REINSW
REAL ESTATE INSTITUTE
OF NEW SOUTH WALES

# The Real Estate Institute of New South Wales Limited

## Submission dated 25 May 2016

## *Strata Schemes Management Regulation 2016*
## *Strata Schemes Development Regulation 2016*

**To:**

Strata Schemes Management Regulation 2016
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## INTRODUCTION

This Submission has been prepared by The Real Estate Institute of New South Wales Limited (**REINSW**) in response to the consultation drafts of the *Strata Schemes Management Regulation 2016* (**Draft Strata Management Regulation**) and the *Strata Schemes Development Regulation 2016* (**Draft Strata Development Regulation**), as well as each of their accompanying Regulatory Impact Statements, issued by NSW Fair Trading.

REINSW is the largest professional association of real estate agents and other property professionals in New South Wales. REINSW seeks to promote the interests of its members and the property sector on property-related issues. In doing so, REINSW plays a substantial role in the formation of regulatory policy in New South Wales.

REINSW recognises the importance and significance of the strata law reforms and appreciates the opportunity to comment on the Draft Strata Management Regulation and Draft Strata Development Regulation, which support the new *Strata Schemes Management Act 2015* (**2015 Act**) and *Strata Schemes Development Act 2015*, expected to come into effect later this year.

REINSW has previously made the following submissions to Government in relation to the proposed strata legislation reform and associated issues:

1. Submission on the Strata and Community Title Law Reform Discussion Paper dated 21 November 2012;

2. Submission to the Minister for Fair Trading regarding Strata Insurance and Commissions Paid to Strata Managers dated 23 July 2013;

3. Submission in response to the "Children and Window Safety" Consultation Paper dated 23 April 2013;

4. Submission on the *Strata Schemes Management Bill 2014* dated 31 January 2014;

5. Submission on the *Strata Schemes Management Bill 2014* dated 11 April 2014;

6. Submission on the *Strata Schemes Development Bill 2014* dated 11 April 2014; and

7. Submission on the *Strata Schemes Management Bill 2015* and *Strata Schemes Development Bill 2015* dated 13 August 2015 (revised on 20 August 2015).

REINSW welcomes discussion of the issues raised in this submission with the Minister and/or policy officers from NSW Fair Trading.

## COMMENTS ON THE DRAFT STRATA DEVELOPMENT REGULATION

REINSW has limited this Submission to its comments on the Draft Strata Management Regulation. REINSW is of the view that matters relating to the development of strata schemes are best dealt with by experts in that field.

## COMMENTS ON THE DRAFT STRATA MANAGEMENT REGULATION

### 1. *Nomination of tenant representative (clause 7)*

REINSW considers there are significant omissions in the Draft Strata Management Regulation with respect to the process of nominating tenant representatives. For instance, clause 7 does not include provisions dealing with the following matters:

a) the ability for landlords to object to, or being able to refuse to permit, a tenant from being nominated as the tenant representative;

b) the number of tenants required to constitute a quorum for a meeting of eligible tenants convened for the purpose of nominating a tenant representative (**Tenants' Meeting**), and REINSW recommends the quorum should constitute at least 50% of eligible tenants; and

c) there are no clauses addressing the following circumstances:

(i) if a quorum is not established at the Tenants' Meeting then it should be deemed that the tenants have elected not to exercise their option of nominating a tenant representative - REINSW notes that the requirement to nominate a tenant representative in section 33(2) of the 2015 Act is not obligatory and, because it is optional, REINSW suggests that the tenants should be deemed not to have nominated a tenant representative if quorum is not met, particularly since they have demonstrated their level of interest by not attending the Tenants' Meeting;

(ii) where there is no eligible tenant prepared to accept the nomination as tenant representative; and

(iii) where a tenant is in arrears with their rent. REINSW proposes that a provision be included that such a tenant is not permitted to participate in any Tenant Meetings and, in particular, is not eligible to be nominated as the tenant representative.

REINSW also suggests that clause 7(2) be revised. This clause is not practicable given general meetings can be convened with as little as 7 days' notice. Circumstances will invariably arise in which the date of the general meeting will prevent the requisite 21 days' notice from being given, for example, where a general meeting is convened due to an unforeseen emergency. REINSW is of the view that the clause should clarify whether the general meeting would be invalid in circumstances where the tenants did not receive appropriate notice.

Further, there are additional administrative costs imposed on the owners corporation by virtue of the requirement to notify tenants of the general meeting and to convene a Tenants' Meeting. Those costs will likely be passed on to all owners through increased strata levies, which REINSW considers to be unfair. Rather, REINSW recommends that the Draft Strata Management Regulation specify that these additional administrative costs are to be shared between the owners of leased lots and not owner occupiers.

### 2. *Proxies*

Clause 28(2) of the *Strata Schemes Management Regulation 2010* (**2010 Regulation**) requires that a Form 2 Proxy Appointment Form (in Schedule 8 to the 2010 Regulation) be used for the appointment of a proxy for the purposes of the provisions relating to the procedure of meetings (such provisions are set out in clause 11(1) of Schedule 2 to the *Strata Schemes Management Act* 1996 (**1996 Act**)). However, under clause 13 of the Draft Strata Management Regulation, a Form 1 Proxy Appointment Form (in Schedule 1 to the Draft Strata Management Regulation) must be used for the appointment of a proxy for the purposes of voting rights and voting procedures at meetings of the owners corporation (clauses 26(1) and 26(2) of Schedule 1 to the 2015 Act.

REINSW seeks clarification on whether proxy forms in the prescribed form under the 1996 Act are still valid if they were issued before the commencement of the 2015 Act and where the general meeting is held after the commencement of the 2015 Act. This also raises the question as to whether the notice of a general meeting and proxy vote are valid if the use of the Form 2 Proxy Appointment Form is determined to be invalid. REINSW proposes that this issue needs to be clarified in the Draft Strata Management Regulation.

Another concern REINSW has is that the Draft Regulation is silent on what happens where the total number of proxies held by a person exceeds the thresholds in clause 26(7) of Schedule 1 to the 2015 Act. REINSW recommends that the Draft Regulation should prescribe which proxies to use if multiple proxies are received and what to do with those that are not used. Clarification is required, for instance, on whether the first or last proxy received should be used or whether the proxy from the owner with the greatest unit entitlement should be used. REINSW is concerned that, without stipulating these procedures, the Draft Strata Management Regulation:

(a) opens up the potential for disputes or abuse, particularly if proxies are chosen because they support the way in which the proxyholder wants to vote (which is contrary to the intention of the 2015 Act with respect to preventing proxy farming);

(b) is disadvantageous to owners who are vulnerable, the minority or investors who give the chairperson their proxies out of trust (for example, where 60% of owners are elderly who give their proxies to the strata managing agent to vote on a controversial matter (for instance, whether or not to sell the building) and their votes were not counted because the threshold limit had been reached and the chairperson intentionally chose not to use their proxies);

(c) is inconsistent with what the 2015 Act is designed to achieve, including having sufficient safeguards in place to guard against unfair practices (as specified in the Regulatory Impact Statement for the Draft Strata Management Regulation (**RIS**)); and

(d) there would be increased NCAT hearings initiated by disgruntled owners whose proxies were not used, which would consume government time, costs and resources as well as those of the strata managing agent and owners corporation.

REINSW suggests that the Draft Regulation include a notification process whereby if the number of proxies received before a meeting exceeds the relevant threshold then the proxyholder must notify the people appointing them that the threshold has been reached so that they can give their proxy to someone else. That would avoid proxies going to waste or being discarded if they cannot be used because of the threshold limits.

In addition, if the relevant threshold is exceeded and proxies are received in a format that clearly indicate the way in which owners want to vote (that is, it is not left to the discretion of the proxyholder) then REINSW proposes that they either automatically be converted to a postal vote, be deemed to be a postal vote or be treated as being given to the owners corporation rather than to a particular person.

### *3. Additional functions that may only be delegated to a strata committee member or strata managing agent (clause 4)*

Clause 4 of the Draft Strata Management Regulation lists additional functions that may only be delegated to a strata committee member or a strata managing agent. It does not address the situation where an owners corporation does not approve of the tenants' nominated representative. REINSW proposes that clause 4 should provide an alternative measure for appointing a tenant representative where this situation arises.

### *4. Pre-meeting electronic voting by means of email or accessing a voting website (clause 15)*

The provision for a secret ballot in paragraph (5) of clause 15 appears to be in conflict with the requirement in section 182(3)(j) of the 2015 Act, which provides that the owners corporation must make any record or document in its custody available for inspection by the person who made the request or the person's agent. REINSW recommends that this conflict be resolved so that the 2015 Act can allow for the effective management of strata schemes.

### *5. Postal voting – owners corporation (clause 16)*

REINSW is of the view that, for the purposes of this clause, there is no need to differentiate between secret ballots and non-secret ballots by requiring that a secret ballot paper be received no later than 24 hours before the meeting (paragraph (5)) and a ballot paper that is not secret to be received no later than the close of the ballot (paragraph (6)). There appears to be no rationale for having different requirements in this regard, and REINSW recommends that paragraph (5) be deleted and paragraph (6) be amended so that it equally applies to both a secret ballot and non-secret ballot.

### *6. Ascertaining result of pre-meeting electronic voting or postal voting (clause 18)*

There appears to be no mechanisms within the 2015 Act and Draft Strata Management Regulation for ensuring that a secret ballot has been properly administered. REINSW recommends that a mechanism be devised and included in clause 18 for how a decision to hold a secret ballot is to be reached. Where a secret ballot is proposed, a mechanism describing how an open vote may be demanded also needs consideration (for example, one which provides that a particular proportion of proprietors must approve of an open vote before one is held).

### 7. *Payment plans for unpaid contributions (clause 19(2))*

REINSW queries the requirement in clause 19(2) for the strata committee to give a lot owner, who has entered into a payment plan, a monthly statement setting out payments made during that month and the amount of unpaid contributions and interest owing. This would be an unnecessary additional administrative cost and time burden on the strata committee.

If clause 19(2) is to remain, REINSW proposes that the cost incurred in the preparation and issue of monthly statements be borne by the person required to be provided with the statements because the work involved and cost of compliance would not be necessary if they had paid their levies in the first instance. REINSW is also of the view that the total cost involved should be added to the levy ledger account of the proprietor in arrears.

REINSW believes that the costs associated with the requirements in clause 19(2) will deter owners corporations from agreeing to payment plans and will result in more recovery actions being instigated in the first instance with legal counsel and, therefore, costs being sought.

### 8. *Minor renovations by owners (clause 28)*

Clause 28 lists types of minor renovations for the purposes of section 110(3) of the 2015 Act. REINSW proposes that there is a need for significant clarification as to which minor renovations would apply to different types of properties and how any given minor renovation would be implemented. For example, one issue might be whether a ground floor owner would be permitted to install a solar system on the roof of a high rise building to the exclusion of other owners on a 'first in best dressed' basis.

REINSW retains a strong objection to the blanket approval of renovations affecting any common property air space without first being approved in accordance with section 108 of the 2015 Act.

### 9. *Initial maintenance schedule (clause 29)*

Clause 29 details the items of common property that an original owner must address in the initial maintenance schedule that it gives to the owners corporation. REINSW queries the qualifications required to prepare the initial maintenance schedule and how those qualifications would be obtained.

The large majority of owners and developers have no experience or expertise in the costs associated with maintaining a strata scheme's assets after construction. The 10-year capital works budget does not currently require any formal qualifications for the preparation of the budget, which is the cause of the gross under-budgeting for building maintenance. REINSW believes that this would be remedied by requiring a professionally qualified person, such as a quantity surveyor or valuer, to prepare the budget.

Further, REINSW contends that the list of maintenance schedules included in clause 29(1) should be non-exhaustive, particularly since different strata schemes have different requirements and common property features. The list should not be too prescriptive. Rather, it needs to factor in diversity and capture common property items provided by the developer with a limited lifespan. To resolve this issue, REINSW proposes the following amendments be made to clause 29(1):

(a) the preamble should read as follows: "*The initial maintenance schedule for the maintenance of the common property of a strata scheme must, **where applicable,** contain maintenance schedules for the following things on common property:*" (emphasis in bold); and

(b) a new item should be included at the end of the list, as sub-clause (y), which reads as follows: "*(y) any other item of common property that requires ongoing maintenance and/or future replacement*".

## *10. Window safety devices (clause 30)*

REINSW submits that clause 30 should set out operational procedures for an owners corporation to follow in order to ensure its liability is limited in the event of an injury occurring as a result of a failed window safety device. The 2015 Act and Draft Strata Management Regulation do not prescribe such procedures. Accordingly, REINSW recommends that clause 30 should include:

a) prescribed minimum qualifications that are required for an installer of a window safety device;

b) a requirement for an annual inspection of the locks and other window safety devices by a qualified person; and

c) a provision permitting the owners corporation to pass responsibility for the maintenance of the window safety device to a lot owner by way of a by-law which

makes the lot owner responsible for future maintenance once the original window safety device is installed by a qualified person.

### *11.Disposal of abandoned goods: section 125 of the Act (clause 32(3)(e))*

Clause 32(3)(e) requires a disposal notice to specify the contact details of a member of the strata committee for goods left on common property (other than motor vehicles and other items permitted by the owners corporation to remain). REINSW is concerned that this requirement potentially exposes the specified strata committee member to conflict. REINSW submits that the clause should be amended to require a person authorised by the owners corporation to be the contact person in a disposal notice. That would enable a strata managing agent or other independent third party to deal with the matter appropriately.

### *12.Removal of motor vehicles (clause 34(3)(e))*

Clause 34(3)(e) requires a removal notice to specify the contact details of a member of the strata committee for a vehicle illegally parked on common property. REINSW is concerned that this requirement potentially exposes the specified strata committee member to abuse and assault, demonstrating that there are not sufficient safeguards in place to guard against unfair practices (which is an objective of the 2015 Act). REINSW submits that the clause should be amended to require a person authorised by the owners corporation to be the contact person in a removal notice. That would enable a strata managing agent or other independent third party to deal with the matter appropriately.

REINSW proposes that the clause should clarify what happens if damage is caused to the vehicle as a result of its removal from the common property. In that circumstance, REINSW suggests that the owners corporation is not liable for any resulting damage or loss.

### *13.Occupancy limits – exception (clause 36)*

REINSW is of the view that clause 36 should be removed entirely from the Draft Strata Management Regulation, as it seeks to exempt people on the basis of their racial and ethnic background. REINSW does not consider the 2015 Act or Draft Strata Management Regulation to be the appropriate forum for the inclusion of such exemptions. Rather, the issue should be addressed in the racial discrimination legislation. A by-law that limits the number of adults who may reside in the lot should apply equally to all types of people regardless of how they are related to each other.

## *14. Occupancy limits – residents (clause 37)*

The Draft Strata Management Regulation fails to address short-term stays, for example, those arranged through Airbnb. Most complaints arising in this area relate to short-term stays in holiday and beachside properties of Sydney, where the behaviour of a large group of people has been less than desirable. The Draft Strata Management Regulation needs to provide an avenue enabling owners corporations to resolve problems of this sort, perhaps by making the owner responsible for compliance with the by-laws if the issue continues.

Further, REINSW recommends the deletion from clause 37 of the words *"for a continuous period of not less than 3 months"*. This is on the basis that it would be difficult to prove that the same person resides in a lot for more than 3 months.

## *15. Electronic voting records (clause 41(3))*

Clause 41(3) appears to be in direct conflict with the disclosure requirements of sections 182(3)(j) and (k) of the 2015 Act as well as clause 42 of the Draft Strata Management Regulation. REINSW proposes that these clauses should be revised to remove any potential confusion.

## *16. Inspection of records (clause 42)*

Clause 42 may place a strata managing agent in direct conflict with clause 41(3). It also imposes on obligation that may place a strata managing agent in conflict with their obligations under the agency agreement, which could place them at risk of legal action for damages. REINSW recommends that this issue be resolved by amending both clauses 41(3) and 42 which would allow for the effective management of strata schemes and, therefore, achieve that objective of the Draft Strata Management Regulation.

## *17. Building defects (Part 8)*

As previously submitted in our Submission on the *Strata Schemes Management Bill* 2015 and *Strata Schemes Development Bill* 2015 (dated 20 August 2015), REINSW is of the view that the inclusion of matters dealing with building defects complicates the strata schemes management legislation. The strata schemes management legislation should be primarily concerned with the management and administration of strata schemes. It is REINSW's recommendation that building defects should be dealt with in separate dedicated building legislation, in particular, the *Home Building Act 1989* with a specific Part relating to strata buildings.

### *18. Limit for gifts to strata managing agents (clause 62)*

Under section 57(3)(d) of the 2015 Act, the restriction that strata managing agents cannot, in connection with the provision of their services as an agent, request or accept gifts or benefits for themselves or another person does not apply to gifts or benefits of a value less than the limit prescribed by the Draft Strata Management Regulation. This value is set at $60.

The restriction imposed by section 57(2) of the 2015 Act is similar to restrictions imposed on public service employees when, in fact, the property industry is private enterprise. Moreover, under the *Property, Stock and Business Agents Regulation 2003*, the strata managing agent is required to disclose all rebates, commissions or discounts he or she will or may receive in the agency agreement. With that being the case and to reduce the substantial administration work and costs involved with disclosing gifts of more than $60 in value (which, in turn, will be passed onto lot owners through increased strata levies), REINSW considers it to be more appropriate to require a strata managing agent to maintain a pecuniary interest register, as a form of disclosure, which would be open for inspection to owners rather than compelling compliance with the proposed vague notification requirements.

The 2015 Act and the Draft Strata Management Regulation fail to address the circumstance where a service provider, who services multiple strata schemes managed by the same strata manager, provides a gift in excess of the $60 limit (for example, a bottle of wine worth $61 at a Christmas party or an invitation to a Christmas function for a meal that has a market value of $61). If the restriction is to remain, REINSW would like to see a more realistic limit in clause 62 and, therefore, recommends the restriction not apply to gifts of less than $100 in value.

REINSW suggests the Draft Strata Management Regulation clarify whether the strata managing agent, their employer or both would be required to disclose gifts that exceed the $60 limit to:

a) every strata scheme under their management;

b) only those strata schemes in the strata managing agent's portfolio; or

c) only the strata schemes serviced by the service provider that are managed by the strata managing agent.

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Essentially, REINSW is of the view that the Draft Strata Management Regulation needs to clarify under what circumstances a gift must be disclosed. It is silent on the situation in which a gift is received by a strata managing agent from a service provider who does not provide services to any of the strata schemes managed by the agent. Clarification is required as to whether all or none of the strata managing agent's and/or the agent's employer's clients need to be notified of the gift.

In addition, REINSW would like to see clarification in the Draft Strata Management Regulation on whether the $60 limit for gifts also applies to clients of the strata managing agent who may periodically provide a gift to the agent to express their unsolicited gratitude for services provided.

## *19.Schedule 2 – By-laws for pre-1996 strata schemes*

REINSW queries why there are two sets of model by-laws proposed in the Draft Strata Management Regulation (namely, the by-laws for pre-1996 strata schemes set out in Schedule 2 and the model by-laws for residential strata schemes set out in Schedule 3). REINSW believes that the two sets of model by-laws will confuse the public and overcomplicate the by-law regime. Therefore, REINSW recommends that only one set of model by-laws be prescribed in the Draft Strata Management Regulation, being the residential model by-laws set out in Schedule 3 (subject to modification improvements resulting from the consultation process).

REINSW is also concerned that the Draft Strata Management Regulation does not include model by-laws for commercial and industrial and mixed use strata schemes. Most developers (particularly those undertaking small-scale developments) have to use the model by-laws for residential strata schemes upon registration because there are no model by-laws specific to their type of development. Whilst the inclusion of model by-laws for retirement villages is probably best left to the developer to determine, as each is very different in form and structure, REINSW is of the opinion that there would be considerable benefit in having a single standard set of by-laws in the Draft Strata Management Regulation for residential, commercial and industrial and mixed use strata schemes.

## *20.Schedule 3 – Model by-laws for residential strata schemes*

### *(a) General*

REINSW commends the decision to omit from the model by-laws the requirement to have a notice board.

### *(b) Vehicles (by-law 1)*

REINSW recommends that this by-law be extended to make the owner or occupier of a lot responsible for their visitors' parking. For example, the by-law could read: *"An owner or occupier of a lot must not park or stand, or permit their visitors to park or stand, any motor or other vehicle on common property..."*.

### *(c) Damage to common property (by-law 2)*

Owners and tenants commonly proceed with the installation of locks on fire rated (sometimes asbestos filled) entrance doors thereby rendering the door non-compliant with fire safety laws and requiring the doors to be replaced. This by-law should provide that written consent must be obtained from the fire compliance certifier before locks are installed on fire rated entrance doors.

### *(d) Keeping of animals (by-law 5)*

The RIS states that the 2015 Act seeks to make it easier for owners corporations to manage issues such as pets, amongst other things. However, as currently drafted, REINSW is of the view that this model by-law fails to achieve that specific intention of the 2015 Act.

REINSW is concerned that the option of having no animals on the lot has been removed and should be reinstated in the proposed model by-laws. When reviewing the model by-laws in the first 12 months of the operation of the 2015 Act, the owners corporation should have the opportunity to consciously consider the option of having a complete ban on the keeping of animals of any kind (other than assistance animals). Accordingly, REINSW proposes that there should be three options in relation to the keeping of animals so that "Option C" is included to cover the scenario where the owners corporation might want no animals on a lot. An exception for assistance animals in accordance with the *Disability Discrimination Act 1992* should be included in this option.

As currently drafted, the default Option A is unlimited in the type of animal that may be kept on a lot even if that animal is entirely unsuitable for communal living, for example, a pet elephant. The default option should provide that an owner or occupier of a lot may keep a "companion animal" on the lot, if the owner or occupier gives the owners corporation written notice that it is being kept there. By-law 5 should include a definition of "companion animal" consistent with section 5 of the *Companion Animals Act 1998*. This Act defines a "companion animal" as each of the following:


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(a) a dog,
(b) a cat,
(c) any other animal that is prescribed as a companion animal by the *Companion Animals Regulation 2008*.

However, the by-law should also make it clear that "companion animals" excludes dangerous or venomous animals.

This revised default Option A should keep paragraph (2) as proposed in Option A set out in the Draft Strata Management Regulation. However, REINSW recommends that the revised default Option A should also incorporate the proposed Option B of the Draft Strata Management Regulation but with respect to animals that are not "companion animals" and with the requirement for the owners corporation to give written reasons to the owner/occupier if it withholds its approval to the keeping of an animal.

Following the revised default Option A, Option B would remain as drafted in Schedule 3 but with the requirement for the owners corporation to give written reasons to the owner/occupier if it withholds its approval to the keeping of an animal.

***(e) Noise (by-law 6)***

This by-law should be broadened to cover noise that is not actually created or caused by the owner or occupier but that comes from within their lot. REINSW suggests that the by-law extend to prohibit the owner or occupier or any invitee of a lot from creating, causing *or permitting* any noise likely to interfere with the peaceful enjoyment of others. That would cover noise from pets, radios, etc.

***(f) Smoke penetration (by-law 9)***

REINSW is of the opinion that Option A and Option C overlap on subject matter but that Option C is much clearer. Therefore, REINSW recommends the deletion of Option A and for Option C to become the default option.

With respect to Option B, the order needs to be revised so that paragraph (3) becomes paragraph (2) and paragraph (2) becomes paragraph (3).

***(g) Appearance of lot (by-law 12)***

The external appearance of a building is an important issue to owners who wish to retain the

value of their property. Many disputes arise between owners and occupiers as a result of the hanging of washing on balcony areas. REINSW is concerned that paragraph (2) confuses the issue of washing with by-law 14 and should, therefore, be deleted.

### *(h) Hanging out of washing (by-law 14)*

REINSW is of the view that paragraphs (2) and (3) discriminates against occupiers with lots that have a street frontage, as opposed to occupiers who have lots that are not visible from street level (for instance, lots that face an internal courtyard or a neighbour's property). The RIS states that the Draft Strata Management Regulation seeks to ensure the 2015 Act's objectives are met by providing fair and reasonable model by-laws, amongst other things. As currently drafted, this by-law does not seem fair and reasonable, and REINSW proposes that it be amended so that all occupiers wishing to hang washing on any part of their lot should obtain prior written approval from the owners corporation, regardless of where the lot is located within the strata building.

### *(i) Disposal of Waste (by-law 15)*

REINSW recommends that this by-law be amended to address the scenario where there is a single waste system (for example, in a high-rise building where all household garbage is placed in a garbage disposal shaft which has access from each floor and feeds into a single bin at the bottom of the waste disposal shaft).

### *(j) Change in use or occupation of lot to be notified*

Paragraph (1) refers to a change in use that may affect the insurance premiums for the strata scheme. This by-law only requires notification if the insurance premiums are affected. It is REINSW's view that the introduction of a separate by-law is needed which deals with the broader issue of insurance premiums being affected.

## CONCLUSION

REINSW welcomes a reform and modernisation of the strata schemes management and development legislation, particularly because of the increased relevance and significance of community living in New South Wales. However, with more than 75,000 strata schemes in New South Wales worth $350 billion in assets, the reforms should result in a fair, simple to use system which takes into account the interests of its various stakeholders (including industry professionals, strata owners, and residents in strata-titled townhouses and units).

REINSW
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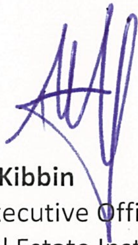
REINSW is making this Submission with the intention of making the implementation and practical effect of the new strata legislation as smooth and as clear as possible so as not to significantly disrupt the industry or strata living.

REINSW appreciates the opportunity to make this Submission and would be pleased to discuss it further.

Yours sincerely,



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