

**2020**

**THE LEGISLATIVE ASSEMBLY FOR  
THE AUSTRALIAN CAPITAL TERRITORY**

**UNIT TITLES LEGISLATION AMENDMENT BILL 2019**

**SUPPLEMENTARY EXPLANATORY STATEMENT**

**Presented by  
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Shadow Minister for Planning**

## **Introduction**

This Supplementary Explanatory Statement relates to the *Unit Titles Legislation Amendment Bill 2019* (the Bill) as presented to the Legislative Assembly by the Minister for Planning and Land Management on 28 November 2019. It has been prepared in order to assist the reader's understanding of the proposed amendments. This Supplementary Statement does not form part of the proposed amendment, nor is it part of the Amendment Bill itself. The reader should consult the Minister's Explanatory Statement for the Bill and the Amendment Bill itself for a full appreciation of the changes proposed by the Minister.

## **Background**

Section 100 of the *Unit Titles (Management) Act 2011* and the same Section in the Amendment Bill require all buildings on relevant land to be insured for their replacement value against a range of risk contingencies listed in that Section. In the Amendment Bill a new term (responsible entity) is introduced to better reflect the management bodies that might have stewardship over a complex, for example, an Owners Corporation or a Building Management Committee as applicable.

The clear intention of Section 100 and its subordinate parts is to place building insurance matters under the sole province of the responsible entity.

## **Purpose of Amendments to the Amendment Bill**

The circulated amendment seeks greater clarity on responsibility for lodgement of insurance claims and for any excess payable on an insurance claim. It aims to achieve this by seeking changes to the Amendment Bill as follows:

- a. First, by proposing omission of Section 100(3) (a) within Amendment Bill Clause 87. As presented, the Amendment Bill in this Section enables regulations to be made in relation to payment of excess amounts by unit owners under a building insurance policy. Omission of sub-section (a) helps ensure unit owners are not held liable for such payments.
- b. Second, by proposing a new Section 100A under a new Amendment Clause 87A making it clear that the responsible entity for a units plan must lodge insurance claims and pay any excess in relation to such.

The amendments are important because they eliminate ambiguity by placing the responsible entity clearly in charge of the insurance process.

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