THE INDEPENDENT VOICE OF STRATA OWNERS **17 APRIL 2025**

COMMITTEE RIGHTS, RESPONSIBILITIES **& OBLIGATIONS WEBINAR**

How to implement effective communication, transparency and procedural excellence as a committee



















Major Partners

















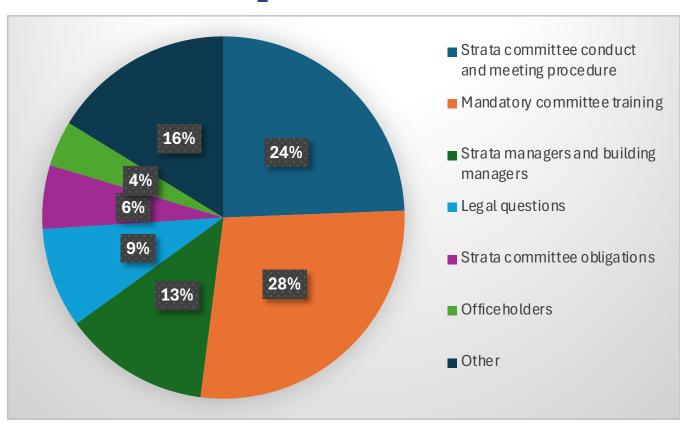
What we will cover today

- Introduction
- Strategies for effective communication
- How to achieve procedural excellence as a Committee
- An overview of the proposed mandatory training obligations
- Q&A





Your questions





James Blake

Partner,

Chambers Russell Lawyers





New Duties of Strata Committee Members

New South Wales



New Duties of Strata Committee Members

Section 37 of the Strata Schemes Management Act 2015 [NSW] CURRENTLY provides:

37 Duty of members of strata committee

It is the duty of each member of a strata committee of an owners corporation to carry out his or her functions for the benefit, so far as practicable, of the owners corporation and with due care and diligence.

Note.

Section 260 provides protection from personal liability for members of strata committees who act in good faith.

Strata Schemes Legislation Amendment Bill 2025 [NSW] will amend Section 37 to read:

37 Duties of strata committee members

- (1) Each member of a strata committee of an owners corporation has the following duties—
 - (a) to exercise the member's functions—
 - (i) with honesty and fairness, and
 - (ii) with due care and diligence, and
 - (iii) for the benefit, as far as practicable, of the owners corporation,
 - (b) to comply with this Act and the regulations,
 - (c) to only use or disclose information obtained as a member, including information about an owner of a lot—
 - (i) as required to carry out strata committee functions, or
 - (ii) as authorised or required by law,
 - (d) to not behave in a way that unreasonably affects a person's lawful use or enjoyment of a lot in the strata scheme or the common property.
- (2) Each member of a strata committee of an owners corporation must complete the training prescribed by the regulations.

- (3) A member of a strata committee of an owners corporation who fails to complete the required training ceases to be a member of the strata committee.
- (4) The regulations may provide for the issuing of notices to inform a member of the strata committee of an owners corporation who has failed to complete the required training that—
 - (a) the member is required to complete the training, and
 - (b) if the member does not complete the training within the period prescribed by the regulations the member will cease to be a member of the committee.



What's New?

s.37(1)(a)(i): Duty to act with honesty and fairness

• Self explanatory, strengthening fiduciary duty, equitable principles.

s.37(1)(b): Duty to comply with Act and regulations

• Self explanatory.

s.37(1)(c): **Duty** only to Use or Disclose information obtained as a member ...

 Equitable principles, not to use information for personal gain, consider developers and defects?

s.37(1)(d): **Duty** not to behave in a way that unreasonably affects ...

 Reflects s.153 of the Act - Owners, occupiers and other persons not to create nuisance. Applies it to Strata Committee members who may not be owners.



What's New?

s.37(2): Must complete training prescribed by regulations

- No regulations published to date.
- What will be the content?
- How soon must it be carried out?
- Who will administer and provide training?
- What cost to the owners corporation?

s.37(3): Fail to complete training, cease to be member

- How soon must it be carried out?
- Automatic cessation?

s.37(4): Regulations may provide notices, warnings and time to comply

No regulations published to date.

Consideration and possible effects



- Clearly focus is on transparency, accountability and benefitting owners corporation ahead of personal interest.
- Perception that greater responsibility and accountability leads to greater personal liability?
- Section 38 Acts and proceedings of strata committee valid despite vacancies or defects has not been amended.
- Section 260 Personal liability of officers of owners corporation has not been amended.
- Individuals less willing to volunteer?
- Smaller committees?
- No guidance on training.
- No provisions dealing with enforcement or consequences of breach.
- Possible effect on insurance, office bearers liability?



Chris Irons Strata Solve OCN Queensland





Qld Strata Committees: an overview

- 50,000+ schemes
- 3 to 7 members, with different arrangements for 2 and 3-lot schemes
- Legislated Code of Conduct
- Strata manager and building manager (caretaker) automatically non-voting committee members



Qld Strata Committees: essential 'need to know'

- Can be removed by ordinary resolution or a code of conduct proceeding
- No proactive obligation for committees to hold meetings
- No compulsory training (yet)



Qld Strata Committees: key issues

- Must 'act reasonably' reasonableness not defined, although there is a legal test
- Key indicators of reasonableness:
 - Consistency
 - Transparency
 - Methodical processes
 - Reasons
 - Objective and informed decision-making



Qld Strata Committees: key issues (cont'd)

Reasonableness example: approving installation of a/c condenser

Reasonable	Not reasonable
Noise and nuisance considerations	Speculative noise and nuisance concerns
Installation on common property	Not hot enough to warrant a/c
Location of existing condenser	Approving it because it is the chair applying for it



Common Committee Challenges

- Reluctant to make decisions
- Lack of confidence in making decisions
- Lack of knowledge or
- Sourcing knowledge from the wrong place
- Emotive decision-making



Crucial Committee Learnings

- 1. Be methodical and take a businesslike approach
- 2. Avoid emotion
- 3. Seek qualified advice
- 4. Remember the literal meaning of 'committee'



Dr Janette Corcoran OCN Victoria





Legislation: Owners Corporation Act 2006

Authorised Version incorporating amendments

as at 1 January 2025

Regulator: Consumer Affairs Victoria (CAV)

https://www.consumer.vic.gov.au/

Minister: The Hon. Nick Staikos MP



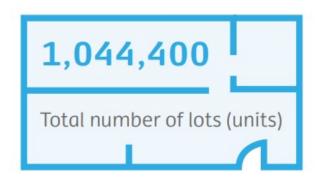
NUMBER OF STRATA SCHEMES & LOTS



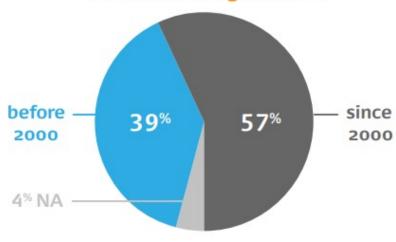
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Schemes registered





Legislation: Owners Corporation Act 2006

Authorised Version incorporating amendments as at 1

January 2025

Regulator: Consumer Affairs Victoria (CAV)

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Minister: The Hon. Nick Staikos MP

The Owners Corporations Act 2006 in Victoria <u>does not</u> mandate formal education or training requirements for members of owners corporation committees.



- 1. Owners Corporation Act 2006 "due for review"
- **2. New Minister responsible for Consumer Affairs** The Hon. Nick Staikos MP
- 3. Activity Centres Program 60 centres with 300 000 new homes by 2051
- 4. State Government election November 2026



OCN Priorities

- 1. Strata Commissioner
- 2. Resource Repository "Strata Hub"
- 3. Education across the strata sector



The OC ACT expects OCCs to have skills in:

Skill Area	Key Competency	Relevant OC Act Section
Governance	Roles and duties of committee members	s117-s123
	Meeting procedures and delegations	s112-s115
Finance	Budgeting and financial management	s136-s140
	Audits and financial reporting	s146
Information Management	Keeping and managing records	s144-s145
	Access to records and transparency	s146
Dispute Resolution	Awareness of internal grievance procedures	s152-s154
	Referral processes (eg to external tribunals (VCAT))	s154
Communication	Informing lot owners; decision transparency	s121, s128, s132
Maintenance Oversight	Maintenance planning and common property oversight	s46-s50



Consumer Affairs Victoria

The five tiers

Tier	Definition	
1	More than 100 occupiable lots (and not 'services only')	
2	51 to 100 occupiable lots (and not services only')	
3	10 to 50 occupiable lots (and not services only)	
4	3 to 9 occupiable lots (and not a services only)	
5	Two lot subdivision or services only	

different requirements for committees, financial reporting and <u>maintenances plans</u>



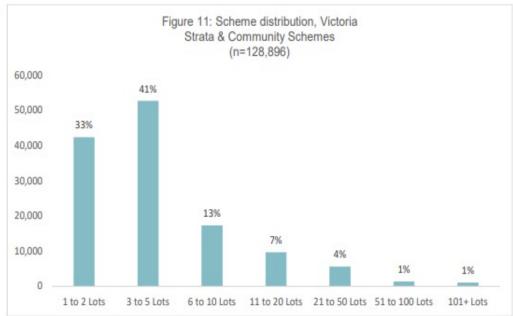


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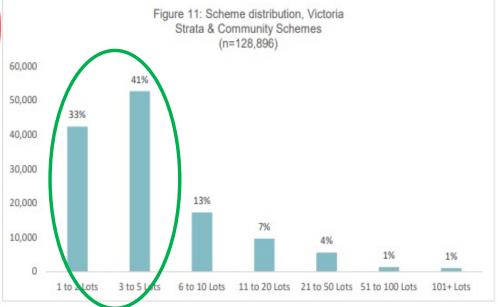
Victoria

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Committee Training Models Table - EXAMPLES

Model Type	Format	Key Benefits	Disadvantages
Formal Registered Training	Courses, workshops	Structured, sometimes certified	Time commitment; Difficult to tailor to individual OC needs
Self-Paced Learning	Guides, videos	Flexible, accessible anytime	Lacks interaction; may not sufficiently cover complex issues
In-House Custom Training	On-site/virtual	Tailored to the building and committee	Dependent on availability of qualified trainers; cost
Peer or Community Learning Association-Driven Development	Informal meetings, online Events, webinars	Real-world insights from experience Up-to-date legal and practical information	May lack structure or legal accuracy Membership or event access may be limited



OC Committee Training Models by Size - EXAMPLE

OC Size	Possible Models	Key Benefits	Disadvantages
Small (2–10 lots)	Self-Paced LearningPeer/Community Learning	Flexible & accessibleMinimal cost & commitment	Lacks structureMay miss legal updates
Medium (11–50 lots)	Self-Paced LearningAssociationEvents/Webinars	Balanced approachTailored & scalable	Inconsistent engagementQuality may vary
Large (50+ lots)	 Formal Registered Training In-House Programs Association Membership Training 	 Ensures compliance Strategic & professional 	 Time/cost intensive Needs experienced facilitators



OC Committee Training Phases - EXAMPLE

Phase	When / Frequency	Format	Duration	Delivery
Induction: basic introduction to OC committee responsibilities	Prior to first committee meeting	Online	2 hrs	Regulator or Association (NFP)
Chair Induction:	Post election	Online	3 hrs	Regulator or Association (NFP)
Core Training: Modular (eg 5 topics)	ТВА	Workshop or online	5 x 1.5 hrs	Regulator or Association (NFP)
Refresher/Updates	Annual	Webinar	1–2 hrs	Regulator or Association (NFP)
Optional Advanced	On-demand	Varies	Varies	Association (NFP) or External Specialist



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Q&A







How to get in touch





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Major Partners













