From: s 9(2)(a)
To: UTAreview2016
Subject: UTA review
Date: Friday, 3 March 2017 4:55:44 p.m.
Attachments: UTA Review submission - March 2017.doc
Submission on the Unit Title Act 2010 - August 2016.docx

I have attached my response to disappointingly limited UTA Review.

I also attach my earlier succinct submission on a broader range of issues most of which are not addressed in the Review. I request that you place this before the Minister for consideration. If you do not send it on to the Minister please advise so that I can make use of other avenues to ensure that these issues are fully considered.

Seismic Strengthening

Please ask the Minister to consider inserting a new section in the UTA, authorising body corporates to levy only the owners of units which benefit from a major repair work such as earthquake strengthening work in proportion to the benefit their unit receives. Any such decision would be reviewable by the Tenancy Tribunal or the courts under the minority relief provision in subpart 3 of part 5 of the Act.

The Government is committed to increasing the housing stock, including by increasing the density of housing, and to seismically strengthening multi dwelling buildings many of which are body corporate developments. Seismic strengthening body corporate developments is difficult for a body corporate and very difficult for a body corporate development that consists of some buildings that are earthquake prone and others which are not.

Body corporates have no power to levy owners for repair work in advance of the work being carried out, except in proportion to each owner's utility interest.

Where a major work such as earthquake strengthening benefits some units more than others, the Act does empower the body corporate to recover the cost of those repairs, from the owners of the units who benefit, in proportion to the benefit their unit receives. But these costs can only be recovered **after the work has been completed and paid for**. The body corporate has no power to establish a funding programme that levies owners in proportion to their unit's benefit in advance of the work being completed.

The cost of seismic strengthening projects cannot be met within the annual budgets of the body corporate. They usually cost many times (30, 50 or 100 times) the body corporate's annual budget for repairs and maintenance and are many times any financial reserves the body corporate might have.

In respect of major weathertightness repair works, body corporates have got round this flaw in the Act by relying on the scheme of arrangement provisions in the current and preceding Acts (s.74 UTA 2010). A court approved scheme of arrangement allows the body corporate to determine how the cost of the work will be allocated among unit owners before the work starts. Obtaining court approval is, however, expensive and time consuming, and the outcome is uncertain. The scheme of arrangement procedure will not be available to these body corporates because it only applies in situations where a building is "damaged or destroyed" (s74 UTA 2010). Buildings with weathertightness issues were "damaged" due to water ingress which damaged

building structures. Although earthquake prone buildings are expected to be damaged by a moderate earthquake they have not been damaged yet, so, in the absence of judicial creativity, there are no grounds under s74 for a scheme of arrangement.

Powers currently available

The only way body corporates can fund and carry out such work under the current Act is to levy all owners in proportion to their utility interests, regardless of the extent to which individual units will benefit from the work. Once the work has been completed the body corporate can recover the cost of that work from owners in proportion to the extent to which their unit has benefited more than other units. This is not a feasible means of funding high cost earthquake strengthening because:

- It requires the owners whose units received little or no benefit from the work to effectively lend the body corporate the amount they are levied in Year 1 for at least four years, perhaps longer. Some of these owners may have to borrow the money to pay the levy.
- Owners whose units benefit will have to make a second contribution to the body corporate – the amount the body corporate seeks to levy against them – a sum which may be greater than the original levy.
- There is no guarantee that the body corporate will three or four years after the original levy seek to recover from benefitting owners the additional benefit that has accrued to their units. It may be that the benefitting owners are the majority and conveniently forgetful.

The only alternative

The alternative is that the owners in a body corporate come to a **unanimous agreement** about how the costs will shared amongst them. A unanimous agreement is likely to be very difficult to achieve for a body corporate with more than 10 members. There is always likely to be one or more owners who refuse to agree.

Proposed Solutions

There are two possible options:

1. Amend s74 to include a reference to earthquake strengthening. This would enable body corporates to apply for a scheme of arrangement for earthquake strengthening.

2. A new section authorising body corporates to levy only the owners of units which benefit from the work in proportion to the benefit their unit receives. The body corporate's decision would have to include a decision on the proportion of the cost to be allocated to each of the units benefitting. The body corporate's decision would be reviewable by the Tenancy Tribunal or the courts under the minority relief provision in subpart 3 of part 5 of the Act.

We consider that Option 2 is the better option because:

- It will empower the owners as members of the body corporate to deal with large repair or strengthening works quickly and efficiently.
- Minority interests will be protected by the minority relief provisions of the Act.
- It will be quicker and cheaper because it will not necessarily involve a court hearing. Such a hearing will only be required if an owner objects to the body corporate's decision. This

will incentivise to the body corporate to consult fully with owners and to reach a consensus before a resolution is passed. By contrast, an S74 scheme of arrangement must be approved by the High Court. We are told that this costs between $50,000 and $70,000 plus GST, provided that there is no serious opposition.

It is therefore recommended that a provision similar to Option 2 be included in any amendment to Unit Titles Act.

Body corporates are very keen to complete seismic strengthening work as soon as possible. They face a number of hurdles. For developments made up of buildings which need strengthening and other buildings which don't, there is the additional hurdle of trying to achieve the unanimous agreement which may delay or even prevent necessary strengthening. Failure to take action in respect of these relatively small but extremely important proposed changes might reflect very badly on the Ministry and the Minister if, in the next earthquake, the collapse of a body corporate building is the equivalent of Christchurch's CTV disaster.

s 9(2)(a)

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

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

December 2016

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MBIE officials can contact me if they have a question about the content of my submission

Making a submission

To make a submission, please fill out the submission form below, and send to 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.

3. Overarching Reform Proposals

3.1 Potential size thresholds for more rigorous legislative requirements

1	We propose that the following legislative requirements apply to complexes with 10 units and over. The body corporate for complexes between 10 and 29 units, may, however, resolve against adopting any of these requirements by special resolution. Bodies corporate must: • report on the performance of delegated powers at the annual and any other general meeting; • contract a body corporate manager to perform functions as specified in the UTA; • have LTMPs signed by the body corporate chair and a qualified person; • have a long term maintenance fund to finance the long term maintenance plan already required under the UTA; and • have body corporate accounts and LTMFs audited annually. Do you agree? If no, why?

Generally compelling BCs to do these things because they are a particular size is a very bad idea. If compulsion is contemplated there are other factors which would be better criteria eg whether the BC is a multi-level development or not. Size appears to be an Auckland solution to a problem that is multifaceted in the rest of the country. This level of compulsion is just silly for the large number of separate or semi-detached dwellings which have been established in the belief that a UT is superior to a cross lease. A better solution would be to remove this type of development from the requirements of the UTA or make it easy for these developments to exit the UTA regime by freeholding with well drafted easements. **Reporting on delegated powers.** Disagree. The Body Corporate Committee should report on delegated powers at every AGM regardless of the size of the BC. The major problem for owners is a lack of information about what BC committees are doing on their behalf and anecdotal reports of domination of some small BCs by one or two owners indicate that this can be just as much of a problem for small BCs as for large ones. **Have a BC Manager.** Disagree. This would forces owners to employ people who have yet to demonstrate any significant degree of skill, competence or integrity when they may have their own innovative solutions. If this is to be imposed the criteria should include other factors including whether the development is a single multi-storied building. **LTMP** Disagree. This is a BC responsibility. It needs to be agreed by the whole BC at a GM. **LTMP Fund** Agree but this is a toothless provision if the BC is not required to put sufficient funding into it to ensure that the works planned can be carried out when they are due. **Audit** – Disagree on these unit number criteria. May be appropriate if the criteria are redefined to catch the large multi-storeyed developments with a lot of common property and exclude smaller developments where the current regime works.

2	Do you consider that it is appropriate for complexes between 10 and 29 units to be able to opt out of the above proposed legislative requirements by special resolution? If no, why?

See above.

3.2 Improving Government Services to the UTA Sector

3	Please comment on : – 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.

What is important is that owners and potential owners are better informed about what they are getting into when they buy a unit in a Body Corporate. The State should focus its attention on minimising any information asymmetry between developers, BC Managers and BC Committees, and owners or potential owners. What is needed is a much more dynamic upfront approach such as EECA and CFFC achieve. These organisations are nimble, agile and dedicated to reducing information asymmetry so that members of the public are better informed market participants who can assert their rights. A rather slim, patronising and poorly focussed section hidden under the heading "Housing" at the backend of the MBIE website does not provide easily accessed information that prospective and existing owners can access. It is unlikely that a mega- Ministry like MBIE can achieve the level of owner focus, agility and dedication that EECA and CFFC .

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

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

I have no view other than to observe that the current system is overly bureaucratic and provides very little worthwhile information for most buyers. The disclosure regime should do more to reduce information asymmetry without which a fair and efficient market cannot operate and UT units will be discounted as a viable option.

Proposal 2: Add further requirements in disclosure statements

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

Agree

Proposal 3: Require a statutory warranty on all disclosure statements

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

Agree

4.2 Strengthening Body Corporate Governance

Proposal 1: Address conflicts of interest

7	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?

Agree. But interests need to be defined to ensure that committee members cannot use information they receive in that capacity to their benefit while not disclosing it to other owners eg not disclosing information about weathertightness issues and then selling their unit. There should also be a statutory obligation on all owners to advise the Body Corporate of substantial defects in their unit which may impose obligations on BC under section 138.

Proposal 2: Increase reporting of delegated powers

8	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?

See answer to 1.

Proposal 3: Duties and responsibilities of body corporate committees

9	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?

Agree in principle. However MBIE's concept of conflict of interest is simplistic and does not deal with the real problems in BCs. There is a lot of evidence that some people on BC Committees use information that they obtain in the course of their Committee duties to benefit themselves. Most commonly they suppress information about defects in the development to avoid having to contribute financially to remedying the defect. It is not uncommon for the Committee member to then sell their interest without disclosing the defect to their purchaser, leaving that purchaser and the other owners to bear the cost of the work. I am aware of a case where that delay resulted in the BC being precluded from taking legal action against the developer because time limits had been exceeded.

Basing policy decisions on Tenancy Tribunal complaints is dangerous because the complaints that get before the Tribunal are the tiniest tip of the iceberg. Owners need legal advice to interpret the jurisdiction and powers of the Tribunal in relation to their rights. Most are unlikely to seek that

advice because they bought the unit to live in, not to line the pockets of lawyers. In any event lawyers consulted are unlikely to be able to provide accurate predictions as to outcomes because of the nature of the TT's powers and because there is insufficient jurisprudence due to owners unwillingness to fund the development of that jurisdiction.

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

10	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?

No. If this is a problem it seems that it is an Auckland problem and any proposal to deter it should be carefully framed to limit the unintended consequences to large developments Auckland.

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?

This looks like an Auckland problem where developers and managers are it seems more dishonest and incompetent than in the rest of the country. I have no view but this would have to be very carefully drafted and consulted upon if it were to strike the right balance between certainty for the contractors and control for the BC owners. Proposal 6: Clarification of governance terms

12	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; • Quorum – section 95 to be clarified; and • Resolutions – section 101 to be amended. If no, why?

4.3 Professionalism in Body Corporate Management

Proposal 1: Status Quo and Self-Regulation

13	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?

Yes

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?

Yes.

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

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

Size is not an appropriate criteria for the reasons outlined above.

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

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

Yes.

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

All the powers that the BC cannot delegate.

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

Yes

4.4 Ensuring Adequate Long Term Maintenance Plans

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

19	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

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?

Someone on behalf of the BC needs to certify that the BC has provided the creator of the plan with all the information the creator needs to develop the plan.

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.

The current provisions of the UTA regarding Long Term Maintenance are seriously deficient for the following reasons:

- There is no definition of "maintenance" and no guidance on how maintenance is distinguished from repair, particularly of catastrophic damage as the result of earthquake, weathertightness failures etc. There is also nothing to ensure that improvement and betterment is not funded out of the LTM fund. Why not a simple definition of maintenance which defines it as "the replacement or recoating of building elements at intervals that accord with the manufacturers specifications or industry practice for the particular material"
- The UTA gives the misleading impression to a purchaser that the LTMP is set in stone and that it cannot be changed. They should be made aware that it can be changed at any time and that future planned actions will not necessarily occur on the dates specified in the plan.

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?

Yes but on a two tier basis. The plan should lay out the items that have to be replaced, renewed or recoated over a 30 year period but only be required to budget for those items over the current 10 year period.

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?

No. Five years is more appropriate because if maintenance was properly defined there should be very little change. The original plan should cover all materials that have to be replaced, renewed or recoated. The materials shouldn't change and unless there are significant improvements in product lifespans the timing of replacement, renewing and recoating should not change.

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?

See above re size of units and the mixing of large high rise developments and multiple stand alone developments.

Proposal 6: Require bodies corporate LTMFs to be annually audited

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

Auditing is a minor issue. Of more importance is a requirement that funding of an LTMP be compulsory and on a basis that enables the planned maintenance to be performed when specified in the plan. If the money is not put into the fund regularly the LTMP is not worth the paper it is written on.

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?

Yes

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

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?

Yes

Submission on the Unit Title Act 2010

It is generally acknowledged that part of the solution to the current housing issues is intensification and in particular apartment living. While there is demand for apartment living the weaknesses of the current framework for governing the ongoing management of body corporates discourages continuing ownership of apartments by owner occupiers.

The Unit Titles Act 2010 appears to pay great attention in both the original legislation and subsequent amendments to the development and expansion of a unit development. Much less effort has gone into the design of a coherent user friendly legal framework for the unit owners who will for 50 or more years be jointly responsible for the buildings and other improvement the developers erected in two or three years.

An Overarching issue – Restructuring the UTA

The Unit Title Act 2010 (UTA) could be improved by grouping together the provisions which unit owners need to access regularly in their capacity as owners and as committee members.

Much of the UTA relates to the legalities of establishing, varying and cancelling unit plans. These provisions are important but are used infrequently and mainly by developers who are inevitably assisted by lawyers in dealing with the complexities. By contrast unit owners and committee members particularly in larger complexes need to access to a framework of clear rules, which the UTA purports to be, much more frequently. Owners and body corporate committee cannot afford to seek the advice of a lawyer every time they are confronted by gaps and ambiguities in the UTA. (In our experience even legal advice is of limited benefit because of the lack of case law, which is due to unit owners not wishing to fund the clarification of ambiguous or vague provisions for the benefit of every other unit owner in the country.)

A good start would be to reorganise the UTA to bring together in one Part all of the provisions that relate to the day to day administration of a body corporate. These are currently hard to find because they are spread through the UTA and there is little cross referencing. This Part of the UTA should be at the front of the UTA. The current organisation of the UTA seems very traditional and consistent with a view that the legislation should be chronological in the sense that it follows the life cycle of a unit plan and body corporate. It also seems to accept that the resulting complexity will be mitigated and resolved by the intervention of lawyers, which as indicated, unit owners cannot afford.

Sections that could be included in a “Body Corporate Operating Regime” Part include:

- Sections 38-42 (ownership and utility interests)
- Sections 76-138 (body corporate membership and structure, rights and responsibilities, powers and duties of body corporate, meetings and voting, operational rules, body corporate committee, Long term maintenace plan and fund, other funds, contributions, spending, borrowing, investing and distributing money, financial statements and auditing, insurance, repairs and maintenance
- Section 144-157 (disclosure)
- Sections 171-176(Disputes)
- Sections 210 – 216(Minority and majority relief)

The case for a separate Part at the beginning of the UTA is strengthened by the fact that the UTA now codefies virtually all Body Corporate procedures and practices whereas under its predecessor many of the procedures and practices could be tailored in the body corporate rules to meet the needs of individual body corporates.

Specific Issues

There are also specific issues:

Weathertightness and Seismic strengthening

The UTA is not well designed for major issues such as weathertightness and seismic strengthening. It is particularly poorly designed for complexes that are made up of a number of buildings that are constructed of different materials and with quite distinct designs, where only some buildings may have weathertightness or seismic strengthening issues. The attached paper was submitted to the Department of Building during an earlier review 3 or 4 years ago but does not appear to have been acted upon. Please treat the attached paper as part of this submission.

Section 101(1) Special Resolutions

This subsection appears to create an anomalous situation where if a body corporate does not delegate a power only an ordinary resolution needs to be passed by the body corporate but if the power is partially delegated a special resolution is required for the body corporate to exercise the reserved part of the power. In a larger body corporate it is entirely appropriate to delegate a power up to a specified spending limit, leaving the body corporate decides on matters beyond that spending limit by ordinary resolution. What is the logic for making a special resolution mandatory for the reserved part of a power that is otherwise delegated when if there had been no delegation only an ordinary resolution is required.

Sections 102 & 103 Proxies and postal votes.

In practice there is some confusion about proxies and postal votes. Faced with forms for both the appointment of a proxy and postal voting some unit owners appoint a proxy and submit a postal vote. To avoid doubt in situations which arise as a result of limited awareness on the part of owners it would be useful to specify which of a vote by a proxy and a postal vote takes precedence as the owners single vote .

Section 105 Operational Rules.

Because it only refers to principal units this section could be interpreted as meaning that the operational rules only apply to principal units when they should also apply to auxiliary units. Clarification that the rules apply to auxiliary units is necessary.

Section 109(2) Sub-delegation.

Subsection 2 is so restrictive that it is impracticable and is usually honoured in the breach. It is quite impractical to have the committee approve every payment that even a moderate sized body corporate has to make. In practice body corporate committees need to be able to delegate some tasks to the professional manager they employ to carry out administration and building maintenance and repairs or to individual committee members.

Sections 112-4 Body Corporate Committee.

The legal status of a committee members is anomalous. In a medium to large body corporate they have a considerable workload and significant responsibilities. From a legal perspective a body corporate committee member sits somewhere between a committee member of an incorporated society and a director of a small public company. They are formally recognised in the legislation. But there is no clear statement as to how they are to conduct themselves, their legal responsibilities and the limits of any liability they may have. For example the initial interpretations of the new Health and Safety legislation suggest that committee members will be liable as if they were directors. Their status becomes even more uncertain if they receive payments for their efforts which is known to occur in some large body corporates, those that involve a mix of residential and commercial units and those involved in major seismic strengthening or weathertightness projects. A more defined role description and perhaps a code of conduct would also go some way to meeting the frequently voiced criticisms of committee members acting in their own interests rather than those of the body corporate as a whole. For examples of these complanits see http://www.betterbodycorporates.nz/

Section 116 et al Long Term Maintenance.

For the benefit of non-expert unit owners, particularly those who become committee members, there needs to be a definition of maintenance which distinguishes it from repairs and betterment or improvements. Logically maintenance should include actions repeated at intervals specified by manufacturers or trades people to protect the structure, equipment and surfaces. This would contrast with repairs, which could be defined as actions that have to be taken to deal with unexpected deterioration or failure of structure, equipment and surfaces. Both of these need to be distinguished from actions taken improve structures, equipment and surfaces. In the absence of definitions there is a risk that repairs or improvements that might only benefit some units in a complex will find their way into the long term maintenance plan and be funded by general levy of all unit owners.

Section 116 Long Term Maintenance Plan.

This section does not protect owners from frequent changes to the Plan or the failure to carry out the Plan. A person buying a unit often believes that the plan is fixed for specified term and will be carried out strictly according to the plan. The section needs to be expanded to make it clear that the plan can be reviewed within the 10 year period and a process for doing that which appropriately balances certainty and flexibility.

Section 121 Levies.

As indicated in the accompanying paper this section only allows any levy to be a levy of all owners in proportion to their utility or ownership interests (which are nearly always the same). It does not allow for differential levying where some units are going to benefit more than others from repairs or improvements. The section as currently worded is based on the assumption that all unit title developments are in a single building under a single roof and that all owners equally use all the amenities. That is not true of all unit title developments. Under the old Act this difficulty may have been partially overcome by the customised rules but that is not possible under the codified provisions in the UTA.

Section 126 Recovery for repairs and other work.

This section is impracticable for major weathertightness and seismic repairs. See the accompanying paper.

Regulations 5 & 6 AGMs.

One of the voiced complaints of owners is that body corporate administration is not transparent and it is difficult for them to be involved because they do not have access to information. The current regulations give owners little opportunity to fully inform themselves about the affairs of the body corporate in time to take active steps like proposing a resolution at the AGM. By the time they receive the documents it is too late to propose a resolution. It would be useful if some important documents were published with the notice of meeting issued under regulation 5 so that owners had the opportunity to seek clarification and if necessary propose a resolution. Some of the documents that should be considered are the financial statements, the budget for the new year, the committee's reports to the body corporate, the Long Term Management Plan and proposals for its implementation in the new year.

Regulation 11 Duties of Chairperson.

This regulation imposes an unrealistic range of duties on the chairperson. There are duties which could realistically be part of the chairpersons duties - those in subclause 1 (b),(c),(e),(i),(j),(k),(l). The other duties should be for the body corporate to manage and if thought appropriate to delegate to the committee or a professional manager. In reality for larger body corporates most of the duties in subclause 11(1) are usually performed for the body corporate by a professional manager because they are secretarial or would impose an unreasonable work load on the chairperson.

To make this regulation realistic the chairperson should be responsible for ensuring that they happen rather having a duty to actually perform them.