



Mrs Maddison Evans
Committee Clerk
Standing Committee on Legislation
Parliament House, 4 Harvest Terrace
West Perth WA 6005

25th of September 2018

Dear Mrs Evans,

Inquiry into Strata Titles Amendment Bill 2018 – Termination of strata titles schemes

Shelter WA is a peak body for social and affordable housing and ending homelessness in Western Australia. Founded in 1979, we have provided this critical role for nearly forty years.

Shelter WA welcomes the reforming of the *Strata Titles Act 1985*. We believe that the options for community title and leasehold title through this reform will facilitate opportunities to increase diverse social and affordable housing supply to respond to current and future need. Also, we believe it is critical that there is an efficient and fair termination process of strata schemes for owners.

Since the implementation of the *Strata Titles Act 1985*, no major changes have been made, even though the housing sector has evolved over the last few decades and is facing new challenges. This reform is important to ensure that the current *Strata Titles Act 1985* can respond and adjust to the current and future housing needs of West Australians, and enables the economic development needed to create vibrant, liveable communities.

Shelter WA supports the introduction of adequate safeguards for the termination of schemes, including a transparent process, safeguards for owners, especially those who are vulnerable and a full procedural and fairness review by the State Administrative Tribunal.

Shelter WA acknowledges that effort and progress has been made in reviewing the Act, notwithstanding there are several points for further consideration.

The impact of any change to strata termination provisions will be a function of the geographical location of the strata scheme, the structure and condition of the building, the scale of the scheme, and the social, demographic and economic circumstances of the owners and tenants. Housing market alternatives for displaced households will be governed by their level of financial resources and the broader housing market supply options.

Whilst a proportion of displaced unit holders may have access to enough financial resources to acquire units in the replacement scheme or utilise compensation payments to part fund a purchase of a house elsewhere, for other households, particularly tenants and vulnerable owners, they will neither have the option of, or financial resources to, secure a place to live in the redevelopment, or the surrounding neighbourhood, following termination of the current strata scheme.

It is important that the reforms strengthen the provisions needed to increase protections for minority position owner-occupiers, including vulnerable and disadvantaged homeowners and renters in strata-titled buildings.

Shelter WA acknowledges the intention of providing safeguard measures for owners to compensate them for any potential damages and losses that might occur out of the strata termination process, especially Section 183 (10) and (11), as well as Section 190.

However, Shelter WA is concerned that, even though the potential financial and economic costs of a termination of strata scheme process are covered, little attention is being paid to potential social costs that owners might experience because of this process. Social costs that need to be considered include the time that tenants and owners might have to invest into finding a new house and increased stress for vulnerable persons regarding the change in their personal circumstances.

A termination of a strata scheme will potentially affect the most vulnerable persons in our society, especially seniors, people with disabilities and low-income families and households. Often, they are strongly connected and rooted in their current environment and a change to their circumstances could have major implications, as their house is more than a dwelling in a strata scheme to them, it is home, a safe place and a place within their community.

Recommendations:

It is of utmost importance to factor in potential social costs and implications regarding vulnerable persons into the review of the termination of strata titles scheme procedures.

Recommendation 1 – definition of vulnerable persons

Shelter WA recommends that the Bill explicitly defines who is a vulnerable person. The regulations must contain the assessment test and supporting evidence required to be presented to satisfy the State Administrative Tribunal that the person affected by the termination is in fact vulnerable.

Recommendation 2 – Support during a scheme termination process

Shelter WA recommends that the Bill refers to the supporting regulations and outlines the support mechanisms available for vulnerable persons to access throughout a termination process. This must include relevant bodies who are registered providers as listed in the regulations to provide relevant support services.

Shelter WA appreciates the opportunity to make a submission to this inquiry and I am happy to appear before the Committee to discuss our sectors concerns and recommendations further. Please contact me on 08 9325 6660 or ceo@shelterwa.org.au.

Yours sincerely,



Michelle Mackenzie
CEO Shelter WA