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| OC Amendment Act Factsheet |
| Rules of the owners corporation |

# Changes to an owners corporation’s ability to make rules

Owners corporations (OCs) will have new powers to make rules on the following matters.

If an OC does not make a rule covering these new items, then the model rule contained in Schedule 2 of the OC Regulations 2018 will apply. The model rules will be updated to reflect these new powers.

## Smoke drift

OCs will be able to develop a model rule that regulates or prohibits the drifting of tobacco smoke from a lot to the common property, or any other lot in multi-level buildings.

## Fire safety advice

OCs will be able to develop a model rule that requires advice to be given to occupiers about fire safety advice and emergency preparedness plans. For example, if a lot is occupied by renters, it would be the lot owner’s responsibility to inform the lot occupiers of fire safety procedures.

## Payment of fees

OCs will be able to make rules about lot owners paying fees by instalments if they are in financial difficulty.

## Sustainability Items

OCs may make rules about renovations or alterations affecting the external appearance of a lot, to:

* protect the quiet enjoyment of all other lots and the common property during those works
* protect the structural integrity of any building on the plan of subdivision from those works
* ensure the market value of any other lot does not decrease as a result of those works.

However, an OC must not make rules that unreasonably prohibit the installation of sustainability items on the exterior of a lot. A sustainability item is anything that eliminates or reduces reliance on non-sustainable energy sources. It includes solar hot water systems, solar energy panels and a roof with colours providing a particular solar absorption value.

## Other changes relating to OC rules

## Lot occupiers must ensure guests comply with OC rules

If a guest of the lot occupier breaches the rules, both the occupier of the lot and the guest are jointly and severally liable for any penalty or compensation payable as a result.

The lot occupier is not liable for a guest’s breach if they provide the guest with a copy of the OC rules.

## Increase in penalty for breaches of rules

If VCAT determines that a person has failed to comply with an OC rule that imposes an obligation that is binding on the person, VCAT may make an order imposing a civil penalty not exceeding $1,100 to be paid to the OC.

## Rules are of no effect if inconsistent with law

Rules are to be of no effect if the rule is oppressive to, unfairly prejudicial to or unfairly discriminates against, a lot owner or an occupier of a lot.