Government Response

Standing Committee on Legal Affairs Report No 8 - Inquiry into the management of strata properties

ACT Government

Acknowledgement of Country

The Justice and Community Safety Directorate acknowledges the Ngunnawal people as traditional custodians of the ACT and recognise any other people or families with connection to the lands of the ACT and region.

We respect the Aboriginal and Torres Strait Islander people, particularly our Aboriginal and Torres Strait Islander staff, and their continuing culture and contribution they make to the Canberra region and the life of our city.

Produced by the Justice and Community Safety Directorate. Enquiries about this publication should be directed to the Justice and Community Safety Directorate.

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Overview of Government Response

The ACT Government welcomes the Standing Committee for Legal Affairs report for the Inquiry into the management of strata properties.

Background

The Standing Committee for Legal Affairs (**the Committee**) announced the Inquiry into the management of strata properties (**the Inquiry**) on 21 January 2026.

The focus of the Inquiry was to examine the application of the *Unit Titles (Management) Act 2011* (**the UTMA**), and its current performance. The Terms of Reference indicated this would include matters in relation to:

(1) the role of strata managers, including their qualifications and licensing, conflicts of interest, fee models and other related issues;

(2) the roles and responsibilities of executive committee members, including training and skills required;

(3) decision-making models in strata developments;

(4) issues that arise in mixed-use buildings between residential and commercial tenants;

(5) strata leaders and managers accessing environmental initiatives for their residents;

(6) the remit for a potential Strata Commissioner in the ACT; and

(7) any other related matters.

Submissions to the Inquiry were open until 7 March 2026, however the Committee did accept late submissions up until August 2026. Submissions to the Inquiry can be viewed here[1].

Public hearings were held over three days from 29 June to 1 July 2026. Transcripts of the public hearings are available here[2].

The Inquiry generated a great deal of interest in the ACT community and received a high volume of submissions in comparison to other recent inquiries. A total of 128 submissions were received from respondents, as well as an additional 11 supplementary submissions. These submissions came from a wide range of respondents as indicated in the following table:

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[1] Available at: https://www.parliament.act.gov.au/parliamentary-business/in-committees/committees-11th-assembly/legal-affairs/inquiry-into-the-management-of-strata-properties#tab2779218-2id

[2] Available at: https://www.hansard.act.gov.au/Hansard/11th-assembly/committee-transcripts.htm?_gl=1*rmjgdo*_ga*MzQ3ODgwMDUxLjE3Njc2NTkxNjQ.*_ga_LWWL3XRS9C*czE3Nzk2ODM5ODIkbzQwJGcxJHQxNzc5Njg0MTExJGo2MCRsMCRoMA..#1_egee

Respondent	Number of Submissions
Owners, Owners Corporations, Executive Committees	68
Managers	3
Industry Bodies	11
Community Organisations	8
Courts/Legal	4
Confidential	13
Other – undisclosed, tenants, consultants etc.	21
Total (excl. supplementary submissions)	**128**

The majority of submissions came from owners, owners corporations and executive committees, providing examples and accounts of their lived experiences within unit titled properties. Submissions also came from industry bodies as well as many other areas of the community, providing diverse and informative knowledge and opinions. The ACT Government has considered all the submissions (apart from submissions made in confidence), and testimonies of the witnesses at the public hearings, in forming the responses to the recommendations made by the Committee.

The ACT Government would like to acknowledge and thank the Committee for bringing this important Inquiry forward. The Government would also like to thank all the participants in the Inquiry for sharing their time and knowledge in relation to living, managing and working within units plans in the ACT.

Overview of Responses

The ACT Government has reviewed the 33 recommendations made by the Committee. Each response to the recommendations have been individually addressed, however the below table provides an overview of the ACT Government's response to each recommendation.

Government Response	Recommendations	Total
Agreed	8, 11, 13, 16, 17, 21, 23, 26, 27, 32	10
Agreed in principle	1, 2, 3, 4, 7, 9, 14, 20, 22, 24, 25, 28, 31	13
Noted	5, 10, 18, 19, 29, 30, 33*	7
Not Agreed	6, 12, 15, 33*	4

***Note:** Recommendation 33 is both Noted and Not Agreed due to the recommendation addressing two separate issues.

In preparing this response, the ACT Government has considered the submissions received and public hearings held over the course of the Inquiry, as well as existing legislative requirements and policy work that is being developed in relation to unit titles and other related legislation.

Where a recommendation is **Agreed**, the ACT Government is committed to delivering an outcome for the community to improve the management, administration, governance and liveability of unit titled buildings. There are some significant changes ahead and the implementation and delivery of many of these recommendations will be dependent on future policy and resourcing decisions of the ACT Government. However, there are some recommendations that are already in development and in consultation with relevant stakeholders, that may be able to be delivered within a shorter timeframe to help achieve more immediate outcomes for unit owners, owners corporations and managers.

Recommendations which are **Agreed in principle** indicate that the ACT Government supports the intent of the proposed changes or proposals made by the Committee but considers that the outcome may not be able to be delivered exactly in the manner recommended by the Committee or that it may require further consultation or policy development to achieve. These may have policy or financial implications that need to be further explored or require a shift in existing policy. These recommendations will be subject to further stakeholder consultation to ensure that the most appropriate and effective outcome is attained.

Where a recommendation has been **Noted**, this may be for a range of reasons. It may be because existing policy already addresses the recommendation, that it aligns with another recommendation, or that it is not within the remit of ACT Government to be able to influence the change. However, the ACT Government will still explore options and investigate other potential resolutions where possible.

Finally, recommendations which are **Not Agreed** are not supported by the ACT Government as a suitable outcome for the unit title community. The Government considers there may be other more appropriate solutions available to address these issues. These matters may be subject to further stakeholder consultation in future.

Terminology references

The Report uses the terms like ‘strata’ and ‘strata managers’ as these are terms that are commonly used and understood. For ease of reference, some of these terms are used in the responses for consistency. However, in most other instances, this document uses the terminology used under ACT legislation rather than terms used in the Report.

Terms used in ACT Legislation	Terms used in the Report
Units Plan	**Strata Plan / Strata Complex**
Manager	**Strata Manager**
Owners corporation contributions	**Strata Levies / Strata Fees**

Responses to recommendations

Recommendation 1

The Committee recommends that the ACT Government introduce a mandatory licensing regime for Strata Managers (including staff working to a principal who are carrying out strata management duties).

Agreed in principle

The ACT Government supports the introduction of mandatory licensing for all people carrying out duties as a strata manager in the ACT. This development and implementation of this recommendation will necessarily be staged and subject to further Government policy and resourcing decisions.

The ACT Government will consult with industry stakeholders, the Commissioner for Fair Trading, Access Canberra and other relevant areas of government to determine the most appropriate licensing framework, regulatory responsibilities, compliance arrangements and system requirements.

The steps to be undertaken include:

1. Determining appropriate licensing framework

As outlined in the ACT Government's Submission to the Inquiry[3], there is an existing licensing framework for strata managers under the *Agents Act 2003*.

The ACT Government will need to consider whether to expand the existing framework to include all people carrying out strata management services, or whether it requires an entirely new licensing scheme to distinguish it from traditional real estate services.

2. Reassessment of current qualification requirements

The current qualification requirements to obtain a licence will need to be reassessed to ensure they meet the evolving needs and expectations of the ACT community.

3. Implementation of updated qualification requirements

Following the reassessment, substantial work will be required to identify suitable accredited training, along with ensuring there are sufficient registered training providers able to deliver the required training, and to consider the cost and timeframe for training the existing and future strata management workforce.

4. Implementation of transitional arrangements

Transitional arrangements will also need to be put in place to ensure that individuals currently employed as a strata manager have sufficient time and support to obtain qualifications and licensing to be able to maintain their employment in the industry.

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[3] Available at: https://www.parliament.act.gov.au/__data/assets/pdf_file/0008/2824253/Submission-043-ACT-Government.pdf

Recommendation 2

The Committee recommends that the ACT Government:

- mandate that strata managers disclose to owners corporations any conflicts of interest and commissions received by strata managers; and
- consider whether the model outlined in the NSW Productivity and Equality Commission's *Strata commissions review* would be appropriate for the ACT

Agreed in principle

The ACT Government agrees to consider whether stronger disclosure requirements, restrictions, or a prohibition on strata-manager commissions would be appropriate in the ACT, informed by developments in New South Wales and further consultation with stakeholders.

Strata managers already have obligations under Schedule 8.12 and 8.13 of the Rules of Conduct prescribed in the *Agents Regulation 2003*[4] relating to conflicts of interest and referrals to service providers, including disclosing commissions or other benefits. Contravention of the Rules of Conduct are grounds for occupational disciplinary action.

Recommendation 3

The Committee recommends that the ACT Government increase transparency within strata insurance, including by considering introducing amendments to the *Unit Titles (Management) Act 2011* to require that strata managers provide a written explanation of commission arrangements to owners corporations when seeking approval for insurance quotes.

Agreed in principle

The ACT Government will consider Recommendation 3 alongside Recommendation 2 as part of broader work on transparency, conflicts of interest and commission arrangements in strata management.

If commissions or other conflicted payment arrangements continue to be permitted, the ACT Government agrees that owners corporations should have clear, written information about any commission arrangements when considering insurance quotes.

[4] Available at: https://www.legislation.act.gov.au/sl/2003-38/

Recommendation 4

The Committee recommends that the ACT Government introduce modules for strata management qualifications that include specific training on insurance obligations, as part of the licensing requirement for strata managers.

Agreed in principle

In line with Recommendation 1, the ACT Government agrees that specific qualifications should be required for strata managers as part of a licensing scheme. Determination of what specific training modules and competencies a strata manager will need will be subject to further investigations and consultation with relevant industry stakeholders in conjunction with the development and implementation of Recommendation 1.

Recommendation 5

The Committee recommends that the ACT Government introduce amendments to the *Unit Titles (Management) Act 2011* to require owners corporations to pay all potentially valid insurance claims with costs lower than the excess stipulated by the insurance policy.

Noted

The ACT Government appreciates the recommendation's intent and notes that an owner's corporation may seek to implement this approach of their own choosing. However, if this was mandated, there may be unintended consequences for owners' corporations. There would be financial implications for owners corporations where they may not have sufficient funds to meet these immediate costs (as the excess is generally deducted from the total amount paid on the claim). It would also impose obligations on an owners corporation to try to quantify unknown amounts to be allocated in their budgets. Overestimation of required funds would increase the contributions of unit owners which may have a negative financial impact for owners already experiencing financial hardship.

Implementation of this recommendation would also place the onus on the executive committee to determine what is a "potentially valid" claim, something they may not have the expertise to assess. This could lead to potential disputes if they are refused.

It may also place an unnecessary burden on an owners corporation where they need to seek to recover funds from an owner who may be at fault. Additionally, if it is the fault of an occupier, this then places the burden on the owner to seek to recover the costs. An owners corporation may also not be able to recover the costs at all if no party is at fault or cannot be identified.

Recommendation 6

The Committee recommends that the ACT Government develop a standard template for strata management contracts for use by executive committees.

Not Agreed

The Government recognises that some owners corporations may experience unfair, unclear or unbalanced contract terms but considers that a single template contract is unlikely to be the most effective way to address that issue.

A standard contract template would be difficult to establish considering the differing needs between units plans. The requirements of Class A and Class B units plans may differ substantially, as may the needs of small, self-managed or low-complexity units plans compared with large mixed-use developments. Some owners corporations may require facilities management, building management, complex insurance support or services tailored to commercial and residential uses, while others may only require limited administrative support. A single standard contract may therefore be too rigid, may include terms that are irrelevant to some owners corporations, or may limit the ability of owners corporations to negotiate services that suit their circumstances.

However, the ACT Government considers that a better approach may be to require certain minimum terms to be included in all strata management contracts. This approach would specify some specific terms that cannot be contracted out of, such as certain termination clauses. This would ensure that the specific duties, responsibilities and obligations being placed on the strata manager are universal while preserving flexibility for the owners corporation to negotiate other terms related to the services they require from a strata manager.

The Government will consider this issue as part of the broader work on strata manager obligations, contract transparency and reforms to improve the governance and administration of owners corporations.

Recommendation 7

The Committee recommends that the ACT Government amend the *Unit Titles (Management) Act 2011* to limit the contract of the initial strata manager appointed by a developer to 12 months, with the option to extend the contract included.

Agreed in principle

The ACT Government supports this recommendation subject to further stakeholder consultation with owners corporations, strata managers, developers, industry bodies and other relevant stakeholders, and subject to the development of appropriate safeguards for staged developments and consideration of further protections which could be in place during developer-control periods.

Section 33 (a) (ii) (A) of the UTMA sets the current maximum contract length to 2 years. The Government will consider reducing this to 12 months, so that owners corporations have an earlier opportunity to assess the performance of the initial strata manager and decide whether to continue with that manager or seek alternative management services

However, the ACT Government is of the view that the provision to allow the developer to apply to the ACT Civil and Administrative Tribunal (ACAT) for an extension of this period should remain. This safeguard may be important for staged developments, where the completion of the units plan may take time and continuity of the strata manager may assist with maintaining knowledge and understanding of the building is maintained during the completion of all stages.

In addition to reducing the initial contract period, the ACT Government will consider whether further protections are needed during the developer control period. This may include placing restrictions on the voting rights of the developer during the developer control period for matters relating to the termination of a manager under the remedial breach provisions where the owners corporation considers there is a remedial breach. This would align with existing voting restrictions on developers under Schedule 3.21A in relation to defective building work.

This would help ensure that owners corporations are able to act where there are concerns about the initial strata manager’s performance, while still preserving appropriate safeguards for staged developments.

Recommendation 8

The Committee recommends that the ACT Government consider permitting no-cause termination of contracts with strata managers.

Agreed

The ACT Government agrees to consider permitting a no-cause termination provision under the UTMA. In consultation with stakeholders, the ACT Government will review the existing provisions relating to ending a management contract (under section 54) to determine if the inclusion of a no-cause termination provision to end a manager’s contract should be adopted.

Recommendation 9

The Committee recommends that the *Unit Titles (Management) Act 2011* be amended to mandate that a unit plan strata manager must be clearly identified in the complex.

Agreed in principle

The ACT Government supports better transparency and ability to communicate with strata managers and the owners corporations they serve. As noted in the Report, provisions requiring the display of a contact name and address (at s122 of the UTMA) only requires the owners corporation to provide an address for the service of documents.

In consultation with stakeholders, the ACT Government will develop a solution for owners corporations and managers so that information is available where appropriate and possible.

While there are benefits in having information about who a current managing agent is, the ACT Government notes there would need to be exceptions in certain circumstances. For example, a units plan may self-manage, so it may not be necessary or appropriate to display the name and contact details of owner-managers (although, they would still need to comply with s122). Further, some units plans, particularly Class B units plans, may not have an area on the property that is appropriate or readily accessible for the information to be displayed. For example, some Class Bs may have a common mailbox, but in others the common property may just be a patch of grass or section of driveway. Requiring signage for these units plans may be impractical.

Accordingly, the government will consider whether this requirement should be mandatory for Class A units and then optional for Class Bs where they have a publicly accessible common area (e.g. shared mailbox).

Recommendation 10

The Committee recommends that the ACT Government introduce mandatory training for executive committees.

Noted

As evidenced through the many submissions, there is strong support for executive committees to have access to training and guidance materials to help them undertake their duties.

However, the ACT Government does not support mandatory training for executive committee members at this stage. Executive committee members are volunteers, and many owners corporations already experience difficulty attracting and retaining members. Requiring mandatory training may create an additional barrier to participation and could discourage unit owners from nominating for executive committee roles.

The ACT Government considers a more appropriate approach to improve capability and confidence within executive committees while avoiding additional barriers to participation in what is already a demanding volunteer role is to offer free or low-cost, accessible and modular training, supported by plain-English guidance materials, which is able to be undertaken on a voluntary basis.

Subject to future decisions about the scope and resourcing of a Strata Commissioner, this could be an appropriate function for that office. A future Strata Commissioner could develop or coordinate training modules, template documents, checklists, factsheets and other guidance to assist executive committee members to understand their roles, responsibilities and obligations under the *Unit Titles (Management) Act 2011*.

Recommendation 11

The Committee recommends that the ACT Government clarify in government education materials that the payment of honorariums or discounts to executive committee members is permitted to encourage participation and acknowledge their contribution.

Agreed

The ACT Government agrees to update guidance materials to include information about how an owners corporation can renumerate or reward their executive committee members to incentivise new and existing participation. Updates will be done in consultation with stakeholders to ensure the information is clear and incorporates other details the owners corporation will need to understand, such as financial impacts to their budgets.

Recommendation 12

The Committee recommends that the ACT Government introduce term limits for executive committee members so that after serving for five years, they must take a one-year break before renominating, with exceptions as required for small owners corporations where all members are required to be executive committee members.

Not Agreed

As noted in the response to Recommendation 10, the Inquiry has heard that owners corporations can find it very difficult to attract members to be on the executive committee. Introducing term limits may place some owners corporations in a position where they may be unable to attract new owners to take up places where existing members need to step aside due to reaching their term limit.

The ACT Government will instead consider an alternative approach to allow owners corporations to make their own rules about term limits for their executive committee members, giving them the flexibility to have this limit in place if they consider it is necessary or desirable in their particular units plan.

Recommendation 13

The Committee recommends that the ACT Government review current quorum requirements for general meetings and special resolutions, noting lower quorum requirements in other Australian jurisdictions.

Agreed

This recommendation is supported and this amendment is in progress.

Recommendation 14

The Committee recommends that the ACT Government introduce amendments to the *Unit Titles (Management) Act 2011* to allow rental tenants to attend Annual General Meetings of their owners corporation as an observer.

Agreed in principle

The ACT Government supports the ability for tenants to be better informed about the management and administration of the units plans they live in. The UTMA does not prevent the owners corporation from allowing tenants to attend the AGM or any general meeting they hold. In fact, tenant attendance at meetings is promoted in the Unit Titles (Management) (Meeting Agenda) Guidelines,[5] which encourages owners corporations to consider inviting non-members to attend any meeting they hold. An owners corporation may wish to adopt a rule to establish this.

[5] Available at: https://www.legislation.act.gov.au/ni/2023-528/

However, subject to stakeholder consultation, the ACT Government is open to amending the UTMA to make it more explicit and/or to mandate that this may occur. This may require clarification of how notification of the meetings is made available to tenants, either through direct communication with tenants or via information placed in a common area.

Any changes would also need to consider how to strengthen requirements for ensuring the tenant's information held by the owners corporation is up to date, as well as how this information is permitted to be used, and whether there should be a disclosure requirement or opt in/opt out approach required when a new tenant takes up residency in a unit.

Recommendation 15

The Committee recommends that the ACT Government introduce amendments to the *Unit Titles (Management) Act 2011* allowing owners corporations to make rules at their AGM to permit the election of renters of units to the executive committee.

Not Agreed

The ACT Government does not support the proposal to allow tenants within a units plan to be eligible to be elected to the executive committee of an owners corporation.

The ACT Government recognises tenants are a key part of the community in a units plan and are directly affected by many decisions made by owners corporations and executive committees. However, executive committees make decisions about the management, administration and finances of the units plan. These decisions can have direct financial consequences for unit owners, who are responsible for paying levies, special levies and other contributions.

Per the response to Recommendation 14, the ACT Government supports strengthening practical ways for tenants to be informed and involved in strata communities and will consider whether further measures are needed to improve tenant communication and participation.

Recommendation 16

The Committee recommends that the ACT Government explore whether existing noise laws adequately address the impacts of noise and decibel limits for people living in strata.

Agreed

The ACT Government agrees to further explore existing noise laws and notes noise impacts within units plans were the subject of concerns in some of the submissions to the Inquiry. Most commonly, they relate to issues with new buildings where the lease purpose permits uses that have higher noise emitting uses such as gyms, pubs etc. Many of the root causes appear to relate to design and construction where noise mitigation systems have not been adequately addressed or installed, resulting in high noise and vibration levels experienced throughout parts or all of the building.

In 2022, the introduction of Disclosure Statement requirements for off-the-plan units required that developers disclose all permitted uses within the building to ensure buyers were aware if there was the potential for high-noise level activities that may occur within the building.

In 2024, Housing Design Guides[6] were updated to incorporate more rules and requirements around the design and construction of buildings for high noise level areas as we as reduction strategies for general comfort and liveability.

Recommendation 17

The Committee recommends that the ACT Government investigate the regulation of short-term rentals in strata complexes.

Agreed

The ACT Government agrees that further interrogation is needed to determine how short-term rental accommodation should be managed in a unit titled building and what mechanisms are available to an owners corporation to help them manage issues that can arise. The ACT Government will consult with the relevant Directorates to determine whether further regulation is required.

Recommendation 18

The Committee recommends that the ACT Government introduce amendments to the *Unit Titles (Management) Act 2011* to require unit owners to inform their executive committee if they are intending to use their unit as a short-term rental accommodation and facilitate means by which urgent communications can be made to short-term rental tenants by the executive committee and strata managers.

Noted

The ACT Government notes that an owners corporation can already make rules which could require an owner to provide necessary information if they are using their unit as a short-term rental accommodation.

Short-term rental accommodation specific urgent contact issues will be further investigated as a part of consultation undertaken into the regulation of short-term rental accommodation, per Recommendation 17.

Recommendation 19

The Committee recommends that the ACT Government explore options to ensure that insurers are required to provide separate insurance policies for different users of the same building.

Noted

The ACT Government considers this recommendation is not within the remit of the ACT Government. Regulation of the insurance market is a Commonwealth responsibility.

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[6] Available at: https://www.planning.act.gov.au/professionals/our-planning-system/the-territory-plan/design-guides

It should be noted that the Australian Securities and Investment Commission (ASIC) recently eased rules around strata insurance to allow buildings to obtain insurance from more than one insurer where the total cost of the building insurance is too large for one insurer to bear:

https://www.asic.gov.au/about-asic/news-centre/news-items/asic-eases-pds-rules-for-residential-strata-insurance-providers/

This provides an option for some buildings to be able to split their insurance costs (e.g. commercial policy and residential policy) to make the costs more affordable and evenly shared.

The ACT Government will consider how it can increase owners corporation awareness of this rule change in conjunction with the work outlined at Recommendation 22.

Recommendation 20

The Committee recommends that the ACT Government:

- introduce amendments to the *Unit Titles (Management) Act 2011* to clarify the provisions relating to owners corporations charging fees for the use of sustainable technology that is common property, such as car chargers; and
- expand and enhance its efforts in public education on electric vehicle and personal mobility device charging, particularly with reference to building safety.

Agreed in principle

As noted in the Government Submission to the Inquiry (043)[7] these are fundamental matters being explored and addressed in the work being undertaken for the Integrated Energy Plan[8] (**IEP**). Work on how to address and assist complex buildings (i.e. units plans) with the tasks they will need to undertake to introduce electric vehicle (**EV**) charging and transition to electrification are all subject to the work being carried out in the development and implementation of the IEP.

The ACT Government is progressing work to develop programs and schemes to support electrification. This work will include information materials and potential supports to owners corporations to assist them with their work to transition their buildings as well as education information about safety. A guide to 'Making Your Building EV Ready' is published on the Everyday Climate Choices Website, with information for owners corporations on fire safety, load management and appropriate steps to assessing building-specific requirements: https://www.climatechoices.act.gov.au/transport-and-travel/zero-emissions-vehicles/ev-charging-in-multi-unit-buildings.

ACT Emergency Services Agency (**ESA**) have published their position on EV charging in existing buildings in FSG-22: Electric Vehicles & EV Charging Equipment in the Built Environment: https://esa.act.gov.au/be-emergency-ready/electric-vehicle-safety.

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[7] Available at: https://www.parliament.act.gov.au/__data/assets/pdf_file/0008/2824253/Submission-043-ACT-Government.pdf

[8] Available at: https://www.climatechoices.act.gov.au/energy/canberras-electrification-pathway

Their guidance is that the Australian Building Codes Board's 'Recommendations to support safer EV charging' should be implemented as a minimum. ESA has also produced information to help understand safety requirements around Lithium-Ion batteries, commonly used for mobility devices - https://esa.act.gov.au/be-emergency-ready/lithium-ion-batteries

Recommendation 21

The Committee recommends that the ACT Government provide more guidance for owners corporations on the use of sinking funds, including internal loans, to fund measures such as environmental initiatives.

Agreed

As noted in the response to Recommendation 20, the work being undertaken by the ACT Government to progress the initiatives of the IEP is already underway. This includes the development of further information and support for owners corporations to assist them in their efforts to electrify and improve the energy efficiency of their buildings. This information will be made available in due course.

Recommendation 22

The Committee recommends that the ACT Government establish a Strata Commission and that its role include:

- dispute resolution, including conciliation and arbitration, prior to ACAT; and
- education;

with consideration to be given to whether the Commissioner should have powers including enforcement rights and the ability to impose penalties for breaches of the codes of conduct.

Agreed in principle

The ACT Government has committed to the establishment of a Strata Commissioner.

The submissions, public hearings and recommendation of the Inquiry indicate there is support for a Strata Commissioner in the ACT, and high and varied expectations about the role the Commissioner could perform

The establishment of a Strata Commissioner will be a key focus for the ACT Government within this term of government.

The Government intends that the role of the Strata Commissioner will be developed in two stages:

Stage 1 will address the clear need to develop a role which is the source for strata-related independent **education and information.** The role will be responsible for publishing and maintaining available **guidance and templates**, including plain-English information for owners corporations, executive committees, unit owners, residents and strata managers. This could include factsheets; model documents; checklists; as well as guidance on meeting procedures, contribution notices, record keeping, contract terms, dispute pathways; and other practical resources.

Stage 2 will expand the role so that it includes additional functions. These additional functions will be subject to further consultation with stakeholders. Any additional functions would need to be designed carefully having regard to the existing jurisdiction and functions of the ACT Civil and Administrative Tribunal, as well as other existing complaint, conciliation and dispute resolution pathways that are facilitated by Access Canberra and the Human Rights Commission.

The Government will undertake further policy work and stakeholder consultation to finalise the scope of these stages, and these matters remain subject to further government policy and resourcing decisions.

Recommendation 23

The Committee recommends that the ACT Government improve the information and guidance currently published on strata in the ACT, using New South Wales and other jurisdictions as a guide.

Agreed

The ACT Government supports this recommendation. A working group has already been established to review and update the existing information materials relating to unit titles in consultation with industry.

Recommendation 24

The Committee recommends that the ACT Government update its existing ACT Strata Guide, 'Unit titles management in the ACT: What you need to know', within three months of every significant legislative change.

Agreed in principle

The ACT Government agrees to update information materials as soon as practicable following any significant legislative changes.

Recommendation 25

The Committee recommends that the ACT Government introduce amendments to the *Unit Titles (Management) Act 2011* and relevant regulations to require real estate agents to make the ACT Strata Guide, 'Unit titles management in the ACT: What you need to know', available to prospective buyers with the contract of sale.

Agreed in principle

The ACT Government supports prospective buyers being better informed during the purchase of a unit.

Contracts for the purchasing of a unit can be extensive and complex, and while including the guide as an additional document is an option, it could get lost or overlooked given the volume of documents provided as part of a property sale. To meet the intent of this recommendation, further stakeholder consultation will be undertaken to determine the best approach to how this information should be made available to prospective buyers to ensure that the provision of any information is effective, easily accessible and reaches the intended recipients.

Recommendation 26

The Committee recommends that the ACT Government clarify the legislation and guidance materials with respect to class A and class B units and ensure that there is sufficient guidance and clarity in the law with respect to the management of class B units.

Agreed

Noting the response to Recommendation 23 and work already underway, the updates to the existing materials can include further information to address the differing needs between Class A and Class B units plans. While administration and management requirements are fundamentally the same for both classes, additional information on maintenance and insurance responsibilities for Class B units would be beneficial and can be included in updated materials.

Recommendation 27

The Committee recommends that the ACT Government introduce legislative amendments to require the disclosure of strata levies, including special levies, in real estate advertising.

Agreed

The ACT Government supports this recommendation. There is already a legal requirement for the disclosure of contributions in the contract of sale for a unit, which is included in the Unit Title Sale Certificate[9] (commonly referred to as a section 119 Certificate). This certificate must include information about all contributions payable by the unit owner in relation to the general and sinking funds, as well as any special purpose funds, if applicable. It is possible that these amounts may change during a sales campaign, however buyers are entitled to obtain an updated Unit Titles Sale Certificate prior to settlement which would disclose any changes to the contributions which may have occurred during the sales campaign for the unit.

The disclosure of contributions in advertising is already common practice amongst many agents when selling a unit. To support this recommendation, the ACT Government will look to develop amendments to the advertising requirements under the *Civil Law (Sale of Residential Property) Act 2003* to develop disclosure requirements similar to those currently required for the disclosure of Energy Efficiency Ratings. Changes will be developed in consultation with relevant industry stakeholders.

[9] Available at: https://www.legislation.act.gov.au/di/2026-22/

Recommendation 28

The Committee recommends that the ACT Government introduce amendments to section 90 of the *Unit Titles (Management) Act 2011* to require a standard contribution notice template, similar to the range of information required to be provided in Victoria, which includes hardship and payment plan options to be used by owners corporations when charging unit contributions.

Agreed in principle

The ACT Government recognises there is value in improving the consistency and clarity of contribution notices issued by owners corporations.

Under the UTMA, notices of contributions must include information about how the owner may pay their contributions, including the ability for contributions to be paid in instalments.

To help improve consistency and clarity, the ACT Government will investigate amendments to the UTMA to provide either a standard contribution notice template or minimum required content for contribution notices.

However, the ACT Government acknowledges evidence provided to the Inquiry also indicated that contribution notices can vary between owners corporations and may not always clearly explain the amount owed, payment options, consequences of non-payment, or where an owner can seek assistance if they are experiencing financial hardship.

To help unit owners better understand and prepare for circumstances where they have unpaid amounts, the Government will consider the value of amendments that would set out steps that an owners corporation must take prior to seeking to recover any unpaid amounts. This could include:

- reminder notices and final notices before formal recovery action is taken;
- clear minimum notice periods before escalation;
- clearer provisions confirming when interest on unpaid contributions may be waived;
- information about hardship options to be provided with contribution or arrears notices;
- referral information for financial counselling, legal assistance and other support services; and/or
- clearer information about dispute resolution pathways and the consequences of non-payment.

This will be investigated with Recommendation 29, relating to hardship provisions, and Recommendation 30, relating to internal dispute resolution mechanisms, to ensure any reforms provide practical information to unit owners while also recognising the need for owners corporations to collect contributions to meet essential expenses such as insurance, utilities, maintenance and other statutory obligations.

Recommendation 29

The Committee recommends that the ACT Government introduce amendments to the *Unit Titles (Management) Act 2011* to explicitly include hardship provisions similar to those in the New South Wales legislation.

Noted

The ACT Government acknowledges the concerns about debt escalation, recovery action and bankruptcy proceedings arising from unpaid owners corporation contributions.

The ACT Government also recognises that owners corporations must be able to collect contributions to meet essential expenses, including insurance, utilities, maintenance and other statutory obligations. If contributions are not paid, financial pressure can be shifted to other unit owners and may affect the owners corporation's ability to meet its obligations as owners corporations do not have other means to raise funds, other than via contributions. Any hardship framework must therefore balance support for individual unit owners with the financial sustainability of the owners corporation as a whole.

The Government considers that the issue of hardship provisions warrants further investigation and consultation on practical safeguards for unit owners experiencing genuine hardship. As part of this, the Government will monitor the operation of the NSW model and consider whether similar or alternative safeguards would be appropriate in the ACT.

Recommendation 30

The Committee recommends that the ACT Government consider introducing amendments to the *Unit Titles (Management) Act 2011* to include an internal dispute mechanism modelled on the provisions of the *Strata Schemes Management Act 2015* (NSW).

Noted

An owners corporation can already create their own internal disputes policy which they can register as a rule.

Noting the recommendation that the scope and functions of a Strata Commissioner have the potential to include dispute resolution, it would be premature to amend the UTMA to mandate an internal disputes policy until the functions of the Commissioner have been determined.

The ACT Government will consider this recommendation once those functions are settled.

Recommendation 31

The Committee recommends that the ACT Government review the management and enforcement powers of owners corporations over their common property, to assist in resolving issues with illegal and nuisance parking and other misuse of common property.

Agreed in principle

The ACT Government will review options to better support owners corporations to manage illegal and nuisance parking and other misuse of common property. This work will require consultation with relevant agencies and stakeholders, including ACT Parking Operations, Access Canberra, and areas responsible for the Uncollected Goods Act. In particular, the Government will consider whether existing processes for dealing with unauthorised, abandoned or obstructing vehicles on common property are too onerous for owners corporations, and whether any practical improvements can be made.

Recommendation 32

The Committee recommends that the ACT Government require that strata managers must provide owner corporations with all records when ceasing to manage the Unit Plan.

Agreed

The ACT Government notes that obligations already exist under legislation that require a strata manager to hand over accounts and records to the owners corporation when they cease to manage the units plan. Section 109A of the *Agents Act 2003* states:

> **109A Change of owners corporation managing agent—former agent to give statement and records**
>
> (1) This section applies if a person stops being the owners corporation managing agent for an owners corporation.
>
> (2) The person must, not later than 14 days after the person stops being the managing agent, give the owners corporation—
>
> (a) a certified copy of the owners corporation's accounts; and
>
> (b) the records about the management of the owners corporation.
>
> (3) In this section:
>
> ***owners corporation managing agent*** means a person appointed as manager of an owners corporation for a units plan under the *Unit Titles (Management) Act 2011*[10].

The ACT Government will consider whether amendments are required to clarify the scope of "records about the management of the owners corporation" for the purposes of section 109A. The ACT Government will also consider whether additional enforcement mechanisms are required where a former strata manager fails to comply with handover obligations.

[10] Available at: https://www.legislation.act.gov.au/a/2011-41/

Recommendation 33

The Committee recommends that the ACT Government provide a central document hub for owners corporations records, and establish:

- Minimum standards and types of documents to be included; and
- A process for certification of handover documents from the developer to the owners corporation.

Development of a document hub

Not agreed

The ACT Government notes the Committee's concerns about inconsistent records management practices and the importance of owners corporations having reliable access to their own records. However, the development and maintenance of a centralised document hub would require significant financial investment and ongoing technical support. The government notes that the NSW Strata Hub is financed through levies paid by all unit owners in NSW.

As noted in some submissions and testimonies, several strata managers already have developed and offer a centralised portal for unit owners to access records of their owners corporation, including meeting agendas, minutes, financial information and in some circumstances payment portals for owners to pay their contributions. Some also include the ability for owners to lodge maintenance requests, suggestions or complaints that provide more direct acknowledgement of lodgement than what occurs by email or phone. Other owners corporations have noted that using similar file sharing programs, such as One Drive or Drop Box is also an effective and low-cost option to enable owners to easily obtain and share information necessary for the administration of the owners corporation. Given the existence of such options, a centralised document hub does not appear to be necessary.

As noted in Recommendation 22, one of the functions of a Strata Commissioner could be to produce templated documents to assist owners corporations, executive committees and managers with the governance and administrative duties required under the UTMA. Such templates would give owners corporations flexibility to adapt documents to their needs. This should be considered as a first step approach to assisting owners corporations in their management and administration, as it would provide clear guides and expectations of what records owners corporations can and should be keeping.

Minimum standard of documents for handover

Noted

On the issue of records handed over by developers, the UTMA (Schedule 3.4) sets out the obligations for developers to provide records and what these should include. In conjunction with new provisions under the *Property Developers Act 2024*, this provision could be expanded to adopt other documents deemed necessary for the future management and maintenance of the building. Further policy work and stakeholder engagement is needed to determine the scope of records that should be included as well as how the handover of these records can be scrutinised before they are accepted by the owners corporation.

Responses to Finding

Finding 1

The Committee finds that while there are issues relating to poor planning decisions and building quality, the Government is undertaking work to rectify these issues.

Noted

The ACT Government acknowledges the finding that it is progressing work to improve building quality.