



Fair Trading NSW Committee Training Course Content Feedback- *Introduction to Strata Committee Rights and Responsibilities*

Strata Community Association NSW Submission
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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 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 1,073,277¹. 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. 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 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. 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 Authored by Hazel Easthope, Yi Lu and Alejandra Rivera, [Australasian Strata Insights 2024](#), City Futures Research Centre, UNSW.

² Ibid, p.8-13

³ Ibid, p.8.

COMMITTEE TRAINING COURSE CONTENT FEEDBACK – INTRODUCTION TO STRATA COMMITTEE RIGHTS AND RESPONSIBILITIES

Introduction

The Strata Community Association NSW (SCA NSW) welcomes the opportunity to provide feedback on the draft content for Fair Trading’s initial strata committee training course - *Introduction to Strata Committee Rights and Responsibilities*.

We note NSW Fair Trading’s guidance that it intends to introduce a new requirement for strata committee members in NSW to undertake annual training. At present, we understand that the requirement for strata committee members to complete the free training component commences from October 2026.

This foundational course will be delivered by NSW Fair Trading free of charge to strata committee members and owners corporations through the NSW Government website. It consists of six 10-minute modules delivered through a learning management system (LMS) and was developed in partnership with the Owners Corporation Network.

SCA (NSW) understands that the course is not intended to replace specialist legal, financial or technical advice. Rather, it is designed to provide a foundation for more informed decision-making in NSW strata communities on topics such as:

- Roles, duties and responsibilities;
- Good governance, understanding of and compliance with NSW strata laws;
- Management of common issues relating to money, meetings and building care; and
- Knowing when professional advice may be required.

It is SCA (NSW)’s very strong view that it must be understood that committee members are volunteers, with varying degrees of time availability, legal or technical knowledge. There should not be any blurring of the lines between the role of a volunteer committee member and that of a qualified and professional strata manager.

In response, we make the following observations and comments.

OBSERVATION 1 – THE COURSE AS ONE COMPONENT OF A BROADER GOVERNANCE UPLIFT

The draft course content is well suited to first-time strata committee members and covers the core elements of strata governance, including lots and common property, the owner's corporation, the committee's role, financial basics, conflicts of interest and conduct. As a foundational course, it is appropriately targeted.

SCA (NSW) observes that the effectiveness of the course in delivering NSW Fair Trading's policy intent will depend significantly on the supporting architecture that surrounds it. A one-hour foundational module cannot, by design, deliver:

- Detailed practical scenario judgement;
- Insurance literacy at the level required for committee decision-making (an area where SCA (NSW) considers the absence of a discrete topic in the current draft to be a notable gap, addressed in our detailed feedback);
- Defect identification and management knowledge, particularly relevant to the 44% of NSW schemes registered since 2000;
- Financial literacy at the level required for committees managing capital works programs that may run into millions of dollars.

SCA (NSW) accepts that the foundational course is not intended to do this work. Our recommendation is that NSW Fair Trading expressly plan the course alongside its supporting architecture – induction supports, plain-language reference materials, the announced second-year course on repairs and maintenance, and ongoing reinforcement – so that what the foundational course cannot deliver in one hour is delivered through complementary channels rather than left as a gap. SCA (NSW), as a long-standing approved CPD training provider with deep expertise, is in a strong position to assist with developing and delivering elements of that surrounding architecture.

OBSERVATION 2 – CUMULATIVE REFORM LOAD AND IMPLEMENTATION TIMING

The foundational course will be introduced in a strata committee environment already dealing with substantial concurrent regulatory change. Relevant recent and ongoing reforms include the Strata Schemes Legislation Amendment Act 2025, the Strata Schemes Legislation Amendment (Miscellaneous) Bill 2025, the Fair Trading and Building Legislation Amendment Bill 2026, the rollout of Strata Hub reporting, the Capital Works Fund Planner, the Financial Hardship Information Statement requirements, and the Productivity and Equality Commission’s Strata Commissions Review.

SCA (NSW) raises this not to revisit any of those reforms, but as feedback relevant to the design of the foundational course itself. The cumulative load on volunteer committee members affects how much new content can be practicably absorbed in a one-hour introductory window, and therefore affects three concrete course-design questions that we address in our detailed feedback:

- How much content can the foundational course carry without exceeding the one-hour duration constraint;
- How content is sequenced and reinforced across the six modules and into the planned second-year course; and
- How the course refers committee members to the surrounding regulatory environment without requiring them to master it as part of the foundational course itself.

We recommend that NSW Fair Trading take the cumulative reform load as a deliberate design constraint when finalising the course – reinforcing the course’s foundational pitch, prioritising clarity over coverage, and using the planned second-year course and other supports to address material that does not fit comfortably within the introductory module.

KEY FEEDBACK AND RECOMMENDATIONS

- **Page 14, Point 2**

- 0-9 members for non-large schemes (SMA's can be delegated the functions, as per S.29)
- 3-9 members for large schemes.
- Large schemes are defined as 'larger' than 100 lots, as per the S.6 definition.
- Further reference should be made to S.30

- **Page 15, Point 3**

- As far as we are aware, Strata Managers are not specifically ineligible to sit on a committee. While we do not expressly advocate for an SMA to sit on a committee, there are some examples where a scheme does not want to have a committee and as per S.29, delegates their authority of these roles to the Strata Manager.

- **Page 17, Point 12**

- SCA (NSW) believes that further points and examples around delegation could be added so that this area is better understood and more transparent for committee members, particularly in S.52. A possible unintended consequence is the current wording in this text saying that the SMA just gets jobs to do, however, if they are delegated items in their agreement, they will ordinarily proceed with these items as a matter of due process. E.g., if an agency agreement says the agent will get an annual insurance valuation, the agreement instructs them to do this and therefore the committee calling and saying 'don't organise this' could lead to ambiguity and liability for the SMA if something goes wrong.

- **Communication and Conflict Management Module**

- SCA (NSW) believes that this is one of the strongest modules, particularly where an example shows the difference between an aggressive response and a fact-based respectful approach.
- SCA (NSW) suggests that there is potential to add a section on managing emotionally charged meetings and how to deal with difficult personalities.

- **Missing Elements**

- Pet approval process – add a section on case law and how schemes need not unreasonably refuse pets.
- Financial limitations for legal expenses – e.g. the \$3k & \$15k limits.
- Further clarity on the distinctions between the roles of the strata committee, strata manager, building manager, consultants, and contractors. E.g. explaining that decisions of the Owners Corporation override those of the Committee.
- Recusing from voting when a conflict of interest arises – e.g. if a committee member owns a cleaning company that they are putting forward to become the provider, the committee member must recuse/not vote on this matter
- Cover S.106 in more depth with some case studies of non-action to repair and maintain common property.
- Guidance on how motions and minutes are supposed to be drafted. SMs should be assisting in drafting motions so that they produce outcomes, and minutes should accurately record the decision and not change the subject of the motion in a material way. It's not uncommon to see committee minutes which don't reflect the actual meeting motion.
- More practical explanations about maintenance obligations and the consequences of delayed decision-making. Unfortunately, many committees still view remedial work as optional or an action that could be postponed to avoid a levy increase or see the OC sued when there's a failure to a repair common property.
- It would be valuable to include further examples on common "grey areas" between lot and common property. While this distinction is explained at a higher level, disputes tend to arise around items such as waterproofing, windows, sliding doors, rooftop plants and exclusive use areas.
- Procurement and engagement of consultants or contractors – many committees struggle with understanding genuine quotes, whether scopes are incomplete or whether the correct expert has been engaged. Potentially add a short section titled "like for like quotes."
- Insurance is one of the most complex aspects for aging buildings and is largely misunderstood by Committees, including what can impact premiums and an ability to obtain insurance.
- Understanding BMC, for those committee members who are a part of the BMC structure.

- **Additional Questions**

- **Can a current Committee member be automatically reappointed at the following AGM?**
 - Yes – they have a good knowledge of the events of the past year (Incorrect)
 - Yes – if the numbers are short (Incorrect)
 - No - They must renominate and be voted on at the AGM (Correct)
- **Can a person be elected to the Committee member without attending the AGM?**
 - Yes – if they have completed and sent in a nomination form (Correct)
 - Yes – if they were on the previous committee (Incorrect)
- **Are tenants entitled to receive a copy of the AGM or EGM Agenda?**
 - No – (Incorrect)
 - No – regardless if 50% of more lots are leased (Incorrect)
 - Yes - Eligible tenants must, at least 7 days before any AGM or extraordinary general meeting (EGM), be given a copy of the agenda. (Correct)
- **Can a committee or Strata Manager refuse to provide a copy of the Strata roll with contact details of all owners for privacy reasons?**
 - Yes – The committee or Strata manager can refuse (Incorrect)
 - Yes - even if the person undertakes a Strata search (Incorrect)
 - No - If a strata search request complies with the Act a complete Strata roll with the prescribed details (Correct)
- **Does the Chairperson have veto rights at a Committee Meeting?**
 - Yes – if the votes are tied, the Chairperson is allowed an extra vote to break the deadlock. (Incorrect)
 - Yes – If the Chairman strongly disagrees with a majority of the votes. (Incorrect)
 - No – One vote per committee member (Correct)
- **If the votes are split at a committee meeting, can the members ask for the votes to be counted again using Unit Entitlement, as with a General Meeting?**
 - Yes – (Incorrect)
 - No – (Correct)

- **Can the committee make decisions at a meeting through calling, emailing or texts?**
 - Yes –as long as the majority approve (Incorrect)
 - No – decisions of the committee must be made via a duly convened and recorded meeting (Correct)

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