

Changes are coming to Strata Laws in NSW

College Chronicle
Newsletter

October 11, 2024



Australian College
of Professionals

RTO 91513

Changes are coming to Strata Laws in NSW

The NSW Government is making changes to strata laws to deliver improvements for people who own or live in strata properties in NSW.

The changes will impact strata property owners and strata managers. The following information is a summary taken from the NSW Fair Trading website – check it out for further information at https://www.nsw.gov.au/housing-and-construction/strata/serving-on-a-committee/strata-laws?utm_campaign=website&utm_medium=email&utm_source=email&utm_term=twillio

The Key information

1. New strata laws include expanded disclosure requirements for strata managers (starting early 2025).
2. The expanded disclosure requirements are supported by stronger NSW Fair Trading enforcement and regulatory powers (starting later in 2024).
3. Further reforms are taking shape based on recommendations from the 2021 statutory review of NSW strata laws – the first phase of these reforms was delivered in 2023.

Increased disclosure obligations for strata managers

Reforms to strata laws will increase strata managers' disclosure obligations to owners corporations. They will need to disclose more information, more frequently to the owners corporation. This includes details about their connections with suppliers and developers, and commissions and training services they may receive.

The expanded disclosure requirements will:

- make insurance arrangements more transparent, and
- equip owners corporations with clear and timely information to inform decision-making and enable scrutiny of their strata manager's actions and interests.

When do the changes start?

The expected timeframes for the changes are:

- later this year, NSW Fair Trading will have increased enforcement and regulatory powers in relation to existing disclosure requirements
- from early 2025, the increased disclosure requirements for strata managers will commence

New disclosure requirements

Strata managers will need to disclose more information before they are appointed to a strata scheme as well as during their appointment.



Before a strata manager is appointed, they will need to disclose:

- more information to the owners corporation about connections with suppliers they routinely use, including details about the nature of the relationship
- whether they have given advice about strata plans or a community land scheme plan to the building developer in the previous two (2) year period.

Strata managers will have the following new requirements during the term of their appointment:

- Providing written explanation when requesting approval for commissions or training services

This requirement means that strata managers can't receive any commission or training service without it going through this approval process – unless it has already been included in the strata managing agency agreement.

- Providing upfront, 'real-time' disclosures

The strata manager will need to write to the owners as soon as practicable once they become aware of any connections or interests they have in relation to their strata scheme. Examples include if the strata manager becomes connected to a service

provider the strata scheme is using, or they buy property in the strata scheme.

- Disclosing more at the AGM

The strata manager will need to provide more information at the AGM, including any connections they have with suppliers or the building's developer and connections from the previous twelve (12) months.

There are also changes to make insurance arrangements more transparent. Strata managers will need to provide clearly itemised quotations for insurance policies. This includes setting out commission and broker fee amounts – and who these are ultimately paid to. The base premium amount of the insurance and GST will also need to be clearly set out. Strata managers will be banned from getting a commission on insurance if the owners corporation obtained the quote and arranged for its payment independently, without their help.

As soon as there is any new information about the changes to the strata legislation, we will keep you updated and discuss the implications for your daily work practices.

Rosy Sullivan
Director | College Principal

**Premium Educators
Premium Training
Premium Outcomes**



Contact us

1300 88 48 10
(02) 9264 5505
enquiries@acop.edu.au

Visit us

Level 2, St Andrews House
464 Kent St, Sydney NSW 2000

Mail us

PO Box Q289
QVB Sydney NSW 1230

Connect with us

acop.edu.au



Australian College of Professionals Pty Ltd ABN 32 105 687 910
Registered Training Organisation Number 91513

Property Training

Finance Training

Strata Management Training

Management Training

Government Funded Training

Compliance Checks

Consumer Education

Value yourself
Value your future.

acop.edu.au