

New Unit Titles Legislation passes ACT Parliament

What does it mean for you?

After several years of consideration, the *Unit Titles Legislation Amendment Bill 2023* was officially passed, with the significant reforms expected to commence on 1 July 2023.

Building on the stage 1 reforms that were introduced as part of the Unit Titles Reform Project, the *Unit Titles Legislation Amendment Bill 2023* amends a number of core unit title related Acts, with the intention of improving the processes that relate to the development and management of unit titled plans in the ACT.

Through extensive consultations, policy submissions and engagement, SCA (ACT) is proud to have played a key role in shaping the reforms throughout the development of the legislation. Specifically, SCA (ACT) was an active participant in the Unit Titles Reform Project Consultative Group, collaborating with both industry and government to ensure that the collective voice of the strata industry in the ACT was heard.

There are 5 key changes introduced in the bill, which include:

- **Exemption from insurance requirements:** Unit owners have the ability to pass a unanimous resolution that exempts the scheme from taking out and maintaining building insurance (only if the development contains class B units). The Bill has now amended the *Unit Titles (Management) Act 2011*, to ensure increased disclosure, and clarifying that the exemptions remain in effect until further resolutions are passed, instead of lapsing at the next AGM.
- **Insurance excess claims:** Insurance excess payments are now able to be recovered in the event where an expense has been incurred because of negligence, omission or a breach of OC rules.
- **Unit Title Certificates:** Within Section 119, there is a new requirement (1A) that 'an eligible person may only request a unit title update certificate within 4 months after the day a unit title certificate is given.'
- **Subleasing common property:** The subleasing of common property will now be permitted in certain circumstances, allowing schemes to utilise common properties for business activities and providing a strong framework to protect the rights of owners.
- **Rules:** The new Bill creates a requirement for owners corporations to lodge an updated compilation of *all* of their alternative rules each time they change a rule or rules. Previously, owners corporations were only required to lodge an amended rule or rule. This change has been made with the intention that prospective owners will have access to a full and current set of rules when they are purchasing a unit.
- **Sustainability infrastructure:** Changes will provide for further instances where permission for the installation of sustainability infrastructure may be withheld. These changes will help address circumstances where the installation of sustainability infrastructure may impede other owners' equal access in the future.

Moving forward, SCA (ACT) remains committed to supporting our membership through the implementation of these reforms, and continuing to champion the interests of the strata industry.

To read the *Unit Titles Legislation Amendment Bill 2023* in full, follow the link [here](#).

For an explanation of the Bill, please head to the ACT Government website [here](#).