



Triple Bottom Line (TBL) Assessment Summary

The Triple Bottom Line Assessment is required to be published in accordance with Part 4, section 23 (1)(b) of the Freedom of Information Act 2016

19/294 – Co-Sponsored Unit Titles Legislation Amendment Bill 2019

Summary of Impacts	
<p>The Bill proposes amendments to the <i>Unit Titles (Management) Act 2011</i>, <i>Unit Titles Act 2001</i> and other legislation that will:</p> <ul style="list-style-type: none"> ○ better support residential and commercial units to cater for the different functions, management and financial requirements in mixed-use developments; ○ improve the equity of cost allocation by; <ul style="list-style-type: none"> ▪ allowing owners corporations to split budgets to allocate expenditure to users more effectively, ▪ provide owners corporations more flexibility in determining levy contribution methods, and ▪ make it easier for decision about financial management to be approved; ○ improve disclosure requirements so buyers are better informed when purchasing a unit and are informed of key changes that may take place during construction prior to settlement of the contract; ○ improve contractual arrangements for off-the-plan units purchases to provide additional rights to buyers including the right of the buyer to receive quarterly updates of any changes during construction of the building and the right of the buyer to rescind the contract if specified key changes during the construction are not provided or not provided on time; ○ make it easier for owners and occupiers to keep a pet by permitting owners corporation rules to dispense with the need for individual case by case consent to the keeping of pets; such a rule is to become the default rule after a transitional period; ○ improve administrative functions and procedures for owners corporations; ○ develop new approved forms to improve efficiency and create consistency for the management of the owners corporations; ○ introduce compulsory registration of specific approvals or decisions made by owners corporations to ensure transparency and continuity of records; ○ clarify voting eligibility for certain members of the owners corporation; ○ restrict voting on building defect issues, particularly where a conflict of interest exists; ○ give developers more flexibility during the development period to adopt budget processes as well as bespoke rules more aligned with the needs and functions of the building; and ○ provide more transparency about commissions received by strata managers. 	

Level of impact

Level of impact	Positive	Negative	Neutral
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Social

Justice and rights	<ul style="list-style-type: none"> • The proposed reforms have potentially positive human rights implications as they will make owners and residents more informed of key strata matters and will improve the potential to participate in owners corporation decision making.
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	<ul style="list-style-type: none"> • The proposed reforms provide clarification for parties involved in a dispute. These reforms will give certainty for owners and occupiers to be able to seek resolution of matters through ACAT where necessary. • The reforms will provide improved mechanisms for ACAT to undertake a merit review of certain issues. This will provide better transparency and fairer outcomes for the decision making processes applied by owners corporations. • The proposed reforms will introduce better disclosure requirements for buyers of off-the-plan unit purchases and provide fairer contractual arrangements to enable the rescission of contracts in circumstances where buyers are significantly prejudiced by changes to the development or are simply not informed of key changes. • The proposed amendments will improve the ability for an owner or occupier to keep an animal (pet) within the unit by permitting owners corporation rules to dispense with the need for individual case by case consent to the keeping of pets; such a rule is to become the default rule after a transitional period. • Amendments will confirm that assistance animals, such as guide dogs or recognised therapy animals, do not require consent from the owners corporation to be kept within a unit.
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Economic

ACT Government Budget	<ul style="list-style-type: none"> • The proposed amendments may have some financial implications for the ACT Government. • ACT Courts and Tribunal (ACTCT) noted there are IT impacts for the ACT Civil and Administrative Tribunal. • ACTCT indicated if changes to their case management system are required prior to upgrades already scheduled for November 2020, they would need additional funding to immediately implement the changes to adapt functions within their ICMS database. • To assist with this, the amendments are to take effect in November 2020.
Productivity	<ul style="list-style-type: none"> • The reforms will provide greater flexibility for owners corporations to determine the financial contributions made by owners and enable the fairer allocation of costs on the basis of use. • The amendments provide greater support to owners corporations by improving administrative procedures and creating consistency in management through new forms and registration of decisions.
Investment	<ul style="list-style-type: none"> • The reforms propose to introduce greater flexibility for developers. This will be achieved through creating more appealing and liveable developments by being able to offer bespoke management arrangements for mixed-use schemes. This has the potential to deliver more appealing investment options for property development within the community. • Improved governance arrangements for mixed-use development, consistent with other jurisdictions, potentially makes the ACT a more attractive investment destination.
Competition	<ul style="list-style-type: none"> • Impacts on competition have been considered and no impacts have been identified.

Environmental

Energy	<ul style="list-style-type: none"> • The Bill includes regulations requiring the disclosure of information to purchasers of provisions in the proposed building for electric cars and creates the capacity for regulations to stipulate further information on other energy or utility matters. • The reforms make it easier for owners corporations to set up arrangements for contribution levies from unit owners for water and energy supply to be set on a user pays or close to user pays basis where this is practical. This will mean that unit owners and tenants will have the same incentive to save on energy and water use as owners of stand-alone houses.
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