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# Unit Titles Act Review

## Submission

3<sup>rd</sup> of March 2017

## Unit Titles Act Review Submission

- The current Unit Titles Act is seen as a “dog” and good to see it being reviewed.
- Points to Consider for change and inclusion;
  - Revision needs to include disaster management (BC & Managers not equipped to handle the complexity adds cost, time & waste). How does a diverse group of people in a BC or BC Managers manage a complex rebuild process? Some did many didn't as in this case, along with the high \$ waste in fees, engineers & architects which diluted the final return to the BC members.
  - My unit was demolished by CERA. I was unaware of this action until too late. Cost to demolish \$98k vs \$29k for unit 7. My external brick wall could have been lowered to safe height and the unit reoccupied – this would have significantly changed the end result, emotionally & most importantly, financially.
  - BC Managers should not be able to influence the “AS Is Where Is Sale Process” as in this case, manager was fully involved. The conflict of interest is too high, the BC manager is unlikely to have the best interest of the BC in his/her mind. Eg A resolution was put forward, one of the points was around cancellation of the <sup>s 9(2)(b)(ii)</sup> ~~contract~~ made very clear that the contract should not be cancelled until the resolution was passed. The BC Manager went ahead and cancelled it anyway way before the resolution was put to the vote!
  - Bullying must be addressed – maybe use the Australian option
  - Clarify insurance/levies that can be imposed where one unit is demolished but the other units only require a repair.
  - Clarify ability to offset a mortgage with insurance payments thereby reducing mortgage payments until a rebuild commences.

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- Points to Consider for change and inclusion con't;
  - Typical BC owners now or in the future cannot afford to take even small matters to the high court – why not allow the tenancy tribunal to adjudicate on BC matters. Number of lawyers agreed that my insurance premium should not have applied but all agreed that it would have to be tested in the high court. **Note** – Retirement Commissioner's views on BC Levies, people will not be able to afford them!
  - My BC had only lump sum insurance not replacement cover, why is this permitted and what will it cost BCs to have replacement cover in the future?
  - BC Managers need to be accountable/liable for inaction or any action that did not comply with the act and **fined**.
  - Section (41) clarify this section - I believe it says that I was in my right to have/request a registered valuation method, not an equal split of the proceeds from the sale and insurance payout that was "agreed" as it renumerated the other BC members <sup>s 9(2)(a)</sup>

# Unit Titles Act Review – Need to Reform

## Section 79

C. Each owner is entitled as B.C. Member to exercise a vote in respect to his or her unit.

s 9(2)(a)

Refer to **Section (96) Cl 6**. I paid the fees to gain my voting rights.

D. Each owner is entitled to have quiet enjoyment of his or her unit without interruption by other unit owners.

s 9(2)(a)

G. An owner of a principal unit has a right to enforce the body corporate operational rules

I asked s 9(2)(a) to hold a meeting under The Unit Titles Act, re having a vote on my insurance funds he was holding. No vote was taken.

s 9(2)(a)

H. The BC Manager did not inform me that an Annual General Meeting of the BC was to be held. He claims that he sent the notice by mail, it would be nice to verify that he did send me a letter.

s 9(2)(a)

**My point is – why is a unit owner, with no asset to insure, required to cover equally the insurance cover on other BC repairable units?**

# Unit Titles Act Review – Need to Reform

## **Section 86**

Power of BC to sign document provided the procedure outlined in the act is followed.

s 9(2)(a)

**How is this legal or fair? It seems to contravene this section – CI 5 not followed?**

**Section 120.** Separate bank accounts for each fund

s 9(2)(a)

**Section 131** - Distribution of surplus money or property

The BC withheld my funds, as outlined above, all other BC Managers I contacted, informed me that insurance payments went to a members bank, following arrangement to have the funds held against their mortgage to reduce their mortgage payments and to be repaid when rebuild work started. The view was that this was a time of extreme Stress due to a Major disaster.

**Refer Section (136) CI(6)**

My intent was to offset my debt, not repay any of my debt and I was supported by my bank.

# Unit Titles Act Review – Need to Reform

## Section ( 206 )

Provision of records and documents.

(A) I made several requests to the BC Manager for a copy of the BC Rules, he never acknowledged my requests nor did I receive a copy of the BC rules.

## Section (210).

General relief for minority where resolution required.

The complex was sold after a second resolution was put to the BC members. The first resolution was clearly in favour of the majority and I wanted the distribution of monies to be based on a valuation but s 9(2)(a) vetoed this option. It was very favourable to the majority to have the monies split equally.

## Section (132)

Financial statements. To be made available.

s 9(2)(a)

## Other issues:

s 9(2)(a)

BC Manager used a letter from s 9(2)(a) which had nothing to do with s 9(2)(a) , I went to visit s 9(2)(b)(ii) and he confirmed this. See notes under Section 120 previous slide.

s 9(2)(b)(ii) directing a bailiff to serve notice of court action on me s 9(2)(a)

# CERA Demolition Notices Remove Loopholes

**Why** - because each case has unintended consequences

s 9(2)(a)