

Request for Costing an Election Commitment

Name of proposal:	Appoint a Strata Commissioner
Person requesting costing:	Andrew Barr MLA 
Date of request:	11 October 2024
Summary of proposal:	Appoint a Strata Commissioner for strata community oversight, reform recommendations, dispute resolution, and education.
Issue the proposal will address:	With increasing housing density in the ACT, strata complexes are becoming more common and are an affordable choice for new home buyers and renters. Between 100,000 and 150,000 people in the ACT live in strata complexes. Currently, Ministerial responsibility for the strata sector is split across six portfolios and Ministers in the ACT Government. The lack of focused representation on strata issues is a key concern amongst residents in strata complexes, both owners and tenants alike, that are trying to resolve costly building upkeep, tenant-landlord, unapproved structures, and construction defects and disputes. Up to half of new strata complexes will have building defects, which are expensive, time-consuming and potentially hazardous for residents to address. For those buildings that do not have defects, retrofitting to ensure the complex is up to code is equally expensive and difficult without guidance and expertise. Rectifying building quality issues is a challenging undertaking for strata complex residents which are bound by the Unit Titles (Management) Act 2011, and the often-strict by-laws which apply uniquely to their individual strata complex.
Proposal's public announcement details (media release or policy statement published on a party website) ¹ :	act-labor-policy-position-statement-2024-7-october-2024.pdf (actlabor.org.au) page 45.

¹ As per Part 2, section 5 of the *Election Commitments Costing Act 2012*

What are the key assumptions that have been made in the proposal?

Note: The costing will be developed on the basis of information and assumptions provided in the costing request. The professional judgment of the Under Treasurer will determine whether these assumptions are adopted in the costing of the proposal.

A re-elected Labor Government will appoint a Commissioner for Strata Matters. This new role will be undertaken by an existing Deputy Director-General in addition to their current duties, as determined by the EPSD Director-General in consultation with the Head of Service.

The Commissioner will be supported by an additional 1 FTE ASO6 for executive support assistance and secretariat duties.

The remaining Commissioner workload will be absorbed by the relevant EPSD Group.

This position has been costed as per the Average Salary Costing template with 1.77% workers compensation rate assumed.

What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this proposal and estimated costs each year (if available)?

	2024-25	2025-26	2026-27	2027-28	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue ^(a)					
Expenses ^(a)			-154.3	-158.5	-312.8
Capital ^(a)					
Depreciation ^(a)					
Offset - Expenses ^(a)					
Offset - Capital ^(a)					
Full-time equivalent employees			1	1	

(a) A negative number indicates a decrease in revenue or an increase in expenses, depreciation or capital outflows. A positive number indicates an increase in revenue or decrease in expenses, depreciation or capital inflows. The expenses row is not to include depreciation costs.

Has any specific information or data been utilised in generating the proposal? Please provide links or attach information/data sources referenced.

NSW appointed a [Strata and Property Services Commissioner](#) in 2021. Queensland has recognised the importance of strata since they established the [Office of the Commissioner for Body Corporate and Community Management](#) in 1997. These entities' structures and responsibilities were used in developing the proposal.

Where relevant, is funding for the proposal to be demand driven or a capped amount?

The FTE for this function is a capped as per the assumptions.

Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the proposal? Does the proposal provide additional funding to, or redirect, any existing Commonwealth/State or Territory funding arrangements?
No
Will funding/the cost require indexation?
The 1 additional FTE (ASO6) has been costed as per the Average Salary Costing template
Who will administer the proposal?
EPSD
How will the proposal be administered?
The Commissioner, as Deputy Director-General, will be an administrative (not statutory) appointment, and will therefore remain within the existing EPSD organisational chart structure. In developing the role, EPSD will consider and recommend to government allocating the Strata Commissioner the following responsibilities: • Contributing to the implementation of the 2024 changes to the Unit Titles (Management) Act 2011 and act as a central point to advocate for further tranches of reform to the Act. • Incorporating an informal dispute resolution service for simple strata complaints • Act as a central contact hub for strata education resources including rights, laws, insurance, maintenance and running an effective committee. • Raising strata industry professionalism across the strata sector by encouraging industry bodies and service providers to carry out appropriate training and education • Improving consumer protections for everyone living in strata through education materials • Driving government initiatives such as EV charging in apartments, sustainability measures, building quality measures and actions to improve outcomes for owners and renters in apartments and townhouses.
Is the proposal part of a broader package? If so, please identify the other elements of the package.
Yes – this is part of Labor’s Building Quality and Construction package, available at act-labor-policy-position-statement-2024-7-october-2024.pdf (actlabor.org.au) pp 44-45. It is not reliant on other aspects of the package.
Has an allowance been made for expenses necessary to support the implementation of this proposal?
– If no, will the government agency be expected to absorb expenses associated with this proposal? – If yes, please specify the key assumptions.

1 FTE ASO 6 will be allocated to manage day-to-day executive assistance to the Commissioner. Wider oversight of this proposal would be absorbed by EPSD as part of its building construction policy development and monitoring roles.
Will the proposal generate savings or offsets? If so, please quantify any savings or offsets.
No
Has the proposal been previously costed by an external (third) party? If so, will a copy of this material, including any assumptions, be made available to Treasury?
No
What are the community impacts associated with the proposal? Who and how many people will be affected?
The proposal will directly benefit strata residents, landlords and strata bodies in the management of disputes, professionalisation of meetings and responsibilities, and raising awareness of legal rights. This commitment is a key request from the Strata Community Association ACT and the Owners Corporation Network ACT.
Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?
An inquiries and complaints portal will need to be developed through the existing EPSD website.
What is the intended implementation date of the proposal?
The proposal will commence from 1 July 2026.
When is the proposal expected to be fully operational? Please provide details such as the start and end dates, the level of commitment during each period etc.
From 1 July 2026.
Will the proposal cease, and if so, when?
The proposal will continue through the forward estimates. It will be reviewed after three years of operation to assess effectiveness.
Is there any additional information relevant to this proposal?
No