



strata
community
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Review of Strata Manager Educational Qualification Requirements

PRESENTED TO

Western Australian Land
Information Authority

A SUBMISSION BY

Strata Community Association
(Western Australia)

About Us

Strata Community Association WA (SCA WA) was born in 1989 due to some passionate individuals who determined the need for a unified industry body to bring about understanding, awareness and uniformity in the Strata Industry. The 'Industry Body' should also when necessary provide representation to Government on whatever amendments may be required to the Strata Titles Act.

The aim of SCA WA is to:

- provide a structure and forum for better communication between regions
- enhance the responsibilities of industry members in a nationally consistent manner
- enable representation at a national level to the Department of Education, Science and Training and other statutory bodies.

Based on the 2020 Australasian Strata Insights Report, more than 90,000 Western Australian residents live in apartments with 51,798 strata schemes and 251, 425 lots registered. Australia-wide, more than 2.2 million people live in flats and apartments, the vast majority being strata titled.¹ 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 2020 exceeds \$1.3 trillion.²

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 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.

For further information about this consultation, please contact Shaun Brockman, National Policy and Advocacy Manager, SCA. Shaun.brockman@strata.community.

¹ Hazel Easthope, Sian Thompson and Alistair Sisson, *Australasian Strata Insights 2020*, City Futures Research Centre, UNSW, Accessed at <https://cityfutures.be.unsw.edu.au/research/projects/2020-australasian-strata-insights/>

² Ibid, p6

Introduction

SCA (WA) is pleased to comment on the new educational qualification model for the strata management industry consultation paper as proposed by Landgate, and thanks Landgate for providing both the strata industry and the wider public the opportunity to do so.

SCA (WA) is the best-placed industry body organisation to recommend and highlight changes to improve the strata industry:

1. **SCA (WA)'s overarching priority is to seek to implement higher standards across the strata management industry.** We believe higher education standards within the strata industry will drive improved outcomes for consumers.
2. **SCA (WA) is the only strata-specific industry body and SCA (WA) members manage a vast majority of strata lots under management.**
3. **SCA (WA) can draw on education requirements for strata managers nationally and internal professionalism pathways specific to strata management and bring a best-practice strata education requirements approach to WA.**

Nationally Consistent, Higher Education Standards in Strata.

Due to strata being regulated at a state level, there are varied licensing, legislative, regulatory or certification requirements for strata community management which are applied by states and territories. Each of the Australian states and territories has legislation that regulates the conduct of strata managers, however, the regulatory approach is not necessarily consistent state to state, and in some cases strata management has no form of regulation other than the state legislation that governs strata generally.

SCA therefore fulfils the role of a professional institute nationally, filling the gaps in legislation. Currently operating under a 'self-regulation' model, SCA maintains specific rules and guidelines to regulate the operation of individual members, outside of government regulation. SCA does so through the implementation of four core models:

SCA's National Code of Conduct: The code that establishes the principles that govern the conduct of SCA Members in the context of the strata environment. All SCA members must follow the clear requirements set out in the code, both in letter and spirit (found here).

SCA's Strata Management Practice Standard (SMPS): This program provides a framework for a strata management business to set business standards designed to continuously improve performance by consciously implementing policies and procedures aimed to standardise processes, maintain business culture, heighten employee awareness and ensure management and all employees are on the same path. This

process enhances consumer satisfaction through consistency in high quality service. To ensure currency of certification, each SMPS certified member is audited (compliance not financial) at least every two years by an independent business auditor. The SMPS was developed by SCA (WA) and has been extended nationally in 2022 (found here). 3 Strata Community Association (WA)

SCA's Continuing Professional Development (CPD): This program enables SCA members to maintain, improve and broaden their strata specific knowledge, expertise, competence and further enhance their personal and professional qualities. Consumers have trust in the fact that Continuing Professional Development is a process which ensures professional service providers maintain and demonstrate a high level of skills and abilities.

SCA's Accreditation: To grow and evolve professionally, standards need to be established, maintained and improved. The SCA accreditation program not only sets and seeks to enhance standards for the industry but also provides a means to identify and recognise those members who submit themselves to the code of conduct and undertake continuing professional development. With 4 levels it assists the consumer to use as a guide to determine if a strata community manager exceeds minimum standards developed by experts in the field. This knowledge enlists security, trust, professionalism and recognition.

SCA believes that by introducing education requirements that are consistent with the standards set out by SCA's self-regulation programs above, Landgate can ensure that consumers are ultimately provided a higher level of support, and improved consumer outcomes.

This is also consistent with the national move towards integrated professions across the country through the Australian Government's Automatic Mutual Recognition Scheme (AMR), of which many WA professions have become a part.

Consultation Questions

1. Is this an appropriate way to organise the educational qualification requirements for the strata management industry?

SCA (WA) agrees that the proposed model is an appropriate way to organise the educational qualification requirements for the roles in the strata management industry. The 'principal,' 'strata community manager,' 'assistant strata community manager' and 'administrative/support staff' all fill different roles within a strata management firm, and such SCA (WA) agrees that those roles should be required to have different standards of education and experience.

However, SCA (WA) proposes that a prescriptive list of roles within a strata management firm be produced, outlining what roles would have to meet given requirements, specifically relating to the roles and requirements for an 'assistant strata community manager,' as opposed to an 'administrative and support staff.'

For example, a purely administrative role (like a front of house receptionist in a strata management firm) who is not performing scheme functions would not be required to meet the standard of an assistant strata community manager, however the role of a bookkeeper in a strata management firm would. A prescriptive list would reduce confusion in this sense.

2. Does this model for educational qualification requirements better match the way strata management businesses are typically structured?

Yes.

3. Does this definition of principal of the business fully capture the nature of the role?

Yes, SCA (WA) agrees with the definition of the 'principal' as outlined in the consultation paper. Specifically, SCA (WA) supports the provision that the principal has operational responsibility for the strata management business, which is consistent with SCA specifications of a 'principal.'

4. Should a strata management business with multiple locations be required to have a principal at each location?

No, it is not necessary to have a principal of a strata management business present at each location (in the case where a business has multiple locations). Physical, in person supervision is not necessarily required to be compliant with an adequate standard of

“supervision,” especially considering the increasing digitalisation of the work environment nationally.

SCA (WA)’s position is that strata management businesses, and its employees, may adequately be “supervised” by a principal off-site, if they wish to do so.

5. Does this definition of a strata community manager fully capture the nature of the role?

Yes, SCA (WA) agrees with the definition of a ‘strata community manager’ as outlined in the consultation paper.

6. Do strata management businesses engage agents and contractors to undertake a strata community manager type role?

No.

7. Should a strata management business with multiple locations be required to have a strata community manager at each location?

Yes. A strata management business should be required to have a qualified strata community manager at each location their firm operates from.

8. If a strata management business has multiple locations and is required to have an individual who holds the required educational qualifications at each location, is it preferable for this individual to be a principal or a strata community manager?

Strata community manager.

9. Is this adequate time for the industry to adjust to the new educational qualifications?

Yes, SCA (WA) would support an extension of the transitional period by 12 months, however it does note that due to this being a new requirement and there being a high volume of people who will need to move through the Cert IV course, this timeframe may need to be longer, or be extended in the future based on progression to ensure compliance with the prescribed educational requirements.

10. Is this a better way to apply educational qualification requirements to people working in the strata management industry than what is currently set out in the STGR?

SCA (WA) considers the new educational qualification model for the strata management industry proposed by Landgate to be a significant improvement on the current regulations.

11. Is two years' experience an appropriate amount of experience for a principal of the business to hold? Would more, or less experience be more appropriate?

SCA (WA)'s position is that a principal of a strata management business would require *at least* two years' experience in the strata management industry.

12. Is it appropriate for this experience to be "experience in the strata management industry" or should it be narrowed to experience as a strata community manager?

As noted above, SCA (WA) supports the recommendation that a principal has *at least* two years' experience in the strata management industry.

SCA (WA) believes that the principal of a strata management business would not be adequately qualified to perform the functions of the role of the principal (as defined in the consultation paper) without first having had an adequate level of experience in the strata management industry.

13. Is a Certificate IV in Strata Community Management an appropriate qualification for a strata community manager to hold?

The Certificate IV in Strata Community Management is the nationally recognised, industry accredited standard program for professionals working in strata management.

The Certificate IV in Strata Community Management qualification is made up of 18 Nationally Recognised Units of Competency, that the Australian College of Professionals has bundled into 5 training modules for people to undertake an in-depth study of the entire strata process.

SCA (WA) believes that the Certificate IV in Strata Community Management is the appropriate qualification for a strata community manager to hold, in order to ensure they are adequately proficient in their ability to perform strata community management functions.

14. Is one year experience an appropriate amount of experience for a strata community manager to hold? Would more or less experience be more appropriate?

SCA (WA) recommends that a strata community manager must hold *at least* one years' experience in the strata management industry. However, in an effort to reduce barriers of entry to the strata management industry, SCA (WA) agrees that the experience may be general strata management industry experience, as opposed to requiring experience specifically as an assistant strata community manager.

This should allow for those persons who have worked in the strata management industry to make an easier transition into strata community management, without being too prescriptive.

15. How many of the core units of the Certificate IV in Strata Community Management should an assistant strata community manager be required to complete; is four, six, or eight units most appropriate?

SCA (WA)'s overarching priority is to seek to implement higher standards across the strata management industry. We believe higher education standards within the strata industry will drive improved outcomes for all consumers.

In the interest of reaching a compromised position that is acceptable for each of the institutes and associations in the strata industry, SCA (WA) would find the completion of **6 core units of the Certificate IV in Strata Community Management** acceptable for an assistant strata community manager.

16. How many of the core units of the Certificate IV in Strata Community Management should an assistant strata community manager who is a qualified person be required to complete; is one, two, or three units most appropriate?

If the regulations defining a 'qualified person' is being retained (and amended to include updated qualifications such as the CPP51122 Diploma of Property (Agency Management)), SCA (WA) recommends that an assistant strata community manager (who is a qualified person) be required to complete a minimum of **4 core units**.