

REVIEW OF UNIT TITLES ACT 2010

SUBMISSION OF ^{s 9(2)(a)}

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INTRODUCTION.

As a former member of a Body Corporate (BC) of a property with severe leaking building issues, and the current Chair of another BC, I welcome the review of the Unit Titles Act (UTA).

I agree with the majority of the proposed changes, and my concerns are as follows-

1. Appointment and Removal of Body Corporate Managers (BCMS)

With many BCMs appointed by developers for long-term contracts, the removal of under-performing BCMs can be a problem. There should be a limit on any initial appointment (say 2 years) with a non-automatic right of renewal, on an annual basis.

2. Mandatory Appointment of Independent BCMs.

While in most cases the mandatory appointment of a BCM is warranted, there should be the ability for a BC to appoint a suitably qualified member of the BC to act in this capacity.

3. BCM Duties and Fees.

The BC and the Chair must resolve annually on any duties to be delegated to the BCM, and any BC duties delegated to the BCM should be able to be resumed by the BC on no more than 3 months notice. I am aware of instances where the BCM has just assumed the chair at a BC meeting. This should only occur if the BC resolves accordingly.

The BCM should be required to produce a scale of fees/charges for all services provided.

4. Sale and Purchase of Units.

There needs to be a mandatory full disclosure of BC minutes, finances, and sufficient information to enable potential purchasers to assess any future financial obligations.

However, there does not need to be other buyer protection above that provided by normal sale and purchase requirements.

5. Unit Purchases off the Plans.

Developers must adhere to any deposit conditions – ie a 10% deposit determines the final price of the unit, and there must be a time limit beyond which deposits have to be refunded in full with interest.

6. LTMP.

Subject to the number of units, the LTMP needs to be reviewed and audited at least every second year. Unspent reserves held on behalf of a unit need to be disclosed prior to any sale.

The LTMP should be for no longer than 10 years, with 30 years for buildings. It must provide for all known defects, and the funding should be in a separate account, with the contributions of each unit individually recorded.

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