

UNIT TITLES DISPUTE RESOLUTION GUIDE

This guide is designed to assist unit owners, people living in a unit and members of an Owners Corporation Executive Committee in dealing with disputes.

March 2012

OFFICE OF REGULATORY SERVICES

Disclaimer

While reasonable steps have been taken to ensure the information in this guide is accurate, you should not rely solely on that information and no liability will be accepted for any loss or damage if you do so. This is a guide only and does not take the place of sound legal advice. You should seek legal advice if you need assistance in relation to your particular circumstances.

If you need interpreting help, telephone: Translating and Interpreting Service – 131 450.

Copyright

© Australian Capital Territory, Canberra 2012

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without written permission from Library and Information Management, Urban Services, ACT Government, PO Box 249, Civic Square ACT 2608.

Enquiries about this publication should be directed to the Office of Regulatory Services on (02) 6207 3000

http://www.ors.act.gov.au

Telephone: Canberra 13ACT1 or 132281

CONTENTS

| CONTENTS III |
|---|
| INTRODUCTION |
| CONCEPTS YOU SHOULD BE AWARE OF2 |
| DEALING WITH DISPUTES |
| ASSISTANCE IN RESOLVING COMPLAINTS7 |
| DISPUTES THAT CAN GO TO ACAT 10 |
| PERSISTENT BREACHES OF RULES 11 |
| DISPUTES RELATING TO AN OWNERS CORPORATION MANAGER 13 |
| DISPUTES RELATING TO SERVICE CONTRACTORS |
| USEFUL CONTACTS |

Office of Regulatory Services

The Office of Regulatory Services (ORS) was formed to provide a single coordinated approach to regulation and enforcement of a number of activities previously provided by several areas of the ACT Government.

The ORS encompasses the functions of the:

- Office of Fair Trading
- Registrar-General's Office
- ACT WorkCover
- Parking Operations
- Parking Review.

The ORS brings together capability from across the government to undertake licensing, registration and accreditation, dispute resolution and consumer and trader assistance, compliance and enforcement/litigation and education.

The ORS is responsible for administration of approximately 70 pieces of legislation and supports a number of committees.

The ORS currently comprises the following units:

- Fair Trading
- Business and Industry Licensing
- Births, Deaths and Marriages
- Land Titles
- Rental Bonds
- WorkCover
- Parking Operations
- Parking Review
- Transport Regulation

Introduction

The Unit Titles Act 2001 (the Unit Titles Act) regulates arrangements under which land in the Australian Capital Territory can be subdivided into units with common property. 'Unit title' is usually known as 'strata title' in other states. Commonly, unit title property in the ACT is referred to as flats, units, apartments or townhouses. Some office buildings and commercial properties are also unit title properties.

From March 2012, the *Unit Titles (Management) Act 2011* (the Management Act) relocates provisions relating to the management of unit titles from the Unit Titles Act to assist owners, managers and others involved in managing the units plan on a day-to-day basis.

In addition to the reorganising of the laws, the Act includes a number of new provisions that:

- remove unnecessary barriers to the adoption of sustainability measures and utility infrastructure by units plans;
- introduce a code of conduct for executive committee members;
- change the resolution for annual administrative and special purpose fund budget approval from special to ordinary resolutions;
- clarify the financial provisions to clearly link budgets, contributions and expenditure for each type of fund;
- provide guidance for ACAT approval of developer control period contracts; and
- clarify insurance requirements

Amendments to the Act commence on 30 March 2012 that strengthen the provisions that address the treatment of disputes.

This guide is designed to assist unit owners, people living in a unit and members of an Owners Corporation Executive Committee in dealing with disputes.

While this guide covers the main dispute resolution provisions of the Management Act you should note that:

• this is a guide only and does not take the place of sound legal advice

• decisions of the ACT Civil and Administrative Tribunal (ACAT) and the courts may result in different interpretations of the Act.

Decisions made by the ACAT are available to view via: http://www.acat.act.gov.au/judgment

Explanatory statement of the *Unit Titles (Management) Act 2011*: <u>http://www.legislation.act.gov.au/es/db_41913/20110623-48177/pdf/db_41913.pdf</u>

The Unit Titles (Management) Act 2011: http://www.legislation.act.gov.au/b/db_41942/20110623-48202/pdf/db_41942.pdf

Concepts you should be aware of

Units plan: The documents that have been approved for a unit title property development by the ACT Planning and Land Authority and registered by the Registrar-General.

Unit entitlement: The schedule of unit entitlement is part of the registered documents for the units plan. Numbers are assigned to each unit within the units plan to indicate the value of each unit relative to each other unit.

Owners Corporation: All registered owners of the units within a units plan are members of the Owners Corporation. The membership of the Owners Corporation changes with the buying and selling of individual units.

Executive Committee: The committee elected at an Owners Corporation's Annual General Meeting to run the day-to-day business of the Owners Corporation.

Owners Corporation manager: The manager who may be appointed by the Owners Corporation to (for a fee) help run the Owners Corporation.

Rules: The rules that the Owners Corporation has adopted to manage day-to-day living in the units plan. Rules address a range of matters such as use of the common property, repairs and maintenance, noise, and parking arrangements.

Common property: Areas of property that are used by and belong jointly to all of the owners of a unit titled property. This applies to both Class A units (such as apartment blocks) and Class B units (usually townhouses).

Tenant: A person who has a right of occupation under a tenancy agreement, as well as a person who is a prospective tenant. With regard to commercial and retail premises, a tenant means a person who has a right to occupy the premises under a lease and includes a subtenant, a person who receives the right to occupy the premises, and a prospective tenant.

ACAT: The ACT Civil and Administrative Tribunal. ACAT is a consolidated ACT tribunal that incorporates several divisions, including a Civil Disputes division.

ACAT dispute: A dispute relating to an Owners Corporation that that can go to ACAT for hearing and for an order or declaration to be made.

DEALING WITH DISPUTES

Many people now purchase apartments or townhouses rather than the traditional free-standing residence on its own block of land. New up-market developments are often in sought-after locations and offer the convenience of inner city living plus freedom from maintenance and gardening chores. Unit owners are usually keen to maximise their own investment, and take a positive interest in the appearance and value of the whole development and the business conducted by the Owners Corporation.

Unfortunately, close living or working in proximity to others and the sharing of common property can lead to unusual situations and disputes within a units plan. You may be bound by rules about what you can or cannot do, for example, where you and your visitors can park. There can be problems with noise particularly late at night, and some residents might take too much interest in their neighbours' activities and visitors. Other occupants might not place their rubbish and recycling in the correct bins or observe the Owners Corporation's requirements for drying laundry outdoors.

Types of title affect ownership rights and responsibilities, and can also lead to confusion and disputes about what is an owner's responsibility and what is common property. Owners of Class A properties (usually multi storey apartments) are responsible for the maintenance and repair of the walls, floors and ceilings within each unit. In Class A properties the common boundary lies along the centre of the walls, floors and ceilings. In Class B properties (usually townhouses) owners are responsible for the area of land within their individual surveyed line boundaries,

While some units plans never have disputes, others may have a number of disputes which can continue for a long time. Disputes in a units plan may arise between owners, between owners and a tenant, between the Owners Corporation and an owner, between an Owners Corporation and an Owners Corporation manager, between an Owners Corporation and a service contractor and between an owner and an Owners Corporation manager.

Building and maintenance issues can be particularly vexatious.

Case study: Water hammer

The end tenant in a small townhouse complex was disturbed by a water hammer problem whenever the other occupants turned their taps on and off. Sometimes the noise was so bad that she could not get to sleep in her bedroom and slept downstairs in the lounge room. She raised the issue many times with the managing agent, but was told it was not the landlord's responsibility. Finally, friends suggested that she discuss the matter with the Owners Corporation, and after some delay a plumber engaged by the Owners Corporation checked the stopcock for the tenant's end unit. Two weeks later all occupants received a letter from the Owners Corporation, asking them to check and change the washers in their taps. There is now much less water hammer, and the end tenant again sleeps in her bedroom.

Case study: Water leak

A first time buyer purchased a ground floor unit in a small apartment block of nine units, and was alarmed to find that the bedroom and lounge room ceilings leaked after rain or whenever the upstairs neighbours watered the plants on their balconies. She asked the Owners Corporation to investigate the cause of the problem and arrange repairs, but was told that this could prove costly and to try other solutions. Some respite was obtained when the Owners Corporation ruled that balconies could not be hosed clean or balcony plants watered by hose. Eventually the Owners Corporation engaged a builder who applied a sealant to the leaks in the ground floor unit bedroom and lounge room ceilings, but new leaks quickly developed. The Owners Corporation then engaged another builder who advised that drainage should be improved in the apartment block, but this was delayed because of the expense. At this stage the ground floor unit owner sold the unit at a loss.

Many problems and disputes can be avoided if owners and tenants familiarise themselves with the basic principles of the Management Act, available on the ACT Legislation Register at http://www.legislation.act.gov.au.

Owners and tenants should also study the rules of the units plan and seek appropriate advice before they decide to purchase or rent a unit titled property. Each units plan has its own rules, and it is wise to find out in advance if the rules will suit your particular living or business circumstances. For example, it is wise to check in advance if the unit entitlement of the unit you intend to purchase or rent has sufficient parking space to meet your needs.

Owners and tenants in units plans are required to comply with the Act and the Owners Corporation's rules. Owners of rented properties are also required to ensure that their tenants comply with the Owners Corporation's rules.

Communications Officer

The Management Act provides that a units plan with at least seven units may appoint a Communications Officer. This requirement is intended to focus attention on the importance of quality communication in preventing or resolving disputes.

The Communications Officer cannot mediate or directly resolve a dispute, as an ACT tribunal has been set up to provide a formal dispute mechanism for disputes within a units title (see the **Disputes that can go to ACAT** section of this guide).

Problems and disputes

Having made the decision to proceed with a particular unit titled property, it is important to realise that close living or working with other people in a units plan requires tolerance, understanding, and a respect for other people's privacy.

You can reduce the likelihood of becoming involved in disputes with the neighbours if you use the following common sense strategies.

Let it go

You don't have to get involved in every problem that occurs within your units plan. Sometimes you can ignore things and decide to take no further action. This is a sensible approach if you have reason to believe that an issue was a one-off event and is unlikely to recur.

You can also refuse to be drawn into a dispute.

Case study: Let it go

One evening you notice that your neighbour has a visitor, and the visitor has not parked in the allocated visitor's car parking space. You decide that it is not worth your while to take the matter any further. If this becomes a regular occurrence you may decide to take the matter further.

Work it out

You can often negotiate a reasonable outcome that you can live with, although this might not be what you really wanted to achieve.

To do this, you and the other parties to the problem must take a commonsense approach so you can identify the issue in dispute, think of ways to resolve it, consider alternatives, and work together to reach an acceptable agreement.

If you know the other parties to the problem and you are confident that you can all discuss the issue without arguing, then you can arrange to meet at a suitable time to raise your concerns. A face-to-face meeting is usually better than a phone call, email or letter, although this may not always be possible.

You might be surprised to find that the other party is completely unaware that there has been any issue, and is as anxious as you are to resolve the issue quickly.

Case study No. 1: Work it out

The young neighbour in your apartment block plays rock music most nights. You sensitively raise the matter with your neighbour, and she is surprised that you can hear the music through the walls. She says that she will use her headphones when listening to music at night. You privately wish that she would use headphones whenever she listens to music, but you realise that she has made a reasonable offer, and you accept it.

Sometimes you might be able to achieve the best possible outcome for all parties. To do this, you must all use a rational, commonsense approach, work through the issue and achieve agreement. Then everyone is satisfied.

Case study No. 2: Work it out

A neighbour in your units plan has an old, noisy air conditioner in her bedroom window that keeps you awake when she runs it on hot nights. You raise the issue sensitively with your neighbour, and after some discussion she agrees that the air conditioner is too noisy. Shortly afterwards your neighbour buys and installs a new and very quiet air conditioning system.

Let someone else help

If you are angry with a neighbour in your units plan, it is unlikely that you will be able to resolve any issue with them through direct negotiation. If you confront a neighbour and lose your temper, things will quickly escalate. In these circumstances it is more appropriate to bring your concerns to the attention of the Executive Committee or the Owners Corporation manager (if applicable).

It is also a good decision to approach the Executive Committee (or the Owners Corporation manager) if you do not know your neighbour and your observations of their general behaviour and personality lead you to doubt your ability to communicate well with them.

In these circumstances you may wish to seek the guidance of the Executive Committee (or Owners Corporation manager). They may be able to provide you with advice that allows you to resolve the dispute. Approach the Executive Committee (or Owners Corporation manager) in an open and friendly manner, focus on the problem at hand and be free of any personal observations about the party/s. Ensure that you have collected your thoughts in a concise manner before you approach the Executive Committee (or Owners Corporation manager). If you are unable to achieve a resolution, you may need to formally request in writing the services of the Executive Committee (or Owners Corporation manager) to resolve the issue.

Your written communications with the Executive Committee or Owners Corporation manager should be businesslike. Have reasonable expectations of the Manager; try to adopt a proportionate approach as your dispute may be taking the Manager away from other duties. You might also want to seek some independent legal advice from the Law Society of the ACT or the Legal Aid Office (see the **Useful Contacts** section of this guide) so you can organise your thoughts.

Redefine the problem

A problem can also go away, after a more creative view of the situation produces a better outcome.

Case study: Problem redefined.

The residents of an inner city apartment complex were complaining about the noise from banging doors, particularly at night. It was a large complex, and difficult to identify the culprits. The Owners Corporation manager noticed that many residents were using the fire stairs to get to and from their units, and the heavy fire doors were causing the noise. The Owners Corporation had the fire doors on each level of the complex modified, so residents could only use the fire stairs to leave the building in an emergency. As the residents must now use the lifts, the noise from banging fire doors has stopped.

ASSISTANCE IN RESOLVING COMPLAINTS

Living in a units plan brings people from different backgrounds and life experiences together. Disagreements and disputes can arise. Good interpersonal communication skills may help, but people do not always see things the same way. Sometimes it is better to step back and let a neutral third party handle the matter.

Mediation

Issues within units plans may be resolved or solved with the help of an independent mediator. Several mediation services including the **Conflict Resolution Service** are listed in the Canberra Yellow Pages phone directory or the **Useful Contacts** section of this guide.

Mediation can assist in clarifying the scope of issues and can assist parties to reach an agreement in relation to a dispute.

Mediation is unlikely to assist if one party to the dispute is not prepared to make concessions or work towards a settlement of the dispute. Good one way communication is usually not possible, as communication is a two way process. For the same reason mediation is unlikely to assist where the parties to the dispute do not get along.

If an owner or tenant does not wish to settle a dispute or decides to escalate a dispute, then the Executive Committee or Owners Corporation manager should draw their attention to the remedies that are available under the Act and the Owners Corporation rules.

Illegal use of unit

When someone within a units complex appears to be engaging in illegal activities and there is a risk of violence, it is appropriate to contact the police for assistance. Such incidents could include:

- a noisy late night party, where people may be intoxicated
- a domestic violence incident or a fight
- an act of vandalism or a burglary
- the manufacture of illicit drugs or any drug dealing.

The matter can be brought to the attention of the Executive Committee or the Owners Corporation manager when the emergency is over.

The contact details for ACT Policing are included in the Useful Contacts section of this guide.

Disputes about animals

Disputes about the keeping of animals can be difficult to resolve due to the emotions involved by both an owner and a neighbour. For a neighbour, the keeping of animals in a units plan may result in noise or smells. For an owner, animals provide companionship.

Under the Management Act a unit owner may keep an animal, or allow an animal to be kept, within the unit or the common property only with the consent of the Owners Corporation. The Owners Corporation may give consent with or without conditions. However, the Owners Corporation must not unreasonably withhold consent. A range of considerations may apply in considering whether consent should be given in a particular case. For example, consideration of the type of unit, the views of neighbours, the type of animal etc. An Owners Corporation cannot amend its rules to preclude any right of any unit owner to keep an animal.

An owner or occupier of a unit may apply to the ACAT in regard to the keeping of an animal or allowing an animal to be kept.

Case study: Animals

The owner of a small and quiet cat seeks consent from the Owners Corporation to keep the cat in the unit. The neighbour is opposed as they are allergic to cats and the cat goes on the balcony which is adjacent to the neighbour's balcony. The Owners Corporation gives consent to the owner keeping the cat on the condition that it doesn't go onto the balcony.

The owner of a parrot seeks consent to keep the parrot in their unit. The Owners Corporation refuses consent on the basis that the parrot is talkative and talks throughout the night keeping neighbours awake. The owner of the parrot may apply to ACAT in regard to the keeping of the parrot.

A number of decisions have already been made by the ACAT regarding disputes relating to animals. There are a number of factors that the ACAT may consider when making a decision to resolve a dispute. For example in LANFRANCHI & OWNERS OF UNITS PLAN 806 (Civil Dispute) [2011] ACAT 73 the ACT Civil and Administrative Tribunal considered the following factors in deciding to allow two dogs to remain in a unit:

- the breed of dog;
- whether the type of dog is suited to unit living;
- the training provided to the dogs;
- whether the dogs were desexed;
- whether the dogs would be muzzled or on a leash when on common property;
- the views of owners in the units plan;
- any complaints about the dogs, and the nature of the complaints; and
- the willingness of the owner to accept and abide by any reasonable conditions in keeping the dogs.

Disputes about parking

Disputes may arise in a units plan about owners, tenants or their guests parking in the common property or parking illegally such as on footpaths or nature strips. This often arises in areas where there is insufficient parking.

If a person is parking illegally, such as on the footpath or nature strip, you can contact the Parking Operations area of Office of Regulatory Services (ORS) which can inspect and issue parking infringement notices. In the first instance, the ORS may ask the person to rectify the problem rather than issue a parking infringement notice.

If an Owners Corporation has an on-going problem with parking on the common property it can put up parking signs as per the Australian Standard that is approved by Roads ACT. The Owners Corporation will be responsible for all costs for the signs including the approval from Roads ACT. The Owners Corporation can then provide the Parking Operations area of ORS with a written request to enforce the parking requirements.

If the problem with parking in the common property is contrary to the Owners Corporation rules and the breach is persistent then the Owners Corporation may be able to issue a *'rule infringement notice'* (see the **Persistent breaches of rules** section of this guide).

Case study: Parking

Your neighbour has left their broken down car in the visitor parking for the past three months. This means that there is insufficient parking for other visitors and it is inconsistent with the rules of the Owners Corporation. You have asked her to move the car and she has declined. You have raised this matter with the Owners Corporation which talks to your neighbour advising that if the car is not moved then they will proceed to seek enforcement of the parking requirements with ORS and may issue a rule infringement notice.

DISPUTES THAT CAN GO TO ACAT

ACAT provides an accessible and independent forum for dealing with a wide range of disputes in units plans. If a dispute cannot be settled between the parties within a reasonable timeframe, it can now be referred to ACAT for determination.

The Act allows a wide range of disputes to be sent to ACAT. These are called 'ACAT disputes' and include:

• a dispute between an owner or tenant of a unit and an owner or tenant of another unit in the same units plan

• a dispute between an owner or tenant of a unit and an Owners Corporation, about keeping an animal

• a dispute between an Owners Corporation and an owner or tenant of a unit in the units plan

- a dispute between an Owners Corporation and the Owners Corporation manager
- a dispute between an Owners Corporation and a service contractor for the Owners Corporation
- a dispute between an Owners Corporation and a member of the Executive Committee of the Owners Corporation

• a dispute between the Executive Committee and a member of the Executive Committee

• a dispute between the Owners Corporation and a former manager for the Owners Corporation about the return by the former manager of the Owners Corporation property.

ACAT is empowered to make a range of orders to deal with disputes, including any order it considers reasonably necessary or convenient to resolve an 'ACAT dispute'. For example, ACAT can order a party to do or to refrain from doing a stated thing, order a person to pay to the Territory or to someone else an amount up to \$1,000, or make an order to remove an animal from a unit if the animal is causing a nuisance.

ACAT can also make declarations about the validity of Owners Corporation and Executive Committee meetings and resolutions, and the validity of Owners Corporation rules.

The contact details for ACAT are included in the Useful Contacts section of this guide.

PERSISTENT BREACHES OF RULES

The majority of disputes in units plans can hopefully be settled by using the problem solving techniques as outlined under the **Dealing with disputes** section of this guide. In addition ACAT also provides a straightforward process to decide 'ACAT disputes'. Unfortunately, some owners and tenants in units plans might decide upon a course of behaviour that leads to multiple breaches of Owners Corporation rules.

The Management Act now provides a remedy for persistent breaches of the Owners Corporation rules by an owner or tenant within a units plan. The Act provides for the Executive Committee of an Owners Corporation to issue the offending owner or tenant with a

'rule infringement notice'. A notice should be issued as a last resort after all other avenues to deal with the issue have been undertaken by the Executive Committee or the Owners Corporation manager.

An owner or occupier of a unit (the complainant) can also request the Owners Corporation to issue an article infringement notice if there is a dispute with another owner or tenant within the same units plan (the accused person) regarding a persistent breach of the rules.

If a rule infringement notice is requested by an owner or occupier, then the Owners Corporation must tell the complainant, within 14 days after the request was received, that the notice has been issued. This advice would usually be provided in writing.

Rule infringement notice

The process for issuing an article infringement notice is set out in the Management Act. A notice can only be issued if:

• the Executive Committee of an Owners Corporation reasonably believes that the owner or occupier of the unit has contravened the rules and it is likely that the contravention will continue or be repeated, and

• the Owners Corporation is authorised by an ordinary resolution of the Executive Committee.

The article infringement notice must include the following matters:

• that the Owners Corporation believes the person is contravening, or has contravened, a provision of the rules;

- the provision of the rules the Owners Corporation believes is, or was, contravened
- details sufficient to identify the contravention

• if the Owners Corporation believes the contravention is continuing - the period (which must be reasonable in the circumstances) within which the person must remedy the contravention

- if the Owners Corporation believes the contravention is likely to be repeated that the person must not repeat the contravention
- a statement that it is an offence to not comply with the notice

• the Owners Corporation may, without further notice, apply to ACAT for an order in relation to the failure to comply with the notice.

Failure to comply with a rule infringement notice

A failure by the offending owner or tenant to comply with a rule infringement notice is an offence. This offence carries a maximum penalty of \$550 for individuals and \$2,750 for companies.

If the owner or tenant fails to comply with the rule infringement notice within the timeframe set out in the notice, the Owners Corporation should lodge a formal written complaint with the Commissioner for Fair Trading (see the **Useful Contacts** section). The Office of Regulatory Services may then initiate action against the owner or tenant, for the offence of failing to comply with the rule infringement notice.

The ORS' External Complaints Policy sets out the kind of complaints that the ORS investigates and the procedures for lodging complaints. Check out www.ors.act.gov.au.

At the same time the Owners Corporation may apply to ACAT for an order against the accused person, in relation to the persistent breach of its rules and the failure to comply with the rule infringement notice.

DISPUTES RELATING TO AN OWNERS CORPORATION MANAGER

Appointment of manager

The Owners Corporation may appoint a manager to assist in management of the units plan.

The Management Act provides that managers may be licensed real estate agents, or persons holding a conditional real estate licence to act only as an Owners Corporation manager. Managers may also be a member of the Owners Corporation, or a person who only manages the one Owners Corporation and whose income as manager is not their primary source of income.

A manager's term of appointment cannot be for longer than three years, although a manager can be reappointed.

The Management Act prescribes the appointment process for managers, the grounds for ending a manager's appointment and the process for terminating the manager's services by written notice.

Code of Conduct for managers

The Management Act includes a Code of Conduct with which Owners Corporation managers must comply. The Code of Conduct for managers requires:

- knowledge of the Act and Code
- honesty, fairness and professionalism
- skill, care and diligence
- acting in the Owners Corporation's best interests
- keeping the Owners Corporation informed of developments
- ensuring employees comply with the Act and Code
- goods and services to be supplied at competitive prices
- managers to demonstrate keeping of particular records, if requested.

The Code also prohibits managers from:

- engaging in fraudulent or misleading conduct
- engaging in unconscionable conduct

• having a conflict of duty or interest, if acting for more than one Owners Corporation.

The Management Act also provides Owners Corporations with a remedy to address a manager's unsatisfactory performance by providing the manager with written notice of a

'remedial breach'. A manager then has 14 days to explain that the performance does not amount to a remedial breach or to remedy the breach.

If the manager fails to comply with the notice or the Owners Corporation is dissatisfied with the manager's explanation, the Owners Corporation may end the manager's appointment.

Making an official complaint

The Commissioner for Fair Trading can initiate disciplinary action against an Owners Corporation manager in ACAT, if there are grounds for believing that a licensed real estate agent or conditional real estate licence holder has contravened the provisions of the *Agents Act 2003* or the Code of Conduct for Owners Corporation managers prescribed in the Act.

A complaint should be lodged with the Commissioner in writing, and include copies of supporting documentation (see the **Useful Contacts** section). The ORS' External Complaints Policy at www.ors.act.gov.au sets out the procedures for lodging a fair trading complaint with the Commissioner, and how the ORS investigates complaints.

The ORS cannot investigate a complaint in the following circumstances:

- the complaint is frivolous or vexatious
- there is insufficient information to investigate the complaint
- there is no evidence of any breach of legislation
- the complaint is more appropriately investigated by another body such as the police.

Case Study. What ORS can investigate

An Owners Corporation manager engaged his brother as a service contractor to carry out plumbing work in the common property of a units plan. The brother is not a licensed plumber and damaged the plumbing system. The ORS can investigate this matter, as engaging an unqualified plumber was not in the best interests of the Owners Corporation.

Case Study: What ORS cannot investigate

An Owners Corporation manager became involved in a fight with a unit occupant. The ORS cannot investigate the matter until the outcome of legal proceedings is known, as the police have pressed charges and the matter is still before the courts.

DISPUTES RELATING TO SERVICE CONTRACTORS

Units plans frequently employ service contractors to manage or supervise the common property, and to clean, maintain and repair the common property or part of the common property.

The Management Act requires that a service contract must not be for longer than three years unless the contract is made by special resolution after the end of the developer control period for the units plan, ACAT is satisfied with the contract and authorises it before any units are sold, and the contract is disclosed by the developer in each sales contract. Service contractors cannot usually be contracted for longer than 25 years.

The Management Act also addresses how a service contractor's rights may be transferred, and how an Owners Corporation may end a service contract.

The Management Act also prescribes a 'remedial breach' process, by which the Owners Corporation may serve written notice on a service contractor for deficient, negligent or improper conduct, and the circumstances in which the Owners Corporation may then end the service contract.

The Management Act also prescribes the requirements for financed service contracts and the protection of contract financiers.

USEFUL CONTACTS

Office of Regulatory Services

255 Canberra Avenue Fyshwick ACT 2609 www.ors.act.gov.au (02) 6207 3000

ACT Civil and Administrative Tribunal

ACT Health Building Level 4, 1 Moore Street Canberra City ACT www.acat.act.gov.au (02) 6207 1740

Conflict Resolution Service

Level 3, Griffin Centre 20 Genge Street Canberra ACT 2601 www.crs.org.au (02) (02) 6162 4050

ACT Policing

Police assistance: 131 444 Crime Stoppers: 1800 333 000 General enquiries: (02) 6256 7777

Law Society of the ACT Legal Advice Bureau

Level 3, 11 London Circuit Canberra ACT 2601 www.actlawsociety.asn.au (02) 6247 5700

Legal Aid ACT

2 Allsop Street Canberra City ACT 2601 www.legalaidact.org.au General enquiries: (02) 6243 3471 Legal advice helpline: 1300 654 314 255 Canberra Avenue Fyshwick ACT 2609

www.ors.act.gov.au

GPO Box 158 Canberra City ACT 2601

Ph. 6207 3000

Fax. 6207 0538

Website: www.ors.act.gov.au

OFFICE OF REGULATORY SERVICES