

## Review of strata laws & short stays

There is currently a full post implementation review of the strata regulatory landscape, including the regulation of managers. There is also proposed short stay law changes.

### Full review of Vic strata laws

After campaigning for action on Vic strata law reform, that was successfully achieved when the [then] Minister for Consumer Affairs, Jane Garrett, announced at the CHU SCA (Vic) Symposium on 21 Aug 2015, a full review of the operation of the Owners Corporations Act 2006. This is a post implementation review, about 8 years after it was completely changed, and will be a full public review.

Our full Policy Position document covers the SCA (Vic) position on all owners corporation matters. These policy positions will proactively inform and assist this review with possible areas of improvement and research to support the suggestions.

There were 3 Issues Papers:

1. Issues Paper 1, Dec 2015: Conduct & institutional arrangements for estate agents, conveyancers & OC managers
  - o Note: this re-presents issues from a previous review whose outcomes were contained in the draft 2014 Bill regarding the review of the regulation of strata managers.
2. Issues Paper 2, Feb 2016: Owners Corporations [general]
3. Issues Paper 3, Mar 2016: Sale of land; this is relevant to us because it includes pre-contractual and contracts of sale issues eg OC Certificates, etc

As noted, regarding the 1<sup>st</sup> Issues Paper, there was a previous review of the regulation of strata managers, resulting in the Consumer Affairs Legislation Further Amendment Bill 2014 [2014 Bill]. But the proposed regulatory changes in the 2014 Bill regarding strata managers were never passed by Parliament and enacted.

72 submissions were made in total to the 1<sup>st</sup> Issues Paper regarding conduct & institutional arrangements for estate agents, conveyancers & OC managers. 103 submissions were made in total to the 2<sup>nd</sup> Issues Paper regarding OCs. 31 submissions were made in total to the 3<sup>rd</sup> Issues Paper regarding sale of land.

The Options Paper on the review of the OC Act, dealing with the first 2 Issues Papers, has now been published. It proposes sweeping reforms. SCA (Vic) is extremely pleased that the government has listened to all of our policy positions with the Options Paper. You can make submissions until 16/12/2016. For more information, refer [here](#).

### Short stay law changes



In keeping its election commitment the Victorian Government established an independent seven-member panel to examine the conduct of short-stay occupants of CBD apartment buildings. SCA (Vic) nominated strata manager Michael Nugent as our expert panel member reviewing the regulation of short-term letting.

The short stay accommodation panel reported back to the Ministers. In essence the recommendation was to empower VCAT to prohibit the use of apartments for short-stay accommodation. SCA (Vic)

didn't think the panel recommendations went far enough.

In line with the government expert panel's recommendations, the Government consulted further on the report with the organisations' represented on the panel [including SCA (Vic)].

This culminated in the OC Amendment (Short-stay Accommodation) Bill 2016, including prohibition orders [if there was 3 separate occasions within last 2 years], loss of amenity compensation orders [max compensation is \$2,000 per affected occupier for each breach], & orders for a civil penalty [max \$1,100].

Parliamentary debate on this Bill has resumed. The Legislative Assembly Hansard of 16/08/2016 has some 20 pages of debate from MPs that spoke on this Bill, including [amongst many others] Russell Northe, the Shadow Minister for Consumer Affairs. One MP, commenting on how far it goes, notes that – if criticism is coming from all sides, it's probably doing something right. The Greens' Ellen Sandell, who says it doesn't go far enough, moved a reasoned amendment which was defeated. But the overarching emphasis on the need for 'balance' is pervasive in the debate, being cited 27 times. View it [here](#). It has now passed the Legislative Assembly, and moved into the 2<sup>nd</sup> House [Legislative Council].

The short stay Bill has now been referred to the Environment and Planning Committee for report by 7 March 2017.

For more information on the progress of this Bill, go to [www.legislation.vic.gov.au](http://www.legislation.vic.gov.au) [click on Parliamentary Documents, then Bills, then scroll to this short stay Bill].