

NSW Strata Reforms Finally Moving Forward!

The NSW Strata Reforms Phase 1

The NSW Government is moving ahead with phase one of the reforms to strata laws providing benefit to those living in strata. The first phase includes:

- Providing transparency – with collective sales and renewal processes
- Removing restrictions on pets – residents with pets will no longer be required to pay fees, bonds or for insurances for the joy of having a pet
- Requiring multiple quotes – ensuring competitive pricing is obtained for goods and services
- Giving Fair Trading approval to ask NCAT – to appoint compulsory strata managing agents to help manage dysfunctional strata schemes

Some Significant Changes...

Some of the more significant changes include:

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 an AGM 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

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

Quotations

- Multiple quotations for works exceeding \$30,000 will now be required for all schemes – small and large

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

Books/Records

Must now be kept electronically

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 (e.g. 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 (e.g. 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>



Adrian Mueller I BCOM LLB FACCAL I Partner

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.