

College Chronicle Newsletter

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# What constitutes sustainability in strata?

Sustainability in strata refers to implementing practices and upgrades that improve the environmental, social, and economic performance of a strata scheme. This includes reducing energy and water consumption, minimising waste and fostering a sense of community.

Recent legislation in NSW, such as the Strata Schemes Management Amendment (Sustainability Upgrades) Bill, makes it easier for strata schemes to implement these changes by reducing the voting threshold for sustainability upgrades from a special resolution (75%) to an ordinary resolution (50%).

Sustainability in strata can be broken down into three (3) aspects. Let's look at these in more detail.

#### **Environmental Sustainability**

Environmental sustainability in strata refers to managing shared properties and resources in a way that minimises negative environmental impact and promotes longterm ecological balance. It encompasses practices that reduce resource consumption, minimise waste, and preserve the environment for current and future residents. This involves reducing consumption of finite resources like energy and water, implementing a comprehensive recycling program to alleviate waste sent to landfills and encouraging the use of sustainable transport options. Examples could include switching to LED lighting, installing smart meters, exploring renewable energy sources like solar panels, implementing rainwater harvesting systems, promoting reusable items, composting organic waste and introducing electric vehicle charging stations.

# **Economic Sustainability**

Economic sustainability strategies in strata involve implementing measures that reduce costs, improve resource efficiency, and enhance property value while promoting environmental responsibility. These strategies focus on areas such as energy and water conservation, waste reduction, and leveraging technology to optimise building management. Implementing sustainable practices can lead to lower energy and water bills, reduced maintenance costs, and potential government rebates and incentives. Buildings with strong sustainability features may also attract more buyers and command higher property values.

### **Encouraging Sustainability**

An Owners corporation will no longer be able to have by-laws prohibiting sustainable infrastructure that alters common property appearance, unless the property is heritage-listed or in a heritage conservation area. The owner's corporation will now have an obligation to consider sustainability at each Annual General Meeting, with a mandatory item on the agenda to consider environmental sustainability within the scheme including the annual water and energy consumption for the common property.



When preparing estimates for the Capital Works Fund on a yearly basis, Owners Corporations will also need to consider the costs for sustainability infrastructure. This can include electricity metres, solar panels and sustainable building materials.

A new section has been added to the Act to assist Owners Corporations in addressing their sustainability obligations:

### 132B Financing and installation of sustainability infrastructure

- 1. Before approving a sustainability infrastructure resolution, the owners corporation must consider the following:
  - a. the cost of the sustainability infrastructure and works including any expected running and maintenance costs
  - b. who will own, install and maintain the sustainability infrastructure
  - c. the extent to which the use of the sustainability infrastructure will be available to all or some of the lots in the strata scheme
  - d. any matter prescribed by the regulations
- 2. In this Act:

**sustainability infrastructure** means changes to part of the common property (which includes the installation, removal, modification or replacement of anything on or forming part of that property) for any one or more of the following purposes:

- a. to reduce the consumption of energy or water or to increase the efficiency of its consumption
- b. to reduce or prevent pollution
- c. to reduce the amount of waste sent to landfill
- d. to increase the recovery or recycling of materials
- e. to reduce greenhouse gas emissions
- f. to facilitate the use of sustainable forms of transport
- g. a purpose prescribed by the regulations

**sustainability infrastructure resolution** means a resolution to do any one or more of the following that is specified to be a sustainability infrastructure resolution:

- a. to finance sustainability infrastructure
- b. to add to the common property, alter the common property or erect a new structure on common property for the purpose of installing sustainability infrastructure
- c. to change the by-laws of the strata scheme for the purposes of the installation or use (or both) of sustainability infrastructure

By embracing sustainable practices, strata communities can create a more environmentally friendly, socially cohesive, and financially viable living environment for all residents, current and future.

# Rosy Sullivan

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