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STRATA REVIEW TABLED IN NSW PARLIAMENT

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2021 Strata Review

Earlier this year I invited you to participate in the process of review of current strata legislation in NSW as part of the statutory review process. Some of you responded to me, and some of you participated in the online process facilitated by the NSW government.

Over 2,300 online survey responses were received and over 200 submissions filed through the NSW Government's website in relation to the statutory review.

After all the submissions made, the report on the outcome of the statutory review of the *Strata Schemes Development Act 2015* and the *Strata Schemes Management Act 2015* was finally tabled in the NSW Parliament on Monday 29 November 2021.

In total 37 recommendations were made in relation to proposed amendments to the *Strata Schemes Development Act 2015*, and 102 recommendations were made in relation to the *Strata Schemes Management Act 2015*.

Key Recommendations for the Strata Schemes Management Act

Of the over 100 recommendations set out in the report there are quite a number which are of interest, including proposals to:

- lower the threshold to remove a committee member from a special resolution to an ordinary resolution;
- increase education for strata committees and to define the office bearers' roles more clearly;
- clarify the provisions in the Act relating to extensions of strata managing agency contracts;
- prohibit unfair terms in standard form contracts offered to owners corporations;
- provide Fair Trading NSW withstanding under Section 237 of the Act to apply to the Tribunal to seek the appointment of a compulsory managing agent;
- require at least two quotes to be obtained for expenditure over \$30,000.00 on any one item;
- clarify evidence which can be required to determine an animals status as an "assistance animal" pursuant to the *Disability Discrimination Act 1992*;
- extend the current two year limit on damages for failure to repair and maintain common property under the Act to six years;
- provide greater detail in relation to the requirements of a 10 year capital works plan.

Key Recommendations in relation to the Strata Schemes Development Act

Although fewer recommendations were made in relation to this legislation, some of them are nonetheless of interest. For example:

- A recommendation that the matters which must be addressed in a Strata Management Statement (SMS) are to include meeting procedures of the Building Management Committee (BMC) and the keeping of records.
- A proposal to require representatives of owners corporations, at meetings of BMC, to make decisions as directed by the owners corporation.
- A recommendation to clarify the basis upon which, and the circumstances when, the Land and Environment Court may award costs in a Collective Sale/Strata Renewal Proceeding.
- Proposal to extend the period of operation of a strata renewal committee (under the strata renewal process) from 12 months to 2 years.

Next Steps

Legislation to implement the recommendations of the review will be prepared in 2022. At this stage, it is not clear which of the recommendations the Government will in fact adopt, but you can read the report by visiting the following link: [Report on the statutory review of the Strata Schemes Development Act 2015 and Strata Schemes Management Act 2015](#)

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About JS Mueller & Co Lawyers

JS Mueller & Co Lawyers has been servicing the strata industry across metropolitan and regional NSW for 40 years. We are a specialist firm of strata lawyers with in depth and unmatched experience in, and comprehensive knowledge of strata law, building defects and levy collections.

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