

**Apartment Design Standards Inquiry (Environment & Planning
Committee, Parliament of Victoria)**

Strata Community Association (Vic) Submission

5 November 2021



Introduction

Strata Community Association (Vic) Ltd is the peak body for the Owners Corporations sector, which comprises residential properties ranging from two units in a suburban street to many hundreds of units in inner city apartment buildings. Owners Corporations represent property valued at over \$300 billion dollars and encompass commercial, retail, lifestyle resorts, retirement villages, car parks, storage facilities, industrial and, increasingly, mixed developments. More than \$1 billion per year is collected and spent. There are currently more than 85,000 active owners corporations in Victoria, covering more than 772,000 individual lots. It is estimated that around 1.5 million Victorians — a quarter of the state’s population — either live in, or own property in, an owners corporation.

Background – Strata Community Association (Vic)

SCA Victoria was established in 1990, it succeeds Owners Corporations Victoria (OCV) and Institute of Body Corporate Managers Victoria (IBCMV). SCA (Vic) members comprise more than 80 per cent of all professional owners corporation managers, with over 800 members managing upwards of 450,000 lots. SCA (Vic) Associate members are industry suppliers, including waste management providers, Essential Safety Measures managers, quantity surveyors, insurers, lawyers, accountants, facility managers, property valuers, building maintenance and tradespeople. Members benefit from representation, support, advice, and promotion. With Continuing Professional Development (CPD), Best Practice Guidelines on regulatory and legislative amendments, updates on VCAT determinations and emerging issues, SCA members are best placed to manage OCs and empower Lot Owners and occupiers.

In Victoria, the Owners Corporations Act 2006 defines an Owners Corporation as a ‘body corporate which is incorporated by registration of a plan of subdivision or a plan of strata or cluster subdivision.’ The individual Lot Owners form a collective known as an Owners Corporation (OC). This is a legal entity which must comply with its governing legislation and enabled regulations. Owners Corporations can choose to appoint a registered manager who will act on their direction, including engaging contractors for maintenance and repairs, on behalf of the OC. The responsibility to maintain common property and shared services is that of the owners corporation. The manager assists the OC to meet these and other obligations. As part of the Annual General Meeting, Lot Owners collectively agree on a budget to the fund ongoing maintenance and shared service costs. Items agreed can include the management fee, caretaking costs including gardening, utility charges, repairs to essential services, insurance premiums and waste management expenses. These are funded through fees/levies.

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SCA (Vic)'s Response to the Apartment Design Standards Parliamentary Inquiry

Summary

SCA (Vic) welcomes the establishment of this inquiry as it relates to improving the liveability of apartments through design standards.

At present, approximately 25 per cent of Victorians live in apartments, townhouses, or other properties under strata title, where an owners corporation (formerly known as a body corporate) exists to govern the maintenance and administration of common property.

A growth in population is expected to accompany continued growth in the proportion of the Victorian population living in strata. Such growth is projected to reach approximately 50 per cent of Victorians living in strata by the year 2050.

In this submission, SCA (Vic) has drawn upon its advocacy for improvements in the performance and design of the built environment and strata property sector, including:

- **Windows and ventilation**
- **Sustainability, waste management and recycling**
- **Building defects and cladding rectification**

Area 1 – Windows and Ventilation

Window design and building ventilation standards are two key areas under the terms of reference for the inquiry where SCA (Vic) envisions a greater focus in terms of the specific applications for health and safety of residents within apartments.

In relation to the design of windows in strata developments, the [NSW Department of Health's 'Kids Can't Fly' campaign](#) is a notable example that SCA (Vic) believe, if replicated in Victoria, would enhance the safety of apartment buildings. Families living within these developments may be understandably concerned about the safety of children, both on common and private property with regard to window design.

Amended strata laws in New South Wales mandate locks on all common property windows above a second floor in apartment buildings. The campaign also aims to inform owners and owner-occupiers in apartment buildings of the options available concerning installation of locks and other safety measures on windows within a private lot, independent of the owners corporation.

In broader health and safety terms, the ongoing COVID-19 pandemic has also exposed the vulnerabilities of apartment buildings with the spread of the virus in enclosed spaces as a by-product of shared, and potentially poorer ventilation.

The ability for high-density, multi-unit dwellings to enable continued viral spread has been reflected to some degree in high-profile examples such as the Victorian Hotel Quarantine incidents, Southbank Kings Park COVID-19 cluster in 2021, and lockdowns of public housing towers in Flemington and North Melbourne suburbs during 2020.

Many Victorian schools are currently being [equipped with CO2 monitoring equipment and air purification measures](#) to regulate airflow with the intention of mitigating COVID-19 spread within enclosed spaces.

SCA (Vic) have also approached government in 2021 with a view of securing support for these technologies to be explored and ultimately, deployed within multi-unit, high-density dwellings where an improvement in ventilation is needed.

Area 2 – Sustainability, Waste Management and Recycling

SCA (Vic) support and advocate for effective action to address climate change and other sustainability issues which fully incorporates the built environment, given its considerable potential to reduce carbon emissions while improving liveability for residents.

According to estimates from the National Australian Built Environment Rating System (NABERS), the built environment accounts for approximately 25 per cent of carbon emissions across Australia, and 40 per cent of global carbon emissions.

Strata properties, particularly apartment buildings, are optimally positioned to provide for greater meeting of sustainability goals into the future, particularly if such as standard as NABERS is to be considered as a mandatory standard for residential built environment design in the future.

SCA (Vic) has advocated on the basis of our alignment with the United Nations Sustainable Development Goals (SDGs), for greater support and recognition of the strata management industry as a conduit for owners corporations to improve building performance and adopt sustainability measures such as energy efficient appliances, electric vehicle charging infrastructure.

Such support for action in the built environment to address climate change was reflected in SCA (Vic)'s 2021 [submission to the Victorian Government's Climate Change Adaptability planning for the built environment](#), undertaken by the Department of Environment, Land, Water and Planning (DELWP).

It is the view of SCA (Vic) that a net zero emissions target by the year 2050, as committed to by the State and Commonwealth Governments respectively, will fail to be met without consideration and support for the constructive role of the built environment sector to play in meeting these targets.

In this submission, SCA (Vic) highlighted the need for support for owners corporations to be equipped with the capacity to navigate legal and legislative concerns in relation to the installation or retrofitting of sustainability items such as heating and cooling, as well as the unique role of strata managers in supporting the uptake of these measures.

SCA (Vic) also believe that greater innovation is possible in relation to the issues of waste management and recycling within strata developments, particularly apartment buildings and based upon the perspectives of residents, as highlighted in our [2021-2022 Pre-Budget Submission](#).

The unique role that apartments can play with the disposal of organic waste, and the impact of a new glass recycling category are cited as needing to be explored further in future reforms of the waste management and recycling sector as it relates to strata.

Area 3 – Building Defects and Cladding Rectification

2021 saw the first stage of a three-stage review of the Victorian Building System undertaken by an expert panel in conjunction with Better Regulation Victoria.

SCA (Vic)'s submission to the review touched upon the most prevalent types of buildings defects recorded across jurisdictions (including Victoria), with cladding, fire protection, waterproofing, structural issues and roofing among the most commonly recorded¹.

SCA (Vic) subsequently advocated for reforms relevant to the terms of reference within stage one of the review, aimed at ensuring greater accountability within the building industry in direct reference to these defects; this included recommending the establishment of statutory warranties and the ability for strata consumers to pursue litigation more effectively through the existing regulatory landscape, and at a lower cost.

SCA (Vic), in collaboration with Engineers Australia, has also published a [Best Practice Building Manual](#) for the Built Environment sector to adopt. In the absence of a uniform standard for building manuals, Owners Corporations require appropriate support for the sourcing of documentation which should have been provided by developers at handover.

Through the establishment of a clearly defined building manual based upon the criteria established in the best practice guide published by SCA (Vic) and Engineers Australia, it is our view that consumers living in strata will be empowered to identify and respond to building defects with standardised, and relevant information.

As per our pre-budget submission and other relevant input to consultations concerning the built environment, SCA (Vic) also support the establishment of a centralised portal for base building information to be retained, either standalone, or incorporating the VBA's Building Activity Management System (BAMS) infrastructure.

If enacted, such measures, in SCA (Vic)'s view, will better enable strata consumers to pursue action to rectify issues associated with building defects, as well as flammable cladding, to a greater extent than at present, and ultimately improve the liveability of apartments into the future.

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¹ *An Examination of Building Defects in Multi-Owned Properties*, Dr Nicole Johnston (2019).