

1st November 2020

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Manager Market Conduct Division
The Treasury
Langton Crescent
Parkes ACT 2600

Via email businesscomms@treasury.gov.au

Dear Sir/Madam,

RE: Exposure Draft Bill for virtual meetings and electronic document execution

Strata Community Association Victoria (SCA (Vic)) is the peak industry body for Owners Corporations Management in Victoria. Our 900 individual and corporate members include owners corporation managers, support staff, lot owners' representatives and suppliers of products and services to the industry. SCA (Vic) proudly fulfils the dual roles of a professional institute and consumer advocate.

340,601 Owners Corporations in Australia and 115,968 in Victoria are required to hold AGM's each year to discharge the same duties corporations have under the Corporations Act. It is estimated that the combined property value in the sector represents \$1,117,350,632,387. Each shareholder has a significant stake in the owners corporation.

We congratulate Treasury for the reforming of the Corporations Act to modernise and allow for virtual meetings. Whilst Owners Corporations operate outside the Corporations Act, the duties of boards/committees to report to shareholders is the same and trends of one legislative framework often influences another.

We provide the following observations and recommendations.

Pre COVID19 these meetings were all held face to face. During COVID19 all meetings were transitioned to on-line using various platforms. As a result, our industry has reported:

- Reduced bullying and harassment normally received at face to face meetings from people who like to shout abuse.
- Better mental health outcomes
- More attendance from owners (shareholders)
- Wider opinions represented
- Positive feedback and a desire to continue holding on-line meetings
- Reduced administrative costs

Our specific state statutes provide additional consumer protections to ensure the voice of the minority is heard. For example, any shareholder can submit a motion and all motions must be placed on the Notice and then be voted on.

The missing regulation for on-line meetings is around the use of the “mute” functionality. Perhaps some Model Rules around meeting facilitation is needed. If face to face meetings are to be supported, than better regulation is needed around the conduct of shareholders at meetings and strengthen the ability for the Chair to remove those shareholders abusing the process.

In general, we would support the amendment to allow virtual meetings with the following specific amendment to the proposed Bill.

Comments on the Draft Exposure Bill

Subsections 249J(3A) to (5) and Subsection 252G(4) both declare that a notice of meeting is considered delivered 3 days after it is posted.

We believe 3 days is insufficient and according to Australia Post guaranteed delivery times for regular letters not possible. <https://auspost.com.au/business/shipping/compare-letter-services/regular-letters-cards>

We recommend that the number of days specified is stated in-line with other Commonwealth legislation like the Evidence Act 1995, Division 3—Matters relating to post and communications

160 Postal articles

- (1) It is presumed (unless evidence sufficient to raise doubt about the presumption is adduced) that a postal article sent by prepaid post addressed to a person at a specified address in Australia or in an external Territory was received at that address on the **seventh working day** after having been posted.

Thank you again for the opportunity to continue to be a part of this consultation process. We await and welcome your further contact should any further clarity be of assistance.

Yours faithfully,
Strata Community Australia (Vic) Inc

Julie Mclean

