



Code of Ethics

A code of ethics to establish the principles that govern the conduct of Members of Strata Community Australia in the context of the strata living environment.

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Strata Community Australia (NSW)
(formally the Institute of Strata Title Management)
ABN 74 001 767 997

Explanatory Note

This Code of Ethics has been prepared by Strata Community Australia (NSW) (SCA (NSW)) following consultation with its Members. It replaces SCA (NSW)'s Former Code. Under the Constitution all Members of SCA (NSW) are bound to comply with this Code.

As a general rule, applying common sense, good judgment and integrity to the issues that are faced on a day-to-day basis will help ensure that Members' business decisions are consistent with SCA (NSW)'s values and this Code.

SCA (NSW) is proud of its reputation and is determined to protect and enhance the reputation of its Members. In a service business, the integrity that our brand represents is one of SCA (NSW)'s and the consumers' most valuable assets.

Acting with integrity and the highest ethical standards is good business practice and policy. Each Member of SCA (NSW) should adhere to both the letter and the spirit of this Code.

Whilst this Code does not attempt to list every possible ethical issue that may arise, it does set out clear requirements for the conduct of Members.

Failure to comply with this Code means that Members may be subject to disciplinary procedures as set out in this Code and the Constitution.

This Code is in three parts:

<i>Part One</i>	Applies to all Members
<i>Part Two</i>	Applies to specific sectors within SCA (NSW), being: a. Strata Managing Agents; b. Suppliers; and c. Owners Corporations.
<i>Part Three</i>	Deals with making complaints and enforcement and disciplinary procedures of this Code.

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Dictionary

In this document the following words mean:

“Code of Ethics” and “this Code”	this document as amended or modified from time to time including all its parts.
“Constitution”	the constitution of SCA (NSW) as amended, modified or replaced from time to time.
“Board”	the directors of SCA (NSW).
“ethical”	in accordance with the moral standards customarily applied in a business or professional relationship.
“Executive Committee”	means the executive committee of an Owners Corporation and includes the board of directors of an Owners Corporation having such a board.
“Executive Committee Member”	means a member of an Executive Committee.
“Former Code”	the “Code of Ethical Conduct” in existence under the Constitution immediately before the resolution of SCA (NSW) to replace that “Code of Ethical Conduct” with this Code.
“Guide”	“Guide” as defined in clause 1.4 of this Code as it may be provided, amended, modified, replaced or revoked from time

to time.

“Member”	“Member” or “Members” as defined in the Constitution.
“Owner”	means an owner of a lot or lots in an Owners Corporation, and includes a shareholder in an Owners Corporation having such a structure.
“Owners Corporation”	a “Group title scheme” as defined in the Constitution.
“Strata Managing Agent”	a “Licensed strata managing agent” as defined in the Constitution and Members of the Associate Chapter of SCA (NSW).
“Supplier”	a Member of the Supplier Chapter of SCA (NSW).

Interpretation

In this Code unless the contrary intention appears:

- i. a reference to a statute or other law includes regulations and other instruments under it and any consolidations, amendments, re-enactments or replacements of it;
- ii. the singular includes the plural and viceversa;
- iii. a reference to a Member, whether by use of the term “Member” or otherwise, includes a reference to a person in the employ of that Member;
- iv. where a word or phrase is given a defined meaning in this Code, any other part of speech or grammatical form in respect of such word or phrase has a corresponding meaning;
- v. a reference to an act includes an omission and a reference to doing an act;
- vi. headings are for reference only and do not affect the meaning or interpretation of this Code; and
- vii. this Code is intended to be consistent with the “Code of Conduct” of the National Community Titles Institute Inc. as it may be adopted, amended, modified, revoked or replaced from time to time. In the event of any inconsistency with that “Code of Conduct”, this Code is to be read as if consistent with that “Code of Conduct” to the extent of that inconsistency.

Part One – All Members

This part of this Code applies to all Members

1.1 DATE OF COMMENCEMENT OF THIS CODE

This Code commences to apply to the acts and omissions of all Members on and from the date SCA (NSW) resolves to replace the Former Code with this Code.

The Former Code applies to the acts and omissions of Members occurring prior to the date of the resolution referred to above.

1.2 DUTY

All Members have a duty to look after the best interests of their principal. In particular:

- i. A Strata Managing Agent owes that duty to Owners Corporations they manage. They manage for and on behalf of the Owners in that Owners Corporation and the relationship is fiduciary in nature.
- ii. A Supplier owes that duty to the Owners Corporation for whom they are working.

- iii. In accordance with law, an Owners Corporation owes that duty to all Owners in that Owners Corporation, and an Executive Committee owes that duty to their Owners Corporation.

1.3 ETHICAL DUTIES OF ALL MEMBERS

All Members must at all times:

- i. Act ethically.
- ii. Act honestly, be straightforward and sincere.
- iii. Not provide false, misleading or deceptive information to another Member.
- iv. Be objective, fair and not allow prejudice or bias to override that objectivity.
- v. Be and appear to be free of any interest, which might be regarded as being incompatible with integrity and objectivity.
- vi. Act in a lawful manner, and comply with the law as may apply from time to time.
- vii. Act at minimum in accordance with the generally accepted standards of their industry, and carry out their work in accordance with the technical and professional standards relevant to that work.
- viii. Perform their duties diligently and with competence, maintain their level of competence, and only undertake work which they reasonably expect to be able to complete competently and in a timely manner.
- ix. Disclose and deal with conflict of interest issues in an open and fair manner, and not pay or accept secret commissions, either directly or indirectly.
- x. Not engage in any conduct that wrongfully brings disrepute to SCA (NSW), its Members or the consumers of their services.
- xi. Abide by the mission statement and vision statement as promulgated by SCA (NSW) from time to time.
- xii. Comply with the rules regarding display of SCA (NSW)'s logo as promulgated by the Board from time to time.
- xiii. Not advertise in a way that is false, misleading or deceptive.

1.4 GUIDE

SCA (NSW) may provide a guide to Members for the purpose of assisting Members in relation to this Code ("Guide"). The Guide may be provided by making the Guide available to Members on SCA (NSW)'s web site.

SCA (NSW) may amend, modify or replace the Guide from time to time in the same manner as it may provide the Guide. SCA (NSW) may revoke the Guide by publishing a note to that effect on SCA (NSW)'s web site.

Part Two – Specific Members

2.1 STRATA MANAGING AGENTS

This part of this Code is specific to Strata Managing Agents

- A. The New South Wales *Property, Stock and Business Agents Act 2002* and the *Property, Stock and Business Agents Regulation 2003* contain provisions relating to Strata Managing Agents. All Strata Managing Agents must comply with these provisions.
- B. Strata Managing Agents frequently become aware of their competitors' pricing models through inspection of the books and records of their competitor's Owners Corporations. All agents must take steps to ensure that any use or contemplated use of such information is both ethical and legal.
- C. A Strata Managing Agent must not use information obtained whilst undertaking searches regarding an Owners Corporation managed by another Strata Managing Agent for the purpose of contacting that Owners Corporation with a view to effect the change or transfer of the management of that Owners Corporation to that first Strata Managing Agent.
- D. Without limitation to 2.1A above, a Strata Managing Agent must disclose to the Owners Corporation any rebate, discount or commission as required under section 57 of the *Property Stock and Business Agents Act 2002*.
- E. Strata Managing Agents must not use a quotation from one Supplier to seek cheaper quotes from another Supplier or business which provides those

goods or services using the specifications outlined in the initial quote without the consent of the Supplier who provided the initial quote.

- F. Strata Managing Agents must not charge fees or disbursements that are not permitted under the signed agency agreement or any variation of it without the consent of the Owners Corporation.
- G. A Strata Managing Agent must not accept or remain in a position on the Executive Committee of an Owners Corporation that is managed by another Strata Managing Agent and unethically use information obtained as such an Executive Committee Member to seek the change or transfer of the management of that Owners Corporation to that first Strata Managing Agent.
- H. A Strata Managing Agent must not refuse or delay to convene a meeting, where one of the motions to be considered is the termination of its appointment or the appointment of another Strata Managing Agent.
- I. A Strata Managing Agent must not refuse or delay to provide any of the records of an Owners Corporation that it manages in breach of its agency agreement or the law.
- J. Strata Managing Agents must take due care of records in their possession or under their control and do so in accordance with this Code and any applicable law.

2.2 SUPPLIERS

This part of this Code is specific to Suppliers

- A. Many Suppliers also belong to their own industry association or institute and this Code requires that they act ethically when observing not only their own industry association or institute's code of ethics or conduct but also this Code.
- B. Suppliers must not use information obtained in a commercial relationship with a Strata Managing Agent for the purpose of contacting an Owners Corporation managed by that Strata Managing Agent with a view to effect the change or transfer of the management of that Owners Corporation to another

Strata Managing Agent, unless instructions to effect that change originated from that Owners Corporation.

- C. Suppliers must not distribute unauthorised marketing material at SCA (NSW)'s events.
- D. Suppliers must comply with any disclosure requirements under law, including, if applicable, under clause 3A of Schedule 3 of the *Strata Schemes Management Act 1996*.

2.3 OWNERS CORPORATIONS

This part of this Code is specific to Owners Corporations

- A. Executive Committee Members have enormous trust placed upon them by their fellow Owners, both in general and when those Owners elect those Executive Committee Members to the Executive Committee.

Therefore, this Code seeks that Executive Committee Members discharge their duties ethically.

- B. An Executive Committee Member must not gain a benefit over and above other Owners or a majority of those Owners unless that Executive Committee Member discloses such a benefit at any meeting of the Executive Committee where a motion relevant to such a benefit is considered, and makes that disclosure prior to the consideration of that motion.
- C. An Executive Committee Member who stands to gain a benefit over and above other Owners or a majority of those Owners must not offer or provide misleading or inaccurate information to attempt to gain support for any motion relevant to such a benefit.
- D. An Executive Committee Member, or a person who seeks to be elected as an Executive Committee Member, must comply with any disclosure requirements under law, including, if applicable, under clause 3A of Schedule 3 of the *Strata Schemes Management Act 1996*.

Part Three – Enforcement

3.1 ENFORCEMENT ACTION

All Members are advised, when they apply to become Members, that they will be bound by this Code, or such other “Code of Practice and / or Ethics” as may have been adopted, have been replaced by, or replace this code from time to time.

A Member who breaches this Code may be subject to enforcement and disciplinary procedures as set out in the Constitution.

3.2 WHO MAY LODGE COMPLAINTS UNDER THIS CODE?

Under clause 34 of the Constitution, any person may make a complaint regarding breach of this Code.

3.3 HOW ARE COMPLAINTS MADE?

Complaints may be made in writing, addressed to the Executive Officer of SCA (NSW), and are to be accompanied by all materials reasonably necessary to support what is alleged in that complaint.

The Guide may contain information and provide procedures and forms in relation to the making of complaints.

3.4 WHO CONSIDERS THE COMPLAINT?

The Board must consider the complaint as soon as practicable, and deal with the complaint in accordance with the Constitution.

Approval

In accordance with The Constitution, SCA (NSW) replaced the Former Code with this Code by way of special resolution passed at the Annual General Meeting of SCA (NSW) held Friday 17 October 2008.



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