

15th May 2017

Hon. Rita Saffioti

Minister for Transport; Planning; Lands

Email: Minister.Saffioti@dpc.wa.gov.au

Dear Minister,

RE: REFORMS FOR STRATA TITLES ACT 1985

The Strata Titles Act 1985 (the Act) was last reviewed in 1996. Over this time WA has grown significantly, with an additional 900,000 people calling WA home and it is estimated our population of 2.62 million will grow by a further 650,000 people over the next 10 years, according to the State Department. Nearly 30% of West Australian's live in a strata titled property and the trend for community living is growing with 40% to 50% of current land subdivision being for strata development.

For the last 12 years Landgate has been working on the reforms to the Act and over this time, Perth has experienced a mining boom and unprecedented growth, with new pockets popping up throughout the metropolitan area and building's evolving and becoming more and more sophisticated.

The current drafted reforms will help provide more flexible and sustainable housing options, ensure better activation of important transport nodes and help create diverse communities that meet individual's specific needs and are enjoyable places for people live, work and socialise.

They will deliver new development options that will drive economic growth in WA and build vibrant communities, including the ability for stage developments, the introduction of Community Titles and the controlled termination of schemes that are no longer viable and in some cases, no longer safe for residents.

The reforms will also define the role of the strata manager, require schemes to prepare building maintenance schedules, provide greater focus on the fund balances and see improved disclosures in the sales contract.

We acknowledge the hard work that Landgate has put in to the reforms, there has been considerable consolation sort from all sections of the property industry, which has been duly considered by Landgate and we accept proper and fair process has been applied.

It is noted that the reform agenda started under the direction of the ALP State Government, with significant gains achieved in the reform agenda over the last several years while under the Liberal Government.

We are now incredibly heartened to hear that the McGowan Labor Government supports drafting of strata reforms legislation. As the Honourable Minister for Lands, you have championed these amendments to the Act and we thank you for making it a priority to pass through Parliament this year.

The undersigned Property Associations and Institutes in WA provide their full support to you as the Minister in seeing the current Strata Titles Act amendments passed in 2017.

We do however point out that we see the current draft amendments as being stage one of a two stage process.

Funds managed that are both collected and spent by strata managers in WA alone are estimated at over \$1 billion per annum, further, strata property is valued at more than \$170 billion.

Strata managers currently require no formal education or qualification, nor are there any restrictions on becoming a strata manager such as police clearances. Yet, they are in effective control of multi-million dollar assets and may hold anywhere between several million dollars to forty million dollars on behalf of their clients with no requirement for audits. Consumers often incorrectly assume that they are dealing with qualified professionals who are regulated along the same lines as other industries.

The property industry as a whole remains firmly of the view that licensing is the most appropriate way to regulate strata managers and is urging the Government to implement licensing using the same model as many other occupations.

The aim of licensing is to develop and expand the strata manager's professional competence to meet industry standard obligations, thereby, maintaining an effective and competent service to their clients. It will also maintain public confidence in strata managers and attract professionals to what is an enjoyable and rewarding career.

We urge you to approve the creation of a working group consisting of the undersigned, 60 days after the passing of the current draft amendments to provide a framework for the licensing of the Strata Industry.

We invite you to contact us directly if required.

Yours sincerely,



Scott Bellerby (President) – Strata Community Association



Lino Iacomella (Executive Director) – Property Council of Australia

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Hayden Groves (President) – Real Estate Institute of Western Australia



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Rhys Kelly (President) – Urban Development Institute of Australia



A handwritten signature in black ink, appearing to be 'Ray Haeren', written in a cursive style.

Ray Haeren (President) – Planning Institute Australia

Steven Kish (President) – Australian Property Institute

Cc'd: Mr Bellerby, Mr Iacomella, Mr Groves, Mr Kelly, Mr Haeren and Mr Kish