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Body building for apartment owners



A three-step dispute resolution process will be created as part of an overhaul of the laws governing body corporate rules.

Photo: *Paul Jones*

Ben Schneiders
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APARTMENT owners locked in costly body corporate disputes will be able to sidestep the courts under legislation expected to be introduced into State Parliament today.

The management of flats and apartments has become increasingly complex due to the apartment boom over the past decade that has seen the number of large apartment towers — and costly disputes — increase dramatically.

As part of an overhaul of the 1988 laws governing body corporate rules, a three-step dispute resolution process will be created. The first step will be an internal complaints process, followed by access to mediation through Consumer Affairs Victoria and then, finally, the Victorian Civil and Administrative Tribunal, which can make binding rulings.

Previously, the only way to resolve a dispute was to go to court. The new laws will also change the term "body corporate" to "owners corporation".

"Over 1 million Victorians now own, live or work in bodies corporate, compared with only around 200,000 when the original body corporate laws were passed," Consumer Affairs Minister Marsha Thomson said. "The laws have not kept pace with these changes."

But the Government has ignored a push to license paid owners corporation managers who will instead register with the Business Licensing Authority.

Real Estate Institute of Victoria chief executive Enzo Raimondo, while welcoming most of the changes, said managers should have been licensed.

"This would create consistency in the licensing in property transactions — agents are licensed, conveyancers are going to be licensed, so it makes sense that body corporate managers are licensed too," he said.

He said the REIV would review the legislation when it was publicly released.

In another major change to the laws, the legislation will give legal rights to small investors where a developer represents a majority on an owners corporation. In issues to do with common property, developers will now have to act "honestly" and in "good faith".

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