

Changes to strata laws

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Key information

- New laws for all NSW strata schemes are expected to be **rolled out from mid-2025**.
- The new laws will deliver recommendations from the [2021 statutory review of strata laws \(https://www.parliament.nsw.gov.au/tp/files/81193/DCS%20-%20Statutory%20Review%20on%20Strata%20Scheme%20Legislation.pdf\)](https://www.parliament.nsw.gov.au/tp/files/81193/DCS%20-%20Statutory%20Review%20on%20Strata%20Scheme%20Legislation.pdf).
- More detailed information will be provided when the new laws start.
- [Subscribe to our Property Matters quarterly newsletter \(https://comms.fairtrading.nsw.gov.au/link/id/zzzz618bbca7e9fa9559Pzzzz60e6449600a18236/page.html?prompt=1&parent_id=zzzz618bba36674aa403\)](https://comms.fairtrading.nsw.gov.au/link/id/zzzz618bbca7e9fa9559Pzzzz60e6449600a18236/page.html?prompt=1&parent_id=zzzz618bba36674aa403) to stay informed about the changes.

Why strata laws are changing

Strata laws are changing to better meet the needs of strata communities in NSW.

The changes deliver recommendations from the [2021 statutory review of strata laws \(https://www.parliament.nsw.gov.au/tp/files/81193/DCS%20-%20Statutory%20Review%20on%20Strata%20Scheme%20Legislation.pdf\)](https://www.parliament.nsw.gov.au/tp/files/81193/DCS%20-%20Statutory%20Review%20on%20Strata%20Scheme%20Legislation.pdf).

Certain changes also deliver reforms which the strata sector, owners and residents raised following the review.

The recommendations are being delivered in phases to give owners and industry time to adapt to the changes. These phases include:

- delivery of immediate benefits to strata schemes in the first phase in 2023
- roll out of a second phase of more substantial reforms from mid-2025 (these reforms are the most significant ones since 2015)
- further reforms that will be introduced to the NSW Parliament in the future.

How are the laws changing?

From mid-2025, the second phase of strata reforms will be rolled out. This will bring changes to better protect people in strata schemes.

There are some new and changing requirements for strata schemes, as well as benefits for owners, such as easier approvals for minor renovations.

The changes will impact you if you are a:

- strata managing agent
- developer
- building manager
- strata property owner
- strata committee member (this includes general committee members and the secretary, chairperson and treasurer).

The new strata laws will also apply to community land schemes.

To find out more about the reforms, visit the [NSW Parliament website \(https://www.parliament.nsw.gov.au/bills/Pages/Profiles/strata-schemes-legislation-amendment-bill-2024.aspx\)](https://www.parliament.nsw.gov.au/bills/Pages/Profiles/strata-schemes-legislation-amendment-bill-2024.aspx).

Summary of the key changes

Expand all

Collapse all

Protecting owners corporations against unfair contract terms

Unfair contract terms will be banned in line with Australian Consumer Law. This will apply to:

- strata management contracts
- contracts for goods and services that a strata scheme receives.

Making it easier for owners with assistance animals

Changes include:

- **Expanding the list of evidence**
an owner can give to confirm that an animal is an assistance animal.
- Clarifying that an owner only needs to **give one form of evidence** of their choosing.

Assisting owners in financial hardship

Changes include:

- **New information requirements for strata levy notices**
. This includes information to assist owners in financial hardship to get help early. The information that will need to be provided with the levy notice will include contact details for the

National Debt Helpline. (<https://ndh.org.au/>)

This is a free, confidential and independent financial counselling service.

- **Allowing strata committees to enter into payment plans with an owner in financial hardship**
. Currently, this requires owners corporation approval.
- **Supporting owners in financial hardship who request a payment plan**
. Schemes must consider all requests to enter into a payment plan with an owner for unpaid levies.
- **A strata scheme will need to let owners enter into a payment plan**
, unless they can reasonably refuse this.
- **Giving an owner more notice about when the strata scheme takes debt recovery action against them**
. Schemes will need to provide at least 30 days' notice (up from 21 days).
- **A scheme needs a court or tribunal order before they can recover debt recovery costs**
from an owner. An example of a debt recovery cost is the scheme paying for the services of a debt collection agency. The scheme also needs to have offered the owner a payment plan before these costs can be recovered.
- **Overdue payments made by an owner first apply to their strata levies**
, followed by any interest and debt recovery costs. This is a fairer process for owners to help them to pay off their strata debt.

Strengthening developer accountability for new strata developments

Changes include:

- **Requiring the developer to have the initial maintenance schedule and initial levy estimates independently certified**
. This will support new owners to plan and carry out effective repairs and maintenance for their new strata complex.
- **Increasing penalties for a developer who fails to meet these new obligations**
. Penalties will also increase for them not holding a first annual general meeting (AGM) on time.

Supporting sustainability infrastructure and accessibility infrastructure uptake

Changes include:

- **Banning by-laws (strata rules) that prevent sustainability infrastructure being installed because of appearance.**
This will apply except where the property is heritage listed or within a heritage conservation area.
- **Owners corporations having to consider sustainability at each AGM**
and when preparing estimates for the capital works fund.
- **Making it easier for an owners corporation to pass a resolution to install accessibility infrastructure**
. This will need a majority vote instead of a special resolution vote.

Uplifting strata professional services to improve owners' confidence

Changes include:

- Strata managing agents having to **report every 6 months** to the owners corporation on the work that they do.
- **Compelling building managers to act in an owners corporation's best interests.**
- Enabling the owners corporation to apply to the NSW Civil and Administrative Tribunal (the Tribunal) to **end the contract of their strata managing agent or building manager, if they break the law.**
- **Giving NSW Fair Trading the power to prescribe the form of contracts** that a strata managing agent or building manager can enter into with a strata scheme. This would allow NSW Fair Trading to impose standards for these contracts (also called agreements) that better protect strata communities and make it easier to compare providers.
- **Banning terms in strata management contracts** that require an owners corporation to pay for the agent's professional indemnity liabilities, or limit an agent's liability to a specific amount.

Improving strata committee governance

Changes include:

- **The strata committee having to give written reason to refuse an owner's request for a minor renovation**
– within 3 months of the written request. If the strata committee fails to do this, the minor renovation will be automatically approved.
- **Training requirements**
and new duties for strata committee members.

Requiring owners corporations to maintain and repair common property

Changes include:

- **Restricting an owners corporation's ability to delay building works if it affects the safety or amenity of their strata scheme**
- Increasing NSW Fair Trading's powers to **respond if owners have not met their legal duty** to maintain their building. These include compliance notices, and agreements that are legally-binding for schemes ('enforceable undertakings').
- Prescribing a standard form for the 10-year capital works fund plan.
- For **new strata developments**
– requiring the initial 10-year capital works fund plan to consider the initial maintenance schedule. The initial maintenance schedule is provided by the strata building's developer.
- Increasing the **time limit on damages claims by strata property owners** to six years (up from two years).

Improving protections for owners and prospective owners around embedded networks

An embedded network is a private energy network for services such as electricity, hot and cold water, and gas.

The changes under the new strata laws include:

- Removing the exemption for embedded electricity supply contracts so that 3-year term limits apply.
- Clarifying the definition of utility to apply to a range of communication and domestic services.
- Adding new disclosure requirements about embedded networks at the point of sale.

Increased disclosure obligations for strata managers commenced February 2025

Reforms to strata laws have increased strata managers' disclosure obligations to [owners corporations](https://www.nsw.gov.au/housing-and-construction/strata/roles#toc-owners-corporation). (<https://www.nsw.gov.au/housing-and-construction/strata/roles#toc-owners-corporation>).

Strata managers need to disclose more information, more frequently to the owners corporation. This includes details about their connections with suppliers and developers, and commissions and training services they may receive.

Why are the increased disclosure obligations important?

The increased disclosure obligations improve oversight of strata schemes and whether strata managers are acting in the owners corporation's interests.

Together, the increased disclosure obligations:

- make insurance quotes more transparent, and
- equip owners corporations with clear and timely information to inform decision-making and enable scrutiny of their strata manager's actions and interests.

When did the changes start?

Timeframes for the changes:

- **From 8 November**, NSW Fair Trading has increased enforcement and regulatory powers in relation to existing disclosure obligations.
- **From 3 February 2025**, the increased disclosure obligations for strata managers started.

Who do the changes impact?

Strata property owners and strata managers should be aware of how the changes impact them.

Strata property owners

Strata property owners must now receive extra, timely information from their strata managers. This is to allow them to make better, more informed decisions about how to run their scheme.

For example, owners will now be better informed in making their initial decision of whether to appoint the strata manager, based on the information the strata manager has to disclose to them.

Owners will also benefit from more transparent insurance quotes.

Strata committee members are strongly encouraged to understand strata managers' increased disclosure obligations to owners corporations to ensure that their strata manager complies.

Strata managers

To ensure compliance, strata managers must follow the increased disclosure obligations.

The law changes enhance your obligation to provide owners corporations with more transparent and timely information. This supports your clients to have confidence when the management agreement is being signed, and throughout the term of appointment.

Strata managers who breach the increased disclosure obligations could face significant court-imposed penalties up to \$110,000.

Summary of the increased disclosure obligations

Strata managers need to disclose more information before they are appointed to a strata scheme, as well as during their appointment.

There were also changes to make insurance quotes more transparent.

Disclosures before a strata manager's appointment

Before a strata manager is appointed, they need to disclose:

- more information to the owners corporation about connections with suppliers they routinely use, including details about the nature of the relationship
- whether they have given advice about strata plans or a community land scheme plan to the building developer in the last 2 years.

Disclosures during the strata manager's appointment

Strata managers have the following new requirements.

Providing written explanation when requesting approval for commissions or training services

Strata managers need to provide the owners corporation with a written explanation when seeking approval for a commission or training service. The written explanation needs to include why approval is in the owners corporation's interest and prescribed details including the commission amount. The owners will review and decide on the approval request at a [meeting of the owners corporation \(https://www.nsw.gov.au/housing-and-construction/strata/living/meetings\)](https://www.nsw.gov.au/housing-and-construction/strata/living/meetings).

This requirement means that strata managers can't receive any commission or training service without it going through this approval process – unless it has already been included in the management agreement. This is the 'contract' the owners corporation negotiates with the strata manager when the strata manager is being appointed.

Providing upfront, 'real-time' disclosures

The strata manager needs to write to the owners as soon as practicable once they become aware of any connections or interests they have in relation to their strata scheme.

Examples include if the strata manager becomes connected to a service provider the strata scheme is using, or they buy property in the strata scheme.

The strata manager also needs to give the owners corporation written notice about certain matters before they enter into a contract on behalf of the owners corporation where they will, for example, use a related supplier.

Disclosing more at the annual general meeting (AGM)

The strata manager needs to provide more information at the AGM, including any connections they have with suppliers or the building's developer and connections from the previous 12 months.

This is on top of the strata manager's existing obligation to disclose the commissions and training services they have received over the past 12 months, and expect to receive in the next 12 months.

Insurance requirements

Strata managers need to provide clearly itemised quotations for insurance policies. This includes setting out commission and broker fee amounts – and who these are ultimately paid to. The base premium amount of the insurance and GST also need to be clearly set out.

Strata managers are banned from getting a commission on insurance if the owners corporation obtained the quote and arranged for its payment independently, without their help.

If disclosure obligations have been breached

Strata managers must comply with the new disclosure obligations. If you suspect a strata manager has breached the laws, you can report them to NSW Fair Trading by [making a complaint \(https://www.nsw.gov.au/housing-and-construction/strata/strata-complaints\)](https://www.nsw.gov.au/housing-and-construction/strata/strata-complaints).

More information and support

NSW Fair Trading has emailed strata managers and [office bearers registered in the Strata Hub \(http://www.nsw.gov.au/housing-and-construction/strata/strata-hub#toc-how-to-register-for-the-strata-hub\)](http://www.nsw.gov.au/housing-and-construction/strata/strata-hub#toc-how-to-register-for-the-strata-hub) about the new disclosure obligations.

More information for strata managers is available on the [disclosure requirements \(https://www.fairtrading.nsw.gov.au/housing-and-property/property-professionals/working-as-a-property-agent/rule-s-of-conduct/disclosure-requirements\)](https://www.fairtrading.nsw.gov.au/housing-and-property/property-professionals/working-as-a-property-agent/rule-s-of-conduct/disclosure-requirements) page.

Related links

- [Complaints about a strata or building manager \(https://www.nsw.gov.au/housing-and-construction/strata/strata-complaints\)](https://www.nsw.gov.au/housing-and-construction/strata/strata-complaints)
- [Buying a strata property \(https://www.nsw.gov.au/housing-and-construction/strata/buying-a-strata-property\)](https://www.nsw.gov.au/housing-and-construction/strata/buying-a-strata-property)
- [Living in strata \(https://www.nsw.gov.au/housing-and-construction/strata/living\)](https://www.nsw.gov.au/housing-and-construction/strata/living)
- [Serving on a strata committee \(https://www.nsw.gov.au/housing-and-construction/strata/serving-on-a-committee/finances-insurance\)](https://www.nsw.gov.au/housing-and-construction/strata/serving-on-a-committee/finances-insurance)
- [Supporting strata owners in financial hardship \(https://www.nsw.gov.au/housing-and-construction/strata/serving-on-a-committee/supporting-strata-owners-financial-hardship\)](https://www.nsw.gov.au/housing-and-construction/strata/serving-on-a-committee/supporting-strata-owners-financial-hardship)

Contact NSW Fair Trading

Online: [Complaints and enquiries \(https://www.nsw.gov.au/departments-and-agencies/fair-trading/complaints-and-enquiries\)](https://www.nsw.gov.au/departments-and-agencies/fair-trading/complaints-and-enquiries)

Phone: [13 32 20 \(https://www.nsw.gov.au/tel:133220\)](https://www.nsw.gov.au/tel:133220) (Monday to Friday, 8:30am-5pm)

In-person: [find a service centre \(https://www.service.nsw.gov.au/service-centre\)](https://www.service.nsw.gov.au/service-centre)

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