

STANDING COMMITTEE ON LEGISLATION

Thirty-seventh Report — “Proposed Part 12 of the Strata Titles Amendment Bill 2018 — Termination of Strata Titles Scheme” — Tabling

HON DR SALLY TALBOT (South West) [2.16 pm]: I am directed to present the thirty-seventh report of the Standing Committee on Legislation titled “Proposed Part 12 of the Strata Titles Amendment Bill 2018 — Termination of Strata Titles Scheme”.

[See paper 2062.]

Hon Dr SALLY TALBOT: The report that I have just tabled advises the house of the committee’s findings and recommendations regarding proposed part 12 of the Strata Titles Amendment Bill 2018, which will introduce a new statutory process for the termination of strata title schemes. For the purposes of the inquiry, Hon Nick Goiran, MLC, was substituted by Hon Donna Faragher, MLC.

The government has cited a number of factors behind the introduction of part 12, including the ageing of strata scheme buildings, the increasing pressure to terminate existing strata title schemes to meet demand for redevelopment sites, and the inadequacies of the current law governing the termination of strata title schemes. Part 12 provides two types of processes for the termination of strata title schemes: first, a streamlined process in which there is a unanimous resolution by owners in favour of termination; and, second, a majority termination process whereby a termination resolution is passed for strata title schemes with five or more lots if the number of votes cast in favour is at least 80 per cent of the total number of lots in the scheme. The majority termination process contains various safeguards to protect the rights of those owners who do not support the resolution to terminate the strata scheme. One principal safeguard is that for a majority resolution to proceed, it must be confirmed by the State Administrative Tribunal after it has been satisfied of a number of matters, including that the termination process was properly followed; every owner will receive a fair market value for their lot or a like-for-like exchange for the lot; and the proposal to terminate is otherwise just and equitable.

The committee considered evidence from a wide range of stakeholders, which revealed a number of opposing views on issues raised by part 12, which the committee recognises are contentious and have caused concern. Following consideration of the evidence before it, the committee generally supports the policy behind part 12 and the process it provides for the termination of strata title schemes. The committee is of the view that it strikes a reasonable balance between the interests of lot owners who support and oppose termination resolutions and, generally speaking, contains adequate processes and safeguards to address the concerns of all those who have an interest in the strata title scheme, to ensure fairness. However, the committee did have some concerns that safeguards for owners and vulnerable people regarding advice and representation are not currently located in part 12, and that there is no legislative guarantee that that will be provided, despite references in explanatory material and Landgate’s evidence to the inquiry.

The committee has also identified a number of Henry VIII clauses in part 12. The committee has made recommendations that it believes will further improve the termination process, including providing greater assuredness that strata councils and lot owners will receive the advice that they require on termination proposals. I commend the report to the house.