



THE INDEPENDENT
VOICE OF STRATA
OWNERS



NSW Government Strata performance:
7-month scorecard

**Climate ready, Resilient and Empowered communities
living in Defect-free buildings**

Introduction

At the March 2023 State election, the Owners Corporation Network of Australia (OCN) advocated 10 key changes for a Better Residential Strata future – one where **Climate ready, Resilient and Empowered communities live in Defect-free buildings.**

Seven months into their term, what progress has the NSW Labor government made?

In this scorecard we rate the progress made by the government against our 10 priorities, and against the 23 specific actions to ensure a Better Residential Strata future.

A green light is our assessment that the Government has made meaningful progress against our priority and recommended actions; Orange indicates that we believe government accepts the priority and is making some progress; Where we see no progress or commitment from government 7 months in, we have assessed as red.

Critical to government action (and turning more of these priorities green) will be the adequate resourcing of the work of the Strata and Property Services Commissioner. OCN understands that the Commissioner is presenting a business case to his Minister requesting funding for staff and other resources to develop and direct policy and to ensure adequate capacity within Fair Trading for regulatory compliance. We hope that the Minister and the NSW government is fully committed to providing this resourcing. An appointment of a Commissioner without appropriate staff and budget won't achieve a Better Residential Strata Future for the 1.1 million residents living in strata today or for the many thousands moving to strata in the coming years.

Status	Our priorities	Progress made in the first 7 months
Green	1. Appoint a Senior Minister	Whilst the Hon. Anoulack Chanthivong has no significant prior strata governance experience, he is a member of Cabinet with significant responsibility. Importantly for the sector he is also the first standalone Minister for Buildings, which is an important initiative that should help ensure higher-quality strata buildings in the future.
Amber	2. Ensure dedicated and specialist government resources	Unfortunately, the status quo of distributed non-specialist departments responsible for Strata prevails. However, OCN welcomes the appointment of John Minns as the Strata and Property Services Commissioner. The Commissioner has an opportunity to better drive and coordinate policy action across government – as long as he has adequate staff and budget.
Red	3. Educate	We believe the new Strata and Property Services Commissioner has an opportunity to drive this initiative – given budget and resources. And OCN stands ready to support this. However, no announcements have been made.
Amber	4. Empower consumer representation and the provision of data and insights	Government continues to engage with OCN and we believe that government accepts the many benefits of the Strata Hub as a central repository of key information. However, no announcements have been made.

Red	5. Plan for Net Zero emissions	Specific plans & incentives are required to support the decarbonisation of both new and existing strata buildings. However, we are not aware of any State government work in this area and no announcements have been made.
Amber	6. Accelerate the electrification of strata buildings and adoption of Electric Vehicles	OCN welcomes the announcement of the \$10m grant program to help make apartment buildings EV ready. However, OCN is unaware of any government initiative to help educate and support owners to electrify their buildings. OCN continues to research this area and stands ready to play an active role in education.
Amber	7. Ensure emergency preparedness	We know that this is an important priority for Government, However, they have made no announcements on their plans. In the meantime, OCN, in collaboration with multiple stakeholders including the City of Sydney, are making good progress in the development of an Emergency Preparedness Toolkit. Next year we will seek support to rollout this toolkit.
Amber	8. Update legislation to protect consumers	The government has commenced work in responding to the 139 recommendations made in 2021 following the statutory review of the Strata Schemes Management and Development Acts. The first phase of changes is before parliament now; and government has committed to further consult on a second phase next year.
Green	9. Ensure all new buildings are defect free	OCN welcomes the creation of a specialist Building Commission, led by the Building Commissioner David Chandler and the continuation of his important and successful work including the introduction of a new consolidated Building Act.
Amber	10. Resolve all major defects in existing buildings	While NSW government Projects Intervene and Remediate are making progress with significant take-up; What comes next to support the many buildings with serious defects?

Detailed assessment against OCN’s recommended actions

1. Appoint a Senior Minister		
Green	Appoint a Senior Cabinet level Minister to safeguard the interests of this fast-growing housing sector, and to lead the legislative and governance change required to secure its future.	The OCN is pleased with the appointment of the Anoulack Chanthivong as the Minister for Better Regulation and Fair Trading – the ministry with responsibility for most Strata related issues. Whilst not being experienced in Strata issues prior to his appointment (He was not in the shadow cabinet pre-election, nor held strata related parliamentary positions) OCN is pleased that the Minister has also been appointed NSW Building Minister which means that he will have his hands on the important legislative levers to improve the quality and standards of new buildings (including strata) in NSW.
2. Ensure dedicated and specialist government resources		
Red	Create a dedicated and specialist government department with capable and experienced staff who are suitably resourced to govern strata law in NSW. A department that considers the interests of both the customers (owners) and the industry of managers and agents who serve these customers.	Unfortunately, the government has decided to keep the status quo where several departments (including Fair Trading, Attorney General’s, Customer Service and Digital government; Office of Energy and Climate Change) are responsible for strata law governance and operations. By keeping the governance of strata buried within generalist departments who manage multiple sectors and unrelated issues we will continue to receive sub-optimal outcomes.
Amber	Appoint a Strata Commissioner to oversee strata governance, with a role that includes: The management of the Strata Schemes Management Act and Regulations; The proactive and positive development of strategy and policy; The mediation of disputes – as the step before Adjudication, by specialist strata mediators; The education of strata owners, residents, agents, and others within the Sector on all matters related to Strata; and Collaboration with all Strata Sector representative bodies, including OCN, in transforming strata sector governance.	The OCN welcomes the 9 Oct 2023 elevation ¹ of Strata into the purview of John Minns, the previous Property Services Commissioner to form the Strata and Property Services Commissioner. Whilst the role, scope and resources of the Commissioner is currently unclear ² , OCN is hopeful that Mr. Minns will ensure that the customer (owner) is brought to the forefront of government policy making and that coordination across the multiple departments with responsibility for strata governance is improved.
Red	Establish a dedicated and specialist Strata Adjudication body, that can adjudicate issues in an efficient and timely manner.	The OCN is not aware of any progress on this recommendation.

¹ <https://www.nsw.gov.au/media-releases/critical-reforms-to-strata-laws>

² OCN understands that the Commissioner is preparing a business case seeking funding and resources to ensure that his commission and the wider Fair Trading department is sufficiently resourced to meet the requirements and expectations in the sector

Red	Establish a Strata Standing Law Committee to assess and recommend legislative change outside of the five yearly reviews of strata legislation, to ensure prompt resolution of issues and the capture of opportunities as they arise.	The OCN is not aware of any progress on this recommendation.
3. Educate		
Red	Implement a comprehensive sector wide education program, with the goals of: Managing the expectations of new/prospective strata owners and residents to the nature as well as the benefits of Strata living; The provision of timely and tailored information to all parties on changes to law and other relevant matters; and Ensuring a consistent level of education across the management of strata.	<p>The OCN is unclear on what role government will take on implementing an education program. However, OCN understands that the Government will be seeking a requirement for mandatory strata committee training.</p> <p>The OCN has long advocated for educational support to be provided to Strata Committees, and OCN looks forward to working with government to ensure an appropriate design and resources for such a requirement.</p>
4. Empower consumer representation and the provision of data and insights		
Red	Fund OCN at \$250,000 per year, as the owners' representative, to ensure its growth and ability to further assist government in owners' engagement and the collection and provision of key insights and data.	The OCN continues to advocate for government support to expand its services and value to Strata owners and communities.
Amber	Retain, fund and continue to develop the Strata Hub as the central place to gather data, enable research, and to communicate with strata owners. Ensure data sets are available for research and at no cost.	<p>The OCN is not aware of any changes to government policy with respect to the Strata Hub. But a clear statement from the Minister on its important role and a development roadmap would be welcome.</p> <p>Following the first year of reporting (30 June 2023) OCN believes that government should disclose:</p> <ul style="list-style-type: none"> • How many of the 89,000 schemes have registered as required – and what percent of the strata population does this represent • What action will government take to ensure full compliance? and • How will the \$3.1 million annual revenue raised³ be assigned to Strata Hub Maintenance; Development and Value add services such as education?
5. Plan for Net Zero emissions		
Red	Mandate that all new strata residential buildings (and their units) are built to operate with net zero emissions by 2030.	The OCN is not aware of any progress on this recommendation.
Red	Incentivise the early upgrade of existing buildings to net zero emissions by mandating the disclosure of the NABERS energy and water efficiency ratings for all apartment buildings.	The OCN is not aware of any progress on this recommendation.

³ Estimated as \$3 per lot, across the 1,043,690 lots as reported by the UNSW City Futures research centre https://cityfutures.ada.unsw.edu.au/documents/717/2022_Australasian_Strata_Insights_Report.pdf

Red	Update strata residential design requirements to ensure the provision of energy efficient, all-electric, low embodied carbon buildings that are healthy and resilient to climate change.	The OCN is not aware of any progress on this recommendation.
6. Accelerate the electrification of strata buildings and adoption of Electric Vehicles		
Amber	Fund OCN to develop guidelines, tools, asset upgrade plans, and case studies on electrification tailored for strata residential communities. OCN would establish an expert group of stakeholders run a limited program engaging with a representative sample of apartment buildings in order to learn what works best. The information resources developed will help empower strata owners to plan upgrades to fully electrify their buildings over time.	<p>OCN welcomes the announcement of the \$10m grant program to help make apartment buildings EV ready.</p> <p>OCN continues to research and investigate best practice in the electrification of strata residential communities. We will continue to provide information to OCN members as we can.</p> <p>However, OCN is unaware of any NSW government program work being undertaken to educate and support owners on electrification of their buildings.</p> <p>OCN is also advocating for specific policy to ensure a:</p> <ul style="list-style-type: none"> • ‘Right to charge’ making it unlawful to deny an application for electric vehicle charging in an existing building, provided some basic requirements were met by the applicant. • ‘Level playing field’ for apartment residents such that apartment owners and residents pay the same amount (ie \$2,000) as those in standalone houses and asks government to help with those additional costs apartment residents face.
7. Ensure emergency preparedness		
Amber	Develop resilience and emergency planning guidelines tailored for strata residential communities and support strata owners in developing resilience plans.	<p>No announcements made. In the meantime OCN, with funding support from the City of Sydney, is developing an Emergency Preparedness Toolkit that will support strata communities to develop a building specific plan to cover all hazards. This will be released in early 2024.</p> <p>In 2024 OCN will work with partners to determine how best to communicate to and support owners in their development of these plans.</p> <p>At this stage OCN will engage with the NSW government on what role we would expect them to take in the rollout of this important resilience initiative.</p>
Gray	Require strata owners to lodge resilience plans through the Strata Hub by 2027.	OCN will advocate for this change once we have completed standard reporting guidelines which have been tested and evaluated.

8. Update legislation to protect consumers		
Amber	Review all strata related policy and legislation by 2027 and ensure the democratic right of owners corporations to decide what is best for their communities is enshrined in law.	The OCN notes government progress ⁴ being made in responding to the 139 recommendations made in 2021 following the statutory review of the Strata Schemes Management and Development Acts. A first phase of legislative change to respond to 31 of these recommendations is before Parliament now and Government has stated that the remaining recommendations will be considered in 2024. However, OCN is not aware of a government plan to conduct a comprehensive review of all strata related policy and legislation as recommended
Amber	Ban developers from entering into embedded network contracts for new apartment buildings.	The OCN believes that this recommendation will be considered within the second phase of strata law reform (as described above) in 2024.
Amber	Conduct an evaluation of the short-term letting policy to determine whether the policy and its implementation has been effective and appropriate from the perspective of apartment owners, local communities and local councils.	The OCN welcomes the planning minister's commitment ⁵ to conduct a review of short-term rental arrangements later in 2023.
Amber	Implement appropriate consumer protection in the areas of Warranties; Liability periods; Defects, Unfair Contracts, and Insurance.	OCN welcomes the work being done to deliver a single Building Act, including action on illegal phoenixing. However, OCN is unaware of any progress to address the issues of unfair contracts or strata insurance.
9. Ensure all new buildings are defect free		
Green	Retain a strong ongoing focus and appropriate resources to ensure the development industry is transformed, and that all new and existing strata buildings are made defect-free – Led by a Building Commissioner.	The OCN welcomes the creation of a specialist Building Commission ⁶ , led by the Building Commissioner David Chandler. This standalone department will have an ongoing focus on improving the quality of new buildings – including strata. OCN also welcomes the appointment of the first standalone Building Minister to provide the single point of political responsibility for quality building development across NSW.
Amber	In 2023 (3 years after appointment) undertake a review of the NSW Building Reform Program and of its progress to date to assess its completeness in addressing all significant issues impeding the goal of ensuring all residential strata buildings are built defect free. Make recommendations and consult widely on what actions are required in a second phase of the building reform program. Resource and deliver this second phase.	The OCN notes the continued take-up of the iCIRT rating scheme that provides consumers with a pointer to more trustworthy developers; and welcomes other key initiatives such as the introduction of a new Building Act that promises to consolidate and modernise the many pieces of legislation related to building standards and development governance. The OCN will continue to engage with the Building Commissioner to understand what new actions he is proposing the Commission take to ensure a successful second phase building reform program.

⁴ <https://www.nsw.gov.au/media-releases/critical-reforms-to-strata-laws>

⁵ <https://www.theguardian.com/australia-news/2023/sep/26/byron-bay-shire-nsw-60-day-short-term-holiday-rental-airbnb-cap-approved>

⁶ <https://www.nsw.gov.au/media-releases/strengthens-building-industry>

10. Resolve all major defects in existing buildings		
Green	Retain a strong ongoing focus and appropriate resources to ensure the development industry is transformed, and that all new and existing strata buildings are made defect-free – Led by a Building Commissioner.	The OCN welcomes the appointments of the Building Commission and the NSW Building Minister – please see our discussion above under point 9.
Amber	Urgently conduct a review of the Flammable Cladding replacement program and ensure that it is more efficient, effective and fair to the owners corporations.	<p>The OCN notes the progress being made by Project Remediate – the government’s program to assist the owners of up to 225 buildings that the NSW Cladding Taskforce⁷ had identified with high-risk combustible cladding. The Building Commissioner has reported that 151 building owners registered their interest in this opt-in scheme; 125 projects have had a comprehensive building investigation completed, and 105 of these projects are progressing through the design stage and construction stages. Applications to Project Remediate have now closed.</p> <p>OCN questions how Government will support the owners of all other high-risk and low risk buildings with flammable cladding to replace this dangerous product?</p>
Amber	Implement a government led program that supports the owners of all buildings with defects, including flammable cladding, to ensure all serious defects are remedied.	<p>OCN welcomes the progress being made by Project Intervene – which seeks to negotiate an agreement with the developer or builder to get serious defects fixed, at no cost to the owners. OCN understands that 151 strata plans have registered to date and that the process will fold into the Building Commission as business as usual in 2024.</p> <p>Project Intervene only provides support to buildings within their defect liability period and only where the developer or builder is still operating. OCN is keen to hear what support NSW government will provide to the many buildings with serious defects that fall outside of these thresholds.</p>

⁷ as reported in the 2022 Auditor General’s review of the cladding issue <https://www.audit.nsw.gov.au/our-work/reports/building-regulation-combustible-external-cladding#:~:text=Project%20Remediate%20is%20a%20three%2Dyear%20NSW%20Government%20program%20that,and%20for%20a%20fair%20price.>

Who is the Owners Corporation Network of Australia?

The Owners Corporation Network of Australia Ltd (OCN) is the peak consumer body representing and advocating the rights and interests of residential strata title, community title, and company title owners and occupiers.

Our vision is to create a better future in residential strata and community living and ownership - one where **Climate ready, Resilient and Empowered communities live in Defect-free buildings.**

We represent, educate, and protect the interests and rights of owners and occupiers of residential strata, community title and company title schemes.

OCN membership is available to individuals and schemes.

Join OCN today to ensure a strong voice in matters affecting your strata owning and living experience. <https://ocn.org.au/membership/>