

Public consultation document

The Strata Community Association (NSW) Ltd has prepared a professional standards scheme under the Professional Standards Act 1994 No. 81, section 7.

Each state and territory has professional standards legislation to:

- protect consumers of professional services and other occupational services
- improve occupational standards
- allow scheme participants to limit their civil liability.

The Professional Standards Council of New South Wales invites public comments and submissions on our scheme by 24 April 2026.

Your comments will provide valuable insight into how consumers view and understand our proposed scheme. This will help the Council decide whether to approve the scheme or not. If Council approves the scheme, it will then need the Minister for Better Regulation and Fair Trading's authorisation.

This document covers:

1. Strata Community Association (NSW) Ltd and our members
 2. Our proposed scheme
 3. The benefits of our scheme
 4. Comments and submissions.
-

Strata Community Association (NSW) Ltd and our members

Who is the Strata Community Association?

Strata Community Association (NSW) Ltd [SCA (NSW)] is the leading professional body for the strata sector in New South Wales. We represent over 2,100 members, with the Scheme specifically covering strata practice members. This category encompasses both corporate and individual members, including strata managing agents, practice principals, and their employees.

Collectively, SCA (NSW) members oversee 41,396 strata and community schemes and 770,112 lots, representing about 47% of all schemes and 76% of all strata lots in New South Wales. This scale means that the professional standards we establish and uphold directly impact the experiences of well over one million residents, owners, and workers living and working within strata communities across the state.

Our mission is to be the peak association in the strata industry, fostering the highest professional standards for all stakeholders.

Our vision is to collaborate with members to provide continuing professional development (CPD) and best practice procedures that strengthen the consumer experience.

Our core values are based on our PEAK principles:

- **Professional:** commitment to ethical standards and accountability.
- **Education:** leadership in training and knowledge for members and consumers.
- **Advocacy:** engagement with government and stakeholders to deliver better consumer outcomes.
- **Knowledge:** ensuring members are equipped with expertise to uphold the highest standards of service.

Together, these values underpin SCA (NSW)'s role in enhancing consumer protection, promoting professional excellence, and advancing the strata industry.

Who are our members?

SCA (NSW) members cover a wide range of the strata sector, with the Professional Standards Scheme specifically applying to Strata Practice Members. This includes both corporate firms, employees and individual strata management professionals licensed under the Property and Stock Agents Act 2002.

Membership Classes

- **Strata Practice Members:** Are licensed strata management companies that employ strata management professionals. These firms vary in size, ranging from small practices managing fewer than 2,000 lots to medium-sized firms managing between 2,000 and 6,500 lots and large practices managing more than 6,500 lots.
- **Individual Strata Practice Members**, including:
 - Licensee-in-Charge Professional Strata Managers (LicPSM): practice principals responsible for corporate licensees and overall compliance.
 - Professional Strata Managers (PSM): licenced Class 1 and Class 2 strata managing agents who deliver day-to-day services to owner corporations.
 - Associate Professional Strata Managers (APSM) are Assistant Agents who are pursuing full licence qualifications under NSW Fair Trading pathways.
- **Strata Practice Employee Members:** Staff who support strata management operations and service delivery (for example, administration, accounts, client service support, strata assistants, and operational

support roles). These employees contribute to service outcomes across the sector, although they may not hold licences or individual certifications.

- **Honorary Members:** Individuals recognised by the Association for their contribution to the strata sector or to SCA (NSW). This includes Life Members, who may be appointed by the Board where an individual has been a member for a continuous period of twenty (20) years, or such other period as the Board may determine in a particular case.
- **Strata Services Practice Members:** Businesses providing specialist and support services to the strata sector (for example, legal, insurance, building, maintenance, consultancy and other professional services).

Membership Numbers

As of 2025, SCA (NSW) has 1,858 Strata Practice Members. Within this:

- Strata Practice Members: 206 firms.
- Professional Strata Manager Members: 1,528 licensed strata professionals across LiCPSM, PSM, and APSM categories.
- Strata Practice Employee Members: 124

What types of work do our members do?

Strata managing agents act as agents for the owners' committee, which represents the owners' corporation. The owners' corporation may delegate either all or some of its functions to a strata managing agent under a formal management agreement. Acting under this delegated authority, Strata Practice Members undertake a wide range of professional responsibilities crucial to the effective operation of strata and community schemes. These duties include:

- **Financial management:** raising and collecting owners' corporation levies, maintaining administration and capital works funds, preparing budgets, tax and BAS management; and producing financial statements in line with NSW Legislation requirements.
- **Governance support:** assisting strata committees with their statutory duties, calling and chairing meetings, issuing correspondence and notices, and maintaining records in compliance with legislative requirements.
- **Management of meetings:** convening and managing meetings of the owners' corporation and strata committee, and carrying out the delegated functions of Chairperson, Secretary, and Treasurer if required.
- **Repairs and maintenance:** coordinating day-to-day maintenance and urgent repairs, arranging contractors, and engaging specialist consultants to oversee complex capital works projects on behalf of the owners' corporation.
- **By-law management:** developing, registering, and enforcing by-laws; issuing breach notices; and representing schemes in Fair Trading mediation or the NSW Civil and Administrative Tribunal (NCAT) on behalf of the owners' corporation.
- **Insurance:** arranging adequate insurance for schemes, handling renewals and claims, and ensuring compliance with regulatory obligations on behalf of the owners' corporation.
- **Compliance and safety:** coordinating compliance obligations, including workplace health and safety, fire safety certification, lift registration, pool registration, and reporting requirements such as asbestos and cladding on behalf of the owners' corporation.
- **Contractor and expert engagement:** sourcing and managing service providers such as building managers, cleaners, gardeners, engineers, lawyers, and consultants.
- **Debt recovery:** managing levy arrears through reminder notices, payment plans and, when required, legal action to recover debts on behalf of the owners' corporation.

Our proposed scheme

What is a professional standards scheme?

A Professional Standards Scheme is a legal instrument that enables an occupational association, such as the SCA (NSW), to establish and enforce professional standards for its members. In return, members who meet these standards would be eligible for limited civil liability.

In short, a Professional Standards Scheme aims to strike a balance between consumer protection and professional accountability. Consumers benefit from stronger safeguards, while members agree to higher standards in return for liability caps that improve the cost and availability of insurance against occupational liability.

What is the Strata Community Association (NSW) scheme?

The SCA (NSW) Professional Standards Scheme is a legal instrument approved under the Professional Standards Act 1994 (NSW). It applies to Strata Practice Members of SCA (NSW), including both corporate, individual members, such as strata managing agents, practice principals, and associate members.

The Scheme establishes a framework of professional and ethical obligations for members and provides them with recognition as part of a regulated, consumer-focused profession.

Key features of the Scheme include:

- Coverage of all Strata Practice Members of SCA (NSW).
- A requirement for members to meet insurance, education, compliance, and conduct standards set by SCA (NSW).
- A five-year term, commencing 1 July 2026 and concluding 30 June 2031.

How does the scheme operate?

The SCA (NSW) Scheme works by combining high professional standards with clear protections for consumers. Only SCA (NSW) Strata Practice Members who hold the requisite insurance can access the scheme's protections. These members are subject to strict education, compliance, risk management, and ethical criteria set by SCA (NSW). This guarantees that consumers dealing with a participating strata managing agent receive consistent, responsible, and professional service.

Consumer protection is achieved through:

- **Independent compliance monitoring and audits:** Members' compliance with professional and legal requirements is evaluated through regular desktop checks and audits. This covers audits of CPD, disclosure requirements, and professional indemnity insurance.
- **Clear standards of conduct:** All members are bound by the SCA (NSW) Code of Ethics, which sets enforceable expectations for honesty, integrity, and professionalism.
- **Accessible and transparent complaints process:** Consumers can easily access a complaints process that is straightforward, written in clear language, and free of charge. All members are required to have a documented complaints policy that details timeframes and procedures, supported by SCA (NSW)'s national complaints and disciplinary system.
- **Mandatory continuing professional development (CPD):** Members must complete education requirements that exceed NSW Fair Trading's minimum, ensuring their knowledge stays current with legislation, regulation, and best practices.
- **Mandatory liability disclosure:** Members must display the statement "Liability limited by a scheme approved under Professional Standards Legislation" on all customer-facing documents, providing consumers with clear visibility of their protections.

- **Compulsory professional indemnity insurance:** All members must hold and maintain professional indemnity insurance that meets or exceeds the standards set by SCA (NSW), ensuring that compensation is available where required. The Professional Standards Council consider this standard as part of the scheme approval process

Limiting liability

The Scheme limits the occupational liability of members (and others) to whom it applies. This liability cap provides consumers with certainty about the maximum compensation they can receive, while mandatory insurance ensures that funds are available to cover claims. The cap only applies if members comply with Scheme obligations.

The liability limit does not apply to liability arising from certain causes, including:

- the death of, or personal injury, to a person
- a breach of trust
- fraud or dishonesty, and
- liability which may be the subject of proceedings under Part 13 or 14 of the Real Property Act 1900 (NSW).

Who administers the scheme?

The Professional Standards Scheme is overseen by the Strata Community Association (NSW) Board of Directors, with daily management carried out by SCA (NSW)'s Professional Standards Compliance Manager.

The Compliance Manager is responsible for monitoring member obligations, organising audits, managing reporting requirements, and assisting members to meet Scheme standards. The Board receives regular updates to maintain proper oversight.

Address: Strata Community Association (NSW) Ltd, 50 Berry Street, Level 2, Suite 203, NORTH SYDNEY 2060.

Where does the scheme operate?

The Scheme will operate only in New South Wales.

When will the scheme apply?

The Scheme will apply from 1 July 2026 to 30 June 2031.

Does the scheme apply to all members?

The scheme only applies to certain classes of SCA members, namely:

- Professional Strata Manager Members (1,528 licensed strata professionals)
- Strata Practice Members (206 Agencies), and
- Strata Practice Employee Members. (124 unlicensed individuals in a supporting role)

The scheme also applies to officers of bodies corporate, employees of a person, or partners in a partnership arrangement to whom the Scheme applies as specified in sections 18, 19, 20 and 20A of the Act. If the officers, employees or partners are entitled to be a member of SCA (NSW) but are not a member, then the scheme will not apply to them.

How is the level of limited liability for participating members determined?

The Scheme will have a limit of liability of \$750,000. This is a continuation of the limit in the current Scheme from 1 July 2021 to 30 June 2026.

Can a Strata Community Association (NSW) member leave the scheme?

Yes, only in specific cases. SCA (NSW) has an Exemptions Policy that allows members to request exemption from the requirements of the Professional Standards Scheme. The Exemption Policy provides that an exemption may be granted if a member can demonstrate financial hardship in obtaining the required professional indemnity insurance to the standard required.

Exemptions are not automatic and are considered on a case-by-case basis. Members must submit a formal written request, including full details of their circumstances. Each application is reviewed in accordance with SCA (NSW)'s policy and governance processes, and decisions are communicated to the applicant in writing.

Members with an approved exemption are no longer subject to the requirements of the scheme and therefore unable to:

- benefit from the placement of a limit on the amount of occupational liability
- ensure sufficient money is available to cover damages awarded in relation to occupational liability, or

Consumers of the exempted members services may also not benefit from the risk management strategies and other consumer protection elements of the scheme.

Persons to whom the Scheme only applies by virtue of the Act are not able to be granted an exemption from the Scheme.

How will consumers know if a Strata Community Association (NSW) member is covered by the scheme?

All members of the Strata Community Association (NSW) Professional Standards Scheme must clearly inform consumers that their civil liability is limited under the Scheme. This is achieved by including the prescribed limited liability disclosure statement in all customer-facing communications, including letters, emails, websites, proposals, and management agreements.

The prescribed limited liability statements is as follows:

“Liability limited by a scheme approved under professional standards legislation.”

The statement must be printed in a size not less than Times New Roman 8 point font. Failure to include the prescribed limited liability disclosure statement is an offence under section 33 of the Act.

SCA (NSW) actively oversees this requirement through regular compliance checks. Each year, members must confirm in writing that they are fulfilling the disclosure obligations. Additionally, SCA (NSW) carries out desktop audits and targeted reviews of member websites and communications to verify the correct use of the disclosure statement.

If the Scheme ceases to apply to a member, SCA (NSW) formally advises them to remove all references to the Professional Standards Scheme from their documents and website immediately.

For transparency, SCA (NSW) maintains an up-to-date list of all current participating firms on its website, allowing consumers to independently confirm that a strata management firm is covered under the Scheme.

The benefits of our scheme

How will consumers benefit from the scheme?

Consumers will benefit from the Scheme because SCA (NSW) members are required to meet stricter professional standards and are held accountable through transparent rules, education, and oversight.

- **Ethical conduct and accountability:** Every member of SCA (NSW) is bound by a Code of Ethics that requires them to act honestly, fairly, and with a genuine duty of care to their clients. This ensures that owners and residents can have confidence that their strata management agent will act with integrity and transparency in every decision.

From 2026, all new members will also be required to complete a dedicated Ethics in Strata Management course as part of their induction. This course provides a shared foundation in professional responsibility and ethical decision-making from the very start of each member's career.

To reinforce these values, SCA (NSW) is developing a Best Practice Guide: Business Conduct and Ethical Practice in Strata Management, which will be distributed to all professional strata management firms. The guide provides practical examples and advice to help members apply ethical principles in everyday practice.

- **Independent Complaints Process:** Consumers can raise concerns through a formal complaints and discipline system, which is fair, transparent, and independent. This means that issues are addressed consistently, and members are held accountable for their conduct.
- **Additional professional development:** In addition to the CPD required by NSW Fair Trading, Scheme members must complete additional hours of CPD tailored to their licence class (Class 1, Class 2 or Assistant Agent). As of 2025, all members are required to complete at least one hour of ethics training annually. When a new member joins SCA (NSW), they must complete an ethics course as part of their induction, regardless of licence type.
- **Stronger accountability and compliance:** Members are subject to compliance reviews and audits to make sure they are meeting Scheme requirements and the Code of Ethics. Where gaps are identified, members must take corrective action, which strengthens consumer protection.
- **Improved practice standards:** Members are required to follow legislation and SCA (NSW) Best Practice Guides in their daily operations. This covers areas such as dispute resolution, financial management, communication, governance, maintenance, and service quality. By consistently applying these standards, members deliver reliable, transparent, and effective management to consumers.
- **Advocacy for better outcomes:** SCA (NSW) engages with government and regulators to represent both members and consumers on proposed legislative changes. This ensures that reforms consider practical issues in the sector and focus on enhancing transparency, accountability, and consumer protection.
- **Continuous improvement:** Members are required to stay up to date with industry changes and emerging risks. As members of SCA (NSW), this is achieved through fortnightly webinars, best practice guides, and ongoing education programs. This means consumers benefit from services that adapt, improve, and respond to new challenges over time.

How does the scheme enhance our members' occupational standards?

The Scheme enhances occupational standards by creating a professional framework that raises expectations for every SCA (NSW) member.

- **Formal professional recognition:** SCA (NSW) is the only property services professional association in Australia with a Professional Standards Scheme, elevating members to recognised professionals rather than just licence holders.
- **Clear professional benchmarks:** Members must follow a Code of Ethics and documented best practice standards. These benchmarks encompass governance, conduct, and service delivery, ensuring that members are aware of the expectations placed upon them as professionals.
- **Increased education requirements:** Alongside the CPD hours required by NSW Fair Trading, members must complete additional CPD specific to their licence level, including compulsory ethics training. This ensures members stay current with their knowledge and maintain professional competence.
- **Compliance and risk accountability:** Members engage in compliance reviews and audits, integrating risk management and responsibility into their business practices. This promotes greater consistency across the profession.
- **Professional pride and sector leadership:** By meeting higher standards, members enhance their reputation, attract and retain clients, and differentiate themselves from non-member practitioners. This collective commitment fosters trust in strata management as a recognised profession.

Together, these measures create a recognised professional pathway for strata management, elevating the

standing of members and strengthening the industry's reputation, while also supporting better outcomes for the communities they serve.

How does limiting participant liability help consumers?

Limiting liability under the Scheme doesn't reduce the protection available to consumers. What it does is tie that protection to higher professional standards, so that consumers can benefit from members being required to meet stricter educational, conduct and compliance requirements.

- **Standards before protection:** Members only receive the benefit of the liability cap if they hold the right professional indemnity insurance, complete the additional CPD hours required by SCA (NSW), and adhere to the Code of Ethics and mandatory best practice guidance.
- **Clear safeguards for consumers:** Members are subject to audits, compliance reviews, and a formal complaints and discipline system. This means consumers know that proper checks are in place and have clear pathways to raise concerns if something goes wrong.
- **Encourages early complaints resolution:** Because members risk losing access to the Scheme if they fail to meet their obligations, limited liability creates a strong incentive to resolve disputes quickly and to manage risks before they become problems.
- **Financial certainty:** The liability cap of \$750,000 exceeds the value of successful claims made against strata managing agents over the past decade. Together with compulsory professional indemnity insurance, this provides consumers with confidence that compensation will be available if needed.

In practice, the liability cap represents a recognition of higher professional standards rather than a reduction of consumer rights. Consumers benefit because they are dealing with managers who are properly insured, trained, closely monitored, and motivated to resolve issues fairly and promptly.

Is the scheme a professional indemnity insurance scheme?

No. The Professional Standards Scheme is not an insurance scheme. It is a framework that raises professional standards by requiring SCA (NSW) members to meet strict obligations in ethics, compliance, education, and risk management.

As part of these obligations, all members must hold and maintain professional indemnity insurance that meets or exceeds the minimum level required under the Property and Stock Agents Act 2002 (NSW) and its regulations, which is currently set at \$1 million. To confirm compliance, SCA (NSW) requires members to provide evidence of their cover through the annual June survey, with any claims against their policy reported in December. These checks are reinforced by our audit programme, which reviews insurance documentation where necessary.

The Scheme therefore complements, but does not replace, professional indemnity insurance. Insurance provides financial cover if a claim is made. At the same time, the Scheme reduces the likelihood of harm by raising professional standards and ensuring that members are properly trained, accountable, and insured.

What continuing education can members access?

SCA (NSW) members are required to undertake ongoing professional development to maintain their skills up to date and their licence under the Property and Stock Agents Act 2002 (NSW). NSW Fair Trading requires strata licence category holders to complete annual CPD. For 2025–2026, this includes:

- **Class 1 Agents:** Attendance at a 5-hour education event, which covers essential topics and assessments. Three compulsory topics are covered over 4 hours of interactive training delivered by an approved provider, plus an additional mandatory online TAFE module on disclosures and fiduciary duties lasting one hour.

- **Class 2 Agents:** 4 hours of interactive training delivered by an approved provider on three compulsory topics, plus 1 hour completing the mandatory online TAFE module on disclosures and fiduciary duty.
- **Assistant Agents:** at least three units each CPD year from a valid Certificate IV qualification, which is the required pathway to progress to a Class 2 Agent licence.

Since the Scheme was first introduced, SCA (NSW) has required its members to go beyond these licensing standards. SCA (NSW) enforces additional CPD obligations as a condition of membership to improve professionalism across the sector. These requirements are specific to each licence class and include mandatory ethics training, as well as education in areas such as governance, risk management, and consumer protection.

SCA (NSW) supports its members through a comprehensive education program that includes free educational units, webinars, best-practice guides, and tailored workshops and events. These education units are developed from insights gained through complaints, audit findings, and the consumer enquiry line, so training is directly focused on areas where risks and issues most often arise. This program is also extended to non-licensed staff, ensuring that everyone in a strata agency who deals with consumers has a consistent understanding of professional and ethical obligations.

Moving forward, SCA (NSW) will gradually increase CPD hours throughout the scheme's duration, ensuring expectations grow each year. These are planned requirements for every member category and form part of SCA (NSW)'s commitment to elevating standards across the sector.

- Class 1 Agents will increase from 18 hours in 2025/26 to 26 hours by 2030/31.
- Class 2 Agents will increase from 12 hours to 20 hours over the same period.
- Assistant Agents will increase from 6 hours to 14 hours.
- Non-qualified staff will be introduced from 2026/27, starting at 3 hours and rising to 7 hours by 2030/31.

This phased approach guarantees that all staff members in a strata practice, whether licensed or not, receive regular, pertinent, and ethics-centred education. It establishes a straightforward, step-by-step pathway for professional growth, enhances the culture of learning, and boosts the quality of every consumer interaction with SCA (NSW) members.

How are complaints and discipline managed?

SCA (NSW) offers a clear and accessible complaints process to ensure members meet the professional and ethical standards expected of them. The process applies exclusively to SCA members and is intended to address potential breaches of the SCA Code of Ethics, rather than everyday service disputes, which remain under the jurisdiction of regulators such as NSW Fair Trading or NSW Civil and Administrative Tribunal (NCAT).

Anyone who believes that an SCA member has acted outside the standards required under the Code of Ethics can lodge a complaint. Complaints are submitted online via a straightforward form and must include sufficient detail and supporting evidence to enable a fair assessment. This approach ensures the process is just for both the individual raising the concern and the member subject to it.

Once received, complaints are initially reviewed by the National SCA Executive to determine if the matter falls within the scope of the Code of Ethics. If a potential breach is identified, the complaint is referred to the Professional Standards and Membership Board Advisory Group (PSMBAG) for independent investigation and decision. Following its investigation, PSMBAG may issue findings and determine

appropriate actions such as additional education, mediation, or formal warnings directly to the member involved.

Where a matter warrants suspension or expulsion from membership, PSMBAG refers the case to the SCA (NSW) Board for consideration. The Board then determines whether disciplinary action under the Constitution is appropriate and formally advises the member of the outcome.

The process follows three main steps:

- Initial review by the National Executive to confirm scope and jurisdiction
- Investigation, including collecting information and allowing the member to respond
- Determination by the PSMBAG, which may issue findings and actions such as further education, mediation, or formal warnings. Where suspension or expulsion from membership is considered appropriate, the matter is referred to the SCA (NSW) Board for a final decision under the Constitution, and the member is formally notified of the outcome.

Outcomes can range from additional education and formal warnings to suspension or, in the most serious cases, expulsion. Where an investigation identifies that a member has breached, or may have breached, the Property and Stock Agents Act 2002 (NSW), its Regulation, or other relevant legislation, SCA (NSW) is required to notify NSW Fair Trading so that the regulator can consider any action under the state licensing framework

This reporting occurs regardless of whether the member is expelled, ensuring transparency and cooperation between SCA (NSW) and the NSW Government. If suspension or expulsion does occur, SCA (NSW) also provides formal notice to NSW Fair Trading to ensure regulatory records are accurate and up to date.

All complaints are recorded and analysed to learn lessons. This helps SCA (NSW) identify recurring issues, improve guidance for members, and ultimately enhance consumer protection.

Comments and submissions

SCA (NSW) welcomes comments and submissions on this application. Your feedback will help us ensure the proposed Professional Standards Scheme is clear, effective, and provides benefits to both members and consumers.

How can I make a comment or submission?

In your submission, you may wish to respond to the following questions:

- Are you a member of the Strata Community Association (NSW)?
- Are you already a consumer of the type of services covered by the proposed scheme?
- Do you think the scope of the scheme is clear? (including work, jurisdictions and membership classes covered)
- Is it clear how you, as a member or consumer, could make a complaint?
- Do you think the proposed approach to education, compliance monitoring, and complaints handling is appropriate?
- Can you describe how consumers would benefit from Strata Community Association (NSW) members' services being covered by a scheme?
- Are there other matters you believe the Professional Standards Councils should consider before approving the Scheme?

Please send comments and submissions (preferably as a letter) to:

The Chief Executive Officer Professional Standards Councils

Level 2, St James Centre

111 Elizabeth Street

Sydney NSW 2000.

You can also contact the Councils by:

- email: pscinfo@psc.gov.au
- phone: 1300 555 772 or (02) 8315 0800
- website: www.psc.gov.au.

How are comments and submissions managed?

The Council must consider all comments and submissions it receives, in line with the requirements under the Professional Standards Act 1994 No 81(NSW), Part 2, Division 1, Section 9.

Comments and submissions will be treated confidentially and will not be disclosed unless required to do so by law, such as under public access to government information legislation.

Where can I find out more?

To find out more about Strata Community Association (NSW) and our proposed professional standards scheme, please contact: Professional Standards Compliance Manager, Strata Community Association (NSW), Email: pss.nsw@strata.community, Telephone (02) 9492 8200 or (02) 9492 8215