

STRATA
COMMUNITY
ASSOCIATION
(ACT)

ELECTION
PLATFORM
2024





# The Strata Sector – 10 Reasons to Focus on Strata this Election

Between 100,000 and 150,000 people in the ACT live in strata. That's between 1 in 3 and 1 in 5 people.

The strata sector directly creates 385 jobs in the ACT and creates millions of dollars of additional services to the economy.

**Strata living is growing extremely quickly in the ACT.** The ACT had Australia's highest strata growth rate over the past two years, with a 19 per cent increase in lots since 2020. There are approximately 10,000 Canberrans each year, and they need to live somewhere.

**Strata living is one answer to the cost of living crisis.** In January 2024, CoreLogic reports showed that the difference between the median price of a house and a unit is \$381,357. Apartments and townhouses are **an affordable entry point into the housing market**, especially for first-home buyers and low to middle-income earners.

**Strata living is desirable**. People in the ACT value the access to work, shopping, entertainment and recreational amenities that strata living provides.

Strata property is worth \$32 billion in the ACT.

The strata sector needs help to support its growth and professionalism. As a young set of professions and industry compared to more established industries, the strata sector needs education, resources and dedicated attention from government to fulfil its potential.

The strata sector stands at the intersection of the ACT's most pressing issues this election. Population growth, the cost of living crisis, sustainability measures and their implementation, housing shortages and building quality – strata has an incredibly important part to play in each issue.

**Building quality is a huge issue**. Up to half of new builds will have defects, which are expensive, time-consuming and potentially hazardous for residents in the ACT. For those buildings that do not have defects, retrofitting is equally expensive and difficult without guidance and expertise.

People living in apartments and townhouses should have the same rights and access as those who live in houses.



### Ask 1 – A Commissioner for the Strata Sector

Strata Community Association (ACT) is calling on the ACT Government to introduce a new office dedicated to the strata sector, and appoint a **Commissioner for the Strata Sector**.

The ACT should follow the lead of two of Australia's largest mainland states, NSW and Queensland. NSW appointed a <u>Strata and Property Services Commissioner in 2021</u>.

Queensland has recognised the importance of strata since they established the Office of the Commissioner for Body Corporate and Community Management in 1997.

A centralised commissioner function for the strata sector has been incredibly helpful in both jurisdictions at improving consumer protections, educating the sector, driving reforms and settling disputes.

# SCA (ACT) is seeking a commitment of \$3 million over the next 4 years to establish the new commissioner and their office and undertake this critical new role.

As a result, SCA (ACT) would like to see the new **Commissioner for the Strata Sector** have the following responsibilities and objectives:

- Contributing to the implementation of the 2024 changes to the *Unit Titles (Management) Act 2011* and act as a central point to advocate for much needed further tranches of reform to the Act.
- Relieving pressure from the ACAT tribunal for simple strata complaints by incorporating a dispute resolution service into the new Commissioner's office that can make adjudications.
- Act as a much-needed central contact hub for strata education resources including rights, laws, insurance, maintenance and running an effective committee.
- Raising strata industry professionalism across the strata sector by working with industry bodies and service
  providers to carry out appropriate training and education, including the potential to set CPD targets.
- Improving consumer protections for everyone living in strata through education, better disclosure and compliance.
- Driving government initiatives such as EV charging in apartments, sustainability measures, building quality
  measures and actions to improve outcomes for owners and renters in apartments and townhouses.



# Ask 2 – A Commitment to Further Legislative Reform in the Next 4 Years

SCA (ACT) was delighted to be part of a cohesive, high functioning working group that informed the 2024 amendments to the Unit Titles (Management) Act 2011.

The working group and the areas that were covered were a good start, but there is so much more work that can be done to improve strata living, consumer protections, strata management and move with such a rapidly developing sector that is at the intersection of so many items on the government's agenda.

The benefits of an established process and participants in the working group who worked towards common goals, are that the ACT Government can have confidence to act in this space and have an incredibly high chance of success.

### SCA (ACT) is seeking a commitment to a working group that produces legislation and regulation during the next term of government.

This will involve departmental resources to continue this critical working group and progress the 5 Areas of Focus listed below into legislative, budgetary, regulatory or program measures in the next term of government.

#### 5 Areas of Focus for the Next 4 Years:

- Mandatory inspections for ageing buildings.
- Establishing a strata support team within the ACT Government to assist owners who need guidance or wish to make a complaint.
- A closer examination of many of the most common community living issues, such as pets, nuisance behaviours, common by-laws and low level approvals and their regulation.
- Improvements to ACAT in relation to strata including the potential to improve cost powers for the ACAT or removal of the exclusive jurisdiction of the ACAT for strata-related disputes, so matters of value can be heard in a court with the appropriate power to award costs.
- A review of the process for the sale of strata businesses, with a view to streamlining and improving overall efficiency for all parties involved. Streamlined the sale of strata management businesses.

### With a core working group of:

- SCA (ACT)
- ACT Law Society
- Master Builders ACT
- OCN
- REIACT
- HIA
- Additional participants based on reform areas chosen to provide expertise.



### About SCA (ACT)

SCA (ACT) is the peak professional association for the Australian Capital Territory Body Corporate and Community Title Management industry and provides a forum for improved standards and education in the industry. Membership includes strata community managers, support staff, committee members and suppliers of products and services to the industry. SCA proudly fulfils the dual roles of a professional institute and consumer advocate.

SCA (ACT) is a chapter of the Strata Community Association, which represents practitioners throughout Australasia. As the growth of apartment and strata living has intensified over the last decade, the strata management strata services industry has grown in lock step to serve it. Strata managers navigate through a maze of Commonwealth, State and Territory legislation and regulation ranging from actual strata specific legislation, regulation, workplace, health and safety issues and building codes as well as measures applicable to the management of body corporate funds.