

Division 43: Western Australian Land Information Authority, \$34 789 000—

Mr S.J. Price, Chair.

Ms R. Saffioti, Minister for Lands.

Ms J. Cant, Chief Executive.

Mr G. Dewar, Chief Financial Officer.

Mr R Farrell, Chief of Staff, Minister for Lands.

[Witnesses introduced.]

The CHAIR: The member for North West Central has the call.

Mr V.A. CATANIA: I refer to page 624 of budget paper No 2, volume 2. The second dot point under “Significant Issues Impacting the Agency” refers to strata reforms. When is it likely that the strata titles amendment bill will be introduced and what consultation has occurred on the bill?

Ms R. SAFFIOTI: The strata title reform is expected to be introduced in Parliament in the next two or three months. The consultation has been extensive. Significant consultation has occurred with a range of industry groups in particular. That has been ongoing for a number of years, but I will ask Jodi Cant to provide more detail.

Ms J. Cant: It has been ongoing for a number of years and includes everything from presentations to comments on the drafting of the bill and on portions of the bill relevant to industry. A media engagement strategy has also been ongoing. A lot of information is available via the website, but we have also been doing face-to-face briefings over a number years.

Mr V.A. CATANIA: My understanding of the draft bill is that if someone owns 75 per cent of a strata development or a building, they have the final say over the remaining 25 per cent in terms of being able to develop or buy out those individuals at whatever the value of the land is to date. Is that what is in the legislation?

Ms R. SAFFIOTI: A process is described and I will ask Jodi to provide more detail on the termination of strata titles in particular. I know that this is an interesting issue of community debate. For example, we have seen that basically safety or other upgrades cannot be made to older apartment stock because a unanimous agreement cannot be reached. An example has been highlighted to me about a hotel group—I will not say its name—that purchased one apartment in a block in order to stop the rest of the owners from selling out and upgrading, because if that block was redeveloped, it would absolutely block its view from another site. It is an interesting area of debate. The bill creates the 75 per cent provision, and it also puts in place a number of safeguards to ensure that people are protected throughout the whole process.

Ms J. Cant: That is correct. As the minister just outlined, a person who owns one apartment in a large apartment building can basically block the wishes of the rest. It is a pragmatic approach, but it is also a draft bill and it has been out for stakeholder comment.

Mr V.A. CATANIA: Some of the issues brought to me are about people not being worse off and having the ability to get like for like. A person may live in a rundown apartment block that developers want to develop. If that person wants to purchase something else in the same street or a similar area and they have no option but to take the amount given to them by the developer, how can they purchase that without being worse off? How are they no worse off if they have to relocate? What protections are in place for the elderly or people who want to spend the rest of their life living in that place? How are those people protected?

Ms R. SAFFIOTI: Landgate will have mechanisms to facilitate that, including the ability to set up assistance. I want to point out a couple of other things. For example, over many years in my electorate, the development industry has come in and purchased greenfield sites to develop land. Sometimes structure plans are placed over a person’s land. I have dealt with many situations in which a person’s land is reserved for high schools, primary schools or playing areas, for example. The whole issue of working for future development has existed for a long time, in particular for greenfield developments. A group of people came to me representing people with disabilities who lived in an old strata block. Many people in that block wanted an upgrade to have lifts installed to assist people with disabilities to remain in that block. That was blocked by a couple of people who did not want the noise, and they basically forced those people with disabilities to move out from that apartment block because they had no other choice. These are the other issues that exist, but there will be mechanisms as part of the whole project to ensure that people are protected in the process.

Ms J. Cant: That is right. Obviously, the State Administrative Tribunal will play a part in that. It is really a pragmatic approach and it will be determined case by case.

Mrs L.M. HARVEY: Is it envisaged in these sorts of scenarios that the legislation might contemplate people being paid out on the uplift value of their property rather than the current market value? If a person owns an apartment in a zone that can be upzoned, it is worth a lot more money should the zoning proceed or progress.

Ms R. SAFFIOTI: The interesting question is: when is the uplift built into the value? Sometimes, irrespective of the zoning process, when properties go through an uplift, that is already built into the price. I suspect that that is applied to all existing land development. There is a lot of discussion around infill and regeneration, but this has been happening in Perth for many years in areas that have been further developed. We have seen that happen in many of our electorates to existing landowners when a development front comes through. This is more about the strata title changes. This is part of the process of trying to allow for not only fair compensation for existing landowners, but also development to occur and to, in a sense, satisfy the majority ownership.

Mr S.A. MILLMAN: I have a further question on that. We have heard about some of the risks associated with strata title reform. Presumably some intended benefits will accrue as a result of these reforms. Can the minister speak to those benefits?

Ms R. SAFFIOTI: One of the big benefits is the creation of community titles. Shared infrastructure is a huge benefit for affordability and the further development of apartment and mixed-use living in WA. Having strata titles encourages mixed use. It facilitates a mixture of commercial and residential properties. It allows for shared infrastructure, which reduces the costs for people who want to live in high or medium-density housing. What has happened so far is that when precincts are developed, each apartment building needs, in a sense, its own associated infrastructure. That all adds to the cost. Strata titles allow for better precinct development and the shared use of renewable energy. In summary, the benefits allow for mixed-use development, the creation of precincts and the ability to address some affordability arguments.

The appropriation was recommended.

Meeting suspended from 1.00 to 2.00 pm