

College Chronicle Newsletter

August 1, 2025





In February 2025, the requirement for disclosures by Strata Managers was increased. During our strata management training courses, this is a major point of discussion and often requires further clarification.

These issues will be examined in more depth during the CPD sessions this 2025/26 CPD year. However, the core disclosure issues for Strata Manager in New South Wales, are briefly discussed below.

Disclosures before a strata manager's appointment

Before a strata manager is appointed, they 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 last two (2) years.

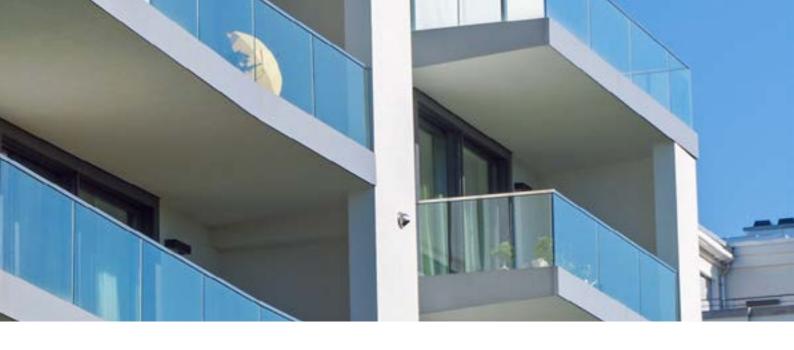
Disclosures during the strata manager's appointment

Strata managers have the following new requirements.

Providing written explanation when requesting approval of commissions or training services

Strata managers need to provide the owners corporation with a written explanation when seeking approval for a commission or training service. The written explanation needs to include why approval is in the owners corporation's interest and prescribed details including the commission amount. The owners will review and decide on the approval request at a meeting of the owners corporation.

This requirement means that strata managers cannot receive any commission or training service without it going through this approval process – unless it has already been included in the management agreement. This is the 'contract' the owners corporation



negotiates with the strata manager when the strata manager is being appointed.

Providing upfront, real-time disclosures

The strata manager needs to write to all lot 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.

The strata manager also needs to give the owners corporation written notice about certain matters before they enter into a contract on behalf of the owners corporation where they will, for example, use a related supplier.

Disclosing more at the annual general meetings

The strata manager needs 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.

This is in addition to the strata manager's existing obligation to disclose the commissions and training services they have received over the past 12 months, and expect to receive in the next 12 months.

Providing itemised quotations for insurance policies

Strata managers 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 also need to be clearly set out.

Strata managers are banned from getting a commission on insurance if the owners corporation obtained the quote and arranged for its payment independently, without their help.

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