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Body corporates set for overhaul

By Ben Schneiders
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BILLS to be introduced into State Parliament

this year to increase regulation of the body corporate industry in Victoria would lead to a rise in owners costs, the industry body has warned.

"The increased complexity of the legislative framework will result in significantly increased management fees," the Institute of Body Corporate Managers Victoria said in a submission to the State Government.

It said the fees would "inevitably" be passed on to owners.

The proposed laws would for the first time require managers, who look after \$45 billion worth of property in Victoria, to be registered.

They would also give the Victorian Civil and Administrative Tribunal power to impose fines and resolve disputes. At present, disputes go to the Magistrates Court. The industry has changed rapidly in the past 15 years as the apartment market has expanded. There are now about 500,000 lots managed by bodies corporate, affecting one in four Victorians.

"It is more complex, there are more issues that need satisfying," said Rob Pitcher, president of institute.

"The regulations years ago were designed for your smaller apartment blocks and single-level type properties, now we've got these huge buildings around the city," Mr Pitcher said.

The institute's submission to the State Government said it wanted it made compulsory for professional managers to be appointed for larger buildings.

A spokesman for Consumer Affairs Minister Marsha Thomson said the closing period for submissions was next Friday, and the legislation would be introduced once they were considered.

While the institute welcomed the proposal to register managers — whose title is to be changed to owners corporation managers under the new legislation — Mr Pitcher said they did not go far enough.

Professional managers only handle about 200,000 of the 500,000 lots in Victoria, with many self-managed. The introduction of new rules could lead to more being professionally managed due to the increase in work.

"One of the issues with self-managed ones is they don't necessarily comply with regulations as

they are anyway," Mr Pitcher said.

KEY POINTS

- Bills to be introduced into State Parliament will increase regulation of body corporates.
- This will lead to a rise in professional management and costs, the industry body has warned.

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