JAMESONS
STRATA
MANAGEMENT.

Strata Law Reforms Webinar October – Q&A Summary

Q1. How does Fair Trading become aware of problems that require them to make a visit to premises?

A: Fair Trading typically becomes aware of issues through formal complaints submitted by owners, tenants, or strata managers. They may also act on patterns of non-compliance identified through previous investigations or tribunal outcomes.

Q2: What can I do if my strata committee refuses to action simple issues like a broken street light?

A: Start by documenting your communications and raising the issue formally in writing to the strata committee, clearly outlining the problem and proposed solution. If there's no reasonable response within a reasonable timeframe, you can:

1. Request the item be added to the agenda for the next committee or general meeting
2. Consider mediation through NSW Fair Trading (free service)
3. As a last resort, lodge a complaint with Fair Trading if the issue relates to the committee's duty to repair and maintain common property

Q3: Who funds the 'free' financial counselling for owners experiencing hardship?

A: This service is funded by the NSW Government through Fair Trading programs, not by the owners corporation or strata scheme. It's designed to provide impartial advice to help owners manage arrears or payment plans.

Q4: How should committees handle the requirement for two quotes if only one trade is suitable or available?

A: Committees should document efforts to obtain multiple quotes, even if unsuccessful. Under Section 102(1) of the Strata Schemes Management Act 2015 and Section 25 of the Regulation, multiple quotes are typically required for expenditure exceeding the prescribed threshold (commonly $30,000 but check your scheme's by-laws as this may vary). This excludes emergency repairs such as serious damage, burst or blocked plumbing, unexpected electrical failures, or glass breakage. If unable to obtain multiple quotes, document the reasons and note this at your next General Meeting, explaining why further quotations couldn't be obtained

For anything else if you are unable to obtain two quotes simply by recording the reasons why and noting at your next General Meeting and the reasons the owners corporation was unable to obtain further quotations.

Q5: Do we still need to present two strata management agreements at an AGM?

A: Only if more than one agency is being considered for appointment. Otherwise, a single proposed agreement can be presented for approval by the owners corporation.

Q6: Have there been any changes relating to defaulting on a payment plan?

A: Yes, under the 2025 reforms, if an owner defaults on a payment plan, the owners corporation must act reasonably. This includes providing 30 days' notice before taking any debt recovery action. The notice must include information about financial hardship assistance and payment plan options. The owners corporation should also consider whether to offer a revised payment plan or other assistance before terminating the arrangement.

Q7: Can interest be charged on a payment plan?

A: Yes, interest may be charged on overdue levies that are subject to payment plans. However, committees should consider waiving or reducing interest in genuine financial hardship cases.

Q8: Is there a statutory interest rate on payment plans?

A: Under the Strata Schemes Management Act 2015, interest on overdue levies is calculated at a maximum annual rate of 10% simple interest from the date the levy falls due. The committee has discretion to charge a lower rate or waive interest entirely.

Q9: What if owners are unhappy with the quality of repairs, such as concrete cancer work?

A: Owners should first raise concerns in writing with the strata committee, requesting an inspection or independent assessment. The committee should investigate and, if defects are confirmed:

1. Engage the original contractor to rectify under warranty
2. Obtain independent expert opinion if warranty claims are disputed
3. Consider engaging alternative contractors if original contractor won't respond
4. If major defects, consider legal action against the contractor Owners can also escalate unresolved matters through Fair Trading mediation or NCAT if the committee fails to act reasonably

Q10: Are there limits on how long a payment plan can run?

A: Yes, Payment plans must not exceed 12 months and can be reconsidered at any time or request by the applicant.

Q11: Who can access information about repair reporting or contractor invoices?

A: All lot owners are entitled to inspect strata records, including invoices and maintenance reports, under Section 182 of the Strata Schemes Management Act. Many schemes now provide this digitally via the owners' portal.

Q2: How do the new building manager (BM) duties apply if the existing contract is 20+ years old?

A: Older contracts remain valid, but building managers must now comply with new disclosure and conflict-of-interest obligations regardless of when the agreement was signed.

Q13: What if a committee member acts as an unpaid building manager.. do these new rules still apply?

A: Generally, no, if a committee member is performing building management duties without a formal building manager agreement and without payment, they would not typically be considered a 'building manager' under the legislation. However, the new duties and disclosure requirements apply to anyone with ongoing management or control duties over common property, regardless of payment. If in doubt, seek legal advice about the specific circumstances.

Q14: What happens if a building manager doesn't meet their disclosure obligations?

A: The owners corporation can issue a notice to comply and, if unresolved, terminate the contract. Serious breaches can also be referred to Fair Trading for enforcement.

Q15: Will employing building managers reduce strata management fees?

A: Not necessarily — the relationship between building management and strata management fees depends on your specific arrangements. While a building manager can handle on-site duties and some routine maintenance coordination, the strata manager remains responsible for compliance, meetings, financial management, and statutory reporting. The roles complement rather than replace each other. Some schemes may see reductions in non-routine Schedule B fees for project management and maintenance coordination, but this varies by arrangement. Discuss with your strata manager how building management services might affect your overall fees.

In some instance management of project, management of repairs and maintenance can be reduced in part of the Strata Management non-routine schedule B fees.

Q16: How do we know who the delegated building manager is for our building?

A: Check your scheme's notice board or owners' portal for building manager details. This information should be clearly displayed and kept current. If you can't locate this information or it appears outdated, contact your strata manager or strata committee secretary who can provide current details and contact information.

Q17: What if the strata manager performs building manager duties.. do disclosure rules apply?

A: Yes. When a strata manager undertakes building management functions, they must also comply with the same disclosure and transparency requirements as an appointed building manager and also as the Strata Managers obligations.

Q18: How can a strata committee be changed?

A: Committee members are elected annually at the Annual General meeting or at a General Meeting of the owners corporation.

Q19: What must the strata manager disclose in AGM reports?

A: From 27 October 2025, strata managers must provide at AGMs:

1. A comprehensive disclosure statement covering any commissions, referral fees, or benefits received
2. Details of connections to service providers used by the scheme

3. A delegated functions report (6-monthly reporting requirement)
4. Any potential conflicts of interest
5. Training services or other benefits provided to or received from the scheme. This information must be made available to all owners, typically through the AGM pack or online portal.

Q20: Will Schedule B fees (management fee reports) be itemised?

A: Yes, transparency and clarity are a priority by preparing this new report to provide itemisation of management fee reports to enable you in seeing the time expended and key areas of service being undertaken by your strata manager.

Q21: Can management fee reports be signed off before payment?

A: They should be reviewed by the committee first, ensuring accuracy before authorisation. Transparency in reporting is central to the reforms.

Q22: Will the delegated report be sent to all owners?

A: The delegated report must be made available to owners, either included in AGM packs or via the online portal.

Q23: Does the delegated report need to appear in the AGM pack?

A: Yes, best practice is to include it in the AGM documentation so owners can review activities prior to the meeting.

Q24: Is publishing the reports online enough, or must they be distributed?

A: Online publication is acceptable if all owners have portal access and are notified when new reports are uploaded.

Q25: Are arrears recovery options different for special levies?

A: No, the same processes apply, but committees should communicate early with owners to prevent arrears due to larger one-off payments.

Q26: If we generate financial reports in the owners' portal, will they be current?

A: Reports generated via the portal reflect data at the time of download. They're always live, not delayed by six months.

Q27: Can an ex-owner lodge a complaint to Fair Trading?

A: Only current owners, occupants, or authorized representatives can lodge formal complaints about an active strata scheme with Fair Trading. Ex-owners generally cannot lodge new complaints about ongoing issues. However, if a dispute relates to matters that occurred during their ownership period, they may provide supporting evidence to current owners who can lodge the complaint. If you're an ex-owner with concerns, consider contacting current owners who may be experiencing similar issues.

Q28: Will time-based charges be shown in more detail?

A: Yes, our reports have always referenced a break down and now you will be able to access the time-based breakdown in one space.

Q29: Where can we view the accounting for management fees, disbursements, and additional services?

A: These are detailed in the financial statements and your detailed management fee reporting. These reports are available at the request form your strata manager or by accessing your Jamesons online portal.

Q30: How can an underperforming strata manager be removed?

A: The process depends on your management agreement terms:

1. At AGM: Owners can vote not to renew the management agreement when it expires
2. Early termination: Call an extraordinary general meeting to terminate early, but check your agreement's termination clauses as penalties may apply
3. Before acting: Consider discussing concerns directly with the strata manager or their licensee, as many performance issues can be resolved through communication
4. Documentation: Keep records of specific performance issues to support any termination decision
5. Legal advice: For complex situations, consider legal advice about termination rights and obligations

Q31: What are fixed management fees?

A: Fixed management fees cover the agreed scope of standard services under Schedule 1 of the agency agreement.