



institute of  
**BODY CORPORATE MANAGERS**  
victoria inc.

MEDIA RELEASE  
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## **IBCMV makes submission to reduce the compliance burden from registration of body corporate managers**

The peak representative body of the body corporate industry, the Institute of Body Corporate Managers (Victoria) Inc., previously made a submission to the Owners Corporation Bill addressing relevant points. This submission does not specifically address policy intent as such but addresses an attempt to reduce the regulatory burden of compliance costs to business of registration of body corporate managers resulting from the proposed new regulatory framework.

“The costs of regulation to business involve not just extra time, paperwork and capital outlays, but also deflects management from the core activities of the business. Compliance matters for small businesses can consume more than 25% of the time of senior management. At the same time, it involves substantial government resources and thus significant burdens on taxpayers”, the President Mr Pitcher said.

“Regulation is essential to the effective functioning of our economy and society, but it has costs and limitations. Regulation should seek to manage risk, not eliminate it. It is hoped that no regulation is introduced unless the need for government action *and* the superiority of the preferred option have been transparently demonstrated through rigorous cost-benefit analysis. Practices in other jurisdictions should also be assessed” Mr Pitcher said.

The regulatory compliance burden on body corporate managers can be reduced through:

1. Longer term of registrations
2. Timeliness of Registration approvals
3. Subsidised registration fees
4. Manager’s prescribed annual statement and changes to statement should exploit use of information technology and not be duplicated across other government departments
5. Maintain level of mandatory Professional Indemnity insurance cover at \$2 million
6. Pursue risk based enforcement based on professional association membership
7. Body Corporate Management businesses are small businesses so the regulation needs to “think small first”
8. Inspectors and auditors requirements impose substantial administrative burdens.
9. Reduce excessive reporting and recording burdens relating to Keeping of Records and the Owners Corporation Register
10. Address overlaps and inconsistencies between various state jurisdictions in the new regulations
11. Improve skills, mobility and training in an industry with massive looming staff shortages
12. Systemic reform through greater national harmonisation is required
13. Introduce mechanisms, such as a post implementation and periodic reviews, to ensure that the regulatory framework remains relevant and effective over time

“The efforts outlined above would reduce unnecessary red tape and will improve the regulation in a way that better achieves government’s policy objectives at least cost” Mr Pitcher said. “The full submission has been made publicly available on the IBCMV web site [www.bodycorp.org](http://www.bodycorp.org)” he says.

### **About Institute of Body Corporate Managers (Victoria) Inc.**

IBCMV is the pre-eminent professional association of the body corporate industry, and was formed in 1990 to provide a forum for improved standards and education in the industry. Supporting more than 75% of all body corporate management firms it is the only organisation solely focussed upon representing this increasingly significant industry, and reaches and represents 250 body corporate professionals who manage approximately 200,000 lots. It also represents industry suppliers and bodies corporate, making it the voice of all with an interest in the management of bodies corporate. Members benefit from representation, promotion, establishment of professional practice guidelines and ethical standards, and professional development through education seminars, conferences and regularly publishing bulletins on items of professional interest. The Institute is an affiliate member of the National Community Titles Institute, which represents practitioners throughout Australia. More information about the Institutes are available at [www.bodycorp.org](http://www.bodycorp.org) and [www.ncti.org.au](http://www.ncti.org.au)

### **About the bodies corporate or strata title industry in Victoria.**

Changing lifestyle choices of Victorians and demographic shifts have led to rapid growth in higher density dwellings and the strata industry. With 65,000 Bodies Corporate and 500,000 lots in Victoria and about 1,000,000 Victorians or 1 in 4 people living in or affected by Bodies Corporate, it represents the management of property worth \$45 billion and they comprise residential properties ranging from 2 units in a suburban street to many hundreds of units in an urban tower block. Bodies corporate also encompass commercial, retail, lifestyle resorts, retirement villages, car parks, storage facilities, industrial and, increasingly, mixed developments comprising more than form of development.

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“...the voice of the body corporate industry...”