Property Owner's Association of NSW Inc.
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POA Submission on draft Strata Schemes Legislation Amendment Regulation 2025 and draft information certificates

General comments

The Strata Information Certificate ('Section 184 Certificate') and the Association Information Certificate ('Section 174 Certificate') :-

Both look suitable for the proposed use – no further comment.

There are no concerns about requirements for schemes to record details of exclusive supply networks in the Information Certificates before a vendor disclosure obligation commences.

Suggested comments and amendments on the draft legislation:-

Schedule 1 Amendment of Strata Schemes Management Regulation 2016

Part 2A Building Managers

17D Duties of Building Managers-the Act, s 70A(3)

(1) A building manager must-
(a) promptly bring to the attention of the owners corporation any maintenance repair or safety problem or any non-compliance with the building and provide a proposal for how the problem should be addressed

OTHER BUILDING MANAGER COMMENTS

- There should be minimum trade qualifications (that are relevant to buildings and their services) for building managers.

- Building managers should be engaged by owners corporations with a detailed contract which outlines the duties required, reporting requirements, payment obligations and reviews, how services could be terminated, key performance indicators and other relevant details to the function of the role.

- Building managers should be required to obtain comprehensive set of as built drawings (for all disciplines) for existing strata buildings which do not have them since they are necessary to undertake many aspects of the maintenance and repair of the building.

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- Building managers must be required to undertake regular audits of all aspects of common property to regularly access required maintenance and repairs.
- Building managers must provide owners corporations with monthly reports of progress on all repair and maintenance issues and forecasts of future maintenance and repairs required and estimated costs.
- Building managers should input their local knowledge about the building into the preparation of the 10-year capital works plan.
- Building managers should recommend to owners corporations the purchase and installation of proprietary maintenance and repair software which documents all aspects of the corporate history of the strata building. This is essential for future historical reference to past maintenance repair activity and details.

Background reasoning

It is essential that all building and facilities managers must have an adequate technical background and qualifications suitable for the type of building that they are managing. They must be capable of identifying technical issues with a broad range of common property infrastructure areas and know where to seek further guidance and assistance from a specialist contractors, engineers, architects or consultants, if required. It is essential they can communicate in layman's terms all technical issues that need further investigation, maintenance or repair to the strata committee and lot owners.

Building and Facilities managers need to be able to undertake a detailed building audit when first appointed to be able to assess the current state of common property infrastructure and make relevant reports to the strata committee and strata manager. Technical drawings (Architectural, electrical, structural, hydraulic, mechanical, lifts,etc.) of all aspects of the building if not readily available need to be sought. An Owner's Corporation database for the storage of all technical information relating to common property should be mandated and established for the building by the building/facilities manager.

Form 1 - 10 year capital works fund plan – comments

The items listed under the heading "Expenditure item category" is comprehensive, but a separate guide sheet should be provided with multiple sub-headings to cover items that may be relevant to particular buildings. In the case of self-managed strata plans non-technical owners may have difficulty in identifying elements of common property that should be considered for long term maintenance or replacement. A guide sheet listing many possible subcategories would be very beneficial to people in that situation as well as to professionals who provide audits and 10-year capital work fund plans. For example, under the heading "Plumbing system" sub-categories such as hot water heating, circulation pumps, cold water booster pumps, isolation valves, flexible hoses, backflow prevention, etc be provided as a guide to the elements that should be considered under the heading plumbing system.

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Under the heading "Anticipated expenditure over years 1-10" It is proposed that each strata plan make their own assumptions of inflation which is to be compounded annually. This will lead to a situation where every strata plan has a different basis on which forward levy estimates are made. It would be more beneficial to ensure uniformity amongst all strata plans that a stipulated basis of rates of inflation are issued by NSW Department of Fair Trading to ensure all strata plans are estimating future levy costs on the same basis.

Buildings that have a building or facilities manager should seek the input of those persons to ensure that the local knowledge about the building is incorporated into the preparation of the 10-year capital works plan.

The requirement to have drawings of all aspects of the building is essential to be made as part of the 10-year capital works fund plan. Many elements of the common property require the original design drawings of the building to be available to determine and undertake future maintenance and repairs. Most older buildings do not have these drawings available and can be very difficult to obtain. This should be a very early requirement in the formation of a 10 year capital works fund plan to obtain all the drawings pertaining to the building such as architectural, structural, electrical, hydraulic, mechanical, fire services, lift, etc.

Form 2 - Request for payment plan for overdue contributions

No comment - considered satisfactory.

Form 3 - Initial maintenance schedule

No comment - considered satisfactory.

Simon Ruben
Treasurer – Property Owner's Association of NSW