

6 March 2020

The Hon Kevin Anderson MP
Minister for Better Regulation & Innovation
Parliament House
SYDNEY NSW 2000

Dear Minister

COVID-19 Emergency – Residential Strata Schemes

We write to raise our concern that, to date, there has been a lack of government response to the social and economic impacts of the COVID-19 pandemic on the residential strata sector in NSW.

In particular, no provision was made for NSW's nearly 90,000 residential and mixed strata schemes and community associations in the *COVID-19 Legislation Amendment (Emergency Measures) Act 2020* (NSW) to guarantee ongoing operations. There is also no provision to make an emergency by-law to address imminent threat to public health or safety. There is no provision that addresses the imminent risk of substantial economic loss for the period of the pandemic.

It is especially concerning that Public Health Orders have not been applied to privately owned strata property, which includes extensive communal facilities and other common property. It is also very disappointing that the Code of Conduct for the Short-Term Rental Industry, gazetted to commence on 10 April 2020, was summarily 'withdrawn' for the period of the pandemic.

This has left strata committees and community associations to navigate around the law while trying to protect health and safety. Large swathes of Owners Corporations are now unable to make crucial decisions about budgets, levies, essential services and major works. Many will be facing considerable financial hardship as income falls and costs continue.

This is happening already as Strata Schemes experience major loss of revenue and financial distress as job losses and business closures mean that individual owners are unable to pay strata levies, a legally required housing cost. There are significant debt implications for entire Owners Corporations under the existing strata model and wider impacts on the economy.

Additionally, the activities of short term letting Hosts during the pandemic brings strangers into Schemes who may be carriers of COVID-19. This is a threat to public health. The decision to postpone the commencement of the Code of Conduct for the Short-Term Accommodation Rental Industry (STRA) has denied residents the barest essentials to manage their own property during the COVID 19 pandemic.

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OCN is concerned that the STRA industry does not, in fact, understand the full import of the Orders, or your public announcements. The consumer/guest has also lost the benefit of mandatory public liability insurance for death or injury, which should be regarded as a minimum consumer protection.

OCN is calling on you to:

- establish a dedicated Strata Unit to coordinate across government and address the myriad legal, policy and communication issues raised by OCN and others across the strata sector;
- work with State and National Ministers as a matter of urgency to develop a mechanism for targeted temporary strata levy assistance to lot owners unable to pay strata levies due to the COVID-19 pandemic to prevent defaults and protect Owners Corporations from debt.
- review your decision to postpone commencement of the Code of Conduct for the Short-Term Rental Accommodation Industry;
- direct your agency to conduct strata specific teleconference meetings with the sector during the pandemic on a regular basis.
- reinstate the quarterly stakeholder engagement meetings with OCN.

I enclose OCN's policy paper and recommendations and look forward to our further engagement on these important matters.

Please contact Karen Stiles, Executive Officer on 0418 232 476 or karen.stiles@ocn.org.au.

Yours sincerely,

Jane Hearn BA LLB GAICD
Acting Chair
Owners Corporation Network of Australia Ltd.

cc NSW Premier