

2ND CSOS INDABA 2024



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**12-13
SEPTEMBER 2024**

 **BOLIVIA LODGE,
POLOKWANE, LIMPOPO**



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**Promoting Well Governed,
Empowered And Transformed
Community Schemes.**





SECTIONAL TITLES SCHEMES MANAGEMENT ADVISORY (STSM A) COUNCIL REMARKS – Mr. Kobus De Beer (STSM A Council Member)

- The STSM Advisory Council was established by the Minister of Human Settlements (“the Minister”) in terms of Section 18 of the STSM Act, 2011 (Act 08 of 2011) (“the STSM Act”), the first Advisory Council since the promulgation of the Act.
- The Members hold office for a period of three (3) years in line with Section 18; (5) of the STSM Act.
- The seven (7) Members of the current STSM Advisory Council have been appointed with effect from 01 April 2023 to 31 March 2026, with the Acting Chief Ombud serving as the Chairperson of the STSM Advisory Council. They are:
 - Ms. K Phetla (Chairperson – Acting Chief Ombud)
 - Hosi P C Ngove - Deputy Chairperson
 - Dr. V Moss - Member
 - Advocate N January - Member
 - Mr. PJ De Beer - Member
 - Ms. K Choenyana - Member
 - Mr. I Motala - Member

KOBUS DE BEER





Roles and Responsibilities of the STSM Advisory Council

The Advisory Council **must**:

- a) Make recommendations to the Minister concerning any matter specified in Section 19 of the STSM Act in respect whereof the Minister may make **regulations**.
- b) Keep the implementation of the STSM Act and the regulations under **regular review** and **must** make recommendations to the Minister with regard to any amendments thereof or other action which may be advisable; and
- c) Advise the Minister on **any matter** referred to the Advisory Council by the Minister.

SECTION 19: REGULATIONS

- The Minister may after consultation with Parliament make regulations regarding—
- (a) any matter required or permitted to be prescribed by regulation under this Act; and
- (b) generally, any matter that is necessary or expedient to prescribe for the proper implementation of this Act.



Council Proposals made, Reached Consensus on and Formulated for Submissions to the Minister:

- Issue of Homeowners Association (HOA's)
- STSMA Regulation 28 (1) & (2)
- POPIA- Section 3(1)(n) of the STSMA/ Section 39(7)(a)
- S16 Administrators
- Registration of Schemes
- Offences and Penalties
- Sectional Title Schemes Management Regulation 6(4)

Some of the Issues Currently Under Consideration

Section 17 of the STSMA - Addresses the approach when a scheme is partially or fully destroyed. The implementation challenge in schemes which are not high-density developments;

Removal of Trustees. Theoretically practical **BUT** In practice, it's dependent on the dynamics and power relationships within a particular scheme;

CSOS role in the appointment of Administrators. In fact, an enhanced role for CSOS in other matters as well;

Obligation on Body Corporates to insure the sections within a scheme;
Concomitant exposure of Trustees to liability. Loss of appetite in the insurance industry to insure certain risks.





STSM Advisory Council comments on the draft White Paper for Human Settlements.

We have noted the draft White Paper policy document, and we support the proposals aimed at responding to contemporary reforms and functional shifts.

We have made the following proposals and submitted to the Department under the following Sections:

❖ **SPATIAL PLANNING AND DEMAND MANAGEMENT**

❖ **UPGRADING OF INFORMAL SETTLEMENTS**

❖ **AFFORDABLE AND RENTAL HOUSING.**

❖ **MARKET SUPPORT AND FACILITATION**

➤ **EMPOWERMENT AND TRANSFORMATION**

- **Proposed Approach:** To bridge the gap between formalized schemes and informal settlements, the council advocates for a multifaceted approach that leverages the strengths of both legislative frameworks.



RECOMMENDATIONS

- a) To **foster partnerships** between Sectional Title Schemes, Government Entities, and Developers to increase investment in affordable rental housing projects within Sectional Title Schemes.
- b) To **establish mechanisms** for cooperative governance to facilitate the development and management of affordable rental units within Sectional Title Schemes.
- c) To **explore incentives** within the Sectional Title Schemes Management Act to encourage developers to allocate a portion of Sectional Title Schemes for affordable rental housing.
- d) To **provide** regulatory support and expedited approvals for projects incorporating affordable rental units within Sectional Title Schemes.
- e) To **strengthen tenant protections** within Sectional Title Schemes through the **enforcement** of fair rental practices and the establishment of dispute resolution mechanisms.
- f) To **ensure compliance** with the Sectional Title Schemes Management Act regarding tenant rights and obligations within rental units.



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ST SMA Council Way Forward

A **Sub-Committee** has been formed to assist the work of Council.

Stakeholder engagement sessions to be held in Q3 and Q4 of the 2024/25 FY.

As sector experts by virtue of your role as Managing Agents, Trustee, Owners etc. We **rely heavily** on you in identifying issues which require an intervention- in terms Legislative amendments or crafting of new regulations.

SHORT TERM PROGRAMME. An interrogation of the STSMA, PMR and related legislation in order to identify key issues which require legislative review or can be addressed by way of regulation by the Minister.

Misconception that the sector is regulated by two pieces of legislation only- CSOS Act and STSMA. What about SPLUMA as an example. Municipal Planning Regulations yet another. We rely on you as practitioners to identify other legislation which impact on the sector.



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THANK YOU
FOR YOUR
TIME