

## **Strata law changes**

Amendments have been made to the OC Act regarding committees & certificates, as part of the *Consumer Affairs Legislation Amendment Bill 2009*, assented to on 09/02/2010.

Implementation, or commencement, of all amendments has been delayed to take effect at the same time, sometime later in the year, simultaneously after the regulations have been amended.

A seminar was held 12<sup>th</sup> March 2010 to ensure you understand these changes and was attended by 210 people.

Following our briefing of all Members of Parliament and the Shadow Minister for Consumer Affairs [Michael O'Brien]; the Parliamentary debate did at least note OCV's position on the issues. OCV was thanked for its position paper and it was noted that OCV's views are respected.

OCV also received a response from Tony Robinson, Minister for Consumer Affairs, to the OCV submission briefing.

The Bill merely sought to clarify the Government's intentions existing at the time of introducing the *Owners Corporations Act 2006* as it has become apparent that the drafting of the original Act did not fully capture the Government's intent.

Some of the minor amendments that were of cause for concern relate to committees & certificates. OCV made a submission on the contentious issues and met with CAV to further advocate our position on the strata law changes.

Some of the Bill was changed as a result of OCV's lobbying while others went through unchanged.

Removed from the Bill pending rework are amendments that allow an owner not on committee to attend as observer at committee meetings. The clause is to be refined such that meetings are to be open unless a committee votes for a closed meeting.

Gone through unchanged against OCV's recommendations were changes that mean a committee requires an instrument of delegation, and that proxies can be given for committee meetings.

Gone through, albeit changed, were amendments that require certificates to be sealed. Though changes will also be made to allow the manager, chairperson or secretary to sign with the use of the seal; so long as they are not the vendor.

The certificate sealing provision was in the Bill, but the proclamation date is a yet to be determined date in the future (eg. 01 July 2010, 01 January 2011, etc). It is convenient for them to pass it now but delay its proclamation - that way at least it gets done in a timely manner. Their intention is that they shall then Regulate the form of witnessing (eg. either: paid manager, chair, or secretary - if not vendor) and proclaim that regulation simultaneously with the sealing section - so they both come into force at the same time. In doing this they are conscious of allowing sufficient time for OCs and their Managers to adjust their internal systems with minimal interruption and trying to avoid the peak selling times. That said, their preference is for it to be the start of either a financial or calendar year, as it seems neater that way.

The changes are important. For example, if the certificate issue is not adequately dealt with, then this tinkering with strata laws threatens the sale of 30,000 properties each year.

Further, the changes to committees will affect 300,000 lots in Victoria, few of which would currently have an Instrument of Delegation.

Note, the change to allow one person [eg the manager] to witness the seal on the OC certificate, as well as being in the amended regulations, will be in a change to CALAB to also amend s21.

Regarding proxies for committee meetings, it should also be noted that there is no form of proxy for committee members as yet.