

WHAT IS AN OWNERS CORPORATION?

An **Owners Corporation** (formerly known as a Body Corporate) is the collective name given to lot owners within a development which has common property. That is, property which all owners have the right to use, such as; a lift, driveway, swimming pool, tennis court or community gardens.



Once settlement has occurred and you are the owner of a property (or 'lot'), you are automatically a member of the **Owners Corporation**. Membership applies whether you own vacant land or an existing house.

As a Lot Owner and Member of the Owners Corporation, you have benefits as well as legal and financial responsibilities to the Owners Corporation (other lot owners).

You are entitled to:

- The right to use common property.
- Attend and vote at an Annual General Meeting (AGM) or Special General Meeting (SGM).
- Become an Owners Corporation committee member.

You are responsible for:

- Payment of Owners Corporation Contributions (fees).
- Complying with the Rules of Use, Owners Corporation Rules, Design Guidelines, the Owners Corporation Act 2006 and Owners Corporation Regulations 2007.



The Owners Corporation Act 2006 puts this system in place, to guarantee that the Owners Corporation is consistently maintained through responsible administration, management and repairs.



The Owners Corporation benefits all members by ensuring that the development is well maintained, which adds to the value of your investment asset or home.



HOW DOES AN OWNERS CORPORATION WORK?

The Owners Corporation Management (OC Management) is a company which is appointed to manage the Owners Corporation.

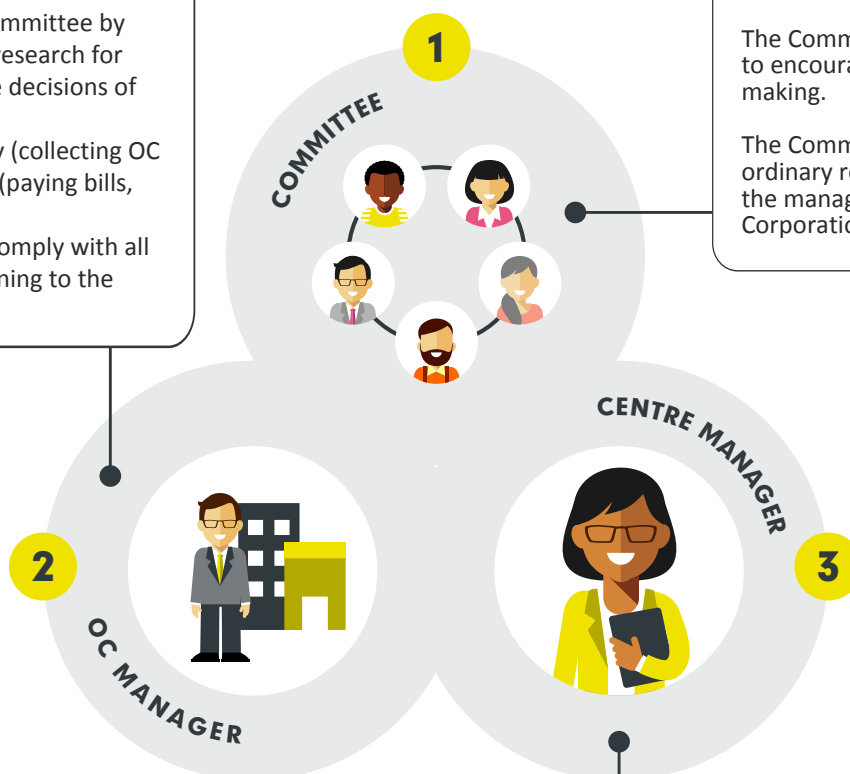
The OC Management have no voting rights or decision making powers; its' purpose is to facilitate the instructions and wishes of the Owners Corporation.

The OC Management liaises with the Committee and provides a team of administration support and finance trained staff to manage the Owners Corporation.

The OC Management:

- Store all records of the Owners Corporation.
- Take direction from the Committee by completing and providing research for tasks and then fulfilling the decisions of the Committee.
- Handle all incoming money (collecting OC fees) and outgoing money (paying bills, insurance).
- Ensuring all stakeholders comply with all rules and legislation pertaining to the Owners Corporation.

There are three levels of management connected to an
Owners Corporation



A Committee is elected by owners at an Annual General Meeting.

The Committee is responsible for making decisions on behalf of all owners.

The Committee will elect a Chairperson to encourage direction and decision making.

The Committee can determine any ordinary resolutions which will apply to the management of the Owners Corporation.

Not all Owners Corporations have a Centre Manager or Facility Management team; this is not a requirement.

Many Owners Corporations do not have the common property to require this level of management and operate without it.

An Owners Corporation can also have a caretaker which may be enough to suffice for the Owners Corporation's needs.

The day to day operations, functions and maintenance of the common property is the responsibility of the Centre/Facility Management team.

This on-site team deals directly with the various contractors and suppliers in carrying out maintenance work to ensure all common property and facility equipment is in good condition.

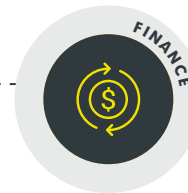
The Centre Management team are the first point of contact for the daily operations of the facility.

WHAT ARE THE RESPONSIBILITIES OF AN OWNERS CORPORATION?

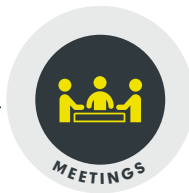


All Owners Corporations are governed by the Owners Corporations Act 2006.

Owners Corporations are required to have rules for the management, use and enjoyment of the shared property and of owner's lots. These rules can be established by the Owners Corporation themselves to suit their particular requirements. Alternatively, the Owners Corporation can follow a set of rules which are the Owners Corporations Regulations 2007.



The Owners Corporation fees paid by all owners, cover the costs as determined by the Owners Corporation Committee and OC Manager, who monitor actual costs and research and forecast likely future costs. This detailed budget is presented at the Annual General Meeting.



PROPOSALS FOR CHANGE, VOTING AND RESOLUTIONS

All owners have the right to put forward a case for changes to common property or Owners Corporation. Any such changes, as well as important decisions, are decided by a vote, either at the Annual General Meeting (AGM), at a Committee Meeting, or by a ballot. The case is put to a vote as a **motion** and if the motion receives enough votes, it becomes a resolution and will be acted upon.

There are 3 types of resolution:

- 1 **Ordinary Resolution**
requires 50% or more of owners in favour
- 2 **Special Resolution**
requires 75% or more of owners in favour
- 3 **Unanimous Decision**
requires 100% of owners in favour

An **Ordinary Resolution** is the day-to-day running of the OC. These decision making powers are delegated to the Committee to make these decisions throughout the year. The usual motions at an AGM are ordinary resolutions. At an AGM should a quorum not be achieved (half of total lot owners in attendance), an ordinary interim resolution is required.

An **Interim Ordinary Resolution** initially requires a notice to be sent to all owners within 14 days of the AGM announcing the interim ordinary resolution and giving owners 28 days to present a petition against the proposed change if they wish to do so. If more than 25% of the Owners Corporation say no, then the vote on the proposal is lost. On the 29th day after the meeting, if 25% have not voted against the motion, then the motion becomes a resolution of the Owners Corporation.

WHAT ARE OWNERS CORPORATION FEES?

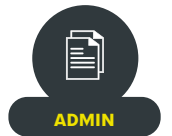
All members of the Owners Corporation share responsibility for contributing to the costs associated with the running of the Owners Corporation. The Owners Corporation Contributions (also known as OC fees) cover the cost of maintenance and legal requirements of an Owners Corporation.

THE BUDGET

The budget lists the likely costs for each item that will require service and maintenance for Owners Corporation during the coming year.

Owners contribute towards these costs via their Owners Corporation Contributions (OC fees).

The Owners Corporation fees can change depending on the requirements of the budget.



The Owners Corporation fees paid by all owners, cover the costs as determined by the Owners Corporation Committee and OC Manager, who monitor actual costs and research and forecast likely future costs. This detailed budget is presented at the Annual General Meeting.

OWNERS CORPORATION FEES

Invoices for payment of Owners Corporation fees are issued to the lot owner 28 days before the due date. Members have a responsibility to ensure their contributions are paid on time.

If you cannot make a payment on time, penalties and debt recovery fees will apply, pursuant to the Owners Corporation Act 2006 section 30, 31, 32. Should you pay your Owners Corporation fees after the prescribed due date, there is an approved **Debt Recovery Procedure** that will be enacted.