

# STRATA & COMMUNITY LIVING

WINTER 2020

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## REGULATION OF BUILDING STANDARDS, BUILDING QUALITY AND BUILDING DISPUTES

The NSW Government Public Accountability Committee (PAC)'s Final Report, "Regulation of building standards, building quality and building disputes", makes 22 recommendations, many advocating the adoption of measures put in place in Victoria, including establishment of a cladding rectification fund and a specialist agency to oversee such rectification.

### **If implemented, the recommendations would overhaul the NSW construction industry.**

SCA (NSW) were very vocal on this issue, appearing before the inquiry to present our [submission](#) and table our 7-point plan, which was formulated to restore confidence in the market and deal with the retrospective failures of shonky builders and certifiers.

### **Key issues in the Report**

The Final Report serves to highlight the "systemic issues plaguing the building and construction industry" and the "lack of regulation and oversight by the NSW Government". Building on the First Report, the Final Report makes a further 22 recommendations and canvases other issues, including flammable cladding and its rectification, the adequacy of private certification in protecting building standards, and the role of strata committees in circumstances where there are

building defects in common property. The Final Report also comments on the extent to which recommendations made in the First Report have been implemented.

Broadly, the 22 recommendations fall into the following categories:

- flammable cladding and its rectification
- the role of the NSW Building Commission and Commissioner
- financial assistance from the NSW Government for strata homeowners with major defects in their buildings
- the role of private certifiers and
- the introduction and/or progression of new legislation.

The report can be found [here](#).

See our [blog](#) for a breakdown of all 22 recommendations.

The report and its recommendations are now with the government for consideration. The government is required to respond to the recommendations within six months.

We look forward to positive change to building standards and regulation in NSW.

# COVID-19

## DEFINITIVE COVID-19 GUIDE FOR MANAGERS, SUPPLIERS AND OWNERS AND REPAIRS

Over 2 million people in Australia live in strata communities that were originally designed for lifestyle, amenity, and convenience. In the wake of the social and economic impacts of COVID-19, the way we live, and work has changed.

We are now forced to shelter, isolate, and maintain appropriate distances from friends, family and co-workers, and the need for adaptive solutions to work with our strata communities has never been more critical.

The uncertainties facing strata managers are infinite and become magnified when exposed to the higher density challenges that we face. Buildings and communities were not designed for isolation or long-term habitation – forcing our industry to innovate, adapt and grow.

To assist, SCA (NSW) released a comprehensive COVID-19 guide for Managers, Suppliers and Owners.

Our guidelines were developed to assist building managers, committees, and residents by delivering pertinent information in a centralised source document.

We wanted information about as many relevant facets of strata living to be included to help keep our strata communities updated on policies and procedures during this trying time.

SCA (NSW) has continuously monitored and reported on COVID-19 and its impact on members, stakeholders, and the community.

We stress that this is fluid advice and whilst we will continue to provide factual advice from Government and relevant health organisations, as information changes, we will update our operational guide.

The guide can be accessed here: [COVID-19 Complete Guide for Strata Managers, Strata Owners and Suppliers](#)

Further:

SCA (NSW) is concerned about the huge decreases to maintenance and repair works on apartment buildings under the current lockdown restrictions. If strata communities cancel ongoing maintenance or planned work, they impact not only on the workflow of strata ecosystems, they can cause long-term effects on the building and amenities and will cost far more money to fix in the long run.

The strata ecosystem is more critical now than ever and the commerce of strata must continue to protect the safety of our residents.

Remember:

Tradespeople can work on apartment buildings under the current restrictions, as maintenance and repair works are falling under essential services and are therefore permitted. Tradespeople need to employ strict protocols and risk assessment and management plans in place to deal with COVID-19 because it is all about the safety of their clients and their employees.

It is vital that work that needs to be done, is done; particularly essential repairs and maintenance so that buildings remain safe and in good condition for their residents.

If you require any further resources, we have collated some of the best information in the industry, which can be located on our dedicated COVID-19 website [here](#).

# CHANGES TO STRATA SCHEMES MANAGEMENT ACT - 2020

If you are offering your unit for short term letting through companies such as Airbnb and Stayz, take note of the latest legislative amendments.

Strata schemes that are looking to reduce or better manage short term lettings within their buildings will welcome a legislative reform package relating to short term lettings.

Parts of the reform package are impacted by the recent COVID-19 Amendment Bill detailed below.

From 10 April 2020, an Owners Corporation can pass a by-law (by way of special resolution) prohibiting a lot within that strata scheme to be used for the purposes of “short-term rental accommodation” if that lot is not the principal place of residence of the lot owner. See new [section 137A of the Strata Schemes Management Act 2015](#).

A special resolution means that 75% of votes must support the proposal at a general meeting of the Owners Corporation.

“Short-term rental accommodation” is defined as a commercial arrangement that gives a person the right to occupy residential premises for a period of not more than 3 months. See [section 54A of the Fair-Trading Act 1987](#).

This means Owners Corporations can adopt a by-law to prohibit short term letting of units except for owner occupied units which can be let for less than 3 months if:

- The owner is also in occupation (e.g. a spare bedroom); or
- The owner is temporarily absent from the unit (e.g. on work or holiday).

The residential tenancy laws have also changed from 10 April 2020.

“Short-term rental accommodation” as defined above, is now clearly excluded from the Residential Tenancies Act 2010. This means that if you intend to rent out your property for less than 3 months, you cannot issue a residential tenancy agreement to cover this arrangement.

Further:

Recently, the COVID-19 Amendment Bill was passed by both houses of parliament in NSW.

NSW Parliament considered a second set of laws to equip citizens, businesses, and the justice system to address the impacts of the COVID-19 pandemic.

The purpose of the Bill was to provide regulation-making power during this COVID-19 period to a Minister to over-ride a section of an Act that are difficult to meet under the current

restrictions on movement and gatherings.

## Changes to the Strata Schemes Management Act Section 271A

Regulation-making power for COVID-19 pandemic:

(1) The regulations under this Act may provide for the following matters for the purposes of responding to the public health emergency caused by the COVID-19 pandemic—

- a. altered arrangements for convening a relevant strata meeting, including arrangements for the issue or service of notices and other documents in relation to the meeting,
- b. altered arrangements for the means of voting at a relevant strata meeting, including—
  - (i) the circumstances in which the altered arrangements for voting may apply, and
  - (ii) conditions that apply to the way the vote is exercised,
- c. an alternative to affixing the seal of the owners corporation, including any requirements for witnessing or attesting to the alternative way,
- d. extension of a time period in which a thing is required to be done under the Act.

(2) However, a regulation made under subsection (1)(d) must not result in the total time period within which the thing is required to be done to be extended to be a time period of more than 6 months.

(3) Regulations made under this section—

- a. are not limited by the regulation-making power in this Act, and
- b. may override a provision of this Act.

(4) Regulations made under this section expire on—

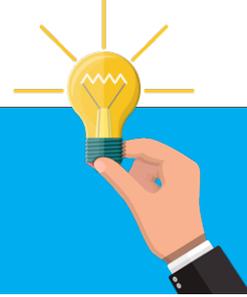
- a. the day that is 6 months after the day on which the regulation commences, or
- b. (b) the earlier day decided by Parliament by resolution of either House of Parliament.

(5) This section is repealed on—

- a. (a) 13 November 2020, or
- b. (b) a later day, not later than 13 May 2021, prescribed by the regulations.

(6) In this section— relevant strata meeting means—

- a. an annual general meeting or other general meetings of an owners corporation for a strata scheme, or
- b. a meeting of the strata committee of an owners corporation.



# ENERGY EFFICIENCY UPGRADES FOR HOUSEHOLDERS

Householders and small businesses may be able to benefit from a range of energy efficiency upgrades in their homes, such as replacing downlights with LEDs. This is called the [Home Energy Efficiency Retrofits \(HEER\)](#) method.

Residential and small business upgrades are performed by businesses that are accredited under the HEER method and they may be able to provide discounted energy savings services or products to residential and small business customers.

Householders may also achieve energy savings by purchasing energy-efficient appliances. The [Sale of New Appliances \(SONA\)](#) method provides appliance retailers an incentive to sell higher efficiency appliances to consumers who benefit from the ongoing electricity savings. The types of appliances include:

- Clothes washing machines
- Clothes dryers
- Dishwashers
- 1-door refrigerators
- 2-door refrigerators
- Chest freezer or upright freezers
- Televisions.

## How you can participate

If you are interested in an energy efficiency upgrade for your home or purchasing an energy-efficient appliance, you should contact the businesses that provide these services. Businesses accredited under the ESS are referred to as Accredited Certificate Providers, or ACPs. A [list of all ACPs](#) under the ESS is available on the List of ACPs page.

If you have any concerns about people offering you services or believe they have not acted fairly, you may wish to contact [NSW Fair Trading](#).

The NSW Government has also launched a [lighting upgrade offer for households](#).

The purpose of the offer is to help eligible households replace old lights with new LED lights. The cost of the LED lights and the fee for installation is subsidised. Currently, the offer targets the replacement of halogen downlights with LED downlights.

The energy-efficient lighting upgrades are part of the NSW Government energy affordability package. The purpose of the package is to help households and small businesses save energy and money.

## How will this help my household?

Switching to LEDs will help you reduce your energy consumption. This means you can expect to see long-term cost savings on your bills.

For example, if you change 20 halogen downlights to LED downlights, you can save up to \$210 a year on energy costs.

Other benefits include reduced maintenance because LEDs last longer than other lights. They will also lower your environmental impact.

## Check if your home is eligible

To access the offer, you will need to contact an approved supplier. Currently, you also need to have halogen downlights. Suppliers require a minimum number of lights to be upgraded to qualify for the discount.

## Get the upgrade

Your supplier will send a licensed electrician to install the new lights.

Old light globes, or any other equipment that is removed or replaced, must be recycled, or disposed of by the supplier. This is to ensure that old, inefficient equipment is not used anywhere else.

## Make your home more energy-efficient today

Access the discounted lighting offer now. Get started by finding an approved supplier who is [active in your area](#).

If you have questions, contact an approved supplier directly.

Current approved suppliers for this program are Aussie Greenmarks, Accredited Power Saver, Ecovantage and Green Home Green Planet.

If your supplier can't answer your questions, contact [hello@energysaver.nsw.gov.au](mailto:hello@energysaver.nsw.gov.au)

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EDITORIAL CONTACT: SCA (NSW) Ltd W: [nsw.strata.community](http://nsw.strata.community) | P: 02 9492 8200 | E: [enquiries@strata.community](mailto:enquiries@strata.community)