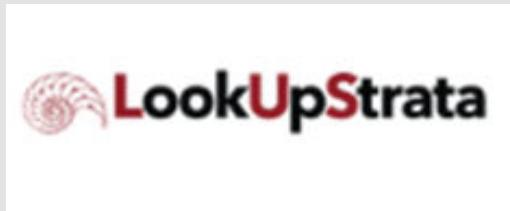


# **Strata & Community Titles: Strata Reforms (a catch up from 1 July 2025) and new changes**

Allison Benson 29.1.2026 Lookup Strata



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## AIMS OF PRESENTATION

1. To provide an update on the key reforms in strata and community title legislation introduced by the Strata Schemes Legislation Amendment Act 2025.
2. To highlight the changes effective 1 July 2025, 127 October 2025 and those that will come into effect on 1 April 2026.
3. The amending legislation also amends the Community Land Development Act 2021 ("CLDA") and the Community Land Management Act 2021 ("CLMA") and corresponding regulations.

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## THE LEGISLATION

Strata Title	Community Title
<i>Strata Schemes Management Act 2015 (SSMA)</i>	<i>Community Lands Management Act 2021 (CLMA)</i>
<i>Strata Schemes Management Regulations 2016</i>	<i>Community Lands Management Regulation 2021</i>
<i>Strata Schemes Development Act 2015 (SSDA)</i>	<i>Community Lands Development Act 2021 (CLDA)</i>
<i>Strata Schemes Development Regulations 2016</i>	<i>Community Lands Development Regulation 2021 (SSMR)</i>

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## **SOME FACTS ABOUT THE CONSTITUTION OF STRATA RESIDENTS**

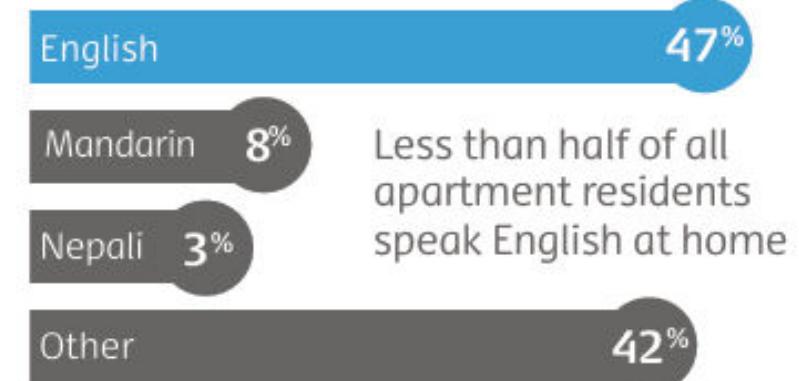
- More than 91,346 strata schemes in NSW and more than 1,073,277 strata lots
- Approx. 17% of people in NSW live in strata (20% of households)
- 55% strata schemes were registered before 2000
- Total est. value of strata property in NSW \$486 billion
- Details from the Australian Strata Insights 2024 Report published by City Futures Research Centre UNSW
- [https://cityfutures.ada.unsw.edu.au/documents/769/Australasian Strata Insights 2024 Report.pdf](https://cityfutures.ada.unsw.edu.au/documents/769/Australasian%20Strata%20Insights%202024%20Report.pdf)

## SOME FACTS ABOUT THE CONSTITUTION OF STRATA RESIDENTS

### Country of birth



### Language spoken



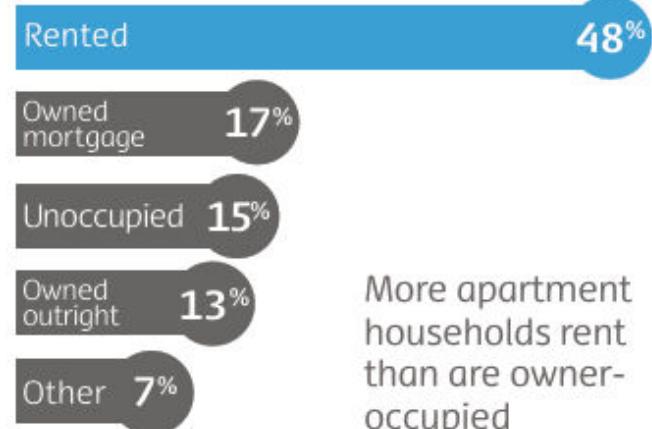
Australian Strata Insights 2024 Report published by City Futures Research Centre UNSW

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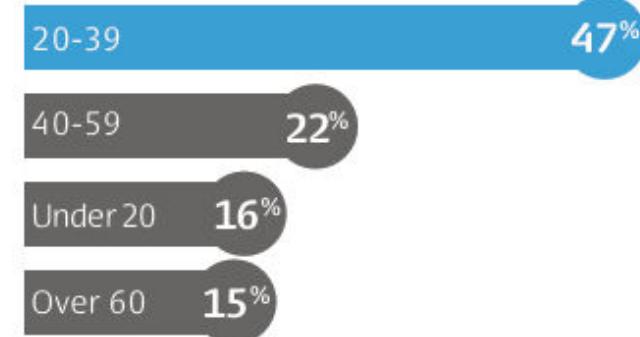
## SOME FACTS ABOUT THE CONSTITUTION OF STRATA RESIDENTS

### Tenure



More apartment households rent than are owner-occupied

### Age



Almost half of all apartment residents are 20-39 years old

- Australian Strata Insights 2024 Report published by City Futures Research Centre UNSW

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## **KEY “OLDER” CHANGES – 3.2.2025**

### **MANAGING AGENTS - DISCLOSURE**

- New s57(3A) & (3B) SSMA requirements.
- S57 related to breaches of duty esp. strata manager is not to request or accept a commission, training, gifts for themselves or another person in commission of or connection to providing service).
- Motions to disclose & obtain approval must be made at general meeting. Strata manager must set out:
  - Commissions – amount of commission and method of calculation
  - Training – \$ value of training service or if not know an estimate
  - Details of relationship between person providing commission/service and strata managing agent
  - Reasons why approving the commission/training is in the best interests of the OC; and
  - Statement that strata manager believes accepting the gift / benefit does not contravene their duty under sch 1, s11 of the Property and Stock Agents Regulations 2022 (conflict of interest)
- Code of Conduct under PSA regulations is here:
  - [https://www.austlii.edu.au/cgi-bin/viewdoc/au/legis/nsw/consol\\_reg/pasar2022376/sch1.html](https://www.austlii.edu.au/cgi-bin/viewdoc/au/legis/nsw/consol_reg/pasar2022376/sch1.html) and
  - [https://www.austlii.edu.au/cgi-bin/viewdoc/au/legis/nsw/consol\\_reg/pasar2022376/sch4.html](https://www.austlii.edu.au/cgi-bin/viewdoc/au/legis/nsw/consol_reg/pasar2022376/sch4.html)

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## **KEY "OLDER" CHANGES – 3.2.2025**

### **MANAGING AGENTS - DISCLOSURE**

- New s60 SSMA requirements.
  - Must disclose if during previous 12 months a person supplying goods & services for the scheme or an original owner has become connected with the strata managing agent, their details and details of the relationship: s60(c) & (d)
  - Must disclose (in writing) before entering a contract for supply goods & services if under the contract commissions or training services are to be provided to the agent OR the contract is with a person connected to the agent: s60(2A).
  - The disclosure requirements are very similar to those under s57 in the previous slide.
  - The Secretary (Fair Trading) in addition to the OC can now make an application to NCAT for an order that the strata manager pay the commission or the value of the training service to the OC: s60(3) (this was in effect from 8.11.2024)

## KEY “OLDER” CHANGES – 3.2.2025 MANAGING AGENTS - DISCLOSURE

- New s71 SSMA requirements.
  - Must now disclose (in writing with details of the nature of the relationship and the goods & services) before strata manager or building manager is appointed:
    - (a) that the person is connected with the original owner,
    - (b) any direct or indirect pecuniary interest in the strata scheme (other than an interest arising only from the prospective appointment),
- Plus:
  - *(c) that the person is connected with another person (the supplier) who routinely supplies goods or services for other strata schemes for which the person is the strata managing agent,*
  - *(d) that the person gave advice, whether under a formal contract or not, to the original owner during the previous 2 years about the strata plan or another strata plan or a community plan,*
  - *(e) another interest prescribed by the regulations.*
- See SSMR 2016 clause 62(1A) and s7 SSMA for definition of ‘connected’

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## **KEY "OLDER" CHANGES – 3.2.2025 INSURANCE- DISCLOSURE**

- S166 is requirement to provide 3 insurance quotations and if less than 3, to provide (written) reasons why.
- New s166(2) SSMA requirements. Insurance quotations must include:
  - Breakdown of charges – base premium, commission (other than broker fee) as a \$ amount and as a % of the base premium, broker fee as a \$ amount and as a % of the base premium, stamp duty, levy, underwriting agent fees, GST and any amounts or %'s required by the regulations from time to time;
  - Person who will ultimately receive the commission and broker fee;
  - Statement whether the person providing the quotation is connected with the agent;
- New s166(3) SSMA requirements that the strata managing agent must provide reasons and quotations as soon as practicable.

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**1 JULY 2025  
CHANGES**

## **1 JULY 2025 CHANGES**

### **COMMITTEES**

- Previous duty of committees to act for the benefit, so far as practicable, of their scheme with due care and diligence: s 37 SSMA
- The duty has been significantly expanded to require they also act:
  - act with “honesty and fairness” and with “due care and diligence”,
  - so as to comply with the Act and regulations; and
  - only use or disclose information obtained as a committee member (including information about a lot owner) as required to carry out their function or as authorised by law
  - not behave in a way that “unreasonably affects a person’s lawful use or enjoyment” of a lot or the common property
- New obligation to complete training. Time limits will apply to complete the mandatory training.

## 1 JULY 2025 CHANGES

### ACCESSABILITY INFRASTRUCTURE

New definitions:s4(1) SSMA.

**“accessibility infrastructure”**: changes to any part of the common property to facilitate a person with a disability having access to the common property or the lot in which they reside and

**“accessibility infrastructure resolutions”** : a motion to finance accessibility infrastructure, to add or alter the common property for accessibility infrastructure or to change the by-laws for the scheme in respect of accessibility infrastructure are

These changes mirror those enacted for sustainability infrastructure resolutions including a change to the definition of special resolution meaning a simple majority would be required for this type of resolution.

## 1 JULY 2025 CHANGES

### PROPERTY OBLIGATIONS

- *Minor Renovations: new s110(6A), (6B) & (6C) SSMA*
  - Works deemed approved if no strata committee decision or refusal within 3 months of application
  - Strata committee must provide written reasons for refusal
  - OC must keep a written record of minor renovations
- *Limitation on deferring repairs:* Schemes are not able to defer their obligation if it affects safety of buildings, structures or common property OR a person's access to or use of the common property or a lot in the scheme:s106(4)(b) SSMA
- *What property does this effect? Most of it if not all.*

## **1 JULY 2025 CHANGES**

### **PROPERTY OBLIGATIONS**

- *Time limit for damages:* The time from which a lot owner must take action against the scheme for damages after they first become aware of their loss is extended from two years to six years: s106(6) SSMA.
- There is debate about whether the change from 2 to 6 years will apply retrospectively. If in doubt, commence proceedings before the 2 year time limit ends.

## 1 JULY 2025 CHANGES

### SUSTAINABILITY CHANGES

- *New requirement in Capital Works Fund estimates.* Must when estimating costs consider the costs “to install, replace or repair infrastructure, fixtures and fittings that are part of the common property for the purpose of the sustainable use of the scheme”: s78(2)(e1) SSMA
- *New AGM motion:* Must consider environmental sustainability within the scheme, including consideration of the common property annual energy and water consumption and expenditure: cl 6(1)(f) Sched 1 SSMA
- *By-law restriction:* By-laws prohibiting sustainability infrastructure on aesthetic grounds prohibited: s139B SSMA.
- Exception – if the scheme is heritage listed or in a conservation zone

## **1 JULY 2025 CHANGES**

### **UNFAIR CONTRACT TERMS PROHIBITED**

- Unfair contract terms are banned in standard form contracts for the supply of goods or services to an owners corporation eg strata management, building management contracts
- A standard form contract = where a business uses a pre-written contract and where the owners corporation can't change any or a majority of the contract terms. They can only take it or leave it.
- Applies to contracts after 1 July 2025 or contracts that are renewed or varied after 1 July 2025.
- **What are the banned terms?**
- An unfair term that
- causes a significant imbalance in the parties' rights and obligations
- is not reasonably necessary to protect the interests of the party that would benefit from the term, or
- would cause financial or other loss to a party if applied.

## **1 JULY 2025 CHANGES**

### **EMBEDDED NETWORK CHANGES**

- An embedded network = a private network for the supply of services such as electricity, hot and cold water, gas, and other utilities. Usually installed during development.
- An agreement for the supply of a utility (including support of electricity through an exclusive supply network) entered into on or after 1 July 2025, expires:
  - at the first AGM if the agreement was made before the meeting, or
  - three years: s132A SSMA
- Same rule applies to all utility agreements the owners corporation enters into, including embedded network utility agreements. This includes utilities such as waste removal, air conditioning, stormwater retention and filtration, sewage, recycling and electric vehicle charging. from the start date of the agreement.

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## **1 JULY 2025 CHANGES**

### **INSPECTION FEES**

- Increased fees for inspecting strata records (online or in person) from 1 July 2025. Fees (including GST) increase from:
  - \$31 to \$60 for the first hour
  - \$16 to \$30 for each half hour after the first hour.

## **1 JULY 2025 CHANGES**

### **STRATA MANAGER**

- Strata managers who have exercised functions of the OC must report to the OC every 6 months (previously 12 months): s55(2) SSMA. The records require specifying the function and how it was exercised.
- EG: strata manager called a general meeting in delegated capacity as secretary on 2 July 2025
- Also, terms in strata management agreements that:
  - require an owners corporation to pay for the agent's professional indemnity liabilities, or
  - limit an agent's liability to a specific amount, unless the agreement is covered by an approved professional standards scheme

are prohibited.

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**27 OCTOBER 2025  
CHANGES**

## 27 OCTOBER 2025 CHANGES

### BUILDING MANAGER DEFINITION

- *New definition:* Where a person exercises the functions of a building manager (or in the case of an association a facilities manager) on a voluntary or casual basis only or as a member of a committee or if they belong to prescribed class of people (reg 17D SSMR) they are not a building / facilities manager: s66(2) SSMA & s70(2) CLMA.
- Prescribed people under reg 17D – NOT a building managers if:
  - (a) engaged solely to carry out one or more repair or maintenance services in relation to the common property,
  - (b) their terms of engagement are solely limited to carrying out the repair or maintenance service or services and do not include duties relating to— (i) managing the common property, or (ii) controlling the use of the common property by persons other than the owners and occupiers of lots, or (iii) managing the overall maintenance and repair of common property, AND
  - (c) they have not been appointed as a building manager under a building manager agreement.

## **27 OCTOBER 2025 CHANGES**

### **BUILDING MANAGER'S DUTIES**

- *New Duty:*

- They must not, without reasonable excuse, fail to act in the best interests of the scheme or breach a duty prescribed by the regulations (which are not yet known): s 70A SSMA & s 74A CLMA
- They are not required to do so if such act would be contrary to the Act or regulations or otherwise unlawful.
- They must also “act with due diligence and promptly—
  - (a) bring to the attention of the owners corporation any maintenance, repair or safety problem with the common property of which the building manager is aware, and
  - (b) propose how the problem should be addressed: Reg 17E SSMR
- Potential penalties are 100 penalty units for individuals and 200 otherwise.

## 27 OCTOBER 2025 CHANGES

### SCHEME FINANCES

#### ***Contributions & Payment Plans:***

- Levy notices must contain information prescribed by the Commissioner: s83(1A):

<https://www.nsw.gov.au/sites/default/files/noindex/2025-06/strata-financial-hardship-information-statement.pdf>

NSW Fair Trading



#### Financial Hardship Information Statement for Levy Notices

All strata levy notices issued for NSW strata properties will need to include a new information statement.

This information will help you understand your rights and obligations if you are finding it difficult to pay your strata levies.

#### Important Information for Owners Experiencing Financial Hardship

- Strata levies are essential to cover shared property expenses.
- If you are struggling to pay your strata levies due to financial hardship, contact your strata manager or committee as soon as possible to discuss what options are available.
- The sooner you reach out for help, the more options you'll have to prevent falling further behind.
- These options may include applying for an affordable payment plan, waiving interest charges, more time to pay, or other options to help with your situation.
- Free, confidential and independent financial counselling is available through the National Debt Helpline. Call 1800 007 007 to speak with a financial counsellor or visit [ndh.org.au](https://ndh.org.au) for more information or to use their live chat service.
- If your hardship request isn't being handled fairly, keep paying what you can and keep trying to catch up on payments.
- To understand your rights under NSW strata laws, access a translated copy of this information, or apply for free strata mediation if you have a dispute about your levies, visit [nsw.gov.au/strata-levies-help](https://nsw.gov.au/strata-levies-help) or call 13 32 20.
- For language assistance, call 13 14 50 (ask for an interpreter in your language).

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- If your hardship request isn't being handled fairly, keep paying what you can and keep trying to catch up on payments.
- To understand your rights under NSW strata laws, access a translated copy of this information, or apply for free strata mediation if you have a dispute about your levies, visit [nsw.gov.au/strata-levies-help](http://nsw.gov.au/strata-levies-help) or call 13 32 20.
- For language assistance, call 13 14 50 (ask for an interpreter in your language).

## **27 OCTOBER 2025 CHANGES SCHEME FINANCES**

### ***Payment Plans:***

- Payments plans continued to be limited to 12 months with provision for further plans to be made.
- Schemes cannot pass a blanket resolution to refuse payment plans but can refuse in particular cases: s85 SSMA.
- SC/OC must respond to a payment plan request within 28 days and must, if it is refused, provide written reasons for the refusal: reg 18B SSMR
- Payment plans must be reasonably refused: s85(5A) SSMA. The regulations prescribe what constitutes a reasonable refusal: s85 (5B) SSMA: See 17J SSMR 2016 – essentially can refuse if the payment plan would mean the OC would have insufficient funds in its CW Fund or Admin Fund
- The OC cannot request payment of a fee for considering or entering into a payment plan: reg18A SSMR

## **27 OCTOBER 2025 CHANGES**

### **SCHEME FINANCES**

#### ***Payment Plans:***

- Payment plan eligibility, *the form of request*, evidence required and how the request is to be stored, secured, used and disposed of may be the subject of the regulations: s85(6) SSMA.
- There is a prescribed form for payment plan request: See [https://www.nsw.gov.au/sites/default/files/noindex/2025-09/ft6648\\_form-1-payment-plan-request-strata\\_fa.pdf](https://www.nsw.gov.au/sites/default/files/noindex/2025-09/ft6648_form-1-payment-plan-request-strata_fa.pdf) – *it does not require evidence to support the request and the OC cannot ask for evidence: reg 17K(2) SSMR 2016*
- The Tribunal may make order a payment plan be made following an unreasonable refusal is provided for: 85(9) SSMA.

## 27 OCTOBER 2025 CHANGES

### SCHEME FINANCES

#### ***Debt recovery & Payment Plans:***

- Where payment plans are entered and complied with schemes may not take debt recovery action: s86(6) SSMA.
- Payments must be applied to contributions in order of due date, then interest then the schemes expense (if an order was made to enable this) unless an order states otherwise: 86(7) & (8).
- The Committee must, at the request of a lot owner who has entered into a payment plan, give the lot owner a written statement for each calendar month (or any longer interval specified by the lot owner) of the plan that sets out the payments made during that month and the amount of unpaid contributions and interest owing: reg 18(2) SSMR
- Notice of debt recovery action is increased from 21 days to 30 days: s86 SSMA.
- Notices must include the overdue amount, the due date, how the amount can be paid, whether a payment plan may be entered into and “any other action that may be taken to arrange for payment of the amount”: reg 19 SSMR
- Schemes may not recover their reasonable costs of debt recovery action unless they have offered the option of a payment plan and the Tribunal or a court so orders: s 86(2AA) SSMA.

## **27 OCTOBER 2025 CHANGES**

### **ENFORCEMENT PROVISIONS (s106 SSMA Duty) NEW PART 10A**

- The Commissioner's powers are expanded to enable investigations, monitoring and enforcement of obligations to maintain and repair scheme property and obtain information or records required for enforcement purposes: s188B SSMA. This includes undertaking destructive testing if required.
- They can require document to be provided (s188D), answers to be given (s188E), record answers for evidence purposes (s188F), enter premises (s188G) and apply for search warrants (s188H).
- They can issue compliance notices; it is an offence not to comply with a compliance notice.
- They can accept undertakings (if authorised by special resolution of the scheme).

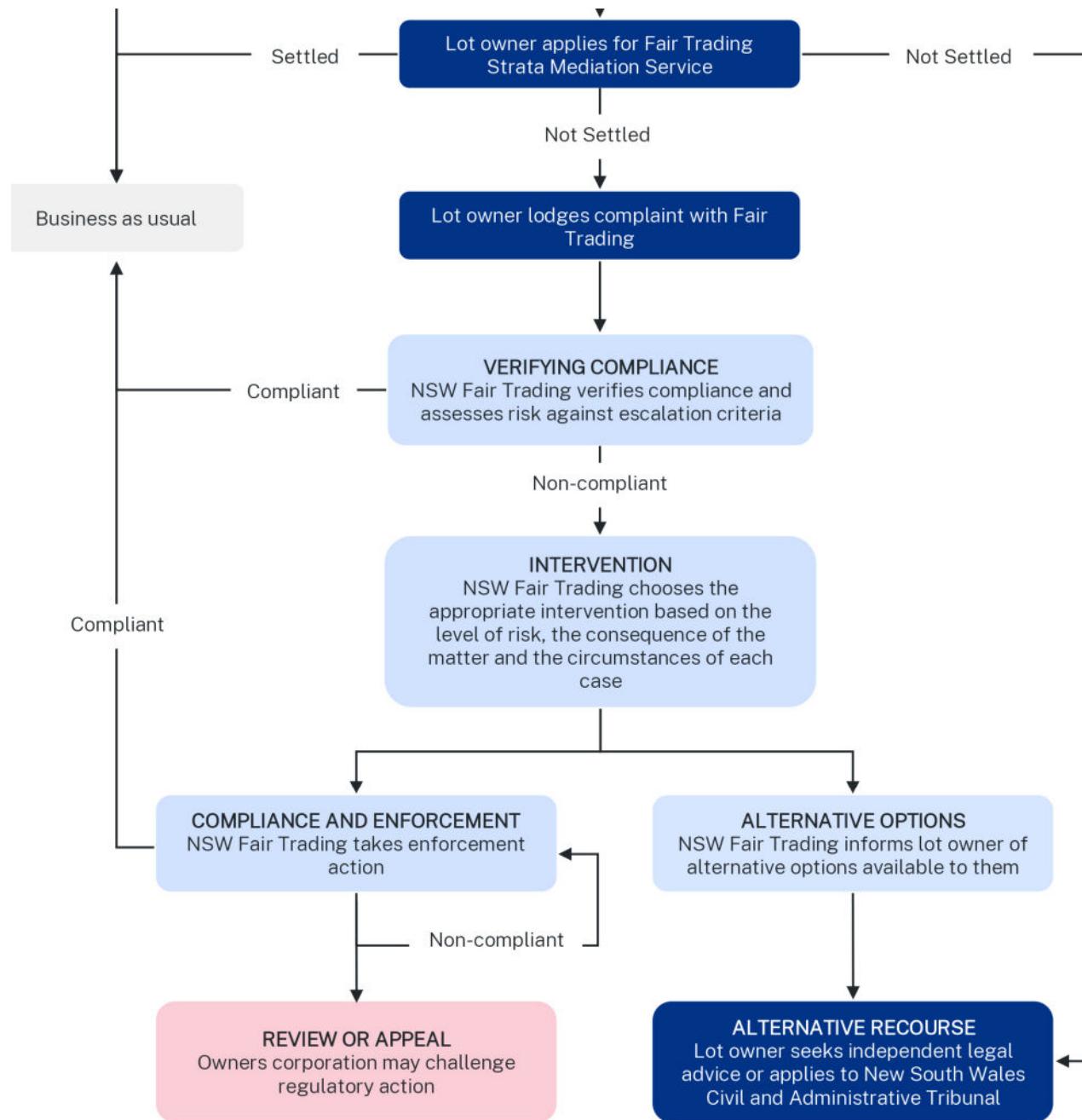
## 27 OCTOBER 2025 CHANGES

### ENFORCEMENT PROVISIONS (s106 SSMA Duty)

- Common Property Repairs and Maintenance Compliance and Enforcement Policy can be found here:  
<https://www.nsw.gov.au/housing-and-construction/strata/living/repairs-and-maintenance/common-property-repairs-and-maintenance-compliance-and-enforcement-policy>
- An extract from the Figure 1: Flowchart of NSW Fair Trading's complaint process for common property repairs and maintenance in strata schemes is set out on the following slide. The first two steps are for the lot owner to make a request to the OC or their Committee and, if not resolved to place a motion on the agenda at a general meeting.

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**1 APRIL 2026  
CHANGES**

## **1 APRIL 2026 CHANGES**

### **CAPITAL WORKS FUND & INITIAL MAINTENANCE SCHEDULE**

New forms must be used for the capital works fund plan (s80(4) SSMA) and the initial maintenance schedule (s115(2) SSMA).

<https://www.nsw.gov.au/housing-and-construction/strata/strata-publications/10-year-capital-works-fund-plan-strata>

Note: it includes line item for accessibility infrastructure but not a line item for sustainability even though it is required to be considered under s78(2)(e1) SSMA

<https://www.nsw.gov.au/housing-and-construction/strata/strata-publications/initial-maintenance-schedule-strata>

For multi storey schemes (those with more than two storeys above ground level, with lots allocated one on top of another) an independent survey will have to certify the initial maintenance schedule: s115(2A) & (2B) SSMA.

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## **WE ARE WAITING ON COMMENCEMENT DATES FOR THESE CHANGES**

- Mandatory training for strata committee members, and
- A requirement for exclusive supply networks (embedded networks) to be disclosed in off-the-plan contracts for sale (it will be new s184((3)(h) & (7) SSMA).

# KERIN BENSON LAWYERS



## WHO TO CONTACT?

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## MORE INFORMATION

Allison's Blog: Thoughts From A  
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