

Navigating the strata schemes legislation amendment bill 2025

By Matthew Lo - April 14, 2025

Purpose of the *Strata Schemes Legislation Amendment Bill 2025*

The bill implements 37 recommendations from the 2021 statutory review of the *Strata Schemes Development Act 2015* and the *Strata Schemes Management Act 2015*, as well as other reforms raised by stakeholders. The government is committed to reforms that will protect owners corporations, improve the accountability of strata management services, ensure owners corporations maintain their buildings, and make strata living easier for residents. The bill is intended to make strata living a key part of addressing NSW's housing needs by ensuring it is safe, affordable, and reliable.

The law of unintended consequences

Matthew Lo highlighted the concept of the law of unintended consequences, noting that public policies can sometimes have different or even opposite effects to those intended due to drafting reasons. He emphasised that while the Act aims to achieve certain goals, it's crucial to consider whether it will actually do so and if it might lead to unforeseen issues. He also pointed out that the current legislation is not the final stage of these reforms, with significant regulations to follow.

Key reforms discussed

The webinar covered several key areas of reform introduced by the bill:

- **Accessibility Infrastructure:** The bill introduces a new definition of "accessibility infrastructure" as changes to any part of the common property to facilitate access for a person with a disability to the common property or their lot. "Accessibility infrastructure resolutions" concerning financing, adding, or altering common property, or changing by-laws for accessibility infrastructure will require only a simple majority, mirroring [sustainability infrastructure](#) resolutions. However, the lack of specific content in the definition of accessibility infrastructure could lead to disputes about whether a particular change qualifies and whether a simple or supermajority is required.
- **Levy Recovery:** The reforms aim to assist owners experiencing financial hardship by emphasising payment plans for those unable to pay levies upfront. Owners corporations must offer payment plans and can only refuse them with reasonable cause, the definition of which will be clarified in regulations. Debt recovery action is prohibited while a payment plan is in place. Levy notices will need to contain information about payment plans and financial counselling. Concerns were raised about potential delays in levy payments by delinquent owners and the lack of penalties in such cases.
- **Scheme Property Obligations (Section 106):** The bill seeks to address delays in maintenance by limiting the ability of owners corporations to defer maintenance if it affects a person's access to or use of the common property or a lot. This broadens the previous restriction related to safety. The time limit for lot owners to take action against the scheme for damages after becoming aware of their loss will be extended from two to six years. Special resolutions for additions and alterations to common property must

now specify who holds the ongoing maintenance obligation. For minor renovations, strata committees must provide written reasons for refusal within three months; failure to do so can result in deemed acceptance. Concerns were noted about the widened scope of the deferred maintenance limitation and the lack of clarity on the retrospective application of the extended time limit for damages.

- **Scheme Committees:** The obligations of committee members are expanded beyond acting with due care and diligence to include acting with “honesty and fairness”, complying with the Act and regulations, and only using or disclosing information appropriately. Committee members must also not behave in a way that “unreasonably affects a person’s lawful use or enjoyment” of a lot or common property. A new obligation for committee members to complete mandatory training will be introduced, with time limits to be specified. It will be easier to vacate the office of chair, secretary, and treasurer with only an ordinary resolution. Concerns were raised about whether these increased obligations will deter owners from joining committees.
- **Enforcement Provisions:** The bill introduces expanded enforcement powers for the NSW Fair Trading (or the Strata Commissioner) to address failures of owners corporations to meet their [section 106 maintenance obligations](#). These powers include the ability to investigate, demand information and records, enter premises, issue compliance notices, and accept undertakings from owners corporations. While these powers aim to provide a more prompt resolution to maintenance issues than NCAT, concerns were raised about the absolute discretion of the NSW Fair Trading/Commissioner, the lack of standing for individual lot owners in these enforcement actions, and the potentially wide application of penalties to any person hindering investigations.

Conclusion

The *Strata Schemes Legislation Amendment Bill 2025* introduces significant changes to strata living in NSW, impacting various aspects from accessibility to building maintenance and committee obligations. While the government aims to improve accountability and make strata living easier, several potential issues and areas requiring further clarification through regulations were highlighted. Owners corporations and stakeholders are encouraged to stay informed about these changes and the forthcoming regulations to navigate the future of strata living effectively.