



New South Wales

Strata Schemes Management Amendment Regulation 2005

under the

Strata Schemes Management Act 1996

Her Excellency the Governor, with the advice of the Executive Council, has made the following Regulation under the *Strata Schemes Management Act 1996*.

JOHN DELLA BOSCA, M.L.C.,
Minister for Commerce

Explanatory note

The object of this Regulation is to amend the *Strata Schemes Management Regulation 1997*:

- (a) to prescribe certain additional documents that must be delivered by the original owner or lessor of a strata scheme to the owners corporation at the first annual general meeting, and
- (b) to prescribe certain functions for the purposes of section 29A of the *Strata Schemes Management Act 1996* that are not to be delegated to or conferred on a person unless the person is a member of the executive committee of an owners corporation or a strata managing agent, and
- (c) to prescribe the amount of \$25,000 for the purposes of the requirement in section 80B of that Act that an owners corporation of a large strata scheme must obtain at least 2 quotations before undertaking expenditure exceeding that prescribed amount in relation to any one item or matter, but to provide that the prescribed amount does not apply to legal services, and
- (d) to exempt an owners corporation from the requirement in section 80D of that Act to obtain approval at a general meeting before seeking legal advice, the provision of legal services or the taking of legal action if the reasonably estimated cost of doing so does not exceed an amount specified in the Regulation, and
- (e) to prescribe certain savings provisions consequent on the enactment of the *Strata Schemes Management Amendment Act 2004*.

This Regulation is made under the *Strata Schemes Management Act 1996*, including sections 29A, 80B, 80D and 246 (the general regulation-making power), clause 4 (1) (d) of Schedule 2 and clause 1 of Schedule 4.

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Explanatory note

This Regulation is made as a consequence of the enactment of the *Strata Schemes Management Amendment Act 2004*.

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1 Name of Regulation

This Regulation is the *Strata Schemes Management Amendment Regulation 2005*.

2 Commencement

This Regulation commences on 7 February 2005.

3 Amendment of Strata Schemes Management Regulation 1997

The *Strata Schemes Management Regulation 1997* is amended as set out in Schedule 1.

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Schedule 1 Amendments

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(Clause 3)

[1] Clause 10A

Insert after clause 10:

10A Additional documents to be given to owners corporation by original owner or lessor at first annual general meeting

For the purposes of clause 4 (1) (d) of Schedule 2 to the Act, the following documents obtained or received by the owner or lessor and relating to the parcel concerned, or any building, plant or equipment on the parcel, are prescribed:

- (a) occupation certificates (within the meaning of the *Environmental Planning and Assessment Act 1979*),
- (b) sewerage line diagrams,
- (c) maintenance and service manuals,
- (d) depreciation schedules.

[2] Part 3A

Insert after Part 3:

Part 3A Restrictions on exercise of functions by owners corporations and executive committees

12A Restriction on delegation of certain functions

For the purposes of section 29A of the Act, the following functions are prescribed:

- (a) arranging for inspections for the purposes of fire safety in accordance with section 65C of the Act,
- (b) ensuring that the owners corporation complies with any relevant requirements under the *Occupational Health and Safety Act 2000*,
- (c) entering into contracts relating to the maintenance of common property or the provision of services to the common property (other than contracts relating to a stratum parcel),
- (d) arranging for inspections of records and other documents under section 108 of the Act,

- (e) giving certificates under section 109 of the Act.

12B Quotations required by large strata schemes

For the purposes of section 80B of the Act, the prescribed amount is \$25,000 in relation to any one item or matter (other than the seeking of legal advice or the provision of any other legal services, or the taking of legal action).

Note. Section 80B of the Act requires an owners corporation of a large strata scheme to obtain at least 2 quotations for proposed expenditure exceeding the prescribed amount in relation to any one item or matter.

12C Exemptions from need for approval for certain legal action

- (1) The seeking of legal advice, the provision of legal services or the taking of legal action is exempt from the operation of section 80D of the Act if the reasonably estimated cost of seeking the legal advice, having the legal services provided or taking the legal action would not exceed:
- (a) an amount equal to the sum of \$750 for each lot in the strata scheme concerned (excluding parking and utility lots), or
 - (b) \$10,000,
- whichever is the lesser.
- (2) In a case where the cost, or estimated cost, of seeking legal advice, having legal services provided or taking legal action has been:
- (a) disclosed by the legal practitioner concerned in accordance with the *Legal Profession Act 1987*, or
 - (b) set out in a proposed costs agreement under that Act,
- the reasonably estimated cost of seeking the legal advice, having the legal services provided or taking the legal action is taken, for the purpose of this clause, to be the cost or estimated cost so disclosed or set out.

[3] Clause 27A

Insert after clause 27:

27A Savings provisions relating to Strata Schemes Management Amendment Act 2004

- (1) Clause 11 (3) of Schedule 2 to the Act as in force immediately before 7 February 2005 (rather than as substituted by the *Strata Schemes Management Amendment Act 2004*) applies to a proxy

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if notice of the first meeting in relation to which the proxy is to operate was given before 7 February 2005.

- (2) Clause 32 (2) of Schedule 2 to the Act as in force immediately before 7 February 2005 (rather than as amended by the *Strata Schemes Management Amendment Act 2004*) applies to a general meeting of an owners corporation held on or before 14 February 2005.

Note. The *Strata Schemes Management Amendment Act 2004* commenced on 7 February 2005.

BY AUTHORITY
