



Building Commission NSW Compliance and Enforcement Policy: Stakeholder Consultation Draft

Strata Community Association NSW Submission
3 October 2025

INTRODUCTION

1. Strata Community Association (NSW) Overview

Founded in 1980, Strata Community Association (NSW) was formerly known as the Institute of Strata Title Management. SCA NSW serves as the peak industry body for Strata and Community Title Management in New South Wales. The association proudly fulfils a dual role as both a professional institute and consumer advocate.

2. Membership

SCA NSW boasts a membership of over 3,000 members, including lot owners, suppliers, and professional strata managers who oversee, advise, and manage a combined property portfolio estimated to be worth over \$450 Billion.

3. Strata and Community Title Schemes in NSW

NSW is home to 89,049 Strata and Community Title Schemes. A significant 95 per cent of these schemes are comprised of residential lots. Altogether, the total number of Strata and Community Title lots in NSW stands at 1,043,690.¹

4. NSW as a Leader in High-Density Living

According to the 2022 Australasian Strata Insights Report, there are 2,501,351 people residing in apartments across Australia. A majority of these apartment dwellers (51 per cent) are in NSW.² NSW also leads the way in the trend to higher density living in Australia and boasts the highest proportion of apartment households relative to all occupied private dwellings, standing at 22 per cent.

5. Employment Impact

Strata is a significant employer, directly providing jobs to 1,413 managers throughout NSW, as well as an additional 1,317 other related employees.³

6. Promoting Professionalism

1. SCA NSW is dedicated to fostering a high standard of professionalism in the strata industry with initiatives like the Professional Standards Scheme (PSS), which contributes to ensuring strong consumer outcomes for over 1 million strata residents in NSW.
2. SCA NSW membership encompasses a wide range of entities, from large corporate companies to small family businesses to dedicated volunteers. Members possess expertise in all aspects of strata management, service provision, and governance.

For further information about this consultation, please contact Andrew Jefferies, Senior Policy and Advocacy Advisor, SCA NSW. Andrew.Jefferies@strata.community

¹ Hazel Easthope, Danielle Hynes, Yi Lu and Reg Wade, Australasian Strata Insights 2022, City Futures Research Centre, UNSW, Accessed at https://cityfutures.adu.unsw.edu.au/documents/717/2022_Australasian_Strata_Insights_Report.pdf

² Ibid, p.8-13

³ Ibid, p.8.

BUILDING COMMISSION NSW

COMPLIANCE AND ENFORCEMENT POLICY

STAKEHOLDER CONSULTATION DRAFT FEEDBACK

Introduction

The Strata Community Association NSW (SCA NSW) welcomes the opportunity to provide feedback as a key industry stakeholder to the Building Commission NSW (BCNSW) Compliance and Enforcement Policy Stakeholder Consultation Draft.

SCA (NSW) notes BCNSW's role as the regulator for the NSW Building and Construction industry, with its regulatory powers crossing over a vast legislative framework which includes parts of the *Strata Schemes Management Act 2015* and *Design and Building Practitioners Act 2020*.

We understand that the purpose of this policy draft is to provide information about the approaches that BCNSW intends to apply when using its regulatory powers and how it proposes to undertake compliance and enforcement activities. It is also noted that the policy is to be reviewed every two years.

While it is SCA's view that the principles of this compliance and enforcement draft policy are relatively sound and well balanced, we must acknowledge that the proposed draft policy remains high level and that further clarity is requested to better understand the obligations of strata managing agents and owners corporations, should the policy draft be confirmed.

SCA NSW's Response

Please find our response to the Compliance and Enforcement Policy draft below:

Strata managers regularly encounter the downstream effects of building compliance failures, including:

- Waterproofing defects causing significant remedial costs
- Fire safety non-compliance requiring urgent and expensive rectification
- Structural issues affecting building safety and insurance coverage
- Disappearing builders and contractors, leaving owners corporations without recourse
- Complex liability chains making enforcement action difficult to pursue

Enhanced Focus on Post-Completion Compliance

The policy draft appears primarily focused on pre-completion and licensing compliance, with limited attention to post-completion enforcement.

Many serious defects only become clear after completion certificates are issued and buildings are occupied. Owners corporations often discover major compliance issues years after completion, when original builders may have ceased trading or become difficult to find.

SCA (NSW) Recommendation:

- Strengthen post-completion enforcement provisions
- Clarify BCNSW's role in addressing defects discovered after practical completion
- Establish clear pathways for owners corporations to report post-completion compliance concerns
- Develop specific enforcement protocols for buildings under strata title

Owners Corporation - Specific Complaint Pathways

The policy draft does not specifically address the unique position of owners corporations as complainants.

Owners corporations face particular challenges to pursue building compliance matters, including:

- Difficulty in establishing standing to make complaints
- Complex decision-making processes requiring committee and/or general meeting approval
- Limited financial resources for expert reports and investigations
- Confusion about whether to pursue BCNSW action, NCAT proceedings, or court action

SCA (NSW) Recommendation:

- Create specific guidance for owners corporation complaints
- Clarify what constitutes “appropriate evidence” from owners corporations
- Establish liaison protocols recognizing strata managers as authorized representatives
- Offer clear guidance for when BCNSW action is appropriate, versus other legal avenues

Vulnerable Consumer Recognition

The policy draft mentions "vulnerable consumer groups" but does not specifically identify owners corporations.

Owners corporations should be recognised as vulnerable consumers because:

- They are collective entities often lacking individual ability or expertise
- They face significant barriers in pursuing individual legal action
- They may include elderly, low-income, or non-English speaking owners
- Building defects can affect essential housing needs

SCA (NSW) Recommendation:

Explicitly recognise owners corporations as vulnerable consumers that require enhanced protection and support.

Timely Intervention for Safety Issues

The policy draft provides a limited emphasis on urgent intervention for immediate safety risks in occupied buildings.

Safety defects in strata buildings (fire safety, structural issues, hazardous materials) can affect large numbers of residents and require immediate attention.

SCA (NSW) Recommendation:

- Establish expedited processes for safety-critical compliance issues in strata buildings
- Clarify powers to require immediate remedial action where residents are at risk
- Create emergency response protocols for serious safety breaches in occupied buildings

Builder Accountability and Financial Security

The policy draft holds a limited focus on ensuring builder accountability when compliance issues appear after project completion.

Builder insolvency, business closures, and corporate restructuring often leave owners corporations without recourse for compliance-related remedial work.

SCA (NSW) Recommendation:

- Strengthen requirements for builders to remain accessible for post-completion compliance matters
- Consider expanded financial security arrangements for strata building projects
- Develop mechanisms to pursue compliance action against related corporate entities
- Clarify how the Building Bond and Inspections Scheme integrates with compliance enforcement

Information Sharing with Owners Corporations

The policy draft appears to restrict information sharing with complainants, which may disadvantage owners corporations.

Owners corporations need compliance information to:

- Make informed decisions about pursuing parallel legal action
- Satisfy insurer requirements for claims processing
- Inform owners about regulatory outcomes affecting their property
- Determine appropriate remedial strategies

SCA (NSW) Recommendation:

- Develop proper information sharing protocols for owners corporations
- Provide regular updates on investigation progress for matters affecting strata buildings
- Share relevant compliance outcomes to help owners corporations with decision-making
- Create mechanisms for owners corporations to access compliance-related information for insurance and legal purposes

Enhanced Deterrence for Repeat Offenders

The policy draft does not appear to prioritise the prevention of repeated non-compliance by practitioners with poor compliance records.

Some practitioners repeatedly engage in poor building practices across multiple projects, leaving a trail of defective buildings and disadvantaged owners corporations.

SCA (NSW) Recommendation:

- Strengthen provisions for identifying and addressing patterns of non-compliance
- Consider project-specific licensing conditions for practitioners with compliance concerns
- Develop industry-wide reporting mechanisms to identify systematic compliance issues
- Enhance public register information to assist owners corporations in contractor selection

Practical Implementation Considerations

- **Strata Manager Education and Engagement**

SCA (NSW) suggests that specific educational resources for strata managers and owners corporations be developed and include:

- When and how to make building compliance complaints
- Understanding the regulatory process and timeframes
- Coordinating with other regulatory and legal proceedings
- Accessing available support services and resources

- **Integration with Existing Schemes**

SCA (NSW) seeks further clarification for how the compliance and enforcement framework integrates with:

- The Building Bond and Inspections Scheme
- Strata building defects processes under various Acts
- Local council building certification and compliance
- DBPA & Professional indemnity and insurance claim processes

- **Performance Measurement**

SCA (NSW) requests the inclusion of strata-specific metrics in policy performance measurement, such as:

- Response times for strata building safety issues
- Resolution rates for owners corporation complaints
- Outcomes for post-completion compliance matters
- Stakeholder satisfaction measures for strata sector participants

- **Technical Corrections and Clarifications**

SCA (NSW) recommends revision or consideration of the following points:

- Page 4: Correct "psychical harm" to "physical harm"
- Clarify the relationship between this policy and specific strata building legislation
- Ensure consistency with Residential Apartment Buildings (Compliance and Enforcement Powers) Act 2020 provisions

For further information about this consultation, please contact Andrew Jefferies, Senior Policy and Advocacy Advisor, SCA NSW. Andrew.Jefferies@strata.community