings**. These can be convened by the owners corporation manager, chairperson or secretary, or a lot owner nominated by lot owners who have at least 25 per cent of the total lot entitlements.

Activating an Owners Corporation
An owners corporation must hold its first general meeting within six months of registering with Land Victoria. If this has not been done, owners representing 50 per cent or more of lot entitlements can agree to call the inaugural annual general meeting.

Alternatively, lot owners may apply to **VCAT** for an order compelling the owners corporation to hold an annual general meeting.

After this first meeting, an owners corporation is only required to have an annual general meeting if it receives or pays out money in a financial year.

For more information and forms to help your owners corporation, visit consumer.vic.gov.au/housing/owners-corporations/buying-into-an-owners-corporation/activating-your-owners-corporation

COMMITTEES

An owners corporation with **10 or more lots** must elect a committee at each annual general meeting. Owners corporations with fewer than 10 lots may elect a committee if they choose, but it is not mandatory.

Membership of a Committee
A committee must have **3 to 7 members** (and can resolve to have up to 12), who must be lot owners or hold proxies for lot owners. There must not be more than one committee member from any one lot. Once elected, the committee members hold office until a new committee is elected.

The Chairperson and Secretary
A committee must elect a chairperson and a secretary by ordinary resolution (majority vote) at a general meeting. Failure to fill either of these positions may mean the committee and its decisions are not lawful.

The committee's chairperson and secretary also become the chairperson and secretary of the owners corporation.

The chairperson's main role is to host meetings, allowing fair and open discussion while keeping to the agenda so decisions can be made. The secretary is responsible for tasks including managing correspondence and organising meetings.

The chairperson and secretary can only be removed by majority vote at a general meeting. Revoking either role does not affect that person's membership of the committee.

If an owners corporation does not have a committee, the lot owners:

- Must elect a member to be the chairperson
- May elect a member to be the secretary

Failing to fill either of these positions may mean that a meeting of the committee is not called correctly and could make the proceedings of the committee meeting invalid.

Removing Committee Members
Lot owners can remove a committee or a committee member by ordinary resolution at a general meeting.

If there is a casual vacancy on a committee, the remaining members can invite another lot owner, or a person holding a proxy for a lot owner, to be a member of the committee.

The vacancy does not have to be filled if three or more members remain on the committee.

Committee Meetings

Quorums
A quorum is the minimum number of members needed to transact business at a meeting. For a committee meeting, the quorum is at least half the committee members. When there is no quorum, the committee can only make interim resolutions.

Procedures
A committee meeting may be called by the owners corporation, the committee, its chairperson or secretary, the manager of the owners corporation or a delegate of the owners corporation.

Committees can make decisions by ballot or at meetings by a show of hands.

Minutes
The committee must keep accurate minutes of every meeting. Among other things, the minutes must include the date, time and place, names of those present and all resolutions.

For more information and forms to help your owners corporation, visit consumer.vic.gov.au/housing/owners-corporations/meetings-and-committees/committees

MANAGERS

Many owners corporations use paid professional managers to assist with finances, insurance, administration, meetings and maintenance.

An owners corporation may appoint a manager to carry out any powers or functions it is able to delegate (matters that require an ordinary resolution and that do not require a general meeting). The owners corporation usually delegates powers to a manager in a contract or instrument of delegation. This enables the manager to make decisions on behalf of the owners corporation. The appointment must be in writing or through a written contract.

Some owners corporations may be self-managed on a voluntary basis by a committee or a lot owner who has been delegated powers.

Duties of Managers
All professional managers must:

- Register with the Business Licensing Authority
- Be appointed by an instrument or by contract of appointment
- Act honestly and in good faith
- Have professional indemnity insurance
- Hold all owners corporation money in trust
- Account separately for money held for each owners corporation they manage
- Report to the owners corporation at each annual general meeting
- Report to the committee as required
- Lodge an annual statement with the Business Licensing Authority

Registration and Professional Indemnity Insurance
All paid owners corporation managers must register with the Business Licensing Authority and have professional indemnity insurance with a minimum coverage of $2 million. Registration applies to management businesses rather than each individual manager who may be an employee of the business.

People aged under 18, bankrupts, or those who do not have professional indemnity insurance cannot register as a manager.

You can check a manager's registration on the Business Licensing Authority's public register of owners corporation managers. This register includes details of any orders made against a manager.

consumer.vic.gov.au/licensing-and-registration/owners-corporation-managers/public-register

Removing a Manager
A manager may be "removed" by not renewing their contract of appointment. Removing a manager before the expiry of their contract raises complex legal and contractual issues.

To remove a manager, an owners corporation should:

- Arrange a general meeting or postal ballot of lot owners. Alternatively, any authorised delegate can remove the manager without advising lot owners
- Follow the process for the removal or termination of the manager outlined in the contract of appointment

The owners corporation may also apply to the Victorian Civil and Administrative Tribunal (VCAT) for an order terminating the manager's contract.

Once a manager's appointment is terminated, the manager has 28 days to return all funds and records to the owners corporation.

For more information and forms to help your owners corporation, visit consumer.vic.gov.au/housing/owners-corporations/complaint-handling-and-resolving-disputes

RULES

All owners corporations have rules for the control, management, use or enjoyment of common property and lots. The rules cover day-to-day issues such as parking, pets and noise.

If an owners corporation does not make its own rules, a set of model rules outlined in the *Owners Corporations Regulations 2018* (Schedule 2) applies.

An owners corporation's rules must be registered with Land Victoria. If they are not, they will be void and unenforceable, and the model rules will apply.

All lot owners and tenants must be given a copy of the rules before they move in.

Owners corporations can apply to VCAT to enforce rules, and the tribunal can impose penalties for breaches of rules.

Owners corporations can make rules for:

- Health, safety and security
- Committees and sub-committees
- Management and administration
- Use of common property
- Use of and works to lots
- Design of lots
- Behaviour
- Dispute resolution
- Notices and documents
- Use of the common seal

consumer.vic.gov.au/housing/owners-corporations/rules/model-rules

Communication
All owners corporations are required to keep a letterbox and/or a sign displaying their current contact details.

Owners corporations should have a policy on how day-to-day communication between a lot owner and the owners corporation can be made. The policy should be part of the rules and may specify how and when the chairperson, secretary or the manager can be contacted, and what to do if there is an emergency.

This policy should be given to all new lot owners and tenants or be displayed on a notice board.

For more information and forms to help your owners corporation, visit consumer.vic.gov.au/resources-and-tools/forms-and-publications

Grievance Procedure
The owners corporation may develop its own rules for handling grievances — these must be recorded at Land Victoria and must not conflict with any other Acts, regulations, or principles of natural justice.

If an owners corporation does not make its own rules, the procedure in the model rules outlined in the *Owners Corporations Regulations 2018* (Schedule 2) applies.

Complaints and Disputes
Complaints to the owners corporation must be in writing, in an approved form. The owners corporation may decide to take no action, but must provide the person making the complaint with written reasons for this decision.

The *Owners Corporations Act 2006* sets out a process to help owners corporations deal with grievances. This process may involve three steps:

1. Internal complaints process
2. Resolving disputes through the Dispute Settlement Centre of Victoria (DSCV)
3. Applying to the Victorian Civil and Administrative Tribunal (VCAT)

The owners corporation must have an internal grievance procedure to handle complaints about breaches of the rules and other disputes. This must be used before going to DSCV or VCAT.

consumer.vic.gov.au/housing/owners-corporations/complaint-handling-and-resolving-disputes

USEFUL CONTACTS

Australian Taxation Office (ATO)
13 28 66
ato.gov.au

Business Licensing Authority
1300 13 54 52
consumer.vic.gov.au/about-us/statutory-bodies-and-committees/business-licensing-authority

Consumer Affairs Victoria
General: GPO Box 123, Melbourne VIC 3001

Complaints: GPO Box 4567, Melbourne VIC 3001
1300 55 81 81

consumer.vic.gov.au/contact-us

Land Use Victoria

2 Lonsdale Street, Melbourne VIC 3000

GPO Box 527, Melbourne VIC 3001

136 186
land.vic.gov.au

Law Institute of Victoria
Level 13, 140 William Street, Melbourne VIC 3000

GPO Box 263, Melbourne VIC 3001
03 9607 9311
liv.asn.au

Real Estate Institute of Victoria
617 Victoria Street, Abbotsford VIC 3067

03 9205 6666
reiv.com.au

Strata Community Association (VIC)
Suite 106/134-136 Cambridge Street,
Collingwood VIC 3066
03 9416 4688
admin.vic@strata.community

Victorian Civil and Administrative Tribunal (VCAT)
55 King Street, Melbourne VIC 3000

GPO Box 5408, Melbourne VIC 3001

1300 018 228
vcat.vic.gov.au

Your Local Council
Find your local council online or on your rates notice.

TIS – Translating and Interpreting Service
Call 131 450 to access immediate phone interpreting services in over 150 languages. TIS National offers this service to individuals and organisations.

TTY – Textphone or Modem Users Only
To contact Consumer Affairs Victoria (CAV) via the National Relay Service (NRS) using a TTY (Textphone or Modem), dial 133 677 and then ask for 1300 55 81 81. The NRS is a free and confidential service that helps people who are deaf, hard of hearing, or have difficulty speaking.

Speech to Speech Relay
To use the Speech to Speech Relay, dial 1300 555 727 and then provide the CAV phone number 1300 55 81 81 to the relay officer. This service is available for those with speech or hearing impairments who need to communicate with someone who does not have those impairments.