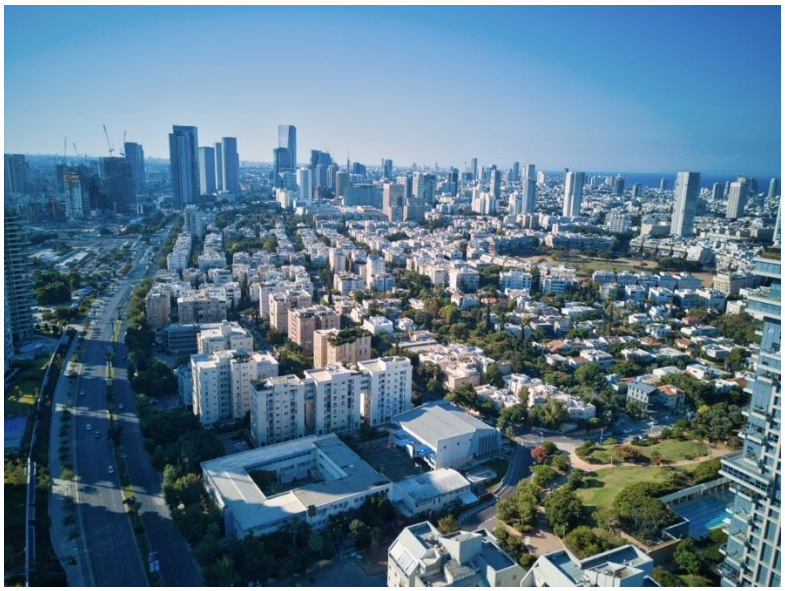
CREATING STRATA SOLUTIONS

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Strata reforms are here: a guide for strata managers

As of today, 1 July 2025, significant amendments to the *Strata Schemes Management Act 2015* have come into effect in New South Wales. These reforms aim to enhance transparency, sustainability, and governance within strata and community schemes across the state.



Key Changes Impacting Strata Managers:

1. **Enhanced Sustainability Measures**

   By-laws cannot prohibit the installation of sustainability infrastructure, such as solar panels or electric vehicle charging stations, based on aesthetic grounds. This change encourages the adoption of environmentally friendly practices within strata schemes.

   Does this mean that a by-law can still prevent EV charging stations for other reasons, such as inadequate infrastructure? Time will tell. We look forward to an inevitable decision from NCAT's appeal panel clarifying the matter.

Things to Do: Ensure that by-laws are compliant with the new sustainability provisions and do not unjustifiably restrict the installation of sustainability infrastructure.

2. **Prohibition of Unfair Contract Terms**

   Strata management contracts entered into or renewed after 1July 2025 must not contain unfair contract terms. This aligns with broader consumer protection laws and ensures fairer dealings between strata managers and owners corporations.

   Things to Do: Examine existing strata management contracts for any potentially unfair terms and ensure that new contracts comply with the prohibition on such terms.

3. **Increased Reporting Obligations**

   Strata managing agents are now required to provide half-yearly reports to the owners corporation (previously this was annual and would ordinarily be done at each AGM). This aims to improve transparency and accountability in strata management.

   Things to Do: Plan for a mid-year EGM and ensure that reporting is included in this EGM also.

4. **New Buildings**

   Developers are now subject to increased penalties for failing to hold the first Annual General Meeting (AGM) on time or for not providing certain documents within the prescribed period. This change seeks to ensure that developers meet their obligations and facilitate smoother transitions to owners corporations.

   Things to Do: If you take on new buildings from developers, ensure that all adequate documentation is handed over.

5. **Extended timeframes for damages Claims**

   The timeframe within which owners can claim damages for a scheme's failure to maintain common property (such as alternate accommodation claims or loss of rent claims) has been increased from 2 years to 6 years.

Things to Do: Ensure that any repair and maintenance is conducted systematically and within an efficient timeframe to avoid or limit damages claims.

6. **Minor Renovations to be decided within 3 months**

   If a strata committee fails to provide written reasons for refusing a minor renovation request within three months, the renovation will be automatically approved. This change streamlines the approval process and reduces delays for owners seeking to make minor modifications.

   Things to Do: Ensure strata committee meetings are held promptly and matters decided. If you do not have a minor renovations by-law in place, contact us to arrange one for the next General Meeting.

These reforms represent a significant shift in the governance and management of strata schemes in NSW.

Not sure if your processes are compliant with the strata reforms, contact us at: info@vinclegal.com.au

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