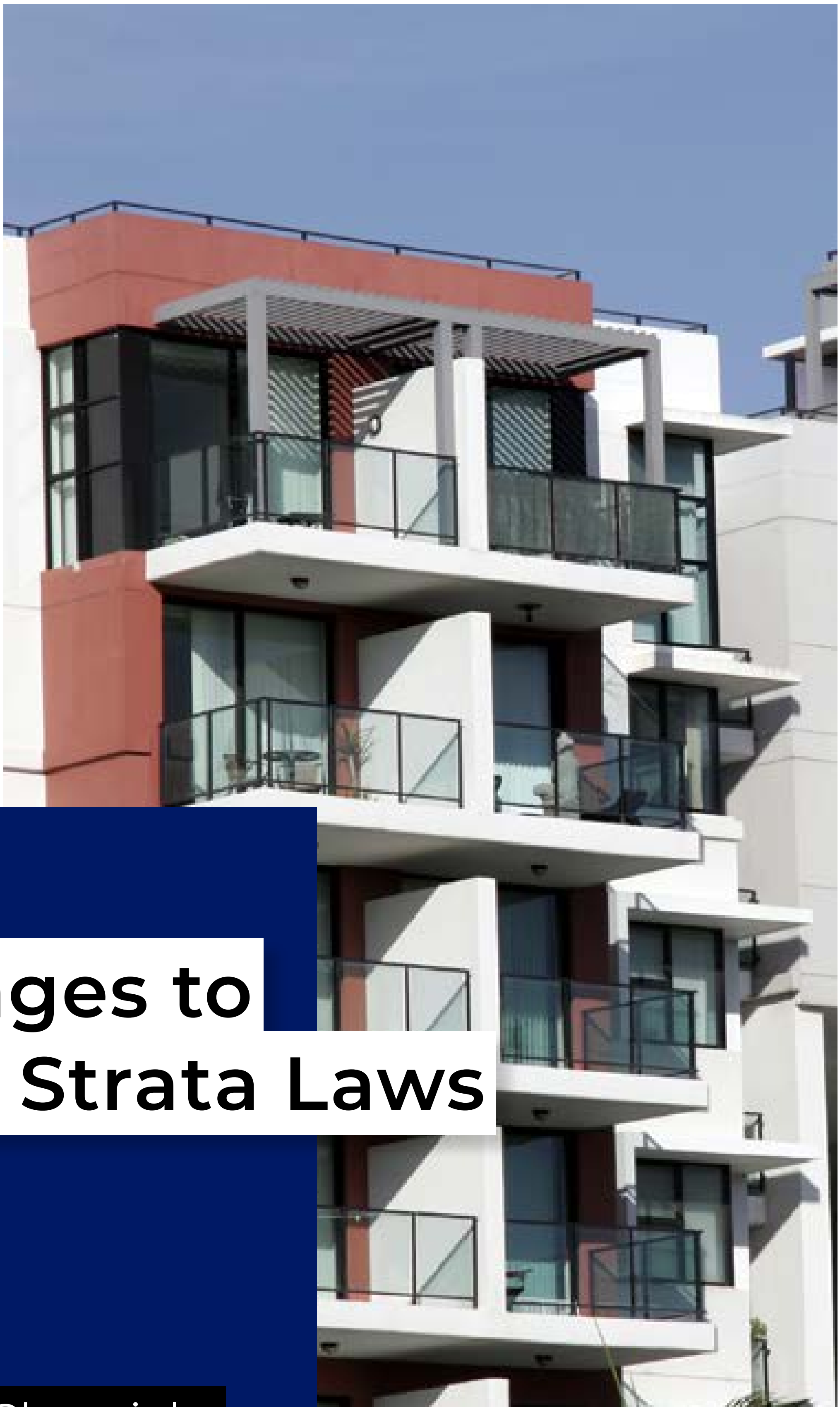

Changes to NSW Strata Laws

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Changes to NSW Strata Laws

The new Strata and Community land regulations in NSW were initially implemented in March 2025, followed by the introduction of phase two in July 2025 and phase three in October 2025. These modifications will continue until April 2026. The reforms relate to the Strata Schemes Legislation Amendment Bill 2024, which was introduced into parliament on 18 November. These changes have been implemented to enhance transparency, accountability, and financial management, particularly focusing on stricter requirements for building managers and strata managers regarding disclosures, commissions and conflict of interest. Key changes which came into effect on 27 October 2025 include; a new mandatory information statement, which must be sent with levy notices, fairer payment plan arrangements, reinforcing the duty of the owner's corporation to repair and maintain common property, and new duties for building and facilities managers.

Your organisation should have already implemented the changes which took place in March, July and October. However, let's review the recent changes which took place from 27 October 2025.

Financial Hardship Information Statements

In this third round of modifications, it has also become compulsory for all strata agencies to attach the Financial Hardship Information Statement to every strata levy notice dispatched to owners, from 27 October 2025. This alteration was implemented to furnish strata owners with transparent information regarding their options in the event that they are unable to fulfill their levy payments.

The statement includes:

- How to make an enquiry
- Information about payment plans and financial hardship
- Dispute resolution options available (for example, any internal dispute resolution information and the option to apply for free mediation with NSW Fair Trading)
- How to obtain translated versions of the information statement (available in 10 community languages)

NSW Fair Trading have also mandated text which must now be included on all levy notices issued from 27 October. The text is set by NSW Fair Trading and cannot be altered. Details can be found at, *https://www.nsw.gov.au/housing-and-construction/strata/serving-on-a-committee/levies/strata-levy-notices#toc-financial-hardship-information-statement*

Payment plan arrangements

From 27 October, new rules for owner's corporations and strata committees around payment plans were also introduced. Payment plans can only be implemented for a period of up to 12 months, but another plan may be agreed to after the previous plan ends. The changes include measures for assisting owners in financial hardship and standardising payment plans for overdue contributions. The new rules include:

- Consider a lot owner's request to enter into a payment plan
- Not make a resolution at a meeting to refuse all payment plans
- Not charge a fee or other cost for making a request for starting or continuing with a payment plan
- Provide a written response within 28 days to an owner requesting a payment plan

- If a request is refused, include written reasons for the refusal and how they apply to the owner's request

An owner's corporation or strata committee must now accept an owner's payment plan request – unless it is unreasonable to do so. It is reasonable to refuse a request if agreeing to it would result in a scheme's capital works fund or administrative fund having insufficient funds. The owner's corporation can delegate consideration of payment plan requests to the strata committee. An owner may apply for mediation of a Tribunal order where a request was refused unreasonably. Further details and the request for payment plan standard form, can be found at: https://www.nsw.gov.au/housing-and-construction/strata/strata-publications/request-payment-plan-overdue-contributions-strata

Owners' obligation to repair and maintain common property

Owners in a strata scheme share ownership of common property with the other owners in the strata building. Common property includes spaces such as foyers, hallways, stairs, lifts, driveways, swimming pools, balconies and gardens. It also includes parts of a building like walls, doors, roofs, pipes and wiring, as well as any share facilities like hot water, ventilation and internet access. Delaying repairs and maintenance can increase costs and risks while lowering the value of the property.

NSW Fair Trading will now have new ways to help make sure the owners corporation meets its duty to repair and maintain common property. NSW Fair Trading will be able to act on issues by:

- Requiring documents or answers from an owner's corporation
- Issuing a compliance notice (for instance, requiring an owners corporation to fix damage, meet specific standards, or to use licensed professionals as required by law), AND
- If required, entering into enforceable undertakings (legally binding agreements with schemes), or seeking to fine an owner's corporation.

New duties for building and facilities managers

Increased building manager accountability was also introduced as part of the 27 October changes. The introduction of new statutory duties, requiring the disclosure of benefits or conflicts of interest, and expanding Tribunal powers to terminate building management agreements for unlawful conduct. Building and facilities managers now have the duty to:

- act in the best interests of the owner's corporation
- act with due diligence toward issues relating to safety, including repairs and maintenance issues
- disclose to the owner's corporation certain benefits, financial interests and relationships with original owners and developers

It is essential for your strata agencies to comply with and implement the new reforms as part of their processes and procedures to guarantee compliance. Additional changes will take effect starting 1 April 2026.

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