



VIC Legislation changes 2021

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INTRODUCTION

The legislation that governs the establishment, operation, functions, and powers of owner's corporations in Victoria will receive a range of amendments, with changes commencing on **1 December 2021**.

This guide includes important information about how you can configure and use PropertyIQ in light of these new requirements.

For more information on these reforms view [Consumer Affairs Victoria](#).

NOTE: *This information has been prepared to assist you to get the most out of the PropertyIQ system. The information contained in this document does not constitute legal, financial, tax, accounting or any other advice, and nor should it be construed as such. Compliance with any laws which apply to you is your responsibility. You should obtain legal, financial, tax, accounting or any other advice before making any decision regarding this information. The PropertyIQ Products are versatile and adaptable to different jurisdictions and requirements. Accordingly, PropertyIQ does not certify or guarantee compliance with any Laws which might apply to you, and PropertyIQ disclaims all such liability. The use of this information by you is at your complete discretion and is wholly your responsibility. PropertyIQ accepts no liability for any loss howsoever caused arising from reliance upon the information contained in this document.*

LOT CATEGORISATION

- A new feature is available that allows the categorisation of lots as either *primary* (occupiable) or *secondary* (non-occupiable) lots. Secondary lots, also referred to as accessory lots, are usually unoccupiable and are lots used for parking or storage for example.
- The number of primary lots will be used to calculate the Tier of an OC.

What you need to do

You'll need to **identify any secondary (non-occupiable) lots** by updating lot cards in your PIQ.

The screenshot shows the 'Lot/Owner' form in PropertyIQ. The 'Category' field is highlighted with a red box, showing 'Primary' selected and 'Secondary' as an option. The form includes fields for S/Plan, Lot, Unit, Street No, Street Name, Suburb, Accessory Unit, UOE, CRN, Other ID, and Owner Info. The Owner Info section includes fields for Owner Name, (Ah), (Bh), Email, Salutation, Mobile, Contact Name, Fax, Paid to, Last Settled, and Committee Member. The Debt Collection section includes a Stage dropdown, an 'Exclude from Debt Collection?' checkbox, and a Notes text area. The bottom of the form has a tabbed interface with 'Contact' selected, showing fields for Owner Address, Joint Owner, Tenancy Details, Legal Residence Address, and Power of Attorney. The 'Save' and 'Cancel' buttons are at the bottom right.

Lot/Owner	
S/Plan* 1 The Bachelor Pad 1-8 Hollywood Drive	
Lot# 98	Unit 98 Street No 1-8
Category <input checked="" type="radio"/> Primary <input type="radio"/> Secondary	
Street Name* Hollywood Drive	
Suburb* MURWILLUMBAH	
Accessory Unit	
UOE* 1	
CRN 0000000896	
Other ID	
Owner Info	
Owner Name* Mr Smith	
(Ah)	Email
(Bh)	Salutation
Mobile	Contact Name
Fax	Paid to 30/11/2019 Last Settled
Committee Member: N	
Debt Collection	
Stage	<input type="checkbox"/> Exclude from Debt Collection ?
Building Debt Collection: Y Repayment Plan: N Legal Action: N	
Notes	
Contact Info Delivery Settings Ledger Notes Documents Alerts Emails Log of Changes	
Owner Address Legal Residence Address	
Joint Owner Power of Attorney	
Tenancy Details	
Save Cancel	

TIERS

You'll see two new fields on each VIC building and building schedule screen called '*Services Only*' and '*Tier*'.

An OC will automatically be assigned a Tier between 1-5 by PIQ. It'll be calculated using the number of primary (occupiable) lots and whether it's a services only OC.

- 'Services Only' checkbox – You can tick this checkbox if the building and/or schedule is a services only OC. This checkbox is used to calculate the Tier of the OC – see below 'Tier field & calculation of Tier'.
- Tier field & calculation of Tier -
 - *Tier* is a read-only field and will display a number between 1 to 5. An OC can be one of 5 Tiers.
 - *Tier* is calculated by PIQ using the *Services Only* checkbox and the number of primary (occupiable) lots in the building and/or schedule.
 - The number of primary (occupiable lots) in PIQ is determined by primary lots that have UOL greater than 0. When calculating Tier on the building, *Lot UOL* will be used. When calculating Tier on a schedule, *Schedule UOL* will be used e.g. only primary lots that contribute to that schedule will be used to determine the Tier of the schedule.
 - **Tier calculation rules used in PIQ:**
 - Tier 1* – more than 100 primary lots AND '*Services Only*' checkbox unticked
 - Tier 2* – 51 to 100 primary lots AND '*Services Only*' checkbox unticked
 - Tier 3* – 10 to 50 primary lots AND '*Services Only*' checkbox unticked
 - Tier 4* – 3 to 9 primary lots AND '*Services Only*' checkbox unticked
 - Tier 5* – 2 or less primary lots OR '*Services Only*' checkbox **ticked**
- Tier displayed on strata roll report – The Tier of the building and Tier of each schedule will be displayed on the Strata Roll report generated in PIQ.

What you need to do

You'll need to **identify any services only OCs** in your PIQ by ticking the '*Services Only*' checkbox on the building or building schedule.

PIQ will automatically calculate the Tier of the OC using this checkbox and the primary lot count.

Building

O/Corp* 6

Manager* AMS Mick

Folio*

Building Type* Strata

Building Sub Type* Residential

Building Class

Services Only ☐ **Tier** 4

Total UOL* 55

Total UOE* 55

Active ☒ **All Inclusive Fees** ☒

Debt Collection ☒ **Payment Plan** ☐

Address

Street No 1 **Street Name*** Vulcan Drive

Address 2

Suburb WATSON **State*** VIC

Building Name Belair Apartments **P/Code** 2602

Formal Tenancy 33%

Total Lots - 3 (Primary - 3, Secondary - 0)

Settings **Dates** **Charges** **Info** **Financials** **Budget** **Notes** **Documents** **Registers** **Alerts** **Work Orders** **Insurance**

Bank Account **Owner Interest**

Schedules

OC 1
OC 2
OC 3
OC 3

Schedule

Name* OC 2

Active ☒

Admin Account* A Special Levy Income

Reserve Account* R Special Levy Income

Services Only ☐ Tier 5

Insurance Schedule ☐

Interest Schedule ☐

GST Registered ☒

Account GST on* OC 1

ABN 232352351

CRN 324511211

TFN

Set Sched Set Sched

Save Cancel

POOLED BANK ACCOUNTS

- An OC cannot share a bank account with another OC.
 - Each building in PIQ already requires a unique bank account.
- However, if you have multiple OCs within one building in PIQ (using building schedules), you'll be required to complete some tasks.
- Exception: OCs can share a bank account only if they're on the same plan of subdivision and all OCs have given consent to hold funds in the same account.

What you need to do

- **For standard OCs**: You don't need to do anything as each building in PIQ already has a separate bank account.
- **For multi-OCs**: If you have multiple OCs within one building in PIQ (using building schedules), you'll need to:
 - **Obtain consent** from all relevant OCs to continue using PIQ as you currently do (using schedules) [RECOMMENDED];
 - OR
 - **Separate each OC** within the building to its own separate building in PIQ. You'll need to set it up as a new building the same way as you would for a new management, then deactivate the relevant schedule in the old building. Refer to [Tips to separate a multi-OC building](#).

TIPS TO SEPARATE A MULTI-OC BUILDING

If you haven't been able to obtain consent to share a bank account for a multi-OC building in PIQ, you'll need to separate each limited-OC into its own building in PIQ e.g. convert a schedule into a new building.

In summary:

- You'll need to use the same process you would take when losing management and stop processing/deactivate the schedule in the old building; then,
- Use the same process you would take when gaining a new management and set the schedule up as a new building.

Tips

1. **Save time creating lots for the new building:** You can export the lots from the old building under File>Lots screen>Export button, keep only the lots relevant to the OC in the spreadsheet, then import the spreadsheet under File>Lots screen>Import button to create the lots in the new building.
2. **Data to copy across:** As with any new management gained, there's information that must be entered before you begin processing against the new building. You'll need to consider copying across the following information from the old building/schedule to the new building (where relevant):
 - a. Building settings – tax and audit settings, dates, interest and discount settings, etc
 - b. Building details – Committee, insurance, registers, notes and alerts
 - c. Budget
 - d. Management fees and charges
 - e. Lot details – Use *Link Lot Owners* function to link lots together where the owner is the same, notes, alerts, delivery settings, legal/repayment settings, etc.
3. **Pick a cutover date for the transition:** This will become the *opening balance date* for the new building.
 - a. *Before the cutover date:* Stop processing transactions against the schedule in the old building. Reconcile the account and any transactions against the schedule.
 - b. *On the cutover date:* Generate the financial reports for this single schedule. Use the final balances on the schedule financial reports as the opening balances for the new building.
4. **Levies:** You should cancel any future dated fees that belong to the schedule in the old building and restrike them against the lots in the new building. Otherwise, you'll have to manage payments across both buildings for a time.
 - a. You can cancel fees in bulk under Processing>Adjustments>Levy Maintenance tab.
 - b. You can strike new levies in bulk under Billing>Special Fees.
 - c. You can then generate a new fee notice run to issue the levies to lot owners in the new building AND notify them of the new payment details (as payment reference and bank account details have changed).
5. **Transfer funds:** Use *Macquarie Active Banking* to transfer funds between OCs and the two bank accounts. You'll need to transfer the cash balance of the single schedule to the new building's bank account. Remember you can generate financial reports for a single schedule to see balances just for that schedule.
6. **Deactivate the schedule in old building:** Once you've finished setting up the data and you're ready to begin processing transactions in the new building, remember to deactivate the schedule in the old building.
7. **Refer to history in old building:** To view historical information and transactions, you'll need to refer to the old building. You may need to generate and combine reports (e.g. financial reports, lot ledgers) across the old and new buildings for the first year to capture a full year of transactions.