

Property and Stock Agents Continuing Professional Development 2024-25

Compulsory Topic Outline

Topic: Strata law reforms 2023-24

This compulsory topic outline is for approved providers of NSW property industry continuing professional development under the *Property and Stock Agents Act 2002* and Regulations.

This compulsory unit is applicable to: Strata Managing Agents

Topic Description

This unit covers changes to strata laws that were legislated in late 2023 under the *Strata Legislation Amendment Act 2023* and *Building Legislation Amendment Act 2023*.

Delivery

This topic must be delivered in:

- a face-to-face interactive training environment with a maximum of 40 attendees, or
- an interactive online webinar with a maximum of 25 attendees.

Duration

Providers may deliver this training as a standalone subject or combine it with other compulsory units. It is the responsibility of the approved provider to determine the appropriate length of training required to meet the required learning outcomes.

Learning Outcomes

Upon successful completion of this compulsory CPD topic, participants will be able to:

Module	Learning Outcome
Module 1: Strata Legislation Amendment Act 2023 – changes to the Strata Schemes Management Act and Community Land Management Act 2021	<ol style="list-style-type: none">1.1 Demonstrate an understanding of the amendments relating to companion and assistance animals in strata, including by-laws about bonds, fees and charges, and performance of assistance animals' duties, and provision of evidence of assistance animals' status.1.2 Identify the amendments regarding meetings including, but not limited to, the AGM notice period, restrictions on how many owners a power of attorney or company nominees can represent, and conflicts of interest held by strata committee members.1.3 Explain how to apply the amendments relating to finances and notices including, but not limited to:<ol style="list-style-type: none">1.3.1 Rules on repayment of money transferred between the administrative and capital works funds1.3.2 The requirement to obtain at least two independent quotes for proposed expenditure over \$30,0001.3.3 The requirement to keep new records in electronic form from 11 June 20241.3.4 the appropriate notice period before the expiry date of the strata manager's contract with an owners corporation or association.1.4 Explain how to apply the amendments relating to two-lot schemes.1.5 Explain the new voting threshold for an owners corporation to vote to remove a whole strata committee, or certain members of the committee, and the consequences of such removal1.6 Demonstrate an understanding of the application of the strata law reforms to the management of community, precinct and neighbourhood schemes under the <i>Community Land Management Act 2021</i>

<p>Module 2: Strata Legislation Amendment Act 2023 - changes to the Strata Schemes Development Act</p>	<p>2.1 Explain how the legislated changes to the strata renewal process apply where owners corporations want to pursue the collective sale or redevelopment of the strata scheme, including:</p> <p>2.1.1 Establishment of a strata renewal committee</p> <p>2.1.2 The requirement for owners to disclose interests at key decision points</p> <p>2.1.3 The types of ‘relevant interests’ that must be disclosed</p> <p>2.1.4 Changes to the Land and Environment Court’s powers in relation to strata renewal proceedings, including the awarding of costs and the criteria for approval of plans even where procedural errors have been made along the way.</p>
<p>Module 3: Changes to the Strata Building Bond and Inspection Scheme and Decennial Liability Insurance – Building Legislation Amendment Act 2023</p>	<p>3.1 Identify the changes to the amount of the strata building bond including the prescribed percentages and the date on which they apply</p> <p>3.2 Explain the key changes to decennial liability insurance (DLI), including:</p> <p>3.2.1 Definitions</p> <p>3.2.2 Exemption from building bond and inspection provisions and other statutory insurance requirements if DLI is obtained</p> <p>3.2.3 Information decennial insurers may be required to give to the Secretary</p> <p>3.2.4 Tribunal powers in relation to DLI</p> <p>3.2.5 Evidentiary requirements for DLI before building certificates can be given</p> <p>3.2.6 Penalties that apply for breaches of Part 11 of the Strata Schemes Management Act 2015</p> <p>3.2.7 Matters prescribed by the <i>Strata Schemes Management Regulation 2016</i></p>

Assessment

<p>Overview of Assessment</p>	<p>Completion of this compulsory CPD topic is to be assessed through demonstration of knowledge of requirements that are applicable to the class and type of licence held by the participant. A written assessment must be undertaken to assess the participant’s knowledge and provide supporting evidence of competence.</p>
<p>Critical aspects for assessment</p>	<p>A person who demonstrates competency in this unit will be able to explain how to apply :</p> <ul style="list-style-type: none"> • the key changes from the <i>Strata Legislation Amendment Act 2023</i> in the <i>Strata Schemes Management Act 2015</i>, the <i>Strata Schemes Development Act 2015</i> • how the strata law reforms apply to community, precinct and neighbourhood schemes under the <i>Community Land Management Act 2021</i> • the key changes from the <i>Building Legislation Amendment Act 2023</i> to the <i>Strata Schemes Management Act 2015</i>

Property and Stock Agents Continuing Professional Development 2024-25

Compulsory Topic Outline

Topic: Introduction to work health and safety obligations in strata management

This compulsory topic outline is for approved providers of NSW property industry continuing professional development under the *Property and Stock Agents Act 2002* and Regulations.

This compulsory unit is applicable to: Strata Managers

Topic Description

This topic covers work health and safety obligations of strata managers in New South Wales and how they must be applied in practice.

Delivery

This topic must be delivered in:

- a face-to-face interactive training environment with a maximum of 40 attendees, or
- an interactive online webinar with a maximum of 25 attendees.

Duration

Providers may deliver this training as a standalone subject or combined with other compulsory units. It is the responsibility of the approved provider to determine the appropriate length of training required to meet the required learning outcomes.

Learning Outcomes

Upon successful completion of this compulsory CPD topic, participants will be able to:

Module	Learning Outcome
Module 1: Work Health and Safety for Strata Managers	<p>1.1 Demonstrate understanding of the objects of the <i>Work Health and Safety Act 2011</i> (the Act), <i>Work Health and Safety Regulation 2017</i> as it relates to work health and safety for strata management.</p> <p>1.2 Demonstrate an understanding that the Act applies to any place where a business or undertaking is carried out.</p> <p>1.3 Identify potential workplace hazards and risks present within strata properties, including common areas and individual units, and including both physical and psycho-social hazards encountered during an agent's work.</p> <p>1.4 Identify key elements of effective strategies to mitigate risks and create a safe working environment for residents, visitors, and contractors including ensuring tradespeople provide a Safe Work Method Statement and a copy of their insurance prior to work being approved.</p> <p>1.5 Define what a "notifiable incident" is and outline the associated reporting process.</p> <p>1.6 Explain what a Mandatory Injury Register is and what information is required.</p> <p>1.7 Demonstrate understanding of what is "reasonably practicable" in ensuring health and safety.</p> <p>1.8 Identify where more information can be found about work health and safety in strata managing agencies, including: https://www.safework.nsw.gov.au/legal-obligations/strata-title-and-body-corporate </p>

	real-estate-services https://www.safework.nsw.gov.au/your-industry/construction
Module 2: Duties of a Strata Manager	<p>2.1 Identify the duties of strata managers under the Act.</p> <p>2.2 Define PCBU and how it applies to strata schemes, including the limited exclusion of some owners corporations from the PCBU definition in clauses 7(1) and 7(2) of the <i>Work Health and Safety Regulation 2017</i>.</p> <p>2.3 Demonstrate an understanding of the WHS obligations of both employers and employees in a strata managing agency.</p> <p>2.4 Identify the various categories of offences and penalties that can apply to a business, an employer and a worker.</p>
Module 3: Case study: prosecution for death of employee in strata titled industrial complex in Berkeley NSW in June 2020	<p>3.1 Discuss as an in-class exercise, the following case study as per the District Court judgement published here: https://www.caselaw.nsw.gov.au/decision/1898acf536f2929e94f120f9</p> <p>3.2 Identify, as per the findings of the court:</p> <ul style="list-style-type: none"> • key facts of the fatal incident • key failings of the owners corporation and the strata managing agent. <p>3.3 List steps that the strata managing agent should have taken to eliminate or mitigate the risk of the fatality that occurred at the industrial strata complex.</p> <ul style="list-style-type: none"> • Note that two further prosecutions are underway in relation to this incident, against the owners corporation and the strata managing agent. If those court cases are concluded during the 2024-25 CPD year, approved providers should update their course content to incorporate any findings of the court in those two matters.

Assessment

Overview of Assessment	Completion of this compulsory CPD topic is to be assessed through demonstration of knowledge of requirements that are applicable to the class and type of licence held by the participant. A written assessment must be undertaken to assess the participant's knowledge and provide supporting evidence of competence.
Critical aspects for assessment	<p>A person who demonstrates competency in this unit will have knowledge of:</p> <ul style="list-style-type: none"> • the legal work health and safety obligations of a strata manager • how to identify potential hazards and risks in strata properties • where to find more information about work health and safety in strata managing agencies

Property and Stock Agents Continuing Professional Development 2024-25

Compulsory Topic Outline

Topic: New Supervision Guidelines 2024 – Strata Managers

This compulsory topic outline is for approved providers of NSW property industry continuing professional development under the *Property and Stock Agents Act 2002* and Regulations.

This compulsory unit is applicable to: Strata Managers

Topic Description

This topic covers the responsibilities and obligations under the new Supervision Guidelines.

Delivery

This topic must be delivered in:

- a face-to-face interactive training environment with a maximum of 40 attendees, or
- an interactive online webinar with a maximum of 25 attendees.

Duration

Providers may deliver this training as a standalone subject or combined with other compulsory units. It is the responsibility of the approved provider to determine the appropriate length of training required to meet the required learning outcomes.

Learning Outcomes

Upon successful completion of this compulsory CPD topic, participants will be able to:

Module	Learning Outcome
Module 1: Goals and purpose of the Supervision Guidelines	1.1 Explain the goals and purpose of the new Supervision Guidelines, as set out in the Strata and Property Services Commissioner's introduction and at other points throughout the document
Module 2: People Leadership	2.1 Demonstrate an understanding of the obligations of Supervision Requirement 1 – People Leadership as they relate to the participant's class of licence, including but not limited to: 2.1.1 the requirement that all parts of the business must be under the supervision of a licensee in charge 2.1.2 the requirement to properly supervise persons engaged in the business 2.2 Identify new guidance and requirements under Supervision Requirement 1 as compared to the previous Supervision Guidelines that were in force from March 2023 to June 2024 2.3 Conduct an initial check of their own agency's compliance with the requirements of Supervision Requirement 1 and identify matters that need immediate attention
Module 3: Legal Compliance	3.1 Identify obligations of the Supervision Requirement 2 – Legal Compliance as they relate to the participant's class of licence, including: 3.1.1 the requirement to establish procedures designed to ensure that the provisions of this Act and any other laws relevant to the conduct of that business are complied with 3.1.2 the components of the required procedures 3.2 Identify new guidance and requirements under Supervision Requirement 2 as compared to the previous Supervision Guidelines that were in force from March 2023 to June 2024

	<p>3.3 Conduct an initial check of their own agency’s compliance with the requirements of Supervision Requirement 2 and identify matters that are currently compliant and those that need immediate attention</p>
Module 4: Monitoring Business Conduct	<p>4.1 Identify obligations of the Supervision Requirement 3 – Monitoring Business Conduct as they relate to both class 1 licensees and other licensees and certificate holders, including but not limited to:</p> <p>4.1.1 The requirement to monitor the conduct of business in a manner that will, as far as practicable, ensure the operational procedures required under Supervision Standard 2 are complied with</p> <p>4.2 Identify the new guidance and requirements under Supervision Requirement 3 as compared to the previous Supervision Guidelines that were in force from March 2023 to June 2024</p> <p>4.3 Conduct an initial check of their own agency’s compliance with the requirements of Supervision Element 3 and identify matters that need immediate attention</p>
Module 5: Scenario	<p>5.1 Discuss as an in-class exercise the scenario related to the proper supervision of a strata managing agency business set out below.</p> <p>SCENARIO <i>Kelly Varnsen is managing director and licensee in charge of KV Pty Limited trading as Sensation Strata. The business has three registered offices: one each in Brighton-le-Sands, Bondi Junction and Burwood. KV Pty Ltd holds a corporation licence under the Property and Stock Agents Act 2002, while Kelly holds a class 1 strata managing agent’s licence. The business has 35 staff operating out of the branches, 30 of whom hold a class 2 licence in strata management and five are assistant agents. Unfortunately, Kelly suffers a severe heart attack and efforts to revive her are not successful. Her untimely passing leaves the corporation without a licensee in charge.</i></p> <p>5.2 Identify who holds the legal obligation for proper supervision of the business following Kelly’s death</p> <p>5.3 Identify the compliance steps that must be taken in the days following Kelly’s death, and when, under the Property and Stock Agents Act and the Supervision Guidelines</p> <p>5.4 Explain what steps Kelly Varnsen and KV Pty Ltd could have taken prior to Kelly’s death to ensure risks of a failure of supervision would be minimised in the event of the sudden and unexpected departure of a sole licensee in charge</p>

Assessment

Overview of Assessment	Completion of this compulsory CPD topic is to be assessed through demonstration of knowledge of requirements that are applicable to the class and type of licence held by the participant. A written assessment must be undertaken to assess the participant’s knowledge and provide supporting evidence of competence.
Critical aspects for assessment	<p>A person who demonstrates competency in this unit will have knowledge of:</p> <ul style="list-style-type: none"> the goals and purpose of the new Supervision Guidelines 2024 as set out in the Strata and Property Services Commissioner’s introduction and at other points throughout the document

	<ul style="list-style-type: none">• the obligations and responsibilities under the new Supervision Guidelines 2024 of persons responsible for proper supervision of the business of a licensee• the obligations and responsibilities under the new Supervision Guidelines 2024 of persons engaged in the business of a licensee
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Property and Stock Agents Continuing Professional Development 2024-25

Compulsory Topic Outline

Topic: Best practice maintenance and repair of strata common property

This compulsory topic outline is for approved providers of NSW property industry continuing professional development under the *Property and Stock Agents Act 2002* and Regulations.

This compulsory unit is applicable to: Strata Managing Agents

Topic Description

Maintenance and repair of the common property in a strata scheme is a strict legal duty of owners corporations, with significant personal, financial and safety consequences for lot owners if the duty is not complied with. Strata managing agents play a critical role in providing professional advice to owners corporations, enabling compliance and resolving disputes.

This topic explores best practice for strata managing agents in relation to maintenance and repair of common property, as an ongoing owners corporation obligation outside of the statutory warranty period that applies to developers and builders and enforced by the Building Commission.

Delivery

This topic must be delivered in:

- a face-to-face interactive training environment with a maximum of 40 attendees, or
- an interactive online webinar with a maximum of 25 attendees.

Duration

Providers may deliver this training as a standalone subject or combined with other compulsory units. It is the responsibility of the approved provider to determine the appropriate length of training required to meet the required learning outcomes.

Learning Outcomes

Upon successful completion of this compulsory CPD topic, participants will be able to:

Module	Learning Outcome
Module 1: Statutory duty of owners corporations to maintain and repair common property	<p>1.1 Demonstrate understanding of:</p> <ul style="list-style-type: none">1.1.1 the strict legal duty imposed by sections 106(1)-(3) of the <i>Strata Schemes Management Act 2015</i> (the Act) on owners corporations to maintain and repair the common property of the strata scheme,1.1.2 that negligence by the owners corporation need not be proven to trigger liabilities under the Act, and1.1.3 the impending change to the statutory limitation period under section 106(6) of the Act as recommended by the report on the statutory review of NSW strata laws (November 2021) <p>1.2 Identify the types of losses that can be experienced by individual lot owners, and the owners corporation, as a result of failure to comply with the duty to maintain and repair</p> <p>1.3 Explain the remedies available to lot owners who suffer loss due to a breach of section 106 and the process to be followed</p>
Module 2: Strata managing agent's role and best practice professional advice	<p>2.1 Explain the means by which owners corporations ensure, to the best of their ability, that they maintain compliance with sections 106(1)-(3), including but not limited to:</p> <ul style="list-style-type: none">2.1.1 capital works fund planning, contributions and review

	<ul style="list-style-type: none"> 2.1.2 active engagement of building management experts in the running of the scheme 2.1.3 avoidance and management of conflicts of interest within strata committees 2.1.4 obtaining insurance valuations at regular intervals 2.1.5 immediate application of insurance payouts for damage or destruction to strata buildings to the rebuilding, replacement, repair or restoration of the buildings as per section 163 of the Strata Schemes Management Act 2.1.6 diligent adherence to annual fire safety statement requirements 2.1.7 diligent adherence to any development consent required by local councils 2.1.8 application to the NSW Civil and Administrative Tribunal (NCAT) for appointment of a compulsory managing agent where the either the owners corporation alone, or in combination with an existing strata manager, has failed to comply with its statutory duties under sections 106(1)-(3) <p>2.2 Demonstrate understanding of best practice strata management to maximise owners corporation compliance with section 106, including but not limited to:</p> <ul style="list-style-type: none"> 2.2.1 the legal obligations on strata managers under the Rules of Conduct (Property and Stock Agents Regulation) including acting in client’s best interests, fiduciary obligations, honesty fairness and professionalism, and skill care and due diligence 2.2.2 critical issues at establishment of strata scheme and first AGM, including robust levies for administrative and capital works funds; implementing a quality initial maintenance schedule 2.2.3 obtaining high quality building advice for preventative and remedial works on common property 2.2.4 communication and engagement strategies for obtaining lot owners’ agreement to undertake necessary preventative and remedial common property work, including implications for future asset values and saleability of individual lots 2.2.5 support for the strata committee to operate effectively and in compliance with their obligations, including education and training options 2.2.6 options for financing planned and unplanned maintenance and repair works, including strata loan facilities 2.2.7 good governance of works proposed by individual lot owners that affect common property, including adoption of by-laws to govern ongoing maintenance and repair of the common property subject to an owners corporation resolution <p>2.3 Identify future or already-commenced regulatory reform that will increase NSW Fair Trading’s ability to intervene in strata schemes in breach of section 106, including:</p> <ul style="list-style-type: none"> 2.3.1 legal standing for the Secretary as an applicant under section 237 of the Act for a compulsory managing agent appointment 2.3.2 compliance and enforcement powers of the Secretary to issue orders to owners corporations for maintenance or repair work, as recommended by the statutory review of NSW strata laws (November 2021)
Module 3: Scenarios and case studies	3.1 Discuss as an in-class exercise, the following hypothetical scenario, using the lessons learned in module 1 and 2 to inform responses:

	<p>SCENARIO</p> <p><i>Julienne Gardens is a large strata scheme near Lake Macquarie, with 492 residential lots. It is managed by Salient Strata in Newcastle. The buildings of the strata scheme are nearing 30 years old and a significant program of capital works is required to preserve the building assets and protect the safety and amenity of residences, which include a large number of tenants.</i></p> <p><i>Levies have been adequate to date, with no significant arrears problems, but immediate and ongoing injections of funds are needed for the owners corporation to maintain compliance with section 106 of the Act.</i></p> <p><i>A group of lot owners, led by long term property investors at Julienne Estate, wants to block a rise in levies and has gathered enough (legitimate) proxies to form a majority on the committee and push through budget cuts at a recent AGM.</i></p> <p><i>Once in office the committee starts arranging some works, including to the secretary's lot, bypassing contractors recommended by Salient Strata and the building manager, instead using cheaper services of personal contacts.</i></p> <p><i>Discontent grows within a minority of lot owners at Julienne Gardens, as some fear the new committee is acting improperly and not in the owners corporation's best interests.</i></p> <p>3.2 Identify the best practice professional response of the strata manager in these circumstances, including:</p> <p>3.2.1 relationship with the new strata committee</p> <p>3.2.2 relationship with the owners corporation</p> <p>3.2.3 approach to the impending expiry/renewal of the managing agency agreement at the next AGM in 12 months' time</p> <p>3.2.4 risks and mitigation strategies in response to the strata committee arranging their own works with apparently related parties</p> <p>3.2.5 any possible contact with regulatory authorities</p>
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Assessment

Overview of Assessment	Completion of this compulsory CPD topic is to be assessed through demonstration of knowledge of requirements that are applicable to the class and type of licence held by the participant. A written assessment must be undertaken to assess the participant's knowledge and provide supporting evidence of competence.
Critical aspects for assessment	<p>A person who demonstrates competency in this unit will be able to demonstrate or explain knowledge of:</p> <ul style="list-style-type: none"> • owners corporations' statutory duties to maintain and repair common property under section 106 of the Act • the means by which owners corporations can ensure compliance with section 106 • the role of strata managers in discharging owners corporations' duties under section 106 of the Act • features of best practice professional advice from strata manager to maximise owners corporations' compliance with section 106 • future or already commenced regulatory powers with respect to owners corporations' failure to comply with section 106