



REIV THE STANDARD
FOR SUCCESS

SUBMISSION

REMAKE OF THE OWNERS CORPORATIONS REGULATIONS

Comments on current regulations

May 2018

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REIV SUBMISSION

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ABOUT REIV

The Real Estate Institute of Victoria has been the peak professional association for the Victorian real estate industry since 1936.

Over 2,000 real estate agencies in Victoria are members of the REIV. These members are located in city, rural and regional areas.

The businesses employ more than 10,000 people in Victoria in a market which handles over \$70 billion of transactions totalling 22 per cent of GSP.

Members specialise in all facets of real estate, including: property management, residential sales, commercial and industrial sales, auctions, business broking, buyers agency, owners' corporations and valuations.

Introduction

The REIV is the peak body for licensed real estate agents - representing the majority of property managers (PMs) in Victoria. The REIV's PM members, in turn represent a significant number of residential landlords across the state with members operating in city and regional centres.

Owners Corporation Regulations -Overview

The current Owners Corporations Regulations have been in force since 2007 and will be remade before they expire in December 2018.

Owners Corporation Regulations-General Comments

The REIV believes the current Regulations are satisfactory and require minimal adjustment, as outlined below.

REIV Response

The following outcomes were gained from Member consultation.

Regulation 5 (b)

It is our understanding that the definition of a prescribed owners corporation is listed for amendment in the proposed revisions of the OC Act and will feature a four tiered approach.

If those amendments do not occur, REIV believes that 5(b) be amended to read “more than 100 **occupiable** lots”.

Currently the 100 lots includes car spaces and other minor accessory lots that don't seem to reflect the intent of the regulation.

Regulation 7

REIV re-iterates its position, previously advised in meetings with the Department of Justice and Regulation, that Professional Indemnity Insurance cover should be increased from the current \$1.5 m.to at least \$5 million.

Schedules

The REIV believes the Schedules need to be reviewed.

Schedule 1 – the proxy form for a general meeting of an Owners Corporation is prescribed and the REIV sees no need for changes to that document.

However, there is a need for a proxy form for a committee meeting, as the general meeting proxy form as it references the wrong sections of the Owners Corporation (OC) Act and therefore is not suitable.

REIV has expressed in previous meetings with DOJR representatives that it does not support proxies for committee meetings and further, that the OC Act does not permit a person attending a committee meeting by proxy.

However, the Government's intention appears to support proxies. If this is the case, the regulations should also prescribe a proxy form **for committee meetings**.

A sample prepared by HWL Ebsworth is at Appendix 1 (the REIV uses it with their consent).

Schedule 2 - Model Rules. The draft amendments to the OC Act did include new powers to make rules regarding external alterations and other works affecting lot owners. The REIV welcomes these new powers but believes it important that this principle be extended into the Model Rules.

A sample clause could be:

Alterations to Lots

An owner or occupier of a lot must not erect, make alterations or extensions that may affect the uniformity of the exterior of the complex, including paint colour, without first submitting plans for such erection, alteration or extension, to the owners corporation for approval. Consent must not be unreasonably withheld.

Summary

The REIV thanks Consumer Affairs Victoria (CAV) for providing the opportunity to comment on the current Owners Corporations Regulations and looks forward to continuing to provide input on any proposed changes.

Appendix 1

Committee Meeting Proxy

Section 109(3)(d) of the Owners Corporations Act 2006

Owners corporation plan number	
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Under section 109(3)(d) of the Owners Corporations Act 2006, I

Name of committee member

--

of (address)

--

being the owner of lot number

--

Authorise

Name of person

--

of (address)

--

As my/our proxy:

to attend, speak and vote in person on my behalf at the Committee Meeting dated

--

Signed by committee member giving proxy	
Printed name(s)	
Date	

CONTACT US

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