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Principal Policy Adviser
Policy and Corporate Services
Consumer Affairs Victoria

Sent via email:

cav.consultations@justice.vic.gov.au

Re: Owners Corporation and Other Acts Amendment Bill Exposure Draft Consultation

We thank you for providing the REIV with the opportunity to respond to the Exposure Draft.

We believe the Exposure Draft is consistent with the recommendations in our 2016 submission to Consumer Affairs Victoria.

We do, however, have a few recommendations to further strengthen provisions designed to ensure fairness and the efficient managing of Owners Corporations (OC). The recommendations are the result of consultation undertaken with members of our Owners Corporation Chapter and Property Management Chapters, and are:

Section 30: Public Liability Insurance:

We do not believe it is necessary for all buildings to have \$20 million in public liability cover. Given the draft Bill introduced a tiered approach, it makes sense a similar tiered approach is applied for public liability insurance.

Section 51 (3) Notice of Entry:

Under emergency access, there must be provision for an OC to gain access if there is criminal activity, activities risking public safety, and activities in breach of a Certificate of Occupation.

This is particularly pertinent for illegal rooming houses. We understand other areas of Government are currently examining powers under health and buildings legislation, however, as this Bill will be before the Parliament shortly, it provides an excellent opportunity to consider extending the powers of the OC.

Because of issues with cladding, should the OC have rights of entry under emergency provisions for rectification works? We consider the draft Exposure Bill may be inadequate for this purpose.

OC Manager, Sections 67(a), 68 122 (a):

The relationship between the initial owner and the OC and/ or associate of the initial owner (developer) or subsidiary company should be included in the Bill.

Relationships should be defined to incorporate the prohibitions in section 55 of the *Estate Agents Act* 1980. We consider this will close loopholes that may compromise your intentions.

Sustainability Items Section 138 (b):

We consider a person installing a sustainability item (as defined) on common property should be responsible for its maintenance and repair and for reimbursing any costs associated with the OC maintaining, repairing or replacing common property, arising from the installation. We consider the section should be revised to reflect this sentiment.

Section 165 (ca) cost of VCAT proceedings by an OC are not recoverable:

This is not fair to other lot owners as the OC fees levied across all lots will invariably take this into consideration. REIV is of the view this is a matter of fairness.

Section 179 (c) eligibility for registration as an OC manager, despite a criminal record:

Offences should include violence or any serious offence found proven, whether or not a conviction is recorded.

Section 186 A permission to continue to be a registered manager, despite criminal record:

Should VCAT decide rather than BLA? We consider VCAT may be better placed to make this decision and note the BLA makes decisions administratively whereas VCAT does so in an open forum.

As stated at the outset, we appreciate the opportunity to comment on the Exposure Draft and our recommendations are designed to further tighten certain provisions to ensure fairness and the smooth operation of OCs.

We will be pleased to meet you to discuss our recommendations.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Gil King', with a long horizontal stroke extending to the right.

Gil King
Chief Executive Officer