

Dowling Management Services

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Better Regulation Office
GPO Box 5341 Sydney
NSW 2001

November 28, 2008

Dear Sir,

Re: Trade Licenses - Strata Manager

According to the NSW Lands Titles Office, the number of strata title and community title schemes being built and registered is growing every year. In NSW, strata title and community title schemes are regulated by specific pieces of state legislation. This legislation requires strata managers to have the specific knowledge and expertise to facilitate the running of Owners Corporations. Each and every strata title and community title schemes have different nuances associated with them. In this case the rules for one strata title scheme do not necessarily fit the rules of all strata title schemes. This may be marked specifically on the strata title or community title plan. Strata managers undergo training in the interpretation of these plans as it is vital to be able to interpret and disseminate this information for the Owners Corporation.

The increasing number of strata title and community title schemes means that there is an increasing need for specialist strata managers in the property industry. There needs to be encouragement from within the property industry for people working in the strata industry to become licensed. Strata managers at the present time have to deal with inexperienced and ill-informed property managers and owners.

Strata management is a specialised field in the property industry. Strata managers deal with trust accounts on a daily basis and in some cases may manage numerous trust accounts for their Owners Corporations. In most cases strata managers are looking after millions of dollars in trust accounts. Licensed strata managers are important to have in the property industry as there are strict regulations governing how strata managers must deal with trust accounts. All trust accounts looked after by a licensed property agent are audited once a year. This helps to protect the consumer. Consumers need and want to know that the money they entrust to strata managers is looked after in an appropriate and legal manner. Licensed strata managers as part of the licensing system put money towards the fidelity fund and a compensation fund. This protects the consumer in the case of embezzlement. Consumers also need to know that their strata manager abides by a code of ethics. Consumers in NSW also have the ability to contact the NSW Office of Fair Trading to lodge complaints.

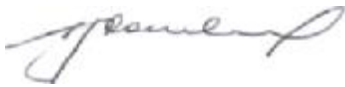
In NSW, consumer protection is seen as an important issue. The consumers in NSW are protected if their licensed strata manager embezzles Owners Corporation funds through the fidelity and compensation fund. There is the capacity for consumers to lodge complaints about licensed agents to

the Office of Fair Trading. The Office of Fair Trading in NSW also acts as a consumer advisory body. Consumers can obtain information from the Office of Fair Trading about Strata title. The Consumer, Trading and Tenancy Tribunal (CTTT) run by the Office of Fair Trading allows rulings, judgments and orders to be made about an agent, an owner or an Owners Corporation.

In my experience there is a need for specialised strata managers in the property industry. The area of strata title and community title management is a complex one. There are many Acts and regulations that need to be adhered to for both the manager and the Owners Corporations. This requires strata managers to have extensive training and continuing professional development (CPD) programs on a regular basis. The CPD programs that are run throughout NSW cover a variety of different topics and may relate to the specific fields of expertise within the property industry. New South Wales should be seen as leading the way in the strata title and community title area by having an occupational license for this specialised field. Removal of licensing would allow less ethical operators to stop providing training for their staff. It would also mean that untrained people would be able to work as strata managers. The removal of licensing would make strata managers a less professional career option. It would also mean that the Office of Fair Trading would be inundated with complaints about unscrupulous agents, complaints about Owners Corporations and the CTTT would not be able to cope with the additional complaints pertaining to strata title and community title schemes. Protection of the consumer is a vital outcome when ensuring the licensing of strata managers.

There have been instances where people have moved interstate into a strata title unit and assume that the laws transfer across states for Strata title Schemes. This however is not the case.

Yours faithfully,

A handwritten signature in cursive script, appearing to read 'Sue Dowling', written in black ink.

Sue Dowling

Strata and Community Title Manager