

## ***Draft Strata Legislation Amendment Bill 2022 (NSW)***

### **REINSW's Lobbying Influence**

#### **1. REINSW's General Lobbying Efforts**

As the largest professional association of real estate agents and other property professionals in New South Wales, REINSW seeks to promote the interest of its members and the property sector on property-related issues.

REINSW works closely with its Chapter Committees to address issues which are affecting the real estate industry and to lobby for change to make this industry better for consumers and professionals alike. Members of the Chapter Committees are licenced real estate professionals with experience and expertise in their respective fields so are able to offer a unique perspective on these issues and how it affects the day-to-day work of real estate agents and the community more broadly.

In 2022 alone, REINSW lodged a total of 13 formal submissions with Government. These submissions, which can be found on [REINSW's website](#), comment on various industry related issues and proposed legislative changes. In doing so, REINSW plays a substantial role in the formation of regulatory policy in New South Wales.

#### **2. REINSW's Lobbying Efforts in the Strata Management Space**

REINSW has lobbied extensively for important changes to the strata industry in light of the statutory review of the *Strata Schemes Development Act 2015 (NSW)*, *Strata Schemes Management Act 2015 (NSW) (SSMA)* and the *Strata Schemes Management Regulation 2016 (NSW) (Regulation) (Strata Legislation)*. These lobbying efforts include:

- Lodging, on 8 October 2020, a submission in response to the *Strata Schemes Management Act 2015 (NSW)*, the *Strata Schemes Management Regulation 2016 (NSW)* and the *Strata Schemes Development Act 2015 (NSW)* which subsequently informed Government's Discussion Paper.
- Lodging, on 7 April 2021, REINSW's submission in response to the Statutory Review of the NSW Strata Laws Discussion Paper (**Strata Laws Submission**).
- More recently REINSW has lodged a confidential submission in relation to a first phase draft *Strata Legislation Amendment Bill 2022 (NSW) (Draft Strata Bill)*, which comes after the NSW Government released a *Report Statutory Review of the NSW Strata Scheme Laws* which outlined some of the Minister's recommendations for the industry in November 2021. [REINSW's Strata Lobbying Wins document](#), available on its website, outlines recommendations proposed by REINSW in its Strata Laws Submission which were incorporated into, or which influenced, the Minister's recommendations in that report. While the content of the Draft Strata Bill is confidential in nature, REINSW has received permission to disclose which of the recommendations proposed by REINSW in its Strata Laws Submission have been incorporated into the Draft Strata Bill.

#### **3. Summary of REINSW's Lobbying influence in relation to the Draft Strata Bill**

Outcome Categories in the table below:

- Wins – where the Draft Strata Bill has included, or made changes similar to, recommendations proposed by REINSW in its Strata Laws Submission.
- Partial Wins – where the Draft Strata Bill has partially addressed or included responses as proposed by REINSW in its Strata Laws Submission.
- Losses – where the Draft Strata Bill has not included or made changes aligned with responses proposed by REINSW in its Strata Laws Submission.

<b>Recommendations proposed by REINSW in its Strata Laws Submission and whether included in the Draft Strata Bill</b>
In response to question 39 of the Discussion Paper, REINSW recommended that the unit entitlements for all lots should be valued if a subdivision were to impact the whole strata scheme but if it only impacts certain lots, only those impacted should be revalued – <b>Win</b>
In response to question 44 of the Discussion Paper, REINSW recommended lowering the threshold for removal of a strata committee member to an ordinary resolution – <b>Win</b>
In response to question 62 of the Discussion Paper, REINSW recommended that multiple quotes should be obtained for high value services – <b>Win</b>
In response to question 97 of the Discussion Paper, REINSW recommended that NSW Fair Trading should “strictly enforce” the requirement to notify strata managers of tenant details – <b>Win</b>
In response to question 45 of the Discussion Paper, REINSW recommended creating a mandatory code of conduct for strata committee members – <b>Partial Win</b>
In response to question 51 of the Discussion Paper, REINSW recommended updating provisions in relation to “electronic meetings and voting” to support technological developments. However, it did not specifically refer to electronic service provisions. In response to question 98 of the Discussion Paper, REINSW’s view was that no change was required as the current service of notice provisions are working well in practice – <b>Partial Win</b>
In response to question 75 of the Discussion Paper, REINSW recommended that where fund transfers occurred because of a temporary cash flow problem rather than lack of funds there should be no need to raise a special levy to repay this amount – <b>Partial Win</b>
In response to question 76 of the Discussion Paper, REINSW recommended amending the legislation so that funds for emergency works can be raised promptly because the 30-day payment period is too long. REINSW recommended that the due date for the payment of levies (in general – not special levies) should be 14 days to “reflect legislative and contractual norms of other industries” – <b>Partial Win</b>
In response to question 43 of the Discussion Paper, REINSW noted that 9 committee members can be useful in larger schemes but “in the majority of cases, [is] not warranted”. REINSW recommended a tiered approach depending on the size of the scheme – <b>Loss</b>
In response to question 55 of the Discussion Paper, REINSW’s view was the termination notice periods for strata managers were fitting but that the initial term of a strata manager, before the first AGM, should be extended to 15 months – <b>Loss</b>
In response to question 85 of the Discussion Paper, REINSW recommended that pre-1996 strata schemes should be allowed to maintain their current by-laws (provided no inconsistency with the current SSMA occurs) and should not have to re-adopt them – <b>Loss</b>
In response to question 87 of the Discussion Paper, REINSW was of the view that the current legislative provisions about by-laws for assistance animals were working well. In response to question 88 and 89 of the Discussion Paper REINSW recommended that an owners corporation should be able to ask for proof that an animal is an assistance animal but that the legislation should not exhaustively list the kind of proof required as what is acceptable will vary from strata scheme to strata scheme – <b>Loss</b>
In response to question 90 of the Discussion Paper, REINSW recommended that owners corporations should be allowed to decide to ban pets from a strata scheme by way of a special resolution. The relevant legislative provisions should be updated to reflect this – <b>Loss</b>

In response to question 93 of the Discussion Paper, REINSW strongly supported the keeping of electronic records but did not believe it should be made compulsory due to the prevalence of self-managed strata schemes who may not have the requisite skill or tools to keep records in electronic format – **Loss**

In response to question 98 of the Discussion Paper, REINSW’s view was that the current notice provisions worked well in practice and did not need to be changed – **Loss**

In response to question 101 of the Discussion Paper, REINSW felt that generally the initial period provisions worked and did not require updating. However, it did recommend changing the time in which the developer provides documents required by section 16(1) of the SSMA as sometimes these documents cannot be located at the time of the first AGM. REINSW recommended that such documents should instead be provided when the developer applies for registration of the strata plan via a “developer pack” to be registered on the Common Property Certificate of Title and the original held by the Land Registry Services – **Loss**