

Responsibilities of the owners corporation

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The owners corporation is responsible for maintenance, repair and overall management of the common property. This includes:

- financial management
- insurance
- record keeping
- repairs and maintenance of common property
- by-laws
- employment of a strata managing agent and/or a building manager (if they choose to do so)
- keeping up to date with, and adhering to, all applicable laws. This includes planning; building; fire and safety inspections and work, health and safety laws.

Strata roll

The owners corporation must prepare and keep a strata roll. It should include:

- the owner's name and address/email for service of notices
- the owner's agent and the agent's Australian address/email for service of notices
- the strata plan number and the address of the building
- the name of the original owner and an Australian address for notices
- the name of the managing agent (if there is one) and an Australian address for notices
- the total unit entitlements for the scheme and each lot
- insurance details
- the by-laws for the strata scheme.
- Details of any tenants (name and address/email) for service of notices.

Contributions and funds

Owners are charged a fee that pays for maintenance and repairs. These contributions are worked out in proportion to the unit entitlements of each lot.

The funds are kept in an administrative fund for day-to-day expenses and a capital works fund for major works, maintenance or repairs.

Record keeping

The owners corporation must keep the following information for at least 7 years:

- details of motions passed,
- copies of all correspondence received and sent, and
- notices of owners corporation and strata committee meetings.

Also, proxies given to the owners corporation must be kept for at least seven years after the proxy expires.

Financial records and statements

Accounting records and financial statements also need to be kept for at least 7 years. These include:

- receipts consecutively numbered
- a statement of deposits and withdrawals for the account of the owners corporation
- a cash book
- a levy register.

The owners corporation must prepare financial statements:

- for the period beginning on the date the strata plan was registered and ending no earlier than two months before the first Annual General Meeting (AGM)
- for each period beginning on the date the last statement was prepared and ending no earlier than two months before the next AGM.

Inspection of records

An owner or mortgagee, or their authorised person, can make a written request to the owners corporation to inspect the records. The request must be accompanied by the prescribed fee which is currently \$31 for the first hour of work.

The inspection time and place has to be agreed by both parties. If no agreement is reached within three days, the owners corporation can stipulate the time and date by written notice. The inspection date can be no later than 10 days from the date the owners corporation receives the notification.

Documents can be inspected in person, electronic access or any other ways agreed. You can make copies of the documents but must not, without the consent of the owners corporation, remove the originals from the custody of the owners corporation.

Retention of records

The owners corporation must keep the following information for at least seven years:

- strata roll
- information about the common property and strata scheme including insurance, the original owner of the scheme, any strata manager appointed and by-laws

- notice and minutes of meetings of the owners corporation and strata committee
- financial statements and accounting records
- proxies delivered to the owners corporation
- voting papers related to motions for resolution and election of officers of a strata renewal committee
- signed managing agent or building manager agreements and records provided to them
- details of motions passed.

Large schemes

A large scheme has more than 100 lots, not including parking and utility lots. Some special provisions apply to large schemes:

- financial accounts must be audited every year
- annual budgets must list amounts expected to be spent on specific items
- at least two quotes must be obtained by the owners corporation for items over \$30,000
- proxy votes for a owners corporation meeting must be provided to the secretary at least 24 hours before the meeting
- personal notice of all upcoming strata committee meetings and the minutes of these meetings must be provided to lot owners upon request (notice cannot be given via noticeboards).

A large strata scheme cannot spend more than 10 percent above the budgeted amount for any item unless restriction removed or for emergency purposes. This restriction can be removed by a resolution at a general meeting, and does not apply to expenditure for emergency purposes, including (but not limited to) the following:

- burst or blocked water or sewerage pipes,
- serious damage caused by fire or storm or any other natural disaster,
- unexpected electrical or security system failure,
- glass breakages that affect the security of any building in the strata scheme or could result in damage to the inside of any such building

Two-lot schemes

There are special provisions that apply to owners in a two-lot scheme:

- accounts and finance statements are not required to be audited
- owners can obtain their own building insurance for their lot, and be exempt from having a capital works fund if:
 - the building in each lot are physically detached;
 - no building or part of a building is situated outside the lots; and
 - the owners pass a unanimous resolution for the owners corporation not to have building insurance for both buildings and/or not to have a sinking fund.
- a quorum in a two-lot scheme with two owners is always two people entitled to vote.
- the strata committee is made up of an owner, from each lot.

Insurance

The building must have damage policy and public liability insurance with an approved insurer. The owners corporation must also have workers compensation insurance when needed.

Fire safety inspections

The owners corporation must make sure that access to all areas of the strata scheme is available for fire safety inspections.

Pesticide notification

Residents of multiple occupancy dwellings must be given five days notice before any pesticides are used on internal or external common areas. Notice of the treatment can be given in person, by fax, by email or telephone, by post, in letterboxes, under doors or by placing it on common notice boards and near the main building entrance.

Visit the [NSW Office of Environment and Heritage website](#) or call 13 15 55 for more details, fact sheets and to download blank notice forms.

Swimming pools

A swimming pool or spa pool on the premises is the responsibility of the owners corporation. Pools must be registered on the [NSW Government Swimming Pool Register](#).

If a strata schemes with more than two lots has a pool, it must be inspected by the local council every three years. Contact your local council for details on inspection programs or visit the [swimming pools page](#) for more information.

Legal action

The owners corporation or strata committee can hire legal services without approval if:

- urgent action is needed and the cost is no more than \$15000, or
- the cost is under \$3000 for non-urgent action.

Approval is not required to:

- Get legal advice before commencing legal action
- take legal action to recover unpaid contributions, interest on unpaid contributions or related expenses.

When estimated costs have been provided, the owners corporation must give a copy to each owner and the strata committee within 14 days. When legal action has been brought against a lot owner/s or by lot owners against the owners corporation, the court can order that any money including costs, payable by an owners corporation may be levied only to lots as specified in the order.

If an owners corporation wants to commence legal action of any type in its administration of the scheme, (including the obtaining of legal advice), where payment of money is involved, specific steps must be taken. When an owners corporation undertakes residential building work and a contractual dispute with the builder or tradesperson arises, the owners corporation can take the matter to the NSW Civil and Administrative Tribunal. Legal advice, services or action for the recovery of unpaid levies is exempt from the requirement for approval.

Other powers and obligations

The owners corporation has a range of other responsibilities that can also be delegated to a strata managing agent. These include:

- issuing a notice on a person to comply with a by-law
- providing strata information certificate to prospective purchasers within 14 days of written request
- allowing an owner or a person, with the owner's consent, to inspect the records of the strata scheme
- notifying those holding a priority vote to any meetings where a priority vote can be used
- ensuring access to all parts of the scheme is provided for necessary fire safety inspections
- notifying all residents at least five days prior to a pesticide treatment being used on internal or external common areas. The notice can be given in person, writing, or by placing it on common notice boards and near the main building entrance.

The owners corporation cannot delegate the following:

- any decision that can be made by the owners corporation only
- power to grant, by special resolution, a licence to a lot owner to use common property for a 'once only' purpose.
- dismissal of some or all of its strata committee.

Fast broadband connection

Owners corporations should be aware of any technical or contractual issues that could limit lot owners' choice of internet provider. Check the terms and conditions in any proposed service agreement and ask about:

- the contract term and how it can be terminated
- one-off and ongoing charges - are there monthly fees? Is there an installation charge? What are the maintenance and fault repair costs?
- options for individual lot owners to connect to other providers
- site access arrangements - where will equipment be located, is this inside or outside the building?

Visit the [Commonwealth Department of Communications - Broadband networks in apartment buildings](#) for more information.

Go to the [Telecommunications Industry Ombudsman \(TIO\) website](#) or call 1800 062 058 for enquiries or to make a complaint.

The NBN, fire alarms and lift phones

The migration of fixed line and internet services to the NBN network can affect fire alarms and lift services.

Owners corporations should contact their fire monitoring and lift service providers as soon as possible and make sure they're aware that:

- Fire and lift services should be registered on the NBN Co Limited (NBN) Fire and Lift Register to assist with the migration process
- Correctly registered fire and lift services will not be disconnected until 1 July 2017.
- Migration does not happen automatically . Even if the regular phone and internet services have already migrated to the NBN, this doesn't mean that the lift or monitored fire alarm service has also been migrated.

Owners corporations should download the [good practice guide](#) to help understand their role.

[Prev](#) Starting the owners corporation

[Next](#) Strata committee