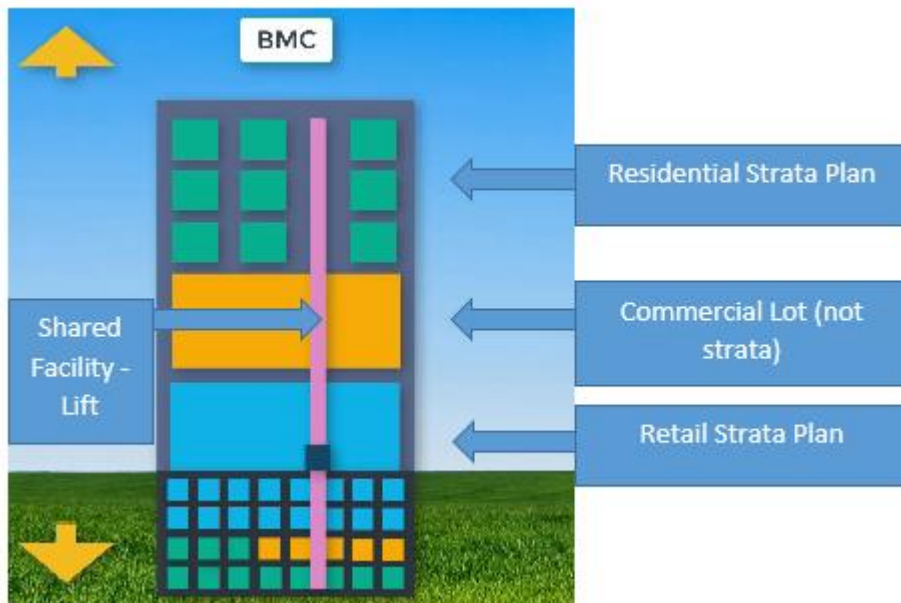


What is a BMC?

Building Management Committees

An existing building can be stratum subdivided by registering a deposited plan which divides the building into multiple parts based on specified levels. This is known as a stratum subdivision. Each part (called a stratum lot) belongs to a different member, and collectively these members form the Building Management Committee (BMC).



Any one of these stratum lots can be subdivided to create a strata scheme, or remain a stratum lot. In the above example two stratum lots have been subdivided to form a retail and residential strata plan and one has remained as a stratum lot.

The relationship between each member is governed by a Strata Management Statement (called a Building Management Statement if no strata plans are registered) which is required to be registered when a building is stratum subdivided.

Strata Management Statements are bespoke documents that vary significantly to match the needs of different buildings and contain a number of items that are required by the relevant legislation (Strata Schemes Development Act 2015/Conveyancing Act 1919).

Common disputes that can arise in relation to Management Statements include:

- Relative voting rights of different members;
- What items are counted as shared facilities;

- Who is responsible for contributing to a given shared facility and in what proportion; and
- Procedural issues in relation to conduct of meetings and decision making.

Each management statement is required to have its own dispute resolution mechanism, which can be difficult to navigate. Bannermans is experienced in the area and able to assist in effectively resolving disputes.

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