Strata Community Association (WA) Election Platform 2025

strata

WA





The Strata Sector

6 Reasons to Focus on Strata this **Election**

1. The Strata Sector is a Key Economic Driver

The strata sector contributes significantly to the WA economy, creating thousands of jobs, including strata managers, maintenance professionals, legal services, and a variety of support roles. Strata properties in Perth alone are valued at over **\$99 billion**, making them a cornerstone of WA's property sector.

2. Rapid Growth of Strata Living in WA

Strata living in WA is growing faster than ever. In the past five years, WA has seen a surge in the development of apartments and townhouses, especially as Perth continues to expand outward. With approximately 1 in 6 people in WA living in apartments or other strata dwellings, this type of living is a popular and growing choice as an affordable and desirable housing option.¹

3. Strata Living as a Solution to the Cost of Living Crisis

Strata properties, particularly apartments and townhouses, provide an affordable entry point to home ownership, especially for first-home buyers and low- to middle-income earners. As WA continues to face a housing affordability crisis, **the difference between the cost of a median house and a unit** in Perth is significant, offering strata living as a cost-effective alternative.

4. Supporting the Growth and Professionalism of the Strata Sector

The strata sector in WA is relatively young compared to more established industries, and has made rapid progress in overall professionalism, however with the rapid growth of the profession and strata properties, challenges remain for professional development, education, and regulation that ensures great outcomes for consumers. There is a need for dedicated government support to help this sector grow in a structured and sustainable way.

5. Strata's Role in Addressing WA's Pressing Issues

The strata sector plays a key role in tackling some of the state's most pressing issues, including **population growth**, **housing affordability**, **sustainability measures**, and **building quality**. Strata living presents solutions to many of these issues, but it needs to be supported with appropriate policies and legislative frameworks.

6. Getting the Governing Legislation and Regulation Right

Significant change is needed to make the governing strata legislation and regulation fit for purpose for 2025 and beyond. Continuing the process of reform that has begun through this term of government is critical to raising professionalism, increasing consumer protection and ensuring Western Australians living in strata enjoy the quality of living they deserve.

¹¹ Hazel Easthope, Danielle Hynes, Yi Lu and Reg Wade, Australasian Strata Insights 2022, City Futures Research Centre, UNSW, Accessed at https://cityfutures.ada.unsw.edu.au/documents/717/2022_Australasian_Strata_Insights_Report.pdf



Election Priorities

Priority 1 – Western Australia Needs Stronger Legislation

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

This role would be similar in scope and responsibilities to the <u>Strata and Property Services Commissioner</u> in NSW and Queensland's <u>Office of the Commissioner for Body Corporate and Community Management</u>, both of which have been invaluable in improving **consumer protections**, **sector education**, and **regulatory reforms**.

A centralised and dedicated office for the strata sector will be incredibly helpful in WA for improving consumer protections, driving reforms and settling disputes.

SCA (WA) is seeking a **commitment of \$10 million*** over the next 4 years to **establish a well-funded and adequately resourced Strata Commissioner's Office**, empowered to carry out the following responsibilities:

- Lead the implementation of WA's 2024 changes to the Strata Titles Act 1985, which should be modelled on feedback from key industry stakeholders, such as SCA (WA).
- Advocate for consumer protection through better disclosure, compliance, and education for all strata residents.
- Facilitate the registration of those strata managers performing scheme functions, defining what a strata manager does under the current and future legislation properly.
- Regulate strata manager compliance of requirements, with penalties and consequences for those who do not, with the goal of alleviating the absence of meaningful consequences for not following legislation and regulation.
- Serve as a central resource hub for strata education, including information on rights, laws, insurance, and maintenance best practices.
- Reduce pressure on the State Administrative Tribunal (SAT) by offering some services within the Commissioner's office.
- Provide a greater level of government involvement, investment and participation in the strata sector overall, by providing a centralised landing point and resource for strata issues.
- Raise professionalism across the sector through training and education.
- Review the Act to ensure that it prevents issues arising such as unfair contract terms.
- Serve the implementation of the identified required regulatory amendments which allow strata managers to meet the minimum education requirements as prescribed.

^{*}This figure is an estimate based on the roles and responsibilities of strata commissioner offices in other Australian states and territories, relative to the size of the population and strata density in Western Australia.



Election Priorities

Priority 2 – Safeguarding Consumers Through Strata Law Reform

Through ongoing consultation with Landgate and key stakeholders over the past two years, and significant consultation of internal working groups, members and directors, SCA has developed a comprehensive submission to the Strata Titles Act 1985 Five-Year Review.

An election and a change of government or portfolio responsibilities presents great opportunities for change, education, and relationship building. However, it also carries the risk of disrupting the continuity of existing processes, especially when addressing important issues like the lack of insurance for tall buildings (over three stories) to protect against defects. SCA (WA) believes this remains a significant concern that should be addressed moving forward.

A potential solution could be the establishment of a defect rectification fund, which would provide financial protection for defects in taller buildings. Additionally, a resolution body similar to the NSW Office of the Building Commissioner could help alleviate pressure on the State Administrative Tribunal (SAT), consumers, and strata managers, ensuring a more efficient and accountable system.

SCA (WA) is seeking a commitment to the timely execution of the current STA Review process, and the implementation of, or significant engagement with, the recommendations put forward in the SCA (WA) submission to the STA Review process.

SCA (WA) is asking for government support to continue this work and focus on the key recommendations from the SCA (WA) Five-Year Review submission in line with the current timeline through 2025.

Implementing the SCA (WA) recommendations from the Strata Titles Act 1985 Five-Year Review is critical to raising professionalism, increasing consumer protection and updating legislation to reflect the challenges and situation on the ground in 2025.

SCA's recommendations include changes and updates to important areas of the legislation, including:

- 10-Year Plans
- Sustainability infrastructure
- Licensing, regulation and strata manager definitions.
- Seller disclosures
- Bullying and harassment
- Strata Advice within the framework of a Strata Commissioner's Office
- Management issues including statutory duties, inspection of record, by-laws and governance and voting issues
- Conflicts of interest and disclosures
- Gaining insurance coverage for buildings over two stories
- Strata management contracts
- Raising professionalism and professional standards (Landgate Working Group)



To read more, read the SCA (WA) complete submission and full list of recommendations <u>here</u>. There are also ongoing issues that require attention and arise within the prevue of the strata legislation, regulation and management by Landgate and consumer affairs, such as parking issues, pets, nuisances and health issues such as smoke drift. The introduction of a Strata Commissioner, with an advisory line, will assist in reducing costs associated with dispute management and provide ongoing guidance to strata communities.

Rather than taking an ad-hoc approach to these issues as they arise, a core group of stakeholders within a working group empowered by the government to review and complete legislative change, will efficiently and effectively tackle issues as they arise.

SCA (WA) recommends the establishment of a Strata Titles Legislative Reform working group, with ongoing government participation and support, that consist of the following stakeholders:

- SCA (WA).
- The Law Society of WA.
- Master Builders WA.
- Real Estate Institute of WA (REIWA).
- Property Council (WA).
- Portfolio-holding government representative.
- Landgate representative.
- Consumer representative.
- Additional experts as needed based on the focus areas.

By implementing these priorities, the WA Government can build trust, transparency, and long-term confidence in the strata sector, ensuring it remains a sustainable and desirable choice for housing, investment, and community living. This further supports affordable housing and promotes urban density as a key solution to WA's future growth.

WA's strata sector must be recognised as a **core pillar of housing and economic policy**, not just an administrative issue. A well-regulated and well-supported strata sector ensures **thriving communities**, **greater investment confidence**, and a more sustainable future for WA.



Election Priorities

Priority 3 - Driving Affordability and Sustainability in Strata Communities

As the strata sector in Western Australia continues to grow, it faces new and increasingly complex challenges that are big picture and cross multiple portfolios and stakeholder groups.

Affordability is one of the major issues identified in early considerations of the five-year review, with particular attention needed to grants and rebate schemes to help cover the costs of major maintenance, insurance, or for the implementation and upgrading of sustainability infrastructure. Additionally, ensuring shared equity programs like Keystart extend to strata is critical for providing more accessible homeownership options within the sector.

These issues include housing affordability and the cost of living, building quality, ensuring the effective regulation of essential services, sustainability infrastructure, energy efficiency and planning living spaces that match the needs of Western Australia's growing community of people living in strata.

The strata sector needs support from government to keep up with the pace of change in WA. **We're** requesting a comprehensive review of government sustainability initiatives that relate to strata to better resources and target grants and policy in progressive areas such as::

- Electric vehicle infrastructure
- Rooftop and on-site solar
- Energy efficiency upgrades
- High-speed internet connectivity

Through a commitment to a comprehensive review in the first year of government, carried out with the stakeholders listed in this report, and the involvement of the relevant statutory and departmental bodies in a new government, we can help everyone living and working in strata environments create better living environments and happier communities.



About SCA (WA)

Strata Community Association (WA) is the professional body representing the interests of the strata sector in WA, founded in 1989. Providing education, advocacy, and support to strata managers, service providers, owners, and stakeholders within the strata community.

A not-for-profit member-based organisation, representing approximately **1,500 individuals** who subsequently represent over **133,000 owned properties** in Western Australia. SCA (WA) is committed to:

- Promoting and encouraging the highest professionalism, ethical standards and best practices within strata management.
- Driving positive change and fostering a thriving strata community through effective advocacy and representation at local, state, and federal levels of government.
- Developing resources, training and educating industry professionals, equipping strata stakeholders
 with the knowledge and skills necessary to navigate the complexities around strata titled
 properties.

Based on the 2022 Australasian Strata Insights Report, more than **105,000 Western Australian residents** live in private apartments with **52,540 strata schemes** and **260,680 lots** registered.

Australia-wide, more than **2.5 million people** live in flats and apartments, the vast majority being strata titled. This figure does not include other forms of strata title such as townhouses and community titled developments. Nor does it include businesses operating in strata titled commercial buildings. The estimated value of property under strata title in Australia in 2022 is approximately **\$1.3 trillion**.

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 legislation and regulation ranging from strata specific legislation, regulations, workplace, health and safety issues and building codes as well as measures applicable to the management of strata company funds. ²

² Hazel Easthope, Danielle Hynes, Yi Lu and Reg Wade, Australasian Strata Insights 2022, City Futures Research Centre, UNSW, Accessed at https://cityfutures.ada.unsw.edu.au/documents/717/2022_Australasian_Strata_Insights_Report.pdf