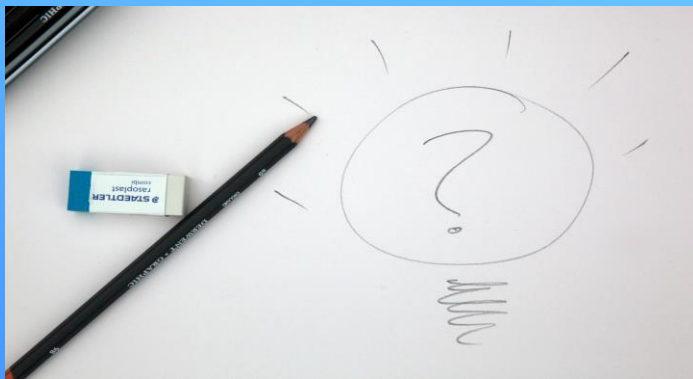




Better Owners Corporation

Management & Property Services



What is an Owners Corporation?

Disclaimer: The information contained in this document is for general information purposes only and is provided as an introduction to Better Owners Corporation Management and Property Services (BOCMPS) and to provide context for the management function. The information has been drafted based on assumed delegations to BOCMPS and based on OC's that are comprised of the same property type such as units and apartments versus mixed developments such as homes, shops and industry within one complex. Arrangements and functions may vary depending on the type of owners corporation. The management scope will ultimately be determined by the Contract of Appointment and may include or exclude certain elements. While we have made every effort to ensure that the information is correct and reflective of the prevailing legislation, and where applicable obtained from reliable sources, BOCMPS is not responsible for any errors or omissions. This document may contain material subject to copyright, the use of which may not have been specifically authorised by the copyright owner.

Information about Owners Corporations (OC, OC's)

The content below has been drafted based on information from the Consumer Affairs Victoria (CAV) website, and the Owners Corporation Act 2006 (The Act). You are encouraged to review the CAV website for source information and updates, and links to other applicable information and legislation.

Context and governing legislation.

An OC is a body corporate which is incorporated by the registration of a plan of subdivision or a plan of strata or cluster subdivision¹. An OC is automatically created when a plan of subdivision containing common property is registered with Land Use Victoria.

If you live within a multi-property development – such as a flat, apartment, unit or townhouse - an OC is likely to exist.

¹ Owners Corporation Act 2006 Part 2, Division 1

What is the purpose of an Owners Corporation?

Put simply, the purpose of an OC is to manage the common property and shared interests within that common property.

The OC is responsible for the management, administration, repair and maintenance of the common property which includes financial and insurance contributions and considerations.

Common property is indicated on the plan of subdivision and is likely to include property elements such as gardens, pathways, walls, stairwells, driveways, fences etc.



Owners Corporation Responsibilities.

(Extracted from the Victorian Consumer Affairs website)

An OC must:

- ✓ Manage and administer the common property.
- ✓ Repair and maintain the common property fixtures and services.
- ✓ Take out and maintain required insurances.
- ✓ Raise fees from the owners to meet financial obligations.
- ✓ Prepare financial statements and keep financial records.
- ✓ Provide owners corporation certificates when requested.
- ✓ Keep and owners corporation register.
- ✓ Establish a grievance procedure.
- ✓ It must also carry out any functions and duties under the Act and Regulations and any other applicable law or regulation.

OC's are regulated by the Owners Corporation Act 2006 and the Owners Corporation Regulations 2018. The Act prescribes the management powers and functions of owners corporations, and also sets out mechanisms for the resolution of disputes. There are a number of related Acts and Regulations which must also be observed in the overall management of owners corporations.

How does an Owners Corporation operate?

The OC consists of all lot owners within the plan of subdivision. As a collective, the lot owners are responsible for the decision-making, financial and administration requirements for the common property.

Lot owners may elect a committee to manage and administer the common property and may also delegate certain decision-making powers, however this is regulated by the Act.

NB: A committee is a legislated requirement in developments of thirteen or more lots (properties).

An OC may choose to self-manage, or may elect to appoint a registered manager to assist with carrying out the functions and duties of the OC as prescribed in the legislation.

Types of Owners Corporations.

There are five categories of Owners Corporations:

- A non-prescribed OC - which is a development of no more than 99 lots within a plan of subdivision.
- A prescribed OC - which is a development of 100 or more lots or collect more than \$200,000 in annual fees in any financial year. There are extra legal requirements for prescribed OC's.
- Multiple OC's - this is common in subdivisions where this is a mix of homes, shops and industry within the one complex.
- Limited OC's - which have no common property but manage common services within the land subject to the plan of subdivision.
- Unlimited OC's - which is the most common type of owners corporation, and has no limits as to how the functions and powers of the Act apply.

NB: For a two-lot subdivision, a number of exemptions apply under the Act. Owners are however, still required to repair and maintain the common property and services that benefits both properties within the two-lot subdivision.

An OC is required to have a common seal and display a letterbox plaque which states the name of the OC and the plan of subdivision number under which it was registered.

As the term 'owners corporation' implies, it is the owners who are party to the OC, not tenants.

For further information, including the Act and Regulations, we encourage you to visit the Consumer Affairs Victoria website. Please [click here](#) to be taken to their page.

We invite you to get in touch with us.

If great customer service and a great owner experience matters to you, please contact us for an obligation free consultation and/or quote to determine if changing the way you manage your OC is the right thing for you.



enquiry@bocmps.com.au



[03 9088 7540](tel:0390887540)



[Return to our website](#)