

Submission cover sheet

Inquiry into the management of strata properties

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Submission to the Standing Committee on Legal Affairs

Inquiry into the Management of Strata Properties

To: The Standing Committee on Legal Affairs Email: LACommitteeLegal@parliament.act.gov.au

Date: 05/03/2025

Subject: Submission on Strata Management Issues - Urgent Need for Reform

Dear Committee Members

I, write to make a formal submission to the inquiry into the management of strata properties in the ACT. My experiences dealing with over the past three years have revealed **serious issues** within the strata management industry. The current regulatory framework is failing to protect unit owners, leaving many Canberrans frustrated, financially burdened, and without effective recourse.

Key Concerns with Strata Management

1. Lack of Transparency and Accountability

- In my experience, the directors of have not been transparent in their dealings, miscommunicate, and often fail to fulfil their promises to owners.
- They do not appear to understand their legal obligations under the Agents Act 2003 and Unit Titles (Management) Act 2011 (UTMA).
- Poor communication and misleading conduct are common issues, making it difficult for owners to make informed decisions about their properties.

2. Mismanagement of Defects Claims & Excessive Costs

- recommended and engaged to handle a **defects claim** for our apartment complex.
- Owners, including myself, were charged approximately \$570,000, yet the defects remain unresolved. has since withdrawn, leaving owners in limbo.
- This raises serious concerns about financial mismanagement and a lack of due diligence by strata managers.

3. Questionable Professional Standing

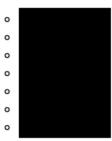
• I have strong reasons to believe that was stripped of its SCA (Strata Community Association) membership, yet they continue to advertise themselves

as SCA members on their website.

• If true, this is potentially **misleading or deceptive conduct**, which should be investigated.

4. Poor Reputation and Complaints Ignored

- has poor ratings on various online review platforms, reflecting widespread dissatisfaction among owners.
- I have made multiple formal complaints to Access Canberra / ACT Fair Trading regarding conduct. However, despite repeated escalations, no meaningful action has been taken.
- The references for my previous complaints are listed below:



This demonstrates **systemic regulatory failure**, as many owners remain without adequate protection or enforcement of their rights.

Recommendations for Urgent Reform

Based on my experience, I urge the committee to consider the following reforms:

1. Stricter Regulation of Strata Managers

- Mandatory licensing, qualifications, and ongoing training for strata managers.
- Clear ethical and professional standards, with real consequences for misconduct.
- Greater oversight and enforcement by a dedicated Strata Commissioner.

2. Increased Transparency and Accountability of Executive Committees

- In my complex, the **executive committee (EC) blindly relies on** , without independent verification of decisions.
- currently fills both the treasurer and secretary roles in our complex, raising serious conflicts of interest.
- Levy fees are extremely high (mine is over \$1,720 per quarter) with no clear justification.
- Annual General Meetings (AGMs) are ineffective, as important decisions are rushed through without genuine consultation.

3. Strengthening Consumer Protection & Regulation

- Access Canberra must become a stronger, proactive regulator instead of merely processing complaints.
- The ACT Government should introduce a **Strata Ombudsman** or an independent **Strata Commissioner** with investigative powers.

• Clear **penalties for misconduct**, including financial penalties, licence suspensions, and criminal liability for serious breaches.

4. Reform of the Body Corporate System

- Executive committees need better education and independent oversight to prevent manipulation by strata managers.
- Strata managers must not hold key financial roles within a complex, as this creates conflicts of interest.
- Owners need stronger voting rights and protections to prevent exploitation.

Conclusion

My experience with is not unique—many Canberrans are facing similar issues with strata management companies that prioritize profit over owner interests. Without urgent reforms, these problems will continue, leaving owners vulnerable and financially burdened.

I appreciate the Committee's attention to these pressing issues and urge you to take decisive action to strengthen regulation, improve accountability, and protect unit owners in the ACT.

Kindest Regards