

## Consultation Paper - A new educational qualification model for the strata management industry

### BACKGROUND

The *Strata Titles (General) Regulations 2019* (STGR) set out educational qualification requirements for individuals working in the strata management industry. The STGR relies on the Certificate IV in Strata Community Management (Certificate IV) and the units it includes to specify these educational qualifications for strata managers.

In late 2021, changes were made at a national level to the Certificate IV which discontinued some units and changed the details of others. This has made it impossible for some people working in the strata management industry to meet the educational qualification requirements set out in the STGR. Landgate has also received feedback from industry groups that the educational qualifications, as they are currently set out in the STGR, are confusing and don't reflect industry terminology and business structures.

To address these issues, changes need to be made to the STGR. Landgate has worked with industry groups to create a new model for strata industry educational qualifications. This new model for strata industry educational qualifications addresses both issues and can be implemented as a single package of amendments to the STGR.

### PURPOSE

The purpose of this consultation paper is to provide an overview of a proposed new model for educational qualifications and seek feedback on this model from industry and the public. This consultation paper includes a series of questions that have been written to generate discussion and draw out feedback. The consultation questions outlined in the consultation paper below can be responded to via this link <https://www.surveymonkey.com/r/72T67XM>. Stakeholders are free to address as many or as few of these questions as they would like. Alternatively, stakeholders who wish to provide written or general feedback can do so via email at [StrataRegulationsFeedback@landgate.wa.gov.au](mailto:StrataRegulationsFeedback@landgate.wa.gov.au). The consultation period will be open from 11 November to 5pm AWST 2 December 2022.

The consultation paper is not the final model for strata industry educational qualifications or the final wording of the STGR. However, the feedback received from the consultation paper will help determine whether the proposed model suits the needs of those who live in or own a lot in a strata title scheme and the strata management industry. Once received, Landgate will use the feedback to inform the amendments that are required to the STGR.

### A NEW MODEL FOR STRATA MANAGEMENT EDUCATIONAL QUALIFICATION REQUIREMENTS

The new model for strata industry educational qualifications aims to:

- use language that is familiar to industry
- focus regulation on the roles that have responsibility for carrying out authorised scheme functions
- allow flexibility for changes to unit numbers within the Certificate IV.

An overview of the proposed model is set out below:

Role	Details
Principal of the business	<p>The role of the principal is retained, however a definition for this role is introduced into the STGR.</p> <p>Individuals in this role will have to meet prescribed educational qualifications and experience requirements.</p>

<b>Role</b>	<b>Details</b>
Strata community manager	<p>The role of the strata community manager will be a new role that, in part, replaces the concept of a designated person with a key role.</p> <p>Individuals in this role will also have to meet prescribed educational qualifications and experience requirements.</p>
Assistant strata community manager	<p>The role of the assistant strata community manager will be a new role that aims to be a pathway position into the industry. It also replaces in part the concept of a designated person with a key role.</p> <p>Individuals in this role will have to meet prescribed educational qualifications and have a period in which to acquire these qualifications.</p>
Administrative and support staff	<p>Individuals who undertake a support or administrative role under the supervision or direction of a principal or a strata community manager and whose work is only incidental to undertaking scheme functions.</p> <p>Individuals in these roles will not require educational qualifications.</p>

### **Consultation Questions**

- 1. Is this an appropriate way to organise the educational qualifications requirements for the strata management industry?**
- 2. Does this model for educational qualification requirements better match the way strata management businesses are typically structured?**

### **KEY CHANGES TO THE EXISTING EDUCATIONAL QUALIFICATION REQUIREMENTS AND THE STGR**

Outlined below are the key changes to the existing educational qualification requirements that will be required to implement the new model for educational qualification requirements. These changes will be implemented through amendments to the STGR.

#### Remove specific unit numbers and names

Unit numbers and names will be removed from the STGR and replaced with requirements to complete a specific number of core and elective units. This decision was made as it was considered that the Department of Employment and Workplace Relations was in a better position to determine the appropriate training requirements for people working in the strata management industry. This approach will also “future proof” the STGR against any future changes to unit names and numbers and allow strata management businesses more flexibility to determine the educational needs of their employees.

The names of specific Certificate IVs and Diplomas that form part of the educational requirements will be retained but with the flexibility for these courses to be superseded without need to amend the STGR.

#### Remove the definition and concept of a designated person.

The definition and concept of a designated person is removed from the STGR. Designated person will be replaced with several different definitions and concepts covering individuals that own strata management businesses or work in the role of a strata manager.

### Amend the requirements for being a qualified person

The requirements for being a qualified person will be expanded slightly to capture recent changes to the Diploma of Property (Agency Management) that impacts the qualifications for being a real estate agent. The unit requirements from the Certificate IV in Strata Community Management will remain similar with the shift to the new model.

### Introduce a definition for a principal

A definition of principal and their role will be introduced. This definition will set out that the principal is an individual who is the owner, a partner, a director, or employee of the business that is the strata manager holding a strata management contract with the strata company and, in the case of a partner, director, or employee is authorised by the strata manager to perform scheme functions without supervision. It will be a requirement that the person who has operational responsibility for the strata management business is a principal. A strata management business must have at least one principal who has active control over the strata management business.

### **Consultation Questions**

- 3. Does this definition of principal of the business fully capture the nature of the role?**
- 4. Should a strata management business with multiple locations be required to have a principal at each location?**

### Introduce a definition and concept of a strata community manager

The strata community manager is an individual who is an agent, employee or contractor of the strata manager and who is authorised by the strata manager and responsible for undertaking scheme functions that the strata manager is authorised to carry out. They carry out these scheme functions with no or minimal supervision or direction from a principal of the business.

### **Consultation Questions**

- 5. Does this definition of a strata community manager fully capture the nature of the role?**
- 6. Do strata management businesses engage agents and contractors to undertake a strata community manager type role?**
- 7. Should a strata management business with multiple locations be required to have a strata community manager at each location?**
- 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?**

### Introduce a definition and concept of an assistant strata community manager

An assistant strata community manager is an individual who is an agent, employee, or contractor of the strata manager and who assists the principal or strata community manager in carrying out their role. They can undertake a scheme function but must do so under the supervision of a principal or a strata community manager. This role is intended to be a career pathway role for those who want to become strata community managers.

### Introduce experience requirements for the roles requiring educational qualifications

Experience requirements will be introduced for the principal and the new strata community manager role. The details of these experience requirements are set out in the next section.

### Extend the transitional provisions in the STGR for educational requirements

Given the significant changes that are being made to the prescribed educational requirements, the transitional provisions for these qualifications will be extended by another 12 months.

### **Consultation Question**

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

## APPLICATION OF THE NEW EDUCATIONAL REQUIREMENTS

The educational qualification requirements will be linked to the undertaking of an authorised scheme function.

Who is required to hold the educational qualifications would be based on the authorisation provision of s.143(5)(a) of the *Strata Titles Act 1985* (STA). This provision prevents a strata manager from authorising a person to perform scheme functions other than as an agent, employee, or contractor of the strata manager. Put in another way, a strata company can in its authorisation to the strata manager, authorise the strata manager to authorise the strata manager's agents, employees, and contractors to perform scheme functions.

Provisions would be introduced to the STGR so that a person who is authorised, as an agent, employee, or contractor of the strata manager, to perform a scheme function that the strata manager has been authorised to perform under a strata management contract, will be required to hold the relevant educational qualification requirements. These provisions would replace the definition and application of a key role in determining who needs to hold an educational qualification.

This will allow strata managers to determine who needs to hold a qualification within their business. For example, employees who are specifically authorised to carry out one or more scheme functions will need to hold the relevant educational qualification. An agent, employee or contractor of a strata manager who is not authorised by the strata manager to carry out scheme functions will not need to meet the educational qualifications.

### Consultation Question

**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?**

## AMENDED EDUCATIONAL QUALIFICATIONS AND NEW EXPERIENCE REQUIREMENTS

The proposed educational and experience requirements under the new educational qualification model are set out below.

### Principal of the business

Role	Educational qualifications and experience requirements
Principal of the business	<ul style="list-style-type: none"><li>- Must hold a Certificate IV in Strata Community Management or a Diploma of Property (Agency Management - Strata), or</li><li>- Must be a qualified person and have completed four core units from the Certificate IV in Strata Community Management</li><li>- In addition to the prescribed educational requirements, must have at least two years' experience in the strata management industry.</li></ul>

The requirement for a principal to hold a Certificate IV in Strata Community Management is retained, however an option for the principal to hold the new Diploma of Property (Agency Management - Strata) will be introduced. The diploma is a higher level of qualification than the Certificate IV in Strata Community Management and is considered an appropriate alternative qualification for a principal of the business.

A two-year industry experience requirement will also be introduced for principals. This is to help ensure that individuals in this role have adequate work experience in strata management to understand and discharge their obligations under the STA and STGR.

### Consultation Questions

**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?**

**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?**

#### Strata community manager

<b>Role</b>	<b>Educational qualifications and experience requirements</b>
Strata community manager	<ul style="list-style-type: none"><li>- Must hold a Certificate IV in Strata Community Management, or</li><li>- Must be a qualified person and have completed three core units from the Certificate IV in Strata Community Management</li><li>- In addition to the prescribed educational requirements, must have at least one year experience in the strata management industry.</li></ul>

The strata community manager role is aimed at clarifying the educational qualification requirements for those individuals who are engaged by a strata management business to manage strata schemes. It provides certainty to the industry by removing the ambiguity in the STGR around who in a strata management business is a principal and who is a designated person with a key role. A strata community manager will be required to hold a Certificate IV in Strata Community Management.

A one-year experience requirement will also be introduced for strata community managers. This is to help ensure that individuals in this role have adequate work experience in strata management to understand and discharge their obligations under the STA and STGR.

### Consultation Questions

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

**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?**

#### Assistant strata community manager

<b>Role</b>	<b>Educational qualifications and experience requirements</b>
Assistant strata community manager	<ul style="list-style-type: none"><li>- Must complete the specified number of core units from the Certificate IV in Strata Community Management within two years of becoming an agent of or being employed or contracted by a strata manager in the role as an assistant strata community manager, or</li><li>- Must be a qualified person and have completed the specified number of core units from the Certificate IV in Strata Community Management within two years of first becoming an agent of, or being employed or contracted by, a strata manager in the role as an assistant strata community manager.</li></ul>

### Assistant strata community manager – continued

<b>Role</b>	<b>Educational qualifications and experience requirements</b>
	<ul style="list-style-type: none"><li>- Must be supervised by a strata community manager or principal</li> <li>- No experience requirements</li></ul>

The assistant strata community manager is a new role aimed at addressing industry feedback that there is no pathway position for individuals who want to enter the strata management industry. Assistant strata community managers will have to complete a specified number of core units from the Certificate IV in Strata Community Management within two years of first becoming an agent of, or being employed or contracted by, a strata manager.

No experience requirements are connected to the assistant strata community manager role, and this reflects the role's nature as a career pathway.

#### **Consultation Questions**

**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?**

**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?**

### Administrative and support staff

<b>Role</b>	<b>Educational qualifications and experience requirements</b>
Administrative and support staff	<ul style="list-style-type: none"><li>- No educational requirements</li> <li>- Must be under the supervision or direction of a strata community manager or principal</li> <li>- No experience requirements</li></ul>

Administrative and support staff are employed or contracted by a strata manager to carry out work that is incidental to the undertaking of scheme functions. Individuals in these roles could include a receptionist or administrative assistant, a data entry clerk, or a maintenance worker. Someone in a support or administrative role must be under the supervision or direction of a principal or a strata community manager.

No educational qualifications or experience requirements are connected to individuals in an administrative or support role.