Changes coming to Strata Management legislation

College Chronicle Newsletter

June 20, 2025



RTO 91513

Changes coming to Strata Management legislation

From 1 July 2025, new strata laws will commence. This will bring changes to better protect people in strata schemes. The changes will focus on the following:

Minor renovations automatically approved – if no reasons given

To refuse an owner's request for a minor renovation, the strata committee will need to provide the reasons in writing within three months of receiving the request. If they fail to do this, the minor renovation is automatically approved. This only applies if there is a by-law that allows the strata committee to decide on minor renovation requests.

Encouraging the uptake of sustainability

Currently some schemes have by-laws that ban sustainability infrastructure to be installed if it impacts on the external appearance of common property or the owner's property. These by-laws will be banned unless the building is heritagelisted or in a heritage conservation area.

The owners corporation will need to consider sustainability at each AGM. An item must be included on the AGM agenda to consider environmental sustainability within the scheme, including consideration of the common property annual energy and water consumption and expenditure.

Owners corporations will also need to consider costs for sustainability infrastructure, such as electricity meters, solar panels and sustainable building materials, when preparing estimates for the capital works fund each year. This includes costs for the installation, replacement or repair of any sustainability infrastructure, fixtures or fittings.

Protecting schemes from unfair contract terms

Unfair contract terms will be banned in standard form contracts for the supply of goods or services to an owners corporation. Examples of contracts for the supply of goods or services include:

- strata management contracts
- building management contracts
- cleaning or gardening contracts.

A standard form contract is where a business uses a pre-written contract where the owners corporation can't change any or a majority of the contract terms. They can only take it or leave it.

The change will apply to contracts entered into on or after the start date for the new laws, or existing contracts renewed or varied on or after the new laws start.

Making it easier to install accessibility infrastructure in schemes

It will be easier for an owner or the owners corporation to make changes to common property to enable a person with a disability to have access to their property or common property. Instead of a special resolution, only a majority vote is needed.

Strata schemes will need to understand the new process and voting threshold for requests to change the common property to improve accessibility.

New duties for strata committees and the chairperson

New duties for strata committees will include that its members must:

- behave honestly and fairly when carrying out their role
- not behave in a way that would unreasonably affect another person's use or enjoyment of their property or the common property

- comply with their obligations under the strata laws
- only use or disclose information you receive as a committee member (including information about an owner), if you are allowed to under the law or need to as part of carrying out your role.

Improving repairs and maintenance

If an owner or other person has damaged common property and the owners corporation has taken legal action against them, the owners corporation will no longer be able to delay making repairs to the common property if a delay would affect a person's access or use of the common property or a lot.

For example, if an owners corporation sues an owner for causing a large crack in the stairs to the lobby with their motorbike, this damage affects a person's use of the stairs. So, the owners corporation cannot delay getting this repair done.

Other changes include:

- An owner will have six years (up from two years) to bring any damages claims against the owners corporation if they have failed to maintain and repair common property.
- If the owners corporation passes a special resolution to change common property, it must state if the owners corporation or lot owner is responsible for the ongoing maintenance.
- When preparing the first 10-year plan, the owners corporation must consider the initial maintenance schedule which is prepared by the developer and given to the owners at the first AGM.

Supporting residents with assistance animals

A strata resident (e.g. tenant, owner) will only need to provide one form of evidence about their assistance animal if requested. The expanded list of evidence the person can choose from includes:

 an animal identity card, pass or permit from an assistance animal training organisation

- evidence the animal has completed a training program that meets the standards of Assistance Dogs International
- evidence from an Australian government agency that the animal has been accepted as an assistance animal, for example transport pass/permit, government issued access card
- evidence the local council recognises the animal as an assistance animal
- a dog badge, medallion, harness, cape, coat or vest supplied by an assistance animal dog training organisation
- written statement from a registered health practitioner that the animal is an assistance animal. The health practitioner must hold a general or specialist registration under the Health Practitioner Regulation National Law (NSW) 2009.

Increasing record inspection fees

Inspection of records is important to help maintain accountability and enable prospective owners to get more information about the scheme before they buy.

The fees for inspecting strata records (online or in person) will increase from 1 July 2025. The increase will not apply to existing owners within the scheme. Fees (including GST) increase from \$31 to \$60 for the first hour and from \$16 to \$30 for each half hour after the first hour.

The new laws will also require electronic access to records to be through secured means.

Strata committees and/or their strata manager must update their fees for people (other than owners) requesting access to the records.

We will continue discussing the impact of these changes to strata management practices over the next few newsletters.

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