

Submission on a review of training for licensed occupations in the New South Wales property services industry



Strata Community Australia (NSW) Ltd

Suite 102, Level 1, 845 Pacific Highway

Chatswood NSW 2067

(02) 9492 8200

www.nsw.stratacommunity.org.au

Executive Summary

Strata Community Australia (NSW) Limited (SCA (NSW)) welcomes the opportunity to provide a response to NSW Fair Trading's consultation paper undertaking a review of training for licensed occupations in the NSW property services industry.

Currently, more than five million Australians live, own or work in a strata-titled complex, putting the strata sector in touch with over 25% of all Australians. Strata is the fastest growing form of residential property ownership in Australia. Over half the new dwellings to be built in our metropolitan areas over the next decades will be strata titled. The growth of this sector demonstrates the importance of education, training and governance for individuals responsible for the delivery of services to those owning and living in strata communities.

SCA (NSW) believes that the education and professionalism of strata managers is vital to meet the growing demand for strata living. It is the cornerstone in ensuring that residents are provided with the appropriate levels of services and consumer protection. It is appropriate that strata managers uphold a minimum educational standard to equip them to act professionally and as agents for lot owners.

As a result of this belief, in 2013 SCA (NSW) introduced the Strata Manager Accreditation Program. The program provides a nationally recognised professional qualification for strata managers. SCA (NSW) also believes that their accreditation program raises the bar in the education and experience of strata managers in comparison to the education standards applied at a licensing and registration level through existing regulatory requirements.

Given the predicted population increases for strata living in NSW in the coming years, SCA (NSW) strongly supports the NSW Government applying a focus on education within the property sector and specifically, the strata sector.

SCA (NSW)

SCA (NSW), formerly the Institute of Strata Title Managers and founded in 1980, is the peak body for the strata sector in NSW. SCA (NSW) represents approximately 1,300 strata managers, service companies to the sector and strata owners.

SCA (NSW) membership ranges from large corporate companies to small family businesses, lot owners and volunteers. These stakeholders have expertise in all facets of strata management, service provision, governance and ownership. Indirectly these stakeholders are a significant and growing proportion of the NSW population - representing lot owners and employees in NSW. Their individual and collective contribution to the social fabric and economy of NSW cannot be underestimated or overlooked.

SCA (NSW) members' experience ranges from large corporate, small family businesses and individual lot owners. They have expertise in all facets of strata management, service provision and ownership. Their experience spans those with a lifetime in the industry, to those who are just beginning their careers or strata title ownership. As part of membership requirements, SCA (NSW) requires:

- all members to adhere to and uphold the Code of Ethics; and
- all corporate strata members hold Professional Indemnity insurance coverage.

SCA (NSW) has a robust track record, established over many years, in the provision of quality education to professionals in the strata sector as well as the delivery of consumer awareness seminars for lot owners. This is evidenced by member and public attendances at various event and educational forums.

SCA (NSW) launched in 2013 its accreditation program to its strata manager members. Further, SCA (NSW) offers the following free information and education sessions to the public:

- Consumer Awareness Seminars; and
- Online Executive Training module.

In the context of the NSW strata sector, the scope and impact of our individual and collective members is substantial. SCA (NSW) currently has in excess of 100 corporate strata members and over 550 individual strata manager members. These strata manager members service all types of strata, including:

- residential, commercial, retail and mixed-use, large, small, boutique and assistance with self- managed schemes;
- serviced apartments;
- retirement villages;
- company title;
- community title; and
- building management committees.

SCA (NSW) currently has over 150 corporate supplier members and over 300 individual strata supplier members. These strata supplier members provide a full spectrum of services to the strata sector, including (but not limited to):

- accounting, taxation and legal;
- banking and finance;
- building maintenance and repairs;

- cleaning, facilities management and caretaking;
- electrical, pest control and plumbing;
- engineering services;
- insurance;
- Work Health & Safety (WH&S) services;
- sinking funds and valuations; and
- waterproofing.

This is not an exhaustive list, however, it does provide a snapshot as to the scope, impact and importance that our members have in the context of their contribution and input into the strata sector.

Accreditation

SCA (NSW) believes that the education and professionalism of strata managers is vital to meet the growing demand for strata living. It is the cornerstone in ensuring that residents are provided with the appropriate levels of services and consumer protection. It is appropriate that strata managers uphold a minimum educational standard to equip them to act professionally and as agents for lot owners.

As a result, in 2013 SCA (NSW) introduced the Strata Manager Accreditation Program. The program provides a nationally recognised professional qualification for strata managers. The intention of the accreditation program is two-fold:

1. For consumers, accreditation provides a way to identify strata managers who have submitted themselves to a code of ethics and of whom undertake Continuing Professional Development (CPD).
2. For the strata industry, accreditation enables strata managers to gain professional recognitions and thereby a competitive advantage, that can enhance their business and assist in the development of long-term careers.

There are four levels of accreditation with the following requirements:

Level 1: Accredited Strata Community Manager (ASCM)

- Membership of SCA (NSW) and adherence to the SCA (NSW) Code of Conduct, plus
- NSW Certificate of Registration
- Minimum of two years' membership with evidence of on-job or employer training, CPD where available and satisfactory completion of competency questionnaire at state board discretion.

Level 2: Certified Strata Community Manager (CSCM)

- Membership of SCA (NSW) and adherence to the SCA (NSW) Code of Conduct, plus
- Minimum of two years' experience plus Certificate IV Property Services (Operations).

Level 3: Practicing Strata Community Manager (PSCM)

- Membership of SCA (NSW) and adherence to the SCA (NSW) Code of Conduct, plus
- Have had no disciplinary action taken against the applicant as a member of SCA (NSW), plus
- Minimum of five years' experience as a licensed strata managing agent in NSW, plus
- Hold a degree (or higher) ** qualification in one of a specified range of faculties, or
- Currently act (or have acted) as a licensee-in-charge.

Level 4: Fellow Strata Community Manager (FSCM)

- Existing SCA Fellows and/or Life Members at the NSW Board's discretion.

** A twelve-month moratorium currently applies to degree qualification recognition. Upon expiration of the moratorium, members must complete the Diploma in Management (Strata).

Specifically, accreditation helps ensure strata managers:

- Are aware of relevant and current legislation;
- Follow the specific requirements of legislation;
- Adhere to best practice;

- Adopt current procedures;
- Commit to administrative excellence; and
- Continually enhance their managerial skills.

Consultation paper response

1.3 What do you think should be the minimum educational standard for each category and why?

Certified strata managing agent

A certified strata managing agent is an individual who performs all duties and responsibilities of a strata managing agent under the 'supervision' of a licensed strata managing agent with the responsibility of being the licensee-in-charge.

The educational qualifications currently required by an individual to be employed as a certified strata managing agent is to complete the Certificate of Registration course.

The Certificate of Registration course is competency based and consists of only three units of competency from the CPP30311 Certificate III Property Services (Operations).

- **CPPDSM3016A** Work in the property industry
- **CPPDSM3017A** Work in the strata/community management sector
- **CPPDSM3019B** Communicate with clients as part of agency operations

Licensed strata managing agent

To apply for a licence in strata management, an individual must complete CPP40611 Certificate IV in Property Services (Operations). Certificate IV is much more robust in its educational standards. To achieve recognition, the individual must demonstrate competency in eight core units, plus five common electives plus a further five specialist electives (total 18 units).

Upon successful completion of this course, the individual may then apply for their licence in strata management. In addition, they may also be appointed a licensee-in-charge with overall responsibility of strata management services for an entity.

Current state

In reality, many employed strata managing agents end their commitment to further education in their industry on completion of the Certificate of Registration. The only incentive in completing further studies to attain the status of holding a licence in strata management is if the individual desires managing or owning a strata management business.

It is with this in mind that SCA (NSW) formed the accreditation program. By driving consumer demand for higher levels of education, experience and professionalism by their strata manager, it is intended to incentivise certified strata managing agents to continue their path of further education. SCA (NSW) views further education of our industry as the lynch pin for increasing professionalism and governance amongst our strata manager members.

Furthermore, it is acknowledged throughout our industry that experience is of paramount importance in recognition of becoming a successful strata managing agent. Merely holding a Certificate of Registration (or licence) without any form of industry experience does not make an individual an attractive candidate to a prospective employer.

Of further concern is the lack of differential educational qualifications attached to the appointment of a licensee-in-charge. Managing or owning a strata management business requires greater knowledge and experience than only performing the duties and responsibilities of a strata managing agent. However, there is no differential between the application for a licence in strata management or for the application to be appointed a licensee-in-charge.

The Construction and Property Services Industry Skills Council (CPSISC) are currently undertaking a review of the educational components surrounding qualifications in relation to the Certificate III and Certificate IV and have recommended for the first time the inclusion of a Diploma qualification. SCA (NSW) is extremely supportive of the development of this qualification by CPSISC (having previously created and endorsed a similar diploma in conjunction with industry members). This would be an ideal qualification for providing differential between a licensed strata managing agent and a licensee-in-charge.

Recommendations

1. To obtain the qualification of a certified strata managing agent, the existing Certificate of Registration to be replaced with the CPP30311 Certificate III Property Services (Operations).
2. To obtain the qualification of a licensed strata managing agent, completion of CPP40611 Certificate IV in Property Services (Operations), with supplementary evidence of two years' employment under the supervision of a licensee-in-charge.
3. To obtain the qualification of a licensee-in-charge, completion of CPP50X15 Diploma of Strata Community Management, with supplementary evidence of five years' employment under the supervision of a licensee-in-charge.

2.1 Although it is clearly possible to enter the property services industry without any experience, how often does this occur?

It is acknowledged that new entrants into the strata management market rarely enter without any experience, however with the strata industry growing so rapidly in future years, it is essential to incorporate satisfactory barriers to entry to ensure the educational qualifications and experience of future strata managers supports greater professionalism and governance for the consumer.

2.2 What are the practical consequences of the absence of a time based requirement to enter the property services industry?

There is a definite shortage of potential candidates in the employment pool for strata management companies. A career in strata management would rarely be considered by an individual. Most currently employed within the industry would admit to 'falling' into strata management rather than it having been a determined career choice.

With this in mind, it would be detrimental to require evidence of time based experience prior to awarding an individual with the qualification of being a certified strata managing agent. However, it would prove valuable (and essential) for the qualification of being either a licensed strata managing agent or licensee-in-charge.

2.3 What does time based experience achieve?

The role of a strata managing agent is extensive. The most successful of strata managing agents have broad skills and experience in areas such as project management, engineering, conflict resolution, negotiations, sales management, financial management, customer service, public speaking and extensive legislative knowledge. To hold the qualification of a licensed strata managing agent or licensee-in-charge it is essential (particularly from the perspective of the consumer) that the strata managing agent is well-versed in the resolution of matters concerning matters such as fire orders, large scale remedial works, legal disputes, etc.

Recommendations

4. Time based experience be evidenced across a range of particular and reasonable situational examples.

3.1 What needs do the current CPD requirements meet?

As discussed earlier, many individuals employed within the strata management industry fail to obtain further education post their qualification of a Certificate of Registration. CPD provides the industry with the opportunity to increase the education and professionalism of those employed in the industry for the benefit and protection of the consumer.

The commitment to fulfil CPD obligations demonstrates an individual's desire to remain employed within the industry.

3.2 What are benefits of CPD and what are the costs to business?

As per 3.1, CPD provides the industry with the opportunity to further educate a fairly uneducated employment pool, ideally with best practice recommendations to increase industry standards and consumer protection.

Many businesses within the strata management industry do not fund their employees' responsibilities with regards to the cost of attainment of CPD points. Largely, it is at the cost of the individual to meet their CPD obligations.

The cost to the business is generally only time, with the absence of the employee (or multiple employees) from the business.

3.3 What are the problems or issues with the existing CPD regime in NSW?

There is currently no proof of evidence required for CPD when applying for a certificate or licence renewal. The applicant merely completes in effect, a statutory declaration that the CPD requirement has been achieved.

Recommendations

5. Evidence of completion of CPD to be attached to the application for certificate or licence renewal. Failure to do so would result in the certificate or licence being cancelled.

3.4 Are the current requirements relevant?

The attainment of CPD is strongly supported by SCA (NSW).

4.1 What are the current problems with the delivery and assessment of training for the property services industry?

SCA (NSW) provides training opportunities for the Certificate of Registration, Certificate IV in Property Operations, Diploma in Management (Strata Management) and CPD. As our trainees would expect, our course content is strongly weighted towards strata management.

However, our experience and feedback from our members indicates that the delivery and assessment of training provided by many external RTOs is often sub-standard in content with regards to strata management. Often, the content is directed purely towards real estate sales and management, which has very little bearing on the role of a strata manager.

Unfortunately, many participants in our industry, despite being aware of the sub-standard content in relation to strata management, will still attend these external RTOs, rather than SCA (NSW) as an industry provider, owing to the extremely competitive cost points able to be offered by these external providers.

In addition, it has been viewed as very easy to obtain Recognition of Prior Learning (RPL) via many RTOs. With no requirement to evidence industry experience, it is achievable in an individual obtaining their licence in strata management with no experience or specific educational learning about the duties and responsibilities of strata management.

4.2 What problems have arisen and what are the impacts on the industry?

The lack of strata specific content by external RTOs again enforces the importance of industry experience within the strata sector as being criteria for obtaining qualifications as a licensed strata managing agent or licensee-in-charge.

Failure to provide strata managers with robust, specific and relevant knowledge in relation to strata management results in a lack of professionalism in the industry and consumer discontent.

4.3 What changes should be made to the delivery and assessment of training for the property services industry?

Recommendations

6. Course content for all training qualifications to be specific to the occupational area whether this be real estate, strata management, stock and station, etc.
7. A more rigorous assessment applied to the consideration of RPL with employment experience being included criteria.

Summary recommendations

1. To obtain the qualification of a certified strata managing agent, the existing Certificate of Registration to be replaced with the CPP30311 Certificate III Property Services (Operations).
2. To obtain the qualification of a licensed strata managing agent, completion of CPP40611 Certificate IV in Property Services (Operations), with supplementary evidence of two years' employment under the supervision of a licensee-in-charge.
3. To obtain the qualification of a licensee-in-charge, completion of CPP50X15 Diploma of Strata Community Management (or such other relevant degree), with supplementary evidence of five years' employment under the supervision of a licensee-in-charge.
4. Time based experience be evidenced across a range of particular and reasonable situational examples.
5. Evidence of completion of CPD to be attached to the application for certificate or licence renewal. Failure to do so would result in the certificate or licence being cancelled.
6. Course content for all training qualifications to be specific to the occupational area whether this be real estate, strata management, stock and station, etc.
7. A more rigorous assessment applied to the consideration of RPL with employment experience being included criteria.

If you have any questions or require further information please do not hesitate to contact Melissa Truscott, board member of SCA (NSW) and co-chair of the Education Committee, on 02 9902 7100 or mtruscott@bright-duggan.com.au.

Greg Haywood
SCA (NSW) President

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Via email