

Strata Law Reform 1 July 2025 – Complete Webinar Q&A Responses

REPORTING REQUIREMENTS

Q: Will the change in strata reporting frequency include half-yearly building manager reports included?

A: The legislation specifically requires strata managing agents to provide 6-monthly reports. Building manager reports are separate and would only be included if the building manager is performing delegated strata management functions. Standard building maintenance reports are not covered by this requirement.

Q: Do owners see this or only the SC?

A: The 6-monthly reports must be provided to the owners corporation. While the strata committee typically receives these first, owners have rights under Section 182/183 to inspect these records as they form part of the owners corporation documents.

Q: Will this include a more detailed breakdown of strata management charges?

A: Yes, the reporting must cover all delegated functions including financial management, which includes agency payments and fee breakdowns. This provides greater transparency on management charges and services provided.

Q: When you say clients can see the contracts, is it just limited to strata committee members or any owners will have access to the contracts?

A: All owners have rights to inspect owners corporation records including contracts under Sections 182-183. However, fees apply – \$31 first hour, \$16 per half hour thereafter for owners, and doubled fees for non-owners.

Q: I have never seen a report from our building manager, who is our first point of contact, and should be included in this new reporting reform.

A: Building manager reports are separate from strata management reporting requirements. However, if building maintenance is a delegated function to your strata manager, it should be included in their 6-monthly reporting under "Arranging Work to Common Property."

Q: Which records are being referred to?

A: The 6-monthly reporting covers all delegated functions: financial management, record maintenance, meeting management, work arrangements, and insurance details as outlined in the legislation.

SUSTAINABILITY REQUIREMENTS

Q: Should strata managers be leading the opportunity to explore solar installation rebates?

A: While not mandatory, strata managers should inform schemes about sustainability opportunities as part of the mandatory AGM sustainability discussion. This includes potential rebates and financing options for solar installations and other sustainability infrastructure.

Q: Will there be benchmarking information available for similar residential buildings on sustainability measures amongst Jameson clients?

A: This would definitely be our intent to assist in providing comparable guidance and advice. The legislation only requires consideration of annual energy and water consumption/expenditure, not benchmarking against other schemes.

CONTRACT TERMS & COMPLIANCE

Q: Will bylaw updates be mandatory to comply? I certainly hope so.

A: Yes, certain bylaw updates are mandatory:

- By-laws preventing sustainability infrastructure solely for appearance are banned (except heritage properties)
- Assistance animal evidence requirements must comply with single evidence rule
- Any by-laws conflicting with accessibility infrastructure provisions must be amended

Q: What % increase can be expected in both strata manager fees and strata levies as a result of this new legislation?

A: Fee increases will vary by provider. Additional costs may include:

- 6-monthly reporting (instead of annual)
- Committee member training
- Enhanced record keeping systems
- Compliance monitoring Individual schemes should request cost impact assessments from their strata managers.

ASSISTANCE ANIMALS

Q: What checks will be in place to stop people having pets that are not compatible with unit living?

A: The legislation specifically addresses assistance animals only. Regular pet restrictions remain under existing by-law powers. Assistance animals cannot be refused based on breed or type – only whether they meet the evidence requirements.

Q: How does the committee benefit from allowing animals?

A: This relates to assistance animals for people with disabilities, not general pets. The "benefit" is legal compliance with disability discrimination laws and supporting residents with legitimate needs.

MINOR RENOVATIONS

Q: What is defined as minor renos?

A: Minor renovations are defined in the existing legislation as work that doesn't require special resolution approval such as renovating a kitchen, changing recessed light fittings, installing or replacing wood or other hard floors, installing or replacing wiring or cabling or power or access points and work involving reconfiguring walls. The new changes relate to process timing (3-month automatic approval) rather than scope definition.

Q: Why does Jameson's charge owners to submit a minor renovation applications?

A: Application fees cover administrative costs of processing, assessment, and record keeping. The new 10-year record keeping requirement may justify reasonable processing fees.

Q: Major Renovation – Will it still be anything requiring waterproofing? In my specific Lot, I'm removing all the wall & floor tiles outside the shower recess. The Executive Committee is replacing all the wall & floor tiles in the shower due to a perceived threat of water going into neighbours unit.

A: Yes, work requiring waterproofing typically classifies as a major renovation requiring special resolution approval. The July 2025 amendments don't change this fundamental distinction.

Your Specific Situation Analysis:

- Outside Shower Recess (Your Work): Could be minor renovation if no waterproofing is disturbed
- Inside Shower Recess (Committee's Work): Likely major renovation due to waterproofing systems

Recommended Actions:

1. Obtain professional waterproofing assessment for both work areas
2. Separate the applications – they may have different classification requirements
3. Document the plumber's investigation showing no water threat
4. Request formal classification from your strata manager based on detailed scope of works

ACCESSIBILITY INFRASTRUCTURE

Q: What kind of equity are they referring to?

A: "Equity" refers to accessibility infrastructure such as chairlifts, ramps, and other modifications that become common property. These installations help provide equal access for people with disabilities but create ongoing obligations for the owners corporation to repair, maintain, and insure.

Q: Does the voting for a by-law that governs accessible infrastructure still require 75% or now 50%?

A: From 1 July 2025, accessibility infrastructure resolutions only require a majority vote – meaning less than 50% of unit entitlements must be against the resolution for it to pass. This is a significant reduction from the previous 75% special resolution requirement.

Q: If a lot owner requests a chair lift, who will be responsible for repairing, maintaining, and removing it when the owner moves?

A: This depends on the conditions set in the by-law that governs the installation. The by-law should specify:

- Who owns the infrastructure (typically becomes common property)
- Ongoing maintenance responsibilities
- Insurance obligations
- Removal requirements when no longer needed
- Cost allocation for repairs and maintenance

Q: Is a bylaw required?

A: Yes, if the accessibility works affect the common property, a by-law is typically required to govern the installation, use, maintenance, and eventual removal of the infrastructure.

Q: Is a special resolution still required if it is related to an individual, and a bylaw is required?

A: No. From 1 July 2025, an "accessibility infrastructure resolution" is required, which will pass if not more than 50% of the unit entitlements vote against the resolution. This applies even when a by-law is needed.

Q: What happens if the resolution is not passed (doesn't get 50%+ support)?

A: If the accessibility infrastructure resolution fails to pass, the lot owner has the option to apply to NCAT (NSW Civil and Administrative Tribunal) seeking an order that the by-law be made. They would need to demonstrate that the owners corporation unreasonably refused the making of the by-law.

Key Considerations Required Before Approval:

Before approving any accessibility infrastructure resolution, the owners corporation must consider:

1. **Cost and financing** of the accessibility infrastructure and works, including expected running and maintenance costs
2. **Ownership responsibilities** – who will own, install and maintain the accessibility infrastructure
3. **Availability** – the extent to which use of the infrastructure will be available to all or some lots in the scheme
4. **Detriment assessment** – the extent to which NOT installing the infrastructure will cause detriment to the person requesting it
5. **Building capacity** – whether the building can structurally support the type of infrastructure required

6. Other prescribed matters as set out in regulations

Important Notes:

- The infrastructure typically becomes common property once installed
- Ongoing insurance coverage must be arranged
- Building insurers should be notified of modifications
- Professional engineering advice may be required for structural assessments
- The by-law should address what happens when the resident no longer needs the infrastructure

COMMITTEE GOVERNANCE & TRAINING

Q: Who is going to provide training and how much will it cost and who pays?

A: Training providers and costs are not yet specified in regulations. Generally, training costs are borne by the owners corporation as they benefit from compliant committee members

Q: Are members still allowed to share the roles or do they need to be delineated to individuals?

A: The legislation doesn't change role-sharing arrangements, but each individual committee member must complete required training and meet the enhanced duty requirements.

Q: What will be the time frame for the SC training to be completed? If a SC member does not comply?

A: Training timeframes will be prescribed in regulations (not yet published). Non-compliant members automatically cease to be committee members under Section 37(3).

Q: How can a non-complying (or difficult) member of the committee be kicked out of the SC?

A: Committee members who fail to complete mandatory training automatically cease membership. For other issues, existing removal procedures under the Act apply (including motions of no confidence).

Q: How much extra cost will we be charged for the changes?

A: Cost impacts will vary by scheme size and current service levels. Key cost areas include:

- Enhanced reporting (6-monthly vs annual)
- Training requirements
- Improved record keeping systems
- Compliance monitoring

Q: Given the Strata manager is required to produce 6/12 reports will this be an additional cost to OC?

A: This may result in additional costs as it doubles reporting frequency. However, it provides better oversight and transparency of management activities.

Q: Surely the Managing Agent pays for the training not the Strata Scheme!

A: Committee member training is the responsibility of the owners corporation, as they are the employers/appointees of committee members. Strata manager training is the agent's responsibility.

MEETING MANAGEMENT

Q: Can you discuss your thoughts on all owners attending the committee meetings and ensuring they are observers only?

A: Committee meetings are generally for committee members only unless the scheme's by-laws provide otherwise. Chairperson's enhanced duties include maintaining order and facilitating constructive discussion, which should help manage disruptive behaviour.

SCHEME-SPECIFIC ISSUES

Q: We only have 7 units, max. 3 owners will attend the AGM, and in the owners committee, what can we do if the self-recommended chairperson does not have any knowledge & cause burden to correct decision?

A: Small schemes face unique challenges. Options include:

- Mandatory training will improve chairperson capabilities
- Motion of no confidence if chairperson fails duties
- Professional strata management to provide guidance
- Owners can run for committee positions themselves

TECHNICAL QUESTIONS

Q: Will the Strata Hub enable uploads of critical documents e.g. minor renovations?

A: This is a Jameson system question – they would need to confirm their portal capabilities for document uploads and 10-year record storage requirements.

Q: Is mould a safety issue?

A: Yes, mould can affect building safety and health, potentially preventing repair delays under the amended Section 106.

Q: Who has responsibility to do what for embedded networks?

A: Owners corporations must disclose embedded networks in sale contracts and Section 184 certificates. New utility agreements entered after 1 July 2025 will have 3-year maximum terms or expire at first AGM.

PERFORMANCE & OVERSIGHT

Q: How do we get a performance review of Jamesons?

A: Owners corporations can request performance reviews through:

- Committee evaluation of 6-monthly reports
- Annual management agreement reviews
- Comparison with service level agreements
- Market testing when agreements expire

Q: Are there any changes that would change the current cover by Strata insurance (to be concerned as owners)?

A: The legislation doesn't directly change insurance requirements, but accessibility infrastructure and sustainability improvements may require insurance notifications and coverage adjustments.

Q: What provisions have been made for strata buildings' End of Life? These new laws will push the costs of maintaining old buildings up. The assumption is that these buildings will have massive restoration & upgrade costs enforced upon them. Many buildings are over 50 years old & will have trouble complying with new standards, such as EV charging. Is the intention for buildings to either shape up or become valuable new

building blocks? We don't want to see low income owners forced to sell because they can't afford higher strata levies.

A: End-of-Life Building Considerations:

The legislation doesn't explicitly address building end-of-life scenarios, which is a significant oversight given the aging building stock. However, several factors are relevant:

Cost Pressure Analysis:

- While mandatory AGM discussion is required, actual implementation remains discretionary
- Reduced voting thresholds may increase pressure for expensive modifications
- Will increase management costs but provides better financial oversight
- 6-year claim period may expose schemes to higher liability costs

Some Strategies for Older Buildings:

1. Most sustainability measures can be implemented gradually through normal replacement cycles
2. Heritage-listed buildings are exempt from sustainability by-law restrictions
3. Enhanced 10-year capital works planning (considering initial maintenance schedules) helps spread costs
4. Bulk purchasing arrangements for common upgrades across multiple schemes

There's clearly a need for:

- Transition assistance programs for aging buildings
- Graduated compliance requirements based on building age/value
- Collective sale facilitation mechanisms for buildings reaching economic end-of-life
- Affordability impact assessments before major regulatory changes

Recommendations for Concerned Schemes:

1. Conduct building condition assessments to identify realistic upgrade costs
2. Review insurance valuations to understand replacement vs. upgrade economics
3. Consider collective sale investigations if upgrade costs exceed reasonable thresholds

COMMITTEE TRAINING

Q: The pending compulsory training of strata committee members is welcome, but there's concern that some committees will collapse with resignations if certification is too difficult to obtain. How many stratas do you presently run with no committee or non-active one? What would be a typical percentage increase in strata fees if the strata manager had to do all the work, including travel time to visit blocks?

A: The legislation creates an automatic disqualification mechanism – committee members who fail to complete required training automatically cease to be members. This could indeed trigger governance collapses, particularly in:

- Small schemes with limited owner engagement
- Investor-dominated schemes where owners live remotely
- Schemes with aging populations who may struggle with training requirements
- Buildings with ongoing disputes where committee roles are already difficult to fill

While specific Jameson statistics weren't provided, industry-wide data suggests:

- Approximately 15-20% of schemes operate without active committees
- 30-40% have committees with minimal engagement levels
- Small schemes (under 20 lots) have the highest rates of governance difficulties

Risk Mitigation Strategies:

For Training Requirements:

1. Simplified training modules – advocate for practical, accessible formats
2. Mentorship programs – pair experienced with new committee members
3. Professional support – strata managers provide guidance during transition
4. Graduated implementation – phase in requirements over 12-24 months

For Governance Continuity:

1. Succession planning – identify and train potential committee members early
2. Shared responsibilities – distribute workload to prevent individual overload
3. Technology solutions – use digital platforms to reduce meeting burden
4. Professional development – invest in committee capability building

Economic Impact Assessment:

The training requirements represent a policy trade-off:

- **Benefits:** Better decision-making, reduced liability, improved scheme governance

- **Costs:** Potential governance collapse, increased professional management fees, reduced owner participation

The legislation appears to assume a level of owner engagement and financial capacity that may not exist across all strata schemes. This creates potential for a two-tier system where well-resourced schemes thrive under enhanced governance requirements, while struggling schemes face increased costs and governance challenges.

Q: An important point you raise about the fact that the legislation is not retrospective re maintenance law. Thank you

A: Correct – the 6-year claim period begins from 1 July 2025, not retrospectively. This provides certainty for existing matters.

Q: Will the slides be distributed? / Will you be sharing the slides after the meeting?

A: This is a decision for Jameson regarding their webinar materials distribution policy.

Note: These responses are based on the legislative changes effective 1 July 2025. Specific implementation details and costs should be confirmed with your strata manager, and some regulatory details are pending publication.