



SHELTER TAS SUBMISSION REVIEW OF THE STRATA TITLES ACT 1998



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Submission to the Review of the *Strata Titles Act 1998*

Shelter Tas is the peak body for housing and homelessness services in Tasmania. We appreciate the opportunity to provide feedback to the review of the *Strata Titles Act 1998* (the Act), and to contribute to the Reference Group for the review's discussion paper.

Over time, more Tasmanians are living in strata title developments, so a regulatory framework that protects the interests and rights of all residents and tenants is increasingly important. The decisions of bodies corporate can have a high impact on the financial well-being of owners and residents. In addition, bodies corporate can enact by-laws that affect people's wellbeing, such as how and by whom shared outdoor spaces can be used.

Our submission focusses on ways that strata title developments and day-to-day living in strata title developments can be part of a healthy and affordable housing system in Tasmania. Strata title living is an important form of housing, which can contribute to infill and improved density, and to mixed developments within suburbs. The importance of strata title living and strata title developments will likely increase in coming years due to the potential for reduced development costs, and the need for increasing density. We also know that an increasing proportion of Tasmanian households are renters, so we recommend the Review pay special consideration to this group.¹

This Review provides an opportunity to future proof the regulation of strata title, to encourage mixed tenure developments, and promote and facilitate high quality affordable housing for all Tasmanians. For example, a unit complex could be developed by a registered community housing provider to include some homes for market sale, some for market rent, and some for below market rent, with the sales and market rental properties subsidising the more affordable options.² Mixed communities which avoid the concentration of disadvantage are a healthy form of development. Registered community housing

¹ Declining rates of home ownership are a national trend. Recent AHURI research predicts that the rate of home ownership in Australia will drop from 68% in 1976 to 63% by 2040 and to 50% for younger people.

https://www.ahuri.edu.au/_data/assets/pdf_file/0021/61239/AHURI-Final-Report-328-Australian-home-ownership-past-reflections-future-directions.pdf

² There are successful examples in other jurisdictions of such mixed developments.

providers comply with robust national regulations that ensure financial protections and high quality living environments for residents.

About Shelter Tas and our members

Shelter Tas is an independent, not-for-profit peak organisation representing the interests of low to moderate income housing consumers, community housing providers and Specialist Homelessness Services (crisis and emergency shelters) across Tasmania. All funded homelessness services and all registered Community Housing providers in Tasmania are members of Shelter Tas. Shelter Tas holds regular meetings with homelessness services and Community Housing providers across the state.

Shelter Tas is an active member of national housing and homelessness peaks, including the Community Housing Industry Association (serving as the CHIA representative in Tasmania) and National Shelter (serving as the Secretary of the National Shelter Council).

Shelter Tas is committed to a fairer and more just housing system in Tasmania. We provide an independent voice on housing rights and a link between governments and the community through consultation, research and policy advice. We seek to end homelessness and improve housing access for all Tasmanians.

Shelter Tas' vision is that every person has affordable, appropriate, safe and secure housing and our mission is to end homelessness in Tasmania. All regions of Tasmania face a critical shortfall of affordable accommodation. Strata title developments can contribute to housing affordability and increased density, so that more people can have homes that are well located near to services and opportunities.

In the updated Act, Shelter Tas would like to see measures that clearly support affordable rental homes to be included in mixed-tenure developments, alongside protections and safeguards for people living in strata title properties. Well-designed regulation will foster the beneficial outcomes of improving housing affordability and reducing urban sprawl and locational disadvantage.

Shelter Tas recommends:

- The Objects of the Act be updated to state clearly that encouragement of affordable housing as a public good is part of the purpose of the Act.
- The Act set minimum standards for strata title by-laws including hardship protections and appeal processes available to all residents including tenants and enable appropriate tenant participation in the owners' corporation.³
- The Act set registration standards and professional education requirements for strata title managers. For example, registered managers would need to demonstrate knowledge of their obligations under the Act and common law, understanding of and ability to manage privacy issues, financial literacy, ability to communicate in plain English and simple English, awareness of particular vulnerable groups such as people with disability, people experiencing family violence, elder abuse, people who are digitally impoverished and other issues that may affect the people living in strata developments.

³ See, for example, <https://www.fairtrading.nsw.gov.au/housing-and-property/strata-and-community-living/strata-schemes/tenant-participation>

- A robust oversight and compliance framework for the strata title sector, including a complaints and dispute resolution pathway. This could be achieved through an expansion of the Residential Tenancy Commissioner role.

We know that in other Australian jurisdictions, many people who live in strata title developments are older and living on fixed and low incomes.⁴ Appropriate regulation will take these potential vulnerabilities into account.

The use of Build to Rent models in Strata Title developments is an emerging area that merits effective oversight. Effective regulation that protects investors and renters will be needed to ensure good outcomes for all who participate.

Conclusion

More and more Tasmanians are likely to live in strata title properties, including people on lower incomes. Renting will likely be an increasing proportion of strata title as with other tenure types. This Review presents a significant opportunity to ensure the Act contributes to a fairer housing system overall in Tasmania, as well as upholding the rights of people living in strata title properties.

For any further information on this submission please contact

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⁴ <https://www.thefifthestate.com.au/articles/report-nsw-strata-reform-wont-improve-housing-affordability/>