



# Fair Trading NSW Draft Course Topic Outlines for Approved Strata Committee Provider Training

Strata Community Association NSW Submission  
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# INTRODUCTION

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## 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 91,346 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 1,073,277<sup>1</sup>. 44% of these schemes have been registered since 2000.

## 4. NSW as a Leader in High-Density Living

According to the 2024 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. <sup>2</sup> 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 20 per cent.

## 5. Employment Impact

Strata is a significant employer, directly providing jobs to 1,259 managers throughout NSW, as well as an additional 854 other related employees. <sup>3</sup>

## 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](mailto:Andrew.Jefferies@strata.community)**

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<sup>1</sup> Authored by Hazel Easthope, Yi Lu and Alejandra Rivera, [Australasian Strata Insights 2024](#), City Futures Research Centre, UNSW.

<sup>2</sup> Ibid, p.8-13

<sup>3</sup> Ibid, p.8.

# DRAFT COURSE TOPIC OUTLINES FOR APPROVED STRATA COMMITTEE PROVIDER TRAINING – INDUSTRY STAKEHOLDER FEEDBACK

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## Introduction

The Strata Community Association NSW (SCA NSW) welcomes the opportunity to provide feedback on the draft course topic outlines for approved strata committee provider training.

We note NSW Fair Trading's guidance that as part of its development of guidelines for mandatory annual training for strata committee and association committee members, that course outlines with defined learning outcomes have been developed to ensure the consistency and quality of training delivered by approved providers. SCA (NSW) further notes the development of six draft course topic outlines for delivery across the first year of training, proposed to run from **1 October 2026 to 30 September 2027**.

Fair Trading's proposed, draft course topic outlines are:

- Legal obligations under legislation
- Dispute resolution
- Financial management and budgeting
- Managing by-laws
- Repair and maintenance of common property
- Working with a strata manager

The *Strata Schemes Legislation Amendment Act 2025* mandates that every strata committee member across New South Wales must complete prescribed training to understand the broader legal duties and responsibilities of their role. These training requirements will apply to current/existing strata and association committee members, aiming to ensure that committee members have a clear understanding of the rules governing their strata or community scheme.

Committee members will need to undertake the follow requirements over the next two financial years:

**FY2026-27** - complete the free NSW Government training course – *Introduction to Strata Committee Rights and Responsibilities*; and **undertake at least 1 hour of interactive training**

*(online or in-person) delivered by an approved training provider OR 2 hours of self-paced training delivered by an approved training provider.*

**FY2027-28** - complete the free NSW Government training course on repairs and maintenance; **and undertake at least 2 hours of interactive training (online or in-person) delivered by an approved training provider OR 4 hours of self-paced training delivered by an approved training provider.**

SCA (NSW) acknowledges the New South Wales Government's desire and commitment to improving governance and management of strata communities, through raising the understanding of the role of strata committee members to ensure that they have the skills and experience to effectively manage, participate and act in the best interests of the owners corporation and the strata scheme.

Our response, while limited to providing feedback on the course content and other missing elements, continues to express concern with some of the practicalities of the training delivery and its course content. It makes the following recommendations:

## SCA NSW's Response

### Course 1: Legal Obligations Under Legislation

#### Key Concerns

- The Statutory Duties section lists five distinct duty categories plus officeholder roles. This is too broad to cover meaningfully in one hour for a lay audience. This should be streamlining to the three most practically significant duties: acting with honesty, fairness, due care and diligence; duty to comply with the Act and Regulation; and duties relating to training.
- The Disputes Resolution and Penalties section substantially duplicates content in the Dispute Resolution course (mediation, NCAT procedures, enforcement powers).
- There is no reference to the owners corporation's insurance obligations under Part 4 of the Act, despite **insurance being a core legal responsibility**. At minimum, a reference to mandatory building insurance under section 160 of the Act should be included.
- The course should note, as a practical matter, the interaction between the strata committee and the owners corporation at general meetings, including the limits of committee authority.

### **SCA (NSW) Recommendations:**

- Reduce the Statutory Duties section to the three most practically significant duties for a lay audience.
- Remove duplicated NCAT and mediation content and cross-reference the Dispute Resolution course instead.
- Add a reference to mandatory insurance obligations under Part 4 of the Act.

## **Course 2: Legal Obligations Under Legislation**

### **Key Concerns**

- The Understanding Mediation and Legal Proceedings section is detailed and technical. For a one-hour course with lay participants, the depth of content on NCAT procedures — including types of orders, enforcement of orders, and application procedures — is unlikely to be absorbed meaningfully. The course would benefit from focusing on when and why to refer a matter to NCAT rather than the procedural detail of how to conduct an NCAT proceeding.
- The course should specifically address the process for urgent common property repair disputes given the recent Part 10A enforcement changes, which create a specific escalation pathway distinct from general dispute resolution.
- The by-law enforcement content (Notice to Comply, escalation to NCAT) overlaps significantly with the Managing By-laws course. One course should be designated as the primary location for this content

### **SCA (NSW) Recommendations:**

- Simplify the NCAT section to focus on when and why to refer matters, rather than procedural conduct of proceedings.
- Add specific reference to the urgent common property repair dispute pathway under Part 10A of the Act.
- Designate Managing By-laws as the primary course for by-law enforcement content and reduce duplication in this course.

## Course 3: Financial Management and Budgeting

### Key Concerns

- Insurance is currently included only as a single identify task: “Identify the types of insurance required for a strata scheme.” Given that mandatory building insurance under section 160 of the Act is one of the most significant ongoing financial obligations of an owners corporation and that insurance costs typically represent one of the largest single items in an administrative fund budget, insurance content remains insufficient.
- The course does not address the process for requesting, reviewing, and acting on a strata information certificate, which has direct financial relevance for lot sales and purchaser due diligence.
- The 10-year capital works fund plan content duplicates material in the Repair and Maintenance course. One course should be primary.
- Strata Committees should be aware of the budgeting and financial aspects of contractor engagement, particularly with regards to compliance requirements selecting contractors with appropriate licenses, insurance and understanding of common property, when contracts are required (based on value) and detailed scope and fee proposals

### SCA (NSW) Recommendations:

- Expand insurance content to cover mandatory building insurance obligations under section 160, sum insured adequacy, and the owner’s right to request insurance details.
- Confirm which course — Financial Management or Repair and Maintenance — is the primary location for capital works fund plan content and reduce duplication accordingly.
- Enhanced understanding relating to the budgeting and financial aspects of contractor engagement, when contracts are required and detailed scope and fee proposals

## Course 4: Managing By-Laws

### Key Concerns

- Short-term rental accommodation (STRA) content requires routine regulatory amendments. It should be noted that STRA provisions are subject to ongoing regulatory development and change.
- The outline does not distinguish between by-laws that can be passed by special resolution generally and by-laws with specific conditions, such as those restricting the keeping of animals under section 139A of the Act (which cannot unreasonably prohibit the keeping of a pet). This is a commonly misunderstood area and deserves explicit treatment.
- The reference to “harsh or unconscionable” by-laws as an NCAT ground is appropriate. The course should also reference section 150 of the Act regarding invalid by-laws (inconsistency with the Act or Regulation) as a distinct concept.

### SCA (NSW) Recommendations:

- Add a note that STRA regulation is subject to ongoing review and that course content will be updated accordingly.
- Explicitly address the section 139A requirement that by-laws cannot unreasonably prohibit pet-keeping as a specific and commonly misunderstood provision.
- Distinguish between harsh/unconscionable by-laws (NCAT ground) and invalid by-laws (inconsistency with the Act) as distinct legal concepts.

## Course 5: Repair and Maintenance of Common Property

SCA (NSW) strongly welcomes the inclusion of this topic and given the more recent introduction of Part 10A enforcement powers in relation to common property repairs and maintenance, we believe this is the most important course within the training delivery framework. The inclusion of Part 10A investigation and enforcement tools, the escalation pathway under the Common Property Repairs and Maintenance Compliance and Enforcement Policy, and the role of the Building Commission NSW is appropriate content.

### Key Concerns

- The interface with Building Commission NSW should be expanded. Many owners and committee members do not understand the distinction between the owners corporation's ongoing maintenance duty under section 106 of the Act and building defect warranty rights under Part 11 of the Act and the Home Building Act 1989. The course should explicitly address this distinction.
- The initial maintenance schedule changes under the Strata Schemes Legislation Amendment Act 2025 are noted but the learning outcome only asks participants to "identify recent changes." Given the significance of the initial maintenance schedule as a planning tool for new schemes, the course should require participants to understand how these changes affect their practical obligations.
- The course does not address the process for obtaining and evaluating quotes for major works, managing contractors, or ensuring that works are carried out by licensed contractors as required under applicable home building legislation. These are practical governance points that committee members commonly get wrong.

### SCA (NSW) Recommendations:

- Add a specific learning outcome distinguishing the section 106 ongoing maintenance duty from building defect warranty rights under Part 11 of the Act and the Home Building Act 1989.
- Expand the initial maintenance schedule content to address how changes under the Strata Schemes Legislation Amendment Act 2025 affect committee obligations in practical terms.
- Add practical content on obtaining quotes, managing contractors, and compliance with licensed contractor requirements.

## Course 6: Working with a Strata Manager

### Key Concerns

- There is no mention of the strata manager's obligation to maintain a trust account, or the strata committee's right to request trust account reconciliations and records. This is an important accountability mechanism that committees frequently do not exercise and should be included.
- The course references the Property and Stock Agents Act 2002 for the legal framework governing strata managing agents but does not address the role of NSW Fair Trading in licensing and disciplining strata managers. Committee members should understand that a complaint about a strata manager's conduct can be made to Fair Trading and what the process entails.
- The process for terminating a strata manager for cause (as distinct from expiry of term) should be addressed, including the requirement for a resolution at a general meeting.
- Identify decisions that must be made by the strata committee or owners corporation, rather than delegated to the strata manager. Such decisions are often not well understood.

### SCA (NSW) Recommendations:

- Add content on the strata manager's trust account obligations and the committee's right to request reconciliations and financial records.
- Add a brief explanation of the NSW Fair Trading licensing and complaints process for strata managing agents.
- Clarify the process for early termination of a strata manager appointment, including the general meeting resolution requirement.

## Other Feedback

### Content Volume

The most significant concern across all six course outlines is the volume of learning outcomes prescribed relative to the one-hour delivery constraint. Each course contains three to five sections, each with multiple sub-outcomes.

For a volunteer lay audience, many of whom will have no prior exposure to the legislative framework, the content density risks producing surface level training that neither builds genuine understanding nor meets the intended policy objective of improving governance in strata schemes. Too much content could lead to a high attrition of committee members.

### SCA (NSW) Recommendations:

- NSW Fair Trading should review the number of learning outcomes in each course and prioritise the most practically significant outcomes for a volunteer lay audience.
- Where course content cannot be meaningfully reduced, Fair Trading should consider extending the recommended delivery duration for those specific courses rather than compressing complex legislative content into one hour.
- Content that is genuinely foundational (e.g., statutory duties under the Act, role of NCAT) should be covered in the NSW Government free introductory course, reducing the required depth in provider-delivered courses

### Content Appropriateness and Practical Examples

Fair Trading should include explicit guidance in the course outline framework that all courses must be delivered using plain English language and use real-life practical examples and case studies relevant to everyday strata living. Avoid unnecessary technical/legal jargon.

### SCA (NSW) Recommendations:

- Include guidance in the course outline framework specifying that delivery must use plain English and practical case studies accessible to a lay volunteer audience.
- Training providers should be required to demonstrate audience-appropriate delivery as part of their approval conditions.
- Include practical tools such as checklists, templates, and step-by-step guides that participants can use after the training.

## **Insurance for Strata Schemes as a core topic**

Insurance does not appear as a standalone course topic despite being one of the most significant and frequently misunderstood obligations of an owners corporation. Section 160 of the Act imposes mandatory building insurance obligations and sections 161-166 cover other insurance requirements. Strata committee decisions about insurance including adequacy of sum insured, policy renewals, and claims directly affect all lot owners and represent one of the highest-value financial decisions a committee makes.

Insurance is currently referenced only as a single bullet point in the Financial Management and Budgeting course (“Identify the types of insurance required for a strata scheme”) without any substantive learning outcomes addressing the Act’s mandatory requirements, sum insured adequacy, or claims processes.

### **SCA (NSW) Recommendations:**

- NSW Fair Trading should add Insurance for Strata Schemes as a seventh course topic for the 2026/27 training year, covering mandatory insurance obligations under Part 9 of the Act, sum insured adequacy, the role of the strata manager in placing insurance, and claims management.
- If a standalone insurance course is not introduced, the Financial Management and Budgeting course should be substantially expanded to cover insurance obligations in a manner consistent with the importance of the topic.

## **Content Duplication**

SCA (NSW) has identified content duplication across several courses, particularly in relation to dispute resolution, by-law enforcement, and the capital works fund plan. For example:

- Mediation and NCAT procedures appear in both Legal Obligations Under Legislation and Dispute Resolution.
- By-law enforcement and NCAT applications appear in both Managing By-laws and Dispute Resolution.
- The 10-year capital works fund plan appears in both Financial Management and Budgeting and Repair and Maintenance of Common Property.

While some cross-referencing is appropriate, the degree of duplication risks committee members who complete multiple courses receiving redundant training rather than broadened understanding. It also makes it difficult for a single course to adequately cover its designated topic within one hour.

### **SCA (NSW) Recommendations:**

- Fair Trading should rationalise content across courses, designating one course as the primary location for each overlapping topic and including cross-references rather than duplicated content in other courses
- The Legal Obligations Under Legislation course should serve as the primary vehicle for legislative foundations, with other courses focusing on practical application within their specific domain

### **Course Sequencing**

The six course outlines are presented without any recommended sequencing. For committee members completing multiple courses, this is a practical gap. The Legal Obligations Under Legislation course provides the foundational legislative framework that underpins the content in all other five courses. Committee members who complete, for example, the Financial Management course before completing Legal Obligations will lack the legislative context necessary to fully understand their financial duties.

### **SCA (NSW) Recommendations:**

- Fair Trading should consider publishing a recommended completion sequence for the six courses, with Legal Obligations Under Legislation designated as the recommended first course.
- Sequencing guidance should be published on the NSW Fair Trading website alongside the list of approved providers and approved modules.

### **AI Prohibition in Self-Paced Assessments**

Each course outline prohibits participants from using AI tools to complete their assessments. SCA (NSW) supports this intent. However, for self-paced online training, this prohibition is practically unenforceable absent technical controls. A participant declaration, as noted in the outlines, is insufficient alone to ensure compliance.

### **SCA (NSW) Recommendations:**

Fair Trading should work with approved training providers to ensure that assessment design actively mitigates the risk of AI-assisted completion. For example, through time-limited responses, scenario-based questions requiring situational judgment, or randomised question pools.

## **Strata Hub Reporting**

Mandatory reporting via the NSW Government's Strata Hub is referenced in the Financial Management and Budgeting course but does not appear in other courses where it is equally relevant, particularly Legal Obligations Under Legislation and Repair and Maintenance of Common Property.

### **SCA (NSW) Recommendations:**

As Strata Hub reporting is a mandatory compliance obligation for all strata schemes, SCA (NSW) suggests that it should be covered as a consistent thread across all relevant topic outlines.

## **Governance Process Focus**

**SCA (NSW) recommends** that this training should be far more practical and support Committees to be focused on:

- Understanding their governance role
- Recognising when professional advice is required
- Knowing how to work effectively with their strata manager.
- Introductory session that defines the SC, SMA and owners roles in the process.

## **Further inclusions**

SCA (NSW) recommends the following inclusions to the course content:

- Training documents should include simple templates or examples that committees can use straight away
- Greater use of real-world scenarios to show how disputes or financial issues should be handled in practice.
- How to manage ongoing owners who repeatedly breach legal obligations
- More guidance to deal with disputes involving tradespeople, contractors, or building-defect situations.
- Adapting content to address the unique challenges of large, mixed-use, or multi-building schemes.
- Budgeting tools to help committees plan or track spending.
- Financial topics—like risk planning, inflation, and long-term cashflow, major repairs, loans, or hardship cases.
- Handling Conflicts of Interest, especially in tricky or sensitive situations.

For further information about this consultation, please contact Andrew Jefferies, Senior Policy and Advocacy Advisor, SCA NSW. [Andrew.Jefferies@strata.community](mailto:Andrew.Jefferies@strata.community)