



## Submission on MBIE's proposed amendments to the Unit Titles Act 2010

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**December 2016**

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- MBIE officials can contact me if they have a question about the content of my submission
- I wish to remain anonymous in any reporting or submission analysis

### Making a submission

To make a submission, please fill out the submission form below, and send to [UTAreview2016@mbie.govt.nz](mailto:UTAreview2016@mbie.govt.nz). Both Word documents and PDFs will be accepted.

Alternately, you can download the submission form and post it to:

Unit Titles Act Review  
Construction and Housing Markets, BRM  
Ministry of Business, Innovation & Employment  
PO Box 1473  
Wellington 6140  
New Zealand

**Consultation on the Unit Titles Act finishes on Friday 3 March 2017 at 5pm. Thank you for your submission.**

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### 3.2 Improving Government Services to the UTA Sector

Please comment on :

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- how government agencies might achieve a more joined up approach;
- how we can improve the services we provide; and
- whether you think a separate dedicated entity is warranted; and if yes, what functions and responsibilities would a dedicated unit titles entity deliver? Please list.

If you want more people to live in apartments, then you have to protect them.

Complaints from residents have no where to go when the committee members rein supreme. The proxie farming is the worst problem. People are out voted every time and cannot make any changes, The chairperson & building manager are at present husband & wife with the body corp paying for their apartment over market rent / they own the apartment & lease it to the body corp

That in itself is fine, but the lease is over priced. The taxman should be investigating .

The building manager does limited work and his wife manipulates all the voting power In the hospitality industry they try to move their General managers & financial controllers every 3 years to try & prevent people from doing dodgy deals manipulating finances etc The above have been in this building for 20years and just dictate what they want & at present, a work programme for \$3million One has to ask if some of that money is being misappropriated but the secretary is also on the shady side. There is huge amounts of money from body corp fees which goes in to sinking funds etc but with one off special payments contractors seem to be

able to ask huge amounts which far outweigh their services so one has to wonder if the fees are being pocketed eg 3 surveyors were approached 2 of whom were in the cbd where our building is, their quote was \$3.5-4-5 thousand, however the B/C (at that time I was not involved) went with a surveyor past<sup>s 9(2)(a)</sup> who wants to charge \$10,500 + gst and that got accepted. There is huge problems one can see, but cannot prove.

The proxie need to be limited to only be able to hold 2% of proxies if the building is over 100 units The chairperson , committee members need to be living on the premises for them to actually know day to day activities security & maintenance issues As from 31march I will be the only committee member living in the building. One of the previous members wanted me on the committee, but they didn't like him, & he got voted off & I got voted on via the chairwoman using a lot of proxie votes. The accounts can appear to look fine. However, can be open to abuse. The accounts done for body corp companies chosen should have to rotate somehow. Do the accounts for 3 years, then those accounts which should be able to move to another accountants office so any deals can be limited

More transparency needs to be done. The secretary will not allow people to know the day to day running of the place as he says people just wont understand. If people realised what was going on, they might get off their butts & do something,

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## 4.1 Improving the Disclosure Regime

Proposal 1: Amalgamate the current requirements of the pre-contract, pre-settlement and additional disclosure statements into one step

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Do you agree that the pre-contract, pre-settlement and additional disclosure step should be consolidated into one step? If no, why?

yes

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Proposal 2: Add further requirements in disclosure statements

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Do you agree that these additional requirements should be included in disclosure statements? Do you consider any other requirements should be included?

Leaky building syndrome / maintenance issues / long term maintenance funds

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Proposal 3: Require a statutory warranty on all disclosure statements

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Do you agree that bodies corporate should certify all disclosed information is complete and correct? If no, why?

At present I have been on the committee since December 2016 & cannot get hold of information

I would only be able to rely on what the secretary & chairwoman decided was to be disclosed.

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## 4.2 Strengthening Body Corporate Governance

### Proposal 1: Address conflicts of interest

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We propose to add provisions to the UTA that address conflicts of interest that achieve similar aims to the provisions included in the Incorporated Societies Bill. Do you agree? If no, why?

The conflicts of interest need huge consideration.

Eg people on the committee own penthouses, which at present want a lot of work done to their tiles , roof , walls . \$3million dollars worth of work.

These people should be excluded from voting

the building manager & the chair woman are husband & wife so he gets a pay rise regardless of doing any work and got bonuses for doing health & safety \$2,500 for doing what is in his contract to do.

The voting powers & any meetings we as unit holders are only once a year, but the building manager will sit in making sure no one can say anything against him It is simple threats and people know if they say anything their life in the building is going to be an endless problems

### Proposal 2: Increase reporting of delegated powers

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We propose that bodies corporate of large sized complexes (30 and over) should report on the performance of their delegated powers at every general body corporate meeting? Do you agree? If no, why?

yes

### Proposal 3: Duties and responsibilities of body corporate committees

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We propose including additional provisions on the duties and responsibilities of a body corporate committee similar to those included in the Queensland's Code of Conduct for committee members. Do you agree? If no, why?

yes

Proposal 4: Limit the number of proxy votes an individual can hold

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Do you consider that the risk of proxy farming is sufficiently high to warrant amendment of the UTA to limit the number of proxy votes one person can hold at a time? If yes, why?

**Definitely needs attention Proxy farming leads to abuse of power. The power games run riot in our building. The secretary emailed selected unit owners to ask for their proxies. The chair woman & building manager can go to every floor. Other committee members (one they didn't like) so they got him voted off He asked too many questions. Previous elected committee members have lasted a short time, then packed up & left. The last meeting there were some names of apartment holders voting (correct) then company names or trust names who own apartments (all of whom actually had already voted) If you do have more than one apartment One named person should be the only voter any trust name or business name which owns an apartment should only be allowed to vote using their personal name only.**

s 9(2)(b)(ii) **is not a person yet was allowed to vote.**

**This building is security key access to every floor, hence only the chairwoman, building manager can go to every floor, and the secretary has everyone's contact details. They should not be able to ask for the proxy votes**

Proposal 5: Limit the impact of unfair service contracts

11

We propose to amend the UTA so that bodies corporate can vary the terms of or seek to release themselves from longer term contracts in certain circumstances. Do you agree? If no, why?

**yes**

Proposal 6: Clarification of governance terms

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Do you agree with the proposals made above as they relate to:

- Minority relief – no change warranted;
- Alteration to units – sections 79 and 80 (i) to be amended if necessary to align with

section 65; \_\_\_\_\_ the

**alteration of units need special consideration**

**waterproofing all wet areas need inspections before completion**

**electrician & plumbing to be carried out only by licenced contractors**

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- Quorum – section 95 to be clarified; and
- Resolutions – section 101 to be amended.

If no, why?

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### 4.3 Professionalism in Body Corporate Management

#### Proposal 1: Status Quo and Self-Regulation

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Do you agree that industry bodies such as those mentioned have the ability to increase professionalism and help address body corporate management issues? If no, why?

**Conflict of interest needs to be included in professional duties**

14

Do you support requiring body corporate managers to be members of a professional group and being subject to the codes of practice of the group? If no, why?

**Maybe, being part of a group, usually means paying fees**

**At present I have done huge amounts of work free of charge**

**My ethics are unquestionable, however, it wouldn't make a bit of difference**

**to the other<sup>s 9(2)</sup><sub>(a)</sub> on the committee they would still be dodgy**

#### Proposal 2: Make contracting a body corporate manager a requirement for medium and large complexes

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Do you support body corporate managers being mandatory for medium and large complexes? If no, why?

**yes**

#### Proposal 3: Define body corporate managers in the UTA and introduce operational requirements in regulations

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Do you support the functions of body corporate managers being set out in the UTA? If no, why?

**yes**

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**17** What functions, if any, do you think should be prohibited from being contracted to a body corporate manager?

**Conflict of interest. Being able to have unprotected funds for everyday use.**  
**Petty cash should be limited to only \$200 anything on top should all be accounted for.**

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**18** Do you support the setting of additional requirements in regulation for body corporate managers? If no, why?

**yes**

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## 4.4 Ensuring Adequate Long Term Maintenance Plans

Proposal 1: Guarantee the credibility of the LTMP through body corporate committee and appropriately qualified signatories

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Do you agree that an appropriately qualified person should be required to guarantee the accuracy and completeness of the LTMPs? If no, why not?

**yes**

**we paid a huge amount for a long term maintenance report  
however, all the repairs to be done on the penthouse level never made a mention  
so LTMF is useless but expensive.**

20

Do you agree that the body corporate chairperson, on behalf of the body corporate, should be required to sign LTMPs to guarantee accuracy (to the best of their knowledge)? If no, why?

**yes**

**someone has to take responsibility but that plan should also be guaranteed by the  
report company**

Proposal 2: Develop a new online template for LTMPs

21

Are there mandatory fields/information you consider should be included in the revised template? If so, please list.



Proposal 3: Extend the timeframe of LTMPs to 30 years

22

Do you agree that 30 years is an appropriate timeframe for LTMPs for medium (unless they resolve not to) and large complexes? If no, what threshold or timeframe do you consider appropriate?

**20 years is a long time / all sorts of things can impact on a LTMF weather, & general maintenance carried out.**

**We had water blasters clean our building which have damaged our roof, guttering caused water damage to walls All of which was never mentioned in LTMF**

Proposal 4: Require body corporates to review their LTMPs every three years

23

Do you agree that LTMPs for medium and large complexes should be reviewed every three years? If no, what threshold or timeframe do you consider appropriate?

**Definitely /the LTMF are only a guide & our building has a useless one**

Proposal 5: Require large bodies corporate to have a LTMF

24

We propose that medium sized bodies corporate comprising 10-29 units are required to establish and maintain a LTMF (unless they resolve not to by special resolution). Large complexes comprising 30 units and over units would be required to have and maintain a LTMF. Do you agree? If no, why?

**definitely**

Proposal 6: Require bodies corporate LTMFs to be annually audited

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We propose that the LTMFs of medium and large bodies corporate are audited annually. Do you agree?

**Yes Ours seem to move around the balance sheet quite a bit.**

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## 4.5 Accessibility of the Disputes Resolution Regime

### Proposal 1: Fee settings

26 Do you support the proposed fee level for the dispute resolution service? If no, why?

**NO! We pay rates and taxes Your limited laws have created problems for us**

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27 Would you consider using mediation if the above option was adopted? If no, why?

**Mediation isn't going to fix shifty management**

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### Proposal 2: Revise the name of the Tenancy Tribunal (preferred proposal)

28 Do you agree that the name of the Tenancy Tribunal should be changed to the 'Tenancy and Unit Titles Tribunal' to reflect its jurisdiction over unit title disputes? If no, why?

**Or give us a stand alone the Unit Titles Tribunal as it will have a lot of work**

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