

NSW Strata Reforms – The New Laws Explained!

Will your by-laws need updating in line with the new Strata Laws?

Since last week's [article](#) where we spoke about 'phase 1' of the strata law reforms, the proposed amendments to the Strata Schemes Management Act 2015 (NSW) have been released.

Below we explain the new proposed strata laws and share the [timeline for their introduction here](#).

Original Owners Votes

- If a scheme comprises of more than two lots the proposed amendments provide that the value of a vote cast by an original owner, usually a developer, of a strata scheme may be reduced.

Strata Committees

- Committee member removal now only requires an ordinary resolution and once removed they're not eligible to be on the committee for 12 months.
- Where it is called for, an election for a committee can take place at any general meeting, not just the AGM.
- A call for nominations to the committee must be included in the general meeting notice.
- A member with a conflict of interest must be excused from voting and discussion on that matter.

Strata Managers

- Must provide notice to the owners corporation 6 months

prior to expiration of their agency agreement.

- Fair Trading can recommend to NCAT that a compulsory agent be appointed to manage dysfunctional strata schemes.

Internal Funds Transfer

- Under the proposed amendment for internal funds transfers, the owners corporation must, within three months of the transfer, decide at a general meeting, if the funds should be repaid, and if yes, how it should be done – via a simple reverse transfer or by special levy.

Emergency Repair Levies

- The proposed amendments will reduce from 30 days to 14 days the time period for payment of a special levy for urgent repairs. This amendment is for necessary building repairs to mitigate any serious and imminent threats to the health and/or safety of building occupants.

Work Quotes

- Multiple quotations for works exceeding \$30,000 will now be required for all schemes – small and large – Also, the comparative quotations will need to be for people or companies that are not connected with each other.

Pets

- A pet bond or fee can no longer be charged by the owners corporation.
- A by-law cannot impose unreasonable burdens on people with assistance animals.

By-laws

- Under proposed changes, owners corporations may

consolidate the by-laws for the scheme only by special resolution – whether or not a by-law has been amended, repealed or added.

- Two lot strata schemes do not need to pass a resolution to issue a 'Notice to Comply' regarding a by-law breach.

Books and Records

- The strata roll and other mandatory records must now be kept electronically.

Rentals

- Rental agents will be required to give tenants and lessees a copy of a strata scheme's by-laws and strata management statement on commencement of a lease and whenever documents are updated if they are not provided by the landlord or head tenant.
- Rental agents will have to provide the owners corporation notice that a lot has been leased or subleased if the notice hasn't been provided by the landlord or head tenant.
- Tenants can give notice of the lease to the owners corporation if the landlord, head tenant or rental agent fails to do so. In giving notice of the lease or sublease the regulations may prescribe the documents or other evidence a tenant must provide.

Service of Documents

- The regulations may provide for the service of documents, including by prescribing additional methods of service.

Meetings

- General Meeting Notices – time period for notices increases from 7 days to 14 days.

- Company Nominees – number of votes to be limited in a similar way to the way proxy votes are limited.
- AGM – Delivery of development documents by the developer must be done 14 days before the first AGM.

Community Titles

- Most of the above proposals will also apply to Community Title regulations.

Strata Renewals

- Allowing a strata renewal committee to operate for 2 years instead of 1 year to reflect the length of time it can take for that committee to develop a strata renewal proposal.
- Permitting the Land and Environment Court to allow a collective sale of a strata building to proceed even though some of the preliminary steps associated with the sale have not been followed correctly (eg; inadequate meeting notice periods) if that has not resulted in a substantial injustice.
- Allowing dissenting owners who do not object in good faith to have costs awarded against them (eg; where an objecting owner is a developer who is trying to obstruct a collective sale to another developer)

More information

NSW Government
 – <https://www.nsw.gov.au/media-releases/critical-reforms-to-strata-laws>

Amendment Bill
 – <https://www.parliament.nsw.gov.au/bills/Pages/bill-details.aspx?pk=18511>

Timeline –

<https://www.parliament.nsw.gov.au/bill/files/18511/SPI%20-%20Strata%20Legislation%20Amendment%20Bill%202023.pdf>



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Since 2002 Adrian has specialised almost exclusively in the area of strata law. His knowledge of, and experience in strata law is second to none. He is the youngest person to have been admitted as a Fellow of the ACSL, the peak body for strata lawyers in Australia. [Profile](#) I [Linked](#)

Contact US

For all strata law advice including by-laws, building defects and levy collections contact our specialist NSW and Sydney strata lawyers [here](#) or call 02 9562 1266, we're happy to assist.