

# Do you have by-laws requiring payment of bonds or fees? Time for a review!

The strata and community title management legislation already contains provisions restricting bonds or fees in relation to keeping of animals. Pending reforms expected to commence later this year will take this further and impose much broader restrictions on owners corporations and associations. In particular, the reforms include provisions:

- Rendering a by-law ineffective to the extent that it requires a bond or fee inconsistent with the new provisions.
- Requiring that a bond be reasonable having regard to the likely risk of damage to common property arising from the matters to which the bond relates.
- Requiring provision of a written copy of terms pertaining to a bond, including circumstances in which the bond may be claimed or must be released, release being required if no claim is made within a specified period.
- Requiring that a fee for provision of goods or services not exceed the reasonable costs incurred by the owners corporation.
- Permitting the regulations to specify circumstances in which an owners corporation may not require a bond or fee.
- Permitting the Tribunal to order repayment of all or part of a bond or fee if satisfied that it is not reasonable or in the case of a bond as not been released according to its terms.

By-laws requiring particular attention include those:

- Relating to lot owner works, providing for a bond to cover potential common property repairs.
- Relating to lot owner use of common property, e.g. common property exclusive use rights or access for deliveries, providing for a bond to cover potential repairs.
- Relating to owners corporation provision of services and amenities, e.g. delivery of utilities via embedded network infrastructure.

We have considerable experience with these issues and could assist you with redrafting your by-laws to preserve their intended effect so far as possible or assist you with any practical issues you may be experiencing or expect.

*\*\*\*The information contained in this article is general information only and not legal advice. The currency, accuracy and completeness of this article (and its contents) should be checked by obtaining independent legal advice before you take any action or otherwise rely upon its contents in any way.*

**Prepared by Bannermans Lawyers  
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T: (02) 9929 0226

E: [dbannerman@bannermans.com.au](mailto:dbannerman@bannermans.com.au)

P: PO Box 514

ABN: 61 649 876 437

W: [www.bannermans.com.au](http://www.bannermans.com.au)

NORTH SYDNEY NSW 2059

AUSTRALIA