



What is an Owners Corporation?

Strata titled properties in Australia have assets (property, services) that no single private lot owner has individual responsibility and/or authority for. Examples include corridors, communal lighting, a shared roof and so on.

Within Victoria, Owners Corporations are legal entities created by the registration of Plans of Subdivision. The Plan of Subdivision will show which portions of the property are private and which are common.

Why do Owners Corporations exist?

Owners Corporations enable multiple people to own privately sub-titled property on the same piece of land, which also includes ownership of the land beneath ground level (e.g. a basement car park) and of the airspace above (e.g. when you own an apartment on the third floor, you really own the airspace at that height that is surrounded by walls, a floor and a ceiling).

The Owners Corporation provides a legal structure for shared ownership of the common property and services that exists alongside the private property lots (whether apartment, townhouse, car park, storage space etc.).

This form of title is known as 'strata' and was developed in Australia throughout the 1960's and 1970's and has continued to evolve ongoing. The legislation governing strata varies across different states.

What are the functions of an Owners Corporation?

The primary functions of an Owners Corporation are described– s4 of the Owners Corporations Act;

- To manage and administer the common property;
- To repairs and maintain the common property;
- To takeout and maintain insurance;
- To keep an Owners Corporation register;
- To provide Owners Corporation Certificates;
- To carry out functions conferred by the Act, other legislation and the rules of the Owners Corporation.

In day-to-day terms, the Owners Corporation;

- Oversees and instructs repairs and maintenance of the common property;
- Holds meetings to decide how much money is required and to be raised (AGM) and how to go about it (COM);
- Handles matters that arise from community living and concern the Owners Corporation

Important to note that the Owners Corporation is limited in its authority and scope by the Act. It does not have unlimited power and must relate its actions back to the powers given to it by the Act. Inevitably, this means that there are often matters that the members of the Owners Corporation, i.e. the lot owners, expect an Owners Corporation to address or resolve that the Owners Corporation in fact has either minimal or no authority over, such as behavioural disputes, or residents parking in the wrong car private parks and so on.

How are decisions of an Owners Corporation made?

An Owners Corporation functions democratically, requiring a majority decision of a quorum of either the Owners Corporation as whole, or of the elected Owners Corporation Committee, which (once elected) is delegated the powers and functions of the Owners Corporation as a whole, with a few specific exceptions.

The decisions made, sometimes referred to as motions before they successful/unsuccessful, are called 'Resolutions'; 'It was resolved that ...'

These resolutions are legally valid and are binding on the Owners Corporation and its members, occupiers and manager. The resolutions may have financial implications, such as increasing the levied fees to members, or implications to the property such as new building works, re-painting the building or fence etc., or may involve changes to rights of access and usage to facilities like a gym or communal BBQ.



How is common property and my private property defined?

The boundaries between the common property that the Owners Corporation owns and is responsible for maintaining, and the private property of your apartment/townhouse, car park and storage facility (if applicable) are defined on the Plan of Subdivision.

The types of boundaries, and hence the lines of ownership and correlated maintenance vary from plan to plan. Your Owners Corporation Manager will be able to assist you with any queries you may have in this respect.

Additionally, there will be different services at a property such as electricity, water, gas, guttering and downpipes that have both private and shared components. In effect, where the services branch to your lot and become exclusive to your lot (just as a smaller pipe coming off the central supply to the building), then you will be responsible for any associated maintenance or repairs.

If you have queries about required maintenance for one of these services, your Owners Corporation Manager will also be able to assist you with determining who has the liability in your situation.

Why do I receive levy fee notices?

Under the Owners Corporations Act, the Owners Corporation is permitted to raise levies via fees to the members. These fees go to the administration, management and maintenance needs of the Owners Corporation and you as a lot owner are lawfully required to pay.

Each year the amount of fees to be levied is determined by the approved budget, which is set by either the Committee, or by the full Owners Corporation at the Annual General Meeting. We recommend that you take advantage of your ability to participate and have a say in your Owners Corporation and attend the Annual General Meeting each year, if able.

What is the Owners Corporation Committee?

Please see our information booklet regarding the role and function of the Owners Corporation Committee.