

New Strata Laws on the way!

On 10 October 2023 the Strata Legislation Amendment Bill 2023 was tabled.

A copy can be obtained from the [following link](#).

The bill reflects a number of proposed amendments to:

1. the Strata Schemes Development Act 2015;
2. Strata Schemes Management Act 2015;
3. The Community Land Management Act 2021; and
4. Community and Development Act 2021.

While the Bill is subject to amendment as it passes through the Legislative Council and Legislative Assembly, the amendments themselves have previously been the subject of a report on the Statutory Review of the Strata Legislation, so it is not expected that there will be substantial amendments. Some of the more interesting amendments to the current legislation include:

Strata Schemes Development Act 2015

Strata Renewal

Significant changes have been made to this process, including:

1. Extending the time that a strata renewal committee operates for (without an extension) to 2 years instead of the current 1 year.
2. Allowing an order for a strata renewal to proceed where there are non-compliances with the preliminary steps if the court does not consider that it has resulted in a substantial injustice.
3. Potentially removing the entitlement of a dissenting owner to have a costs order in their favour where they are not dissenting in good faith and also allowing a costs order against them in certain circumstances (such as if it is a competing developer objecting just to increase the costs).
4. Clarifying that the costs order that dissenting owners can be awarded, can either be an ordinary costs order (roughly 55-75%), or indemnity costs (80%+) – and is to be determined by the court.

Subdivisions

Where a subdivision involves only small amount of common property, this amendment proposes to avoid the need to undertake a review of the unit entitlements for the entire strata scheme.

Strata Schemes Management Act 2015

Strata Managers

Imposing an obligation on managing agents to notify their owners corporation that their term of appointment is coming to an end at least three months before, and not earlier than 6 months before, the term will end.

Original Owner

Increasing the time required for the original owner to supply specified documents before the first annual general meeting to 14 days instead of 48 hours.

Strata Committees

Clarification that the committee can be appointed outside of an AGM.

Changing the threshold to remove a committee member to an ordinary resolution, rather than a special resolution and imposing a 12 month bar to their re-appointment.

Amendments to how the committee consider a disclosure of an interest by a committee member.

AGM's

The notice period for Annual General Meetings is proposed to be 14 days, rather than the current 7.

Levies

1. Amendment to section 76 (where an owners corporation uses funds from the capital works fund to pay administrative fund expenses or vice versa) so that the OC can determine (within 3 months) whether the money, or part of the money, should be reimbursed. Currently there is no discretion.
2. It is proposed to shorten the notice time for levies relating to urgent works from the usual 30 to 14 days to address serious or imminent threats to health and safety.

Multiple Quotes

It is proposed to amend the requirements (currently only imposed on large strata schemes) to obtain two quotes in relation to works in excess of \$30,000, so that they apply to all strata schemes, not just large schemes. The two quotes must also be from unrelated entities.

Restricting Pets and requiring Bonds

Amendments have been made to make it clear the pets cannot be restricted and a bond cannot be required in relation to approvals to have pets.

Clarification is also provided on what proof can be required that an animal is an assistance animal.

By-laws

An owners corporation can now just consolidate their current by-laws by special resolution even where they do not have any change of by-laws to register.

Records

6 months from when this amending bill becomes law, specified records of the owners corporation (including strata rolls) are to be kept in electronic form.

Proxies

The restrictions on the number proxies a person can hold are being extended to also apply to votes held by company nominees and powers of attorney.

Two Lot schemes

Certain amendments have been made in recognition of the different situation in two lot schemes, including:

1. Amending the reduction in the voting power of the original owner where it is a two-lot scheme.
2. Removing the requirement to obtain a resolution to pursue breach of a by-law.

Community Land Management Act 2021

The amendments to the Community Land Management Act 2021, include similar changes to the Strata Schemes Management Act, including in relation to:

1. Election and removal of committee members.
2. Notice of expiring of agency agreements.
3. Repaying funds used to pay expenses of another fund.
4. Shorter notice for levies relating to urgent works.
5. The requirement for two quotes.
6. Prevents a blanket ban on pets, or on imposing a bond.
7. Permitting consolidation of by-laws without the need for a change of by-law.
8. Extending the notice period for AGM's to 14 days.
9. Restrictions on the number of votes able to be held by company nominees and powers of attorney.

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