



Phase Two Discussion Paper Five-year Review of WA Strata Law

(Strata Titles Act 1985)

Public consultation:
15 October to 26 November 2026

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Welcome to the Phase Two Discussion Paper

Message from the Minister for Planning and Lands

Our state is home to close to 350,000 strata properties, with around a quarter of our population living in strata communities. From apartments and townhouses to commercial and mixed-use developments, strata plays an increasingly important role in how Western Australians live.

The Government's five-year statutory review of the *Strata Titles Act 1985* provides a vital opportunity to ensure WA's strata laws meet the needs of modern strata communities, now and into the future.

Following strong participation in the first phase of the review, I am pleased to present this Phase Two Discussion Paper.

The paper responds to the key concerns raised by Western Australians during the first consultation and seeks feedback on practical and balanced reform options to strengthen how strata schemes operate and improve the experience of strata living.

Proposed reforms cover areas such as strata costs and financial information, strata council responsibilities, strata manager fees and accountability, by-laws, and proxy voting.

I encourage everyone with an interest in WA strata, whether you live in a scheme, own a lot, or work in the industry, to review the proposed reforms and share your feedback.

Your input will help shape the review report I bring to Parliament and support better outcomes for WA's growing number of strata participants.

Hon. John Carey MLA

Minister for Planning and Lands;
Housing and Works; Health Infrastructure;
Minister Assisting the Minister for Transport
and Major Infrastructure.



Contents

Section 1

Introduction	1
Purpose of this paper	1
Phase One Public Consultation.....	1
Phase Two Public Consultation	2
How to use this Discussion Paper	2

Section 2

Topic 1: Objectives of the Strata Act.....	3
Topic 2: The disclosures framework and education.....	4
Topic 3: Short-term rental accommodation	6
Topic 4: Strata titles consent requirements.....	7
Topic 5: Challenges in utility management	8
Topic 6: Alterations to lots.....	9
Topic 7: Plans and subdivisions	11
Topic 8: Strata manager definition and authorisation	12
Topic 9: Conflicts of interest, disclosures and commissions	14
Topic 10: Quality of service and fees.....	16
Topic 11: Strata manager annual returns.....	17
Topic 12: Language and operation of the Strata Act.....	18
Topic 13: Levies, budgets and financial management.....	20
Topic 14: Proxies and voting	22
Topic 15: Governance and conduct by-laws.....	24
Topic 16: Strata councils: performance and conflicts of interest.....	26
Topic 17: Resolving conflict and an oversight body	27
Topic 18: Scheme insurance	29
Topic 19: Addressing building defects	30
Topic 20: Balancing scheme terminations	31
Topic 21: The 10-year maintenance plan	32
Topic 22: Registration and licensing of strata managers	33

Introduction

The Western Australian Government is undertaking a five-year statutory review of the *Strata Titles Act 1985* (the Strata Act) to explore opportunities to enhance strata for owners, residents and industry professionals across the State. Landgate is administering the review on behalf of the Minister for Planning and Lands.

Three key themes have informed the [review's scope](#):

1. Improving cost controls in strata titles schemes.
2. Enhance strata living.
3. Strata manager practice and standards.

Purpose of this paper

The objectives of this Phase Two Discussion Paper are to:

- Respond to feedback on the Strata Act received through the Phase One Public Consultation process held in October 2024.
- Provide potential solutions and future considerations, to guide feedback as part of this Phase Two Public Consultation process.

Phase One Public Consultation

In October 2024, we undertook the first phase of consultation to seek industry and community feedback on the operation of the Strata Act and issues with strata living. This consultation aimed to identify common and significant issues experienced by those who own, live in, manage, and develop strata titles schemes in WA and was supported by the [Phase One Discussion Paper](#).

Approximately 1,600 online responses were received from 578 consultation participants, with over 85% being those who own or live in a strata lot. Additionally, 19 in-depth interviews were held with key industry and government stakeholder organisations.

Below is a high-level summary of the key issues identified by community and industry participants during Phase One.

Feedback received on strata cost controls and living matters focused on:

- Strata levies and contributions
- Scheme insurance
- The 10-year maintenance plan
- Building defects
- Subdivision, redevelopment and terminations
- Objectives of the Strata Act
- Resolving strata conflict and an oversight body
- Governance and conduct by-laws: Administration and enforcement
- Strata councils: Performance and conflicts of interest
- Proxy voting
- Alterations to lots
- Challenges in accessing, connecting, maintaining and upgrading utilities
- Disclosures framework

- Consent provisions
- Changing community expectations
- Short-term rental accommodation.

Feedback received on strata manager practice and standards focused on:

- Conflicts of interest, disclosures and commissions
- Strata manager definition / authorisation to perform scheme functions
- Trust accounts and accountability
- Regulation or licensing of strata managers
- Strata manager annual returns
- Quality of service and fees.

Phase Two Public Consultation

We are now undertaking a Phase Two Public Consultation via this Discussion Paper, which responds to the industry and community feedback received in Phase One.

Phase Two consultation seeks feedback on proposed reforms to address the most common and significant issues with strata living and the Strata Act identified in Phase One.

We invite you to provide feedback on the matters outlined in this paper via [Landgate's website](#). Your feedback will inform a final report to the Minister for Planning and Lands, which will include proposed reform recommendations and be tabled in Parliament.

How to use this Discussion Paper

This Discussion Paper presents a range of matters identified through the first phase of consultation and seeks stakeholder feedback on two categories:

Proposed reforms

Potential reforms that have received broad stakeholder support and are suitable for early implementation without adding cost to strata owners.

Areas canvassed for future consideration

Feedback received through Phase One consultation raised many issues and areas that impact on those that own, live in, develop, and provide services to strata titles schemes. While every effort has been made to develop reforms that address these issues, some require further consideration before a legislative or regulatory solution can be proposed.

Areas canvassed for future consideration are included as part of Phase Two consultation but are earmarked for future reform work. While these areas have merit, due to the potential costs to strata companies and lot owners, and the complexity of implementation, they are not being pursued through this tranche of proposed reforms. Feedback is still welcomed on these future considerations; however, they will not be progressed as part of any legislative changes arising from this review.

Please note that references to strata schemes in this Discussion Paper refer to all types of strata schemes, unless otherwise specified.

Summary of this Discussion Paper

Please refer to the [Summary Guide](#) on Landgate's website

Objectives of the Strata Act

This topic explores the inclusion of clearer objectives and an explicit statement of purpose in the Strata Act to support its interpretation and application.

Current situation

The Strata Act does not have an express objective but instead sets out (under 'short title') its purpose to provide for the subdivision of land by strata titles schemes, creation of strata titles, governance and operation of strata titles schemes, and related purposes.

The Strata Act includes objectives for strata companies in the delivery of their functions. However, these are focused on implementing processes and achieving outcomes that are not oppressive, unreasonable or unfairly prejudicial to or discriminatory against a person and are of limited value when interpreting the Strata Act.

A more explicit statement of purpose could provide assurance that the Strata Act remains fit for purpose while emphasising the future expectations of strata scheme operation and management.

Feedback

Multiple stakeholders including government departments, industry bodies and legal advocates, expressed merit in the development of a higher order purpose for the Strata Act through a revised list of objectives or a more explicit statement of purpose within the Act.

Feedback identified that refining the Strata Act's objectives and statement of purpose would provide clearer context for interpreting and applying the legislation, ensuring consistency and transparency. It could improve community awareness and understanding of strata schemes and bring WA more into line with other Australian jurisdictions.

Proposed reforms

- **Refine the statement of purpose in the Strata Act** to provide clearer guidance on the Act's interpretation and application, including:
 - the subdivision of land by strata schemes
 - the governance and operation of strata schemes
 - expectations relating to the planning, creation, management and long-term sustainability of strata schemes.
- **Introduce clear legislative objectives for the Strata Act** to support its overarching purpose and guide future decision-making, including objectives relating to:
 - enhancing strata living
 - effective scheme management and governance
 - sustainability and the long-term viability of strata schemes.

The disclosures framework and education

This topic explores opportunities to improve how key strata information is disclosed to prospective buyers, and how strata education can support informed purchasing decisions.

Current situation

Selling a lot in a strata titles scheme currently requires a series of statutory disclosure obligations. The Strata Act details a list of information the seller must provide to a prospective buyer before the buyer signs a contract for sale and purchase of the lot.

For the strata titles scheme, the following must be disclosed:

- The scheme documents (e.g. scheme notice, plan, by-laws and schedule of unit entitlements).
- In the case of a leasehold scheme, the strata lease for the lot is also required.
- The minutes of the most recent annual general meeting and any subsequent extraordinary general meetings of the strata company.
- The most recent statement of accounts as prepared by the strata company.
- Information on any termination proposal that may have been put to the strata company.

For the prospective buyer's lot, the following must be disclosed:

- Strata title scheme documents, including a copy of the by-laws and schedule of unit entitlements.
- Notification of any associated voting restrictions.
- The exact location and definition of the lot, shown on the scheme plan for the strata titles scheme.
- Notification if any levies or financial contributions have been determined by the strata company within the previous 12 months.
- The amount and due date of the levies or financial contributions payable by the lot owner or a reasonable estimate.
- Details of any debt owed by the seller to the strata company, including how the debt arose, the date on which it arose and the amount outstanding.
- If the lot is a special lot, details of the exclusive use by-laws that apply to the lot.
- Avoidance rights for notifiable variations.
- If a developer is selling the lot, an estimated income and expenditure of the strata company for the 12 months after the proposed settlement date.

Feedback

Feedback from industry stakeholders, legal advocacy bodies and government departments received as part of the phase one consultation process indicates that the current disclosure frameworks do not sufficiently inform prospective buyers about their scheme. Common concerns included the provision of utilities, potential hidden costs within strata fees, misrepresented strata fees and a general misunderstanding of responsibilities upon purchase of a lot.

According to feedback from developers and agents, current disclosure requirements for the sale of strata properties do not always effectively increase buyer understanding of strata living. This can result in buyers having limited awareness of their rights and obligations, as well as strata law more generally. Stakeholders identified several possible contributing factors, including inconsistent communication of key strata information during the sales process and the volume and complexity of information provided to buyers.

Additionally, consultation feedback also suggests buyers were not necessarily aware when buying into a scheme where utilities were provided via an embedded network and what their rights, responsibilities and costs were.

Further feedback noted that building manuals for heritage properties could supply owners with their obligations under the *Heritage Act 2018*. An option to supply this information could be via the disclosure framework, which would also advise owners of their requirements under the *Heritage Act 2018* before committing to the sale.

Proposed reforms

- **Reform the disclosures framework** to enhance buyer awareness and understanding of key scheme information prior to purchase. Enhancements could include one or more of the following:
 - Reworking precontractual disclosures so buyers are provided with a summary of key information as well as the full suite of disclosure documentation.
 - A requirement to disclose any utilities provided via an embedded network.
 - A requirement to disclose whether a lot is heritage listed under the *Heritage Act 2018*.
 - Adding the 10-year maintenance plan to disclosure requirements.
 - Introducing different precontractual disclosure statements for established properties and off-the-plan lots.
 - Requiring buyers to confirm they have read and understood key information prior to entering a contract of sale.
- **Enhance and review strata education documents** available online to support prospective buyers and current lot owners through development of a general strata education pamphlet to be provided at viewings of strata properties or as part of the sale documentation.



Short-term rental accommodation

This topic explores opportunities for the Strata Act to provide strata companies with appropriate mechanisms to manage short-term rental accommodation and respond to the impacts it can have within a scheme.

Current situation

The Strata Act does not prohibit a strata company from allowing short-term rental accommodation (STRA) within the scheme. Lot owners generally have the right to use their property as a short-term rental unless scheme by-laws or local planning laws already prevent this.

As per the *Short-Term Rental Accommodation Act 2024*, if a strata company wishes to prohibit (or specifically allow) STRA within their scheme, they will need to make by-laws to this effect.

By-laws regarding STRA are typically considered governance by-laws which require a resolution without dissent to create or amend. Strata companies have reported that this is an unrealistic resolution to achieve, as the resolution fails if just one lot owner dissents. This means that once a scheme either allows or prohibits STRA, it is very difficult to change the status quo.

Feedback

Public feedback from phase one consultation raised concerns about the use of lots in strata schemes for STRA. These concerns included safety and security issues, noise and disruptions, property management and maintenance challenges, and difficulties in enforcing by-laws. Additional concerns included the potential financial impacts of having STRA in a scheme, such as increased legal fees for changing by-laws and dealing with by-law breaches, and higher insurance premiums due to the perceived risks associated with short-term renters.

Feedback raised by state government departments and legal advocacy bodies noted creating by-laws to address STRA is challenging due to the required unanimous resolution threshold. These stakeholders suggested that lowering the voting threshold would enable strata schemes to better address STRA. This is addressed below in Section 16: Governance and conduct by-laws.

Proposed reforms

- **Enhance STRA provisions in the Strata Act to:**
 - Introduce the requirement for a strata company to determine the scheme's position on STRA at its first AGM.
 - Strengthen a strata company's ability to recover any increased costs resulting from a lot being used for STRA, such as for damage to common property.
 - Make it easier for strata companies to hold lot owners liable for damage to common property resulting from tenants staying in the lot used for STRA.



Strata titles consent requirements

This topic explores opportunities to simplify consent processes under the Strata Act while maintaining appropriate protections for affected parties.

Current situation

A large number of forms are required when obtaining consents for matters such as removal of easements or other scheme changes. This follows changes to the Strata Act in 2020, with each part of the Strata Act now containing its own set of requirements, therefore increasing the number of consents and forms.

Feedback

During phase one consultation, government and industry stakeholders raised concerns about the consent provisions in the Strata Act. Feedback suggested that the current process for obtaining consent can feel overly complex and repetitive, contributing to uncertainty and making approvals more difficult to obtain. Stakeholders indicated that this has created an onerous and duplicative process, which is impacting new developments.

Stakeholders did not suggest reducing oversight requirements, but that the process could be made clearer for strata companies and developers, and more efficient for government agencies responsible for administering the consent provisions.

Proposed reforms

Stakeholders broadly supported the multiple pathways in the Strata Act being refined to a single consistent process. One option raised was a notification process that would allow affected parties to object to a proposal. This would remove the obligation on developers to obtain individual consents, which can be made challenging by disengaged and unaffected parties.

- **Streamline and simplify consent provisions by:**
 - Introducing a generic consent form for certain processes that require consents to assist and guide strata companies.
 - Applying definitions and application of the Strata Act consistently by updating instances of 'registered interest' or 'caveator' to 'designated interest'.
 - Introducing a deeming provision whereby consent is taken to have been provided if no objection is received within 60 days from a designated interest holder.

Challenges in utility management

This topic considers how utility infrastructure is managed within strata schemes, including responsibility for maintenance and the introduction of new infrastructure.

Current situation

The Strata Act includes contract provisions dealing with the installation, maintenance, and management of utility infrastructure on common property by a third-party utility service provider. However, it does not clearly set out responsibility for certain utility service repair works or provide clear direction for lot owners and strata companies who need to alter or change common property as part of utility upgrade works.

Additionally, Single Property Networks (previously known as embedded networks) can be established during construction or retrofitted to existing developments. However, strata companies can experience challenges facilitating the installation, operation and maintenance of this infrastructure.

Feedback

Consultation feedback highlighted that where a utility service located on, or passing through, common property fails, disagreements can arise about responsibility for repair costs. The responsibility for these repairs is not covered by the Strata Act and a scheme may not have a by-law dealing with this issue. Consequently, lot owners and strata companies are calling for clarity from the Strata Act on responsibility for maintenance of these services.

Government and industry bodies highlighted challenges in accessing, connecting, maintaining and upgrading utilities as common issues for subdivided properties, particularly in older suburban areas. This included maintenance access, incorrect plans, installation obstacles, emergency access, misunderstandings of the Strata Act and cost constraints.

Additionally, to convert from a multi-meter system to an embedded network, verifiable consent from the lot account holder must be provided to the current electricity supplier. The extent to which tenants should be permitted to prevent a strata scheme from converting to an embedded network was questioned by some stakeholders.

While feedback raised concerns about the placement of utility services during subdivision, and the need for stronger consumer protections when converting to Single Property Networks, these matters fall outside the scope of the Strata Act.

Proposed reforms

- **Include provisions in the Strata Act to improve the management of utility infrastructure within strata schemes by:**
 - Establishing responsibility for the maintenance of utility infrastructure where services run across a lot, common property, or both.
 - Enabling strata companies to hold a Power of Attorney for lot owners and tenants to sign verifiable consent forms required to convert to an embedded network

Alterations to lots

This topic explores opportunities for the Strata Act to better support alterations to lots and common property while balancing the interests of lot owners, strata companies and other affected parties.

Current situation

The Strata Act does not currently include clear provisions dealing with how lot owners can make renovations to their lots. Lot renovations are typically dealt with through the provisions dealing with structural alterations to lots. These require the same extensive decision-making process to be followed, regardless of whether the alteration is a simple renovation within the lot boundaries or whether it has a significant impact on scheme infrastructure.

The Strata Act also doesn't specify the need to consider common property when making minor lot alterations or renovations or clarify how these impacts should be considered or approved by the strata company. The decision-making process in the Strata Act around changes to common property is largely limited to budget approvals. There is limited guidance on how a strata company should make an initial decision to alter common property, and no direction on whether the owner of a lot which may be impacted by such change should provide their approval.

Feedback

During phase one consultation, stakeholders identified a lack of clarity and understanding regarding lot alterations and renovations within a strata titles scheme.

These issues were most apparent when a lot alteration affects common property; lot owners and strata companies are not always aware that renovations may impact common property and require strata company approval. The situation becomes more complicated when services or conduits need to be run across other lots and common property, potentially requiring approval from other owners and a utility service easement.

Stakeholders indicated that the Strata Act's process for altering a lot was complex and did not clearly set out all the relevant steps and considerations. Further, the approval process for lot alterations is arduous and not fit for purpose in relation to minor lot renovations with no or minimal impact on common property. There were strong calls to reform the Strata Act in this area to clarify processes and decision-making around lot alterations while streamlining these processes where appropriate (e.g. simple renovations such as replacing flooring).

Feedback also highlighted significant opportunities for energy efficiency upgrades in strata properties, such as the installation of electric vehicle chargers, but identified a lack of clarity on roles and responsibilities for approving and facilitating these upgrades. It was also clear that greater detail and direction around sustainability infrastructure, including processes and provisions related to installing sustainability infrastructure in a scheme, needs to be brought into the Strata Act.

Processes around installing sustainability infrastructure need to consider the impacts of installation on lots and common property. These should also be streamlined where appropriate to encourage uptake of sustainability infrastructure while maintaining the rights and interests of lot owners and strata companies.

Proposed reforms

- **Rework the structural alteration provisions to:**
 - Simplify the definition of structural alteration and make it clear when a resubdivision is and is not required.
 - Introduce a sliding scale system for alterations/renovations to a lot where a certain level of resolution matches the nature of the alteration.
 - Determine a general decision-making process for alterations/renovations to common property, including the ability for a strata company or affected lot owner to refuse a structural alteration.
 - Specify that approval is required from impacted lot owners where structural or other alterations to lots or common property impacts on their lot.
- **Rework the sustainability infrastructure provisions to:**
 - Provide more clarity around the definition of sustainability infrastructure.
 - Set out a clear process for strata companies to follow when installing sustainability infrastructure in their scheme.
 - Reduce the resolution for installing and maintaining sustainability infrastructure to enable easier decision making.



Plans and subdivisions

This topic considers how the Strata Act can improve processes for managing changes to strata plans, lot boundaries and subdivision requirements.

Current situation

The Strata Act currently specifies subdivision processes and requirements to follow when the lot boundaries of a strata titles scheme change. These provisions require the lodgement of specific documents for registration along with an amended strata plan showing the new lot boundaries. There is no statutory requirement to follow these subdivision processes as it is in a strata company's best interest to lodge an updated strata plan to ensure their lot boundaries are accurate.

Feedback

Government stakeholders indicated that issues are arising due to the lack of a requirement under the Strata Act for a strata company to lodge a new strata plan following the alteration of lot boundaries in the scheme. This was of particular concern where building alterations were made as it impacts on the current and future lot owner's property interests in the scheme.

The strata plan held by Landgate is the accurate plan for the scheme and the definitive statement of lot boundaries. Where lot boundaries are changed without following the subdivision processes set out in the Strata Act, they may no longer match the registered strata plan, making it difficult for lot owners and strata companies to identify exactly where lot boundaries lie.

Stakeholders also identified issues with the process to address minor errors made on a registered strata plan. Currently, errors of this nature are addressed through a subdivision or, where appropriate, through a direction to correct from the Commissioner of Titles at Landgate. These processes can be costly and time-consuming. Stakeholders highlighted value in licensed land surveyors being able to lodge minor plan amendments without the need to do a subdivision.

Proposed reforms

- **Ensure accuracy of lot boundaries by:**
 - Requiring strata companies to follow the Strata Act's subdivision requirements where lot boundaries are changed due to lot alteration or renovation.
- **Simplify strata plan amendment processes by:**
 - Allowing the lodgement of a replacement plan to include changes after alterations or additions that do not involve any type of subdivision.
 - Allowing minor errors in a plan to be corrected through lodging a replacement plan via a licensed land surveyor without the need to do a subdivision.

Strata manager definition and authorisation

This topic considers how the Strata Act can more clearly define who is a strata manager and when a person is performing authorised scheme functions on behalf of a strata company.

Current situation

Part 9 of the Strata Act regulates the roles and responsibilities of strata managers and provides for a strata company to authorise a person (a strata manager) to perform specified scheme functions on its behalf.

The Strata Act assumes that where a strata management contract authorises a strata manager to undertake certain functions on behalf of the strata company, the strata manager carries out those functions without requiring further direction or approval. However, this is not necessarily always the case with many strata managers seeking a specific authority from their strata company before acting.

The Strata Act also does not intend for all individuals performing work on behalf of a strata company to be captured within the definition of a strata manager. Strata companies regularly engage contractors to undertake work or provide services to their schemes. These tasks or services are not necessarily scheme functions and the people performing them are not necessarily strata managers for the purposes of the Strata Act.

To support this distinction, the Strata Act and the Strata Titles (General) Regulations 2019 (Strata Regulations) contain provisions relating to specialist and repair or maintenance work. However, these provisions do not fully address the distinction between strata managers and other service providers engaged by a strata company. The ambiguity in the current strata manager definition means it is not always clear when a person is, or is not, a strata manager and when the statutory duties, contractual obligations and education requirements apply.

Feedback

Phase one feedback and recent State Administrative Tribunal (SAT) decisions highlighted challenges with the Strata Act's definition of a strata manager and the nature of the authorisation by a strata company to perform scheme functions.

Feedback suggested that many strata management contracts require authorisation before action is taken. As a result, it is unclear whether these contracts qualify as strata management contracts for the purposes of the Strata Act and whether those operating under them meet the definition of a strata manager.

Feedback also indicated that the existing provisions relating to specialist and repair or maintenance work do not cover all the services a strata company may need to engage to operate its scheme. This means that people providing services to strata companies outside these provisions may be unintentionally captured by the strata manager definition.

More broadly, respondents agreed that strata management is specialised enough to warrant enhanced qualification, registration or licensing frameworks. This is discussed in Section 22: Registration and licensing of strata managers.

Proposed reforms

- **Clarify the definition of a strata manager in the Strata Act by specifying that a strata manager is a person who:**
 - is engaged by a strata company; and
 - performs or manages authorised scheme functions on behalf of the strata company.



Conflicts of interest, disclosures and commissions

This topic considers whether the Strata Act provides sufficient transparency and accountability in relation to conflicts of interest, commissions and other benefits received by strata service providers.

Current situation

The Strata Act's focus is not to prohibit conflicts of interest, but to require strata managers to be aware of and disclose conflicts of interest, remuneration and other benefits to the strata companies they service. Disclosure enables direct and indirect conflicts to be managed by the strata company and strata manager.

The Strata Act regulates a strata manager's duty to disclose conflicts of interest and remuneration, with breaches capable of giving rise to contract termination and disputes before SAT.

In practice, it can be difficult for strata councils and lot owners to identify conflicts of interest as they do not have visibility of all of the strata manager's business dealings. While strata managers are responsible for disclosing conflicts of interest, stakeholders identified gaps in the disclosure framework, particularly in relation to third-party service providers.

As the strata industry evolves, there have been moves by a range of property-related businesses to enter the strata management sector and build portfolios of strata properties under management. The perception of some stakeholders is that this will elevate management standards through more competition, better established operational processes and alignment with industries subject to higher regulatory standards. However, it may also increase the potential for conflicts of interest where property-related businesses may not act in the best interests of strata companies, such as by only offering services from businesses in which they have an interest.

Feedback

During phase one consultation, perceived and actual conflicts of interest amongst providers of strata goods and services emerged as a key theme. Issues raised included developers controlling strata companies and influencing fee setting, strata managers engaging affiliated businesses, and a lack of transparency and fairness in these practices.

The acceptance of commissions by strata managers also featured heavily with calls for greater governance and transparency measures relating to commissions, rather than outright bans.

Phase one feedback highlighted instances where professional relationships between scheme developers, insurance brokers, strata councils, maintenance companies and strata managers had resulted in a breakdown of trust and concerns that strata managers might prioritise financial rewards over the strata company's best interests.

This was particularly emphasised in relation to strata managers receiving commissions from insurance brokers for arranging strata company insurance. Stakeholders were concerned that these arrangements inflated insurance costs and were not always appropriately disclosed.

Proposed reforms

- Replace the terms “indirect” and “direct” with perceived, potential and actual defined categories in respect to conflict of interest provisions.
- Clarify the requirement that any benefit received in connection with the strata manager’s functions must be disclosed, with a penalty for non-compliance.
- Require strata managers to annually report to strata companies on the commissions and benefits they have received.



Quality of service and fees

This topic considers whether the Strata Act provides sufficient transparency around strata management fees and supports appropriate standards of service for strata companies and lot owners.

Current situation

The Strata Act outlines the minimum requirements for strata management contracts, including requirements to:

- Specify each scheme function to be performed by the strata manager.
- Require the strata manager to provide written reports to the strata company on their performance of those functions.
- Detail the remuneration payable under the contract, or the method for calculating such remuneration.

The Strata Act does not regulate the fees charged by strata managers or how strata management services are priced.

Feedback

Phase one feedback from government departments, consumer advocacy bodies and online consultation participants identified concerns regarding the service quality and responsiveness of some strata managers. This was largely attributed to limited understanding of the role and the Strata Act, insufficient education and experience, high workload and frequent staff turnover.

Stakeholders also raised concerns that fees charged by strata managers were increasing and too high. Strata companies questioned whether the fees represented value for money relative to the services provided, as well as the transparency of how fees and charges are calculated. Lot owners frequently cited instances where strata managers misunderstood or misapplied the Strata Act, leading to increased scheme disputes, decision-making issues, delays in maintenance, and reduced trust.

Phase one feedback consistently highlighted the need for a more educated and experienced strata management industry, with respondents calling for improved standards of service, professionalism and transparency. Government has made some progress in this area implementing new educational qualification and experience requirements for the strata management industry on 30 October 2025.

Proposed reforms

- **Improve transparency of strata manager fees and charges by requiring:**
 - Management contracts to provide a clearer breakdown of fees and charges that may apply to the services being provided.
 - Strata companies to be notified where additional charges arise outside the original scope of the contract.



Strata manager annual returns

This topic considers how ongoing strata manager annual returns can continue to support transparency, accountability and informed decision-making within the strata industry.

Current situation

Strata managers are required to submit an annual return to Landgate under the Strata Regulations. This was introduced in 2020 for an initial five-year period, with the final 2025 returns having been due in March 2026.

The annual return collects aggregated information about the strata titles schemes managed by a strata manager, including:

- The total number of strata titles schemes for which services are provided, categorised by size.
- The total number of lots in each category.
- The estimated amount of money held in trust accounts.
- A general description of the types of services provided to their strata schemes.

The annual return also collects voluntary information including:

- Qualifications of those employed by the strata manager.
- The value of services engaged by the strata manager on behalf of strata companies.

Feedback

During phase one consultation, some key industry support was received for permanently requiring and potentially enhancing strata manager annual returns to strengthen accountability and transparency within the industry.

Feedback noted that the annual returns could be incorporated into a future licensing or registration regime, further highlighting the value of the information for policy development and government advice.

It was also suggested providing greater flexibility in the Strata Act to collect additional aggregated information would assist in decision-making.

Proposed reforms

- Establish a permanent requirement for strata managers to lodge an annual return, including provision for additional aggregated information to be collected where appropriate.



Language and operation of the Strata Act

This topic considers opportunities to improve the clarity, consistency and operation of the Strata Act, including its interaction with other legislation.

Current situation

The Strata Act interacts with a range of other legislation and contains provisions relating to the governance, management and operation of strata schemes. A number of drafting, interpretation and legislative interaction issues have been identified that can affect the consistent application of the Strata Act and the efficient administration of strata schemes.

Stakeholders have noted that the Strata Act includes sections that may otherwise sit within other legislation (e.g. a range of planning provisions and fees that are the responsibility of the Department of Planning, Lands and Heritage and local governments). While Landgate is responsible for the administration of the Strata Act, these matters fall outside its legislative role and expertise. Landgate is aware of these issues and will aim to have them addressed in collaboration with the relevant government agencies, through any future Strata Act amendments.

Feedback

Phase one feedback highlighted issues with the wording and drafting of the Strata Act, including parts that were considered inconsistent, overlapping and in some cases, conflicting or contradictory. Stakeholders indicated that these drafting issues were slowing scheme decision-making and creating confusion for strata companies and the broader industry.

Examples raised during consultation included:

- The existence of two forms of “interest holder”, being a person with a “designated interest” and a person with a “registered interest”. There are varied consent requirements depending on which process a Strata Council may wish to initiate, and persons can be either a “designated interest” holder, a “registered interest” holder, or both simultaneously.
- Clauses which hold up the adoption of a resolution needlessly, such as Schedule 2A, Clause 21S where a resolution must be lodged at least 60 days after it is proposed regardless of whether there are dissents or not.
- A technical terminology issue, whereby the Strata Act requires the deposit for a proposed lot contract to be paid to a “legal practitioner” to be held in trust for the buyer. The term “legal practitioner” however, is not defined in the Act, leading to reliance on the Interpretation Acts definition, which conflicts with the convention in practice.
- Issues with the interaction between the Strata Act and the *Land Administration Act 1997* including dealings and transactions strata companies can enter into relating to the dedication of private roads, amalgamation of Crown land into a strata scheme, and subdivision of conditional tenure land only being allowed by a leasehold scheme (as opposed to leasehold and freehold schemes).
- Lack of clarity around which lot owners need to consent when changing exclusive use by-laws. Specifically, clarifying that only an owner whose lot is affected by the by-law, whether by way of making, variation or repeal, needs to consent.

- General grammatical errors, and ill-defined words, phrases or definitions.

Proposed reforms

- Increase the transactions or dealings with land that a strata company can enter into.
- Address drafting issues, inefficiencies and inconsistencies between the Strata Act and other legislation, in consultation with stakeholders.



Levies, budgets and financial management

This topic considers opportunities to improve financial transparency, governance and payment arrangements within strata schemes.

Current situation

The Strata Act includes provisions intended to support the financial management of strata schemes, including requirements relating to levies, budgets, administrative and reserve funds and, for certain schemes, 10-year maintenance plans.

The Strata Act also provides strata companies with discretion in relation to charging interest on unpaid contributions and managing the recovery of unpaid debts.

The Strata Act does not offer guidance on typical or expected fee structures for common strata management services.

While the Strata Act contains provisions intended to support the financial management of strata schemes, the ongoing cost of strata ownership is increasing, and cost-of-living pressures continue to affect strata communities. This has been attributed to increases in insurance premiums, maintenance costs, and broader inflationary pressures.

Feedback

During phase one consultation, many lot owners expressed concern and frustration about a lack of transparency around how levies are set and spent. Lot owners reported not understanding how their quarterly payments were used and, in some instances, did not trust that levies were raised appropriately. There were doubts about whether charges were reasonable for the quality of services and maintenance received.

Many strata companies reported growing challenges in recovering overdue levies, alongside online feedback highlighting the lack of financial hardship provisions in the Strata Act. Recovery costs are also rising, adding further pressure on strata companies and affecting their ability to maintain common property. Feedback called for the Strata Act to better support strata companies facing these challenges.

Stakeholders highlighted that it was difficult to determine indicative price ranges for common strata management services or to benchmark strata management fees charged. This has raised questions about whether strata companies are adequately equipped to negotiate contracts or identify excessive charges.

Industry stakeholders also identified the lack of trust account auditing and transparency in financial transactions as an area for improvement, as there is over \$400 million held in trust accounts on behalf of WA strata managers. Many submissions called for regular and mandatory auditing of trust accounts by independent auditors.

While independent audits are a way of improving financial security, accountability and trust in strata management, it is important to acknowledge the costs involved which would be directly incurred by strata companies or passed on to lot owners via strata manager fees.

Proposed reforms

- **Increase transparency in levy presentation by:**
 - Prescribing minimum standards requiring itemisation and expenses to be shown.
- **Improve budget transparency and presentation standards by:**
 - Prescribing a minimum standard for budget presentation, including a breakdown of how levies will be spread across the financial year, allowing owners to budget accordingly.
 - Requiring notification to lot owners where an item falls significantly outside budget expectations (e.g. 20% or more greater than budget), together with a breakdown of costs.
 - Requiring a breakdown of costs where an item equates to 10% or more of the total budget.
- **Provide greater flexibility in levy payment arrangements by:**
 - Enabling strata companies to offer payment plans for lot owners that are vulnerable and experiencing genuine financial hardship or to structure levies in a way that may help and encourage owners to pay on time.

Areas canvassed for future consideration

- Consider mandatory independent audits of trust accounts through the Strata Act.
- Explore a provision in the Strata Act that allows government to publish a recommended or indicative schedule of fees for common strata management services.
- Contemplate improving accountability in relation to the accuracy of estimated income, expenditure, and levies by exploring options providing recourse to the buyer if these vary significantly to what is disclosed precontract.

Proxies and voting

This topic considers how the proxy voting provisions in the Strata Act can appropriately support fair and representative decision-making while protecting schemes from the misuse or concentration of proxy voting power.

Current situation

Proxy voting, where someone nominates another person to vote on their behalf, is permitted at all strata company general meetings and can be used for all purposes unless disqualified under the circumstances listed in the Strata Act.

The Strata Act also limits developers and their associates from voting on resolutions relating to defects in scheme buildings or infrastructure for 10 years after building completion.

Feedback

Feedback from phase one consultation raised concerns about the use of proxies, particularly instances of “proxy harvesting” where an individual or entity collects multiple proxy votes, allowing them to control or heavily influence decision-making. This often leads to dissatisfaction among other owners due to a minority, through proxies, possessing the power to control decisions that do not reflect the interests of the majority.

The issues raised also highlighted potential and perceived conflicts of interest, where strata managers or members of the strata council holding proxies make decisions that may benefit their own interests. Feedback called for measures to limit the number of proxies one person can hold and to ensure proxies are only given to other lot owners to prevent proxy harvesting from occurring.

There were also concerns surrounding developer contracts of sale assigning proxy votes to the scheme developer for a set period. Feedback suggested that this may, at times, be used as a mechanism to control maintenance and repair decisions and avoid responsibility for building defects until warranty periods have expired.

While the Strata Act restricts developers and their associates from voting on resolutions relating to defects in scheme buildings or infrastructure, feedback indicated a lack of awareness of these provisions or concerns that they are being disregarded in practice.

Proposed reforms

The following proposals seek to implement proxy voting controls to prevent any stakeholder from misusing proxy privileges within a strata scheme.

- **Set limits on property developers’ use of proxies** through an automatic revocation of the proxy once all lots in the scheme have been purchased and handed over to new owners.
- **Include validity of proxies as a scheme dispute to enable escalation to SAT** as a compliance mechanism to ensure proxy limitations can be enforced.
- **Improve the proxy regime by one or more of the following changes:**
 - Setting limitations on how many proxies a person can hold:

- one for strata schemes with 20 lots or less
 - not equal to more than 5% for schemes with 20 lots or more.
- Introducing a fixed one-year timeframe for which that proxy is valid, unless revoked sooner or amended upon nomination.
- Introducing an approved form to refine the proxy process and formalise the nomination of a designated person as a proxy holder.
- Implementing a requirement for the lot owner to indicate how the proxy holder must vote for each strata decision.

Areas canvassed for future consideration

- Explore the introduction of safeguards for lot owners and further limits on developers holding proxies in situations involving building defects, to address potential conflicts of interest.
- Consider implementing penalties for developers that breach the limitations on voting on resolutions regarding defects in scheme buildings or infrastructure.



Governance and conduct by-laws

This topic considers how Strata Act by-laws can remain fit for purpose and reflect contemporary expectations and strata living arrangements.

Current situation

The Schedule 1 and 2 by-laws in the Strata Act, developed in the mid-twentieth century, are automatically applied to all schemes upon registration (unless different by-laws are registered). The Strata Act also includes provisions on the enforcement of scheme by-laws. These provisions cover the notification requirements when a by-law is breached and the process for applying to SAT for enforcement.

Feedback

As part of phase one consultation, feedback from industry and community stakeholders indicated that the by-laws under Schedules 1 and 2 of the Strata Act are no longer relevant to modern living expectations or to the variety of different schemes in operation. An example cited was the by-law relating to damage to common property lawns that applies regardless of whether the scheme has lawns or common property. These by-laws are also perceived as being too complex and utilising outdated language which is not easily understood or accessible.

Stakeholders requested that the Strata Act and its by-laws be modernised to better reflect the current strata living environment, for example, giving owners greater flexibility to make their strata lot feel like their home, and to address smoke drift concerns causing discontent between some residents. Feedback also indicated a need for an enhanced or more detailed process for the enforcement of scheme by-laws.

Proposed reforms

- **Modernise the Strata Act by-laws by making one or more of the following changes:**
 - Removing the distinction of 'governance' and 'conduct' by-laws.
 - Reducing the threshold by which all by-laws are created, amended or revoked, to a special resolution.
 - Using contemporary and accessible language which reflects modern living standards and provides clarity and certainty to lot owners and occupiers.
 - Declaring all previous versions of the default by-laws null and void and prescribe the new standard set of by-laws to apply uniformly unless a scheme has adopted its own.
 - Streamlining the mechanisms by which a scheme can adopt the current by-laws without the need to pass resolutions and through expansion of transitional provisions.
 - Moving the by-laws into regulation to ensure the default by-laws can be easily maintained to remain fit-for-purpose as strata evolves.
 - Introduce standardised by-laws addressing smoke and vape drift on common property.
 - Eliminate any occurrence of potential conflict between the by-laws and recent amendments to other legislation such as the *Residential Tenancies Act 1987* and the *Retirement Villages Act 1992*. Ensure this carries across to the rest of the Strata Act.

Areas canvassed for future consideration

- Consider introducing standardised by-laws addressing smoke and vape drift between lots.
- Examine the potential for a sliding scale for by-law enforcement. For example, minor breaches may receive three formal warnings (e.g. laundry drying within view of the outside of the lot) whereas serious breaches may be subject to an immediate enforcement action (e.g. serious damage to common property or illegal use of a lot).

16 Strata councils: performance and conflicts of interest

This topic considers whether strata council members have appropriate guidance, responsibilities and accountability mechanisms to support effective scheme governance.

Current situation

The 2020 Strata Act reforms introduced statutory duties for strata council members to act in good faith, exercise due diligence, not make improper use of their position, and declare any conflicts of interest. If these statutory duties are breached, council members can be removed from their position, via application to SAT.

Feedback

In phase one consultation, stakeholders highlighted ongoing issues with strata council performance, including failure to enforce by-laws, poor maintenance of common property and inadequate expenditure approval. Concerns were also raised that some council members are not fully aware of their roles and responsibilities under the Strata Act, leading to poor decision-making and acting outside of their authority.

Further feedback highlighted conflicts of interest between strata councils, strata managers, developers and other service providers. Lot owners reported instances of strata council members prioritising personal or commercial relationships when entering into contracts, rather than acting in the best interests of all owners. This issue has also been the subject of national media attention.

Finally, feedback also called for clearer restrictions on strata scheme developers once owners have purchased their lot, with examples provided of developers using contracts to secure positions on the strata council and subsequently being involved in decisions which could be seen as a conflict of interest.

Proposed reforms

- Clarify the duties and functions of strata council members in the Strata Act to better match lot owner and community expectations of the role(s).
- Require strata companies to provide council members with information about their statutory responsibilities (developed by government).
- Require strata council members to disclose commissions and other relevant conflicts of interest.
- Introduce a compliance mechanism empowering schemes to manage council members who do not disclose conflicts of interest and remove them from council where relevant.

Areas canvassed for future consideration

- Consider implementing restrictions on developers serving on strata councils after the scheme is completed, to protect the interests of lot owners.



Resolving conflict and an oversight body

This topic considers how strata stakeholders can resolve disputes and obtain support in understanding their rights and responsibilities under the Strata Act.

Current situation

The Strata Act is largely silent on scheme level dispute resolution processes and focusses instead on SAT scheme disputes. Typically, dispute resolution is initially undertaken within the scheme itself, typically involving discussion, negotiation and mediation between affected parties. If a dispute cannot be resolved at this level, the Strata Act sets out that the next step is to raise it with SAT. There is currently no WA strata oversight or intermediary body to assist in resolving strata disputes prior to SAT escalation.

Feedback

Strata conflicts and the existing dispute resolution process was a major feedback theme in the phase one consultation. Feedback indicated that the Strata Act and by-laws do not sufficiently capture undesirable behaviours and therefore fall short in their ability to address serious scheme conflict such as bullying, threats and harassment. It was also noted that these provisions are largely limited to those that own or live in lots, meaning strata managers and other scheme service providers aren't typically subject to, or protected by, these provisions.

Approximately 40% of public submissions flagged issues around strata advice, governance and oversight, and called for the introduction of an independent, strata specific consumer body to provide legal advice and guidance while also considering scheme disputes in a semi-judicial environment. Stakeholders thought this could be similar to how WA's Building Commissioner handles building disputes or wider mediation services. If unsatisfied with the outcome, parties would then escalate their dispute to SAT. This would provide greater support for strata owners who are currently left to navigate resolution pathways on their own, effectively resulting in many disputes either being directed to or left unresolved.

For comparison, Queensland offers a dispute mediation service within the Office of the Commissioner for Body Corporate and Community Management. In Victoria, Consumer Affairs oversee strata companies, and the Dispute Resolution Centre is available to resolve strata disputes.

Feedback indicated that stakeholders thought that SAT did a good job of resolving disputes but felt that the costs surrounding a SAT application were a barrier to dispute resolution. While feedback on SAT's effectiveness in resolving disputes was mixed, the value of an alternative or intermediate dispute resolution option was reflected in statistics reported by the SAT. In 2023/24, 66% of applications were resolved without a final hearing, typically through mediation.

It is important to acknowledge that establishing a strata specific consumer body would require substantial funding. Where these services exist in other jurisdictions, the funding structure often involves cost recovery, however, the cost of delivering these benefits would ultimately be borne in some way by strata lot owners. This must be considered alongside the phase one feedback we received seeking downward pressure on strata scheme costs.

Proposed reforms

- Introduce explicit conduct provisions into the Strata Act for lot owners, occupiers, strata council members and strata managers, to prohibit unreasonable behaviours (e.g. bullying and harassment).

Areas canvassed for future consideration

- Explore a mandatory dispute resolution process that is to be implemented at scheme level prior to escalation to SAT.
- Consider establishing a dedicated advisory service to offer general guidance on rights and responsibilities under the Strata Act.
- Consider the establishment of a consumer protection body to provide early intervention through structured mediation, helping resolve disputes within schemes and redirecting the cases currently heard at SAT.
- Assess the viability of creating a fully empowered consumer body such as a Strata Commissioner to mediate and adjudicate strata disputes in a semi-judicial setting, offering a more accessible alternative to SAT, and enforcing conduct and governance standards across the sector.



Scheme insurance

This topic considers the Strata Act insurance provisions and how flexibility and support for strata schemes to obtain appropriate insurance coverage could be enhanced.

Current situation

The Strata Act requires strata companies to obtain fit-for-purpose insurance, and this follows previous reforms addressing historical issues of under-insuring within strata schemes. A strata company can apply to SAT for an exemption from insurance requirements (which can be granted with conditions). While not explicitly stated in the Strata Act, it is understood that a strata company would make an application to SAT for an exemption where it has taken all reasonably practical steps but cannot obtain the required insurance on reasonable terms.

Feedback

Scheme insurance appeared as a key theme from the community in phase one consultation. Insurance affordability and availability were raised consistently, and many stakeholders highlighted the financial pressure that rising insurance premiums are placing on strata companies.

Feedback indicates that some strata companies struggle to source suitable insurance on reasonable terms, with costs reportedly high and increasing. This may mean that strata companies cannot afford the insurance premiums or that the insurance offered may not include coverage for specific events or parts of scheme buildings or infrastructure.

Feedback in this area also indicates that strata companies are not aware of the provisions allowing them to apply to SAT for an exemption from Strata Act insurance requirements. Further, a 2021 application to SAT for an insurance exemption was refused. In making this refusal SAT considered matters such as what constitutes “reasonable terms” for insurance and “reasonably practical steps” by strata companies. This refusal was appealed to the Supreme Court and ultimately remitted back to SAT for reconsideration.

Proposed reforms

- **Amend insurance requirements in the Strata Act by making one or more of the following changes:**
 - Requiring a minimum number of insurance quotes to be sourced every time insurance is taken out or renewed.
 - Outlining what is considered “reasonable steps” for obtaining insurance.
 - Providing greater flexibility for strata companies to obtain the required insurance on “reasonable terms”.

Area canvassed for future consideration

- Consider amendment of the Strata Act to include parameters around what constitutes “reasonable terms” for exempting a scheme from legislated insurance requirements, in consultation with SAT as the decision-making body.

Addressing building defects

This topic explores strata company rights to address building defects.

Current situation

The Strata Act currently provides a strata company with the ability to access the rights and remedies that a scheme developer would have when seeking rectification of defects in scheme buildings and infrastructure. This allows a strata company to pursue specific builders or trades for defective work as if they were the developer that originally commissioned the work. However, it does not deal with the addressing of defects where those responsible for the defective work cannot be identified or no longer existed as a business.

Feedback

Feedback from phase one consultation indicated uncertainty and confusion for strata companies and owners around the Strata Act provisions dealing with building defects. Lot owners and strata companies either did not know these provisions existed or were unsure how they worked practically. This was particularly prevalent in situations where responsibility for a defect cannot be determined, where the responsible party no longer exists, or where the tradesperson responsible is an employee of the developer.

Proposed reforms

- Amend the Strata Act to clarify the provisions that allow the strata company to seek rectification from the party that performed defective work.

Area canvassed for future consideration

- Consider an amendment to the Strata Act to enable strata companies to seek rectification of building and infrastructure defects directly with developers where it is uncertain who has performed the defective work.

20

Balancing scheme terminations

This topic considers how scheme termination provisions in the Strata Act may appropriately balance redevelopment opportunities with protections for lot owners.

Current situation

The termination provisions in the Strata Act were amended as part of the 2020 reforms to provide strata owners with more transparent and attainable options to redevelop their scheme when faced with high, ongoing maintenance costs of ageing assets. These amendments introduced processes for a single owner or a majority of owners to terminate their schemes as well as adding to the process for unanimous owner initiated scheme terminations. Prior to these changes, strata companies could only decide unanimously to terminate their scheme but could also immediately progress a termination application.

Unanimous termination provisions now require both the outline and full termination proposals to be assessed by the strata company and an independent advocate and voted on. These reforms aimed to ensure that lot owners were fully aware of the implications of terminating their scheme before agreeing to it.

Majority terminations allow strata companies to terminate their schemes without all lot owners agreeing and include a range of lot owner protections. A majority termination resolution is passed by majority vote (over 80%) and proceeds only if the SAT confirms the termination resolution.

Single owner terminations are the fastest and most straight forward, with the scheme being able to be terminated once a new plan of subdivision has been approved.

Feedback

Feedback from industry bodies, developers and legal practitioners described the current termination provisions as convoluted, costly and unviable for many strata companies. According to feedback, this is leading developers and strata companies to pursue re-subdivisions over scheme termination for a faster, more streamlined redevelopment outcome.

Stakeholders indicated that the current scheme termination provisions need to strike a better balance between the protection of lot owners and the ability for owners to terminate their scheme. Feedback indicated that the process for unanimous owner terminations should be reworked to streamline termination documentation and processes. The need for and cost of an independent advocate were particular issues for stakeholders for these terminations.

Proposed reforms

- Re-examine the process for unanimous terminations to identify streamlining opportunities and increase the viability of these terminations.

Area canvassed for future consideration

- Re-examine the existing majority termination provisions in the Strata Act to achieve a better balance between the ability of the majority of lot owners to terminate the scheme and individual lot owner and consumer protections.

The 10-year maintenance plan

This topic considers whether 10-year maintenance plans can better support long-term planning and budgeting.

Current situation

The 2020 Strata Act reforms introduced a mandatory requirement for strata schemes with 10 or more lots to develop 10-year maintenance plans to help them better identify, budget and raise funds for long-term maintenance. This was intended to address historical issues of long-term maintenance not being undertaken. Strata companies must consider this 10-year maintenance plan when preparing annual budgets.

At present, 10-year maintenance plans are not required for schemes with less than 10 lots, or those with a scheme building replacement cost of less than \$5 million.

Feedback

As part of phase one consultation, feedback demonstrated support for 10-year maintenance plans and their medium to long-term benefit. Some concern was raised about the cost and inconvenience of developing the 10-year maintenance plan and undertaking the necessary maintenance. However, this was balanced against the growing and unplanned costs that can arise from deferring or avoiding undertaking this maintenance work.

Feedback also highlighted that a lack of legislative requirement for strata companies to budget for and implement their plan has led to inconsistent budgeting and the risk of inadequate reserve funds.

Suggestions were also made to consider expanding the 10-year maintenance plan to smaller schemes. This included extending the requirement to those with heritage places (as defined under the *Heritage Act 2018*). In these circumstances, the plan would encourage timely maintenance to minimise significant deterioration of heritage infrastructure.

Areas canvassed for future consideration

- Consider the introduction of a requirement for strata companies to fund the maintenance identified in their 10-year plan.
- Explore empowering schemes to voluntarily disclose their maintenance progress in a standardised format to insurers in addition to their 10-year maintenance plan. For example, by providing a certified summary of actions taken under the 10-year maintenance plan, verified by the council of owners or a qualified professional.
- Consider expanding the 10-year plan requirement to schemes with:
 - 6 lots or more (in line with the exemptions from other statutory requirements that already exists in the Strata Act for schemes of 5 lots or less), or a building replacement cost of less than \$3 million.
 - Those with common property listed on the State Register of Heritage Places.



Registration and licensing of strata managers

This topic considers whether registration or licensing requirements could strengthen strata management professionalism, accountability and consumer confidence.

Current situation

There are currently no registration or licensing requirements for strata managers in WA. The 2020 Strata Act amendments introduced additional regulations for strata managers including requirements for educational qualifications, criminal record checks, and professional indemnity insurance. These regulatory requirements are managed through the strata management contract and are not subject to government oversight, except for dispute resolution through SAT. The regulation of strata managers is lower when compared to other property industry professions such as real estate agents.

Feedback

Phase one consultation revealed concerns about perceived lack of standards and regulation in the strata management industry. Specific issues raised included scheme mismanagement, poor strata manager conduct, and difficulty resolving strata management disputes.

A strong theme among the feedback was a call for greater accountability and government oversight of the strata management industry. However, opinions varied on the most practical way to achieve this and improve the professional standards of strata managers.

While the future considerations suggested below could improve transparency, professionalism and consumer confidence, it is important to acknowledge that implementing a licensing or registration regime would involve costs for industry and government which would likely be passed on to strata companies and lot owners through increased management fees. As with other proposed reforms, the benefits of a licensing or registration framework would need to be balanced against the financial impact on lot owners.

Areas canvassed for future consideration

Feedback identified support for a range of approaches to strengthening oversight and accountability within the strata management industry. These approaches vary in their implementation requirements, regulatory complexity and potential cost implications for government, industry and strata owners.

The options outlined below represent increasing levels of regulatory intervention, implementation effort and administrative cost, however, require further analysis.

Lower-level intervention

- In addition to existing requirements, introduce a publicly accessible conflict of interest register administered by government or an independent strata-specific consumer body, should one be established.
- Require compliance with strata manager annual return requirements to support any future registration or licensing framework.

Moderate level intervention

- Implement a government-managed registration system for strata managers as a lower-cost alternative to a full licensing regime.

Higher level intervention

- Introduce a government-administered licensing regime for strata managers.
- Establish an industry regulator to oversee the strata management industry and administer any licensing or registration framework on behalf of government.