

# Glossary of Group Title Terms

## GLOSSARY

Term	Meaning
<b>Access Rights</b>	<p>OCs have the right to access a lot to carry out specified kinds of work:</p> <ul style="list-style-type: none"><li>• In an emergency, at any time.</li><li>• Otherwise, with the occupant's consent or with a Tribunal access order.</li></ul> <p>Owners and occupiers have the following rights to access common property, unless modified by a by-law or licence:</p> <ul style="list-style-type: none"><li>• An owner or occupier has an irrevocable right to use common property in common with other owners and occupiers, i.e. other owners can't prevent an owner using common property, except where it involves exclusive use or is otherwise in breach of legislation or a by-law.</li><li>• An owner or occupier can grant an irrevocable licence to an invitee for purposes reasonably ancillary to ownership or occupation of the lot, e.g. other owners can't prevent an owner or occupier allowing a visitor to enter common property to visit the lot.</li><li>• An owners or occupier can grant a revocable licence to an invitee to enter common property for other purposes, but this could be revoked by other owners.</li></ul>
<b>Administrative Fund</b>	<p>This is the fund maintained by an OC to manage recurrent expenses of running the scheme, such as insurance, utilities, cleaning and garden maintenance.</p>
<b>Agency Agreement</b>	<p>This is a contract between an agency business and an OC client, appointing the agency as strata managing agent.</p> <p>Crucial areas:</p> <ul style="list-style-type: none"><li>• Appointment of the agent and delegation of functions to the agent.</li><li>• Disclosure of various matters which must be disclosed by the agent.</li><li>• Specification of the services to be provided by the agent.</li><li>• Specification of the remuneration to which the agent is entitled.</li></ul>

<b>Annual Fire Safety Statement or AFSS</b>	This is a statement which most OCs are required to provide to Council and the Fire Commissioner annually, confirming inspection and satisfactory operation of essential fire safety measures detailed in the relevant Fire Safety Schedule.
<b>Annual General Meeting or AGM</b>	See “Meetings”.
<b>Assistant Agent</b>	See “Strata Managing Agent”.
<b>Australian Consumer Law</b>	Comprehensive consumer protections enacted under the Competition and Consumer Act 2010, operative at both Commonwealth and State levels.
<b>Australian Privacy Principles</b>	A set of principles enacted under the Privacy Act 1988, regulating collection, holding, disclosure and use of personal information.
<b>Building Approval</b>	An approval issued by a consent authority, typically council or a private certifier, approving the carrying out of specified building works.
<b>Building Defects</b>	<p>Building Work not completed or completed:</p> <ul style="list-style-type: none"> <li>• in breach of statutory warranties, particularly those imposed by the HBA;</li> <li>• in breach of the contract between the parties;</li> <li>• negligently; or</li> <li>• in contravention of applicable laws.</li> </ul>
<b>Building Manager</b>	<p>A person appointed by the OC to assist with one or more of the following <a href="#">functions</a>:</p> <ul style="list-style-type: none"> <li>• Management of <a href="#">common property</a>.</li> <li>• Control of the use of <a href="#">common property</a> by persons other than the <a href="#">owners</a> and <a href="#">occupiers</a> of lots.</li> <li>• maintenance and repair of <a href="#">common property</a>.</li> </ul>
<b>Building Management Committee or BMC</b>	See “Stratum Subdivision”.
<b>Building Work</b>	The definition of building work within the relevant legislation is quite broad, and captures not just the works undertaken, but also the coordination or supervision of that work.
<b>By-Laws</b>	<p>By-laws are rules regulating strata buildings, with a focus on use of common property.</p> <p>Key points:</p> <ul style="list-style-type: none"> <li>• For strata plans registered prior to 1 July 1997, the by-laws will be initially as set out in Schedule 2 of the SSMA.</li> </ul>

	<ul style="list-style-type: none"> <li>• For strata plans registered from 1 July 1997 to 30 November 2016, the by-laws will be initially as registered with the strata plan.</li> <li>• For strata plans registered from 30 November 2016, the by-laws will be initially as registered with the strata plan and may involve adoption of model by-laws contained in the SSMR.</li> <li>• In all these cases, an OC can amend or repeal existing by-laws and make new by-laws. However there are some limits as to what by-laws an OC can make.</li> <li>• Further, the Tribunal can invalidate a by-law in some cases, particularly if the OC did not have the power to make the by-law or the by-law is harsh, unconscionable or oppressive.</li> <li>• An OC is required to keep and register a consolidated set of by-laws, making it relatively easy to establish the by-laws for a strata plan.</li> </ul> <p>Common By-laws:</p> <ul style="list-style-type: none"> <li>• <b>Common Property Rights By-Law:</b>  This is a by-law created under the SSMA giving an owner exclusive use or other special privileges in relation to a common property area.</li> <li>• <b>Common Property Works By-Law:</b>  This is a by-law specifying the terms on which the OC has authorised an addition to or alteration of common property.</li> <li>• <b>Minor Renovations By-Law:</b>  This is a by-law which delegates authority to approve minor renovations requested by lot owners to the strata committee.</li> <li>• <b>Section 136 By-Law:</b>  This is a by-law made under the general power of the OC to make by-laws “in relation to the management, administration, control, use or enjoyment of the lots or the common property and lots of a strata scheme”. These typically deal with amenity issues such as parking, storage, pets and smoking.</li> </ul>
<b>Capital Works Fund</b>	This is the fund maintained by an OC to manage the cost of capital works, such as painting and major repairs.
<b>Certificate of Title</b>	A certificate of title is a legal document evidencing ownership of property in NSW. It is issued by the NSW Land Registry Services and provides information such as the name(s) of the lot owner(s), the lot number, the strata plan number, and any registered interests.

<b>Class 2 Building</b>	A building that includes more than one dwelling, each of which is occupied by one or more people to the exclusion of others.
<b>Class 3 Building</b>	A residential building providing long-term or transient accommodation for a number of unrelated persons.
<b>Class 9c Building</b>	A residential care building.
<b>Common Property Rights By-Law</b>	See "By-Laws".
<b>Common Property Works By-Law</b>	See "By-Laws".
<b>Company Nominee</b>	A person appointed by a corporate lot owner to represent the corporate lot owner at meetings of the owners corporation, by means of a nomination served on the owners corporation and recorded in the strata roll.
<b>Compliance Program</b>	A program adopted by an entity to ensure proactively compliance with legislative requirements, typically comprising policies and programmed training.
<b>Compulsory Appointment</b>	Appointment of a strata managing agent by the Tribunal to exercise some or all of the functions of an OC and its SC and office bearers, typically in the event of a dysfunctional scheme.
<b>Connected Person</b>	<p>The SSMA contains an extremely complex definition, which boils down to the two persons (one or both of whom could be a company, rather than a natural person) having a family or business relationship, directly or indirectly through companies.</p> <p>This is important in relation to restrictions such as:</p> <ul style="list-style-type: none"> <li>• Restrictions on persons connected with the Original Owner acting as strata managing agent.</li> <li>• Restrictions on voting as proxy.</li> </ul>
<b>Construction Certificate</b>	A certificate issued prior to commencement of construction works, subject to satisfaction of specified requirements.
<b>Delegated Authority</b>	<p>This is the authority delegated to a strata managing agent, strata committee or someone else to perform functions of the OC. It is a very important concept, in part because it is one of the major sources of strata disputes. In particular:</p> <ul style="list-style-type: none"> <li>• There are restrictions on the extent to which certain functions can be delegated and going too far can result in an invalid delegation and unworkable agency relationship.</li> <li>• OCs don't always realise that a delegation of authority to a strata managing agent in relation to a function does not prevent the OC from performing that function, e.g. if unhappy with how the strata managing</li> </ul>

	<p>agent is performing it.</p> <ul style="list-style-type: none"> <li>Excessive delegation should be avoided, e.g. delegation of a function to a strata managing agent in case the strata managing agent might need to perform that function, but with the expectation that it will normally be performed by the OC, invites disputes as to whether the strata managing agent is required to perform that function or negligent if it doesn't.</li> <li>Inadequate delegation should be avoided, e.g. giving the strata managing agent inadequate power to perform its obligations under the agency agreement invites disputes.</li> </ul>
<b>Developer</b>	This is a person, typically a company, who is the Original Owner or the <a href="#">owner</a> of a <a href="#">Development Lot</a> .
<b>Development Contract</b>	In the case of stage development, a contract governing further development of a development lot.
<b>Development Lot</b>	This is a lot in a strata plan which will in the future be further subdivided into additional lots under a strata development contract.
<b>Dividing Fence</b>	Dividing fence means a fence separating the land of adjoining owners, whether on the common boundary of adjoining lands or on a line other than the common boundary.
<b>Easement</b>	<p>A right to use all or part of someone else's property for a specified purpose, e.g.:</p> <ul style="list-style-type: none"> <li>A right of way, e.g. a right of vehicular or pedestrian passage.</li> <li>An easement for services, e.g. to site cabling or pipes.</li> <li>An easement for support, e.g. an obligation not to interfere with support of a wall.</li> </ul> <p>In a strata context, this could involve lots or common property or both.</p>
<b>Encroachment</b>	A scenario in which Improvements erected on one property intrude wholly or partly into an adjoining property.
<b>Exempt Development</b>	Work that does not require any planning or building approval.
<b>Extraordinary General Meeting or EGM</b>	See "Meetings".
<b>Falls</b>	Falls refer to the slope or gradient of a surface, such as a floor or a drainage system. If it is not steep enough to allow water to flow away effectively, this can lead to water ponding and potential water damage.
<b>Fence</b>	Fence means a structure, ditch or embankment, or a hedge or similar vegetative barrier, enclosing or bounding land, whether or not continuous or extending

	<p>along the whole of the boundary separating the land of adjoining owners, and includes:</p> <ul style="list-style-type: none"> <li>a) any gate, cattlegrid or apparatus necessary for the operation of the fence, and</li> <li>b) any natural or artificial watercourse which separates the land of adjoining owners, and</li> <li>c) any foundation or support necessary for the support and maintenance of the fence, but does not include a retaining wall (except as provided by paragraph (c)) or a wall which is part of a house, garage or other building.</li> </ul>
<b>Fencing work</b>	<p>Fencing work means:</p> <ul style="list-style-type: none"> <li>a) the design, construction, replacement, repair or maintenance of the whole or part of a dividing fence, and</li> <li>b) the surveying or preparation of land (including the trimming, lopping or removal of vegetation) along or on either side of the common boundary of adjoining lands for such a purpose, and includes:</li> <li>c) the planting, replanting and maintenance of a hedge or similar vegetative barrier, and</li> <li>d) the cleaning, deepening, enlargement or alteration of a ditch, embankment or watercourse that serves as a dividing fence.</li> </ul>
<b>First Annual General Meeting or FAGM</b>	General meeting of the owners corporation held after expiry of the initial period.
<b>Freehold Strata Scheme</b>	A strata scheme where the OC owns the common property and the lot owners own the lots.
<b>Fiduciary Obligations</b>	These are special obligations, transcending contractual obligations, which apply in certain relationships, including agency relationships. They include obligations such as acting in the best interests of the client and avoiding conflicts of interest.
<b>Fire Safety Schedule</b>	A schedule detailing essential fire safety measures, such as dampers, fire collars and alarms, generally included in a development consent, complying development certificate, construction certificate or fire safety order issued for the relevant scheme.
<b>General Meeting or GM</b>	See "Meetings".
<b>Inaugural General Meeting</b>	First meeting of the owners corporation following strata plan.
<b>Initial Period</b>	This is the period from the date of registration of the strata plan to the date on which owners other than the <a href="#">Original Owner</a> become the owners of lots with <a href="#">unit entitlements</a> representing at least 1/3 of <a href="#">aggregate unit entitlements</a> .
<b>Internal Appeal</b>	An internal appeal is the process of challenging a decision made by a Tribunal member and can only be made on a question of law. The NCAT Appeal Panel is responsible for hearing internal appeals. Section 32(1) of the <i>Civil and Administrative Tribunal Act 2013</i> (NSW) outlines NCAT's internal appeal jurisdiction.

<b>Jurisdiction</b>	The area (geographical or activity) within which a body has power or authority.
<b>Large Scheme</b>	A strata scheme comprising more than 100 lots, not including utility lots and lots used for parking.
<b>Leasehold Strata Scheme</b>	A strata scheme where the OC leases the common property and the lot owners lease the lots, typically from a statutory authority.
<b>Levy Contributions or Levies</b>	<p>Contributions made by lot owners to the cost of administering a strata scheme.</p> <p>Key points:</p> <ul style="list-style-type: none"> <li>○ Contributions are determined by the OC with reference to anticipated requirements of the administrative fund and capital works fund.</li> <li>○ Typically, contributions are determined annually and payable quarterly. However, Special Levies may be determined to cover extraordinary expenses.</li> <li>○ With few exceptions, contributions are levied pro rata to unit entitlements.</li> </ul>
<b>Licensed Agent</b>	See “Strata Managing Agent”.
<b>Licensee in Charge</b>	See “Strata Managing Agent”.
<b>Limitations Period</b>	<p>Legal actions must be commenced within specified time periods, which depend on the type of action and applicable laws. This is hugely important in the strata sector, as failure to commence proceedings in relation to defective building work within the relevant limitations period could result in the OC having to bear the cost itself, without recourse to a developer, builder or insurance.</p> <p>The key limitations periods in the strata sector are:</p> <ul style="list-style-type: none"> <li>• Action for breach of statutory warranties relating to residential building work under the HBA – the HBA imposes a limitations period of 6 years from the date of completion of the work for Major Defects and otherwise 2 years from the date of completion of the work.</li> <li>• Action for negligence or breach of contract – The Limitation Act 1969 specifies a limitations period of 6 years from the date on which the cause of action arose, being the date damage was suffered (negligence) or the contract was breached (contract).</li> <li>• Action for loss or damage arising out of or in connection with defective building work –Section 6.20 (formerly Section 109ZK) of the Environmental Planning &amp; Assessment Act 1979 imposes a limitations period of 10 years after the date of completion of the work.</li> </ul>
<b>Lot Property</b>	This is defined generally as the cubic air space contained within a lot, bounded by the upper surface of the floor, the lower surface of the ceiling and the inner surface of the walls. However, this is subject to a number of qualifications and

	special cases.
<b>Major Defect</b>	<p>This means one or more of the following:</p> <ul style="list-style-type: none"> <li>• A defect: <ul style="list-style-type: none"> <li>○ in a <a href="#">major element</a> of a building, being an internal or external load-bearing component of a building that is essential to the stability of the building, a fire safety system or waterproofing;</li> <li>○ attributable to defective design, workmanship or materials or a failure to comply with the structural performance requirements of the National Construction Code; and</li> <li>○ that causes, or is likely to cause inability to inhabit or use all or part of the building for its intended purpose, destruction of all or part of the building or any part of the building or threat of collapse of all or part of the building.</li> </ul> </li> <li>• A defect involving use of combustible cladding.</li> <li>• A defect involving use of building products prohibited by the <a href="#">Building Products (Safety) Act 2017</a>).</li> </ul>
<b>Majority Resolution</b>	See “Resolutions”.
<b>Meetings</b>	<p>Meetings are the method by which OCs make decisions.</p> <ul style="list-style-type: none"> <li>• Principal meetings: <ul style="list-style-type: none"> <li>○ FAGM or First Annual General Meeting <p>This is a meeting of owners required not later than 2 months after the end of the initial period. There are a number of mandatory agenda items, focused on commencement of administration of the scheme.</p> </li> <li>○ AGM or Annual General Meeting <p>This is a meeting of owners occurring once each financial year. There are a number of mandatory agenda items.</p> </li> <li>○ EGM or Extraordinary General Meeting. <p>This is a meeting of owners other than an AGM. This is convened by the secretary, either on the secretary’s own initiative or following a “Qualified Request” by owners.</p> </li> <li>○ GM or General Meeting.</li> </ul> </li> </ul>



	<p>This is a generic term covering any of the above meetings.</p> <ul style="list-style-type: none"> <li>○ SC Meeting or Strata Committee Meeting.</li> </ul> <p>This is a meeting of the strata committee of the OC.</p> <ul style="list-style-type: none"> <li>● Meetings are regulated as follows: <ul style="list-style-type: none"> <li>○ OC meetings are regulated by the SSMA, mainly by Schedule 1.</li> <li>○ Strata Committee meetings are regulated by the SSMA, mainly by Schedule 2.</li> <li>○ However, OCs can to some extent make by-laws regulating meetings, e.g. in relation to electronic attendance and voting and secret ballots.</li> </ul> </li> </ul>
<b>Minor Renovations By-law</b>	See "By-Laws".
<b>Negligence</b>	<p>This is a common law action, providing for a right to compensation, essentially where:</p> <ul style="list-style-type: none"> <li>● The relationship between the parties gives rise to a duty of care.</li> <li>● The party owing the duty failed to take proper care</li> <li>● The party owed the duty suffered loss within the scope recognised by the law.</li> </ul> <p>The most important types of claim in a strata context are:</p> <ul style="list-style-type: none"> <li>● building defects claims in relation to construction works.</li> <li>● occupiers liability claims in relation to injuries or property damage on common property or lots.</li> <li>● claims against agents in relation to performance of functions under delated authority.</li> </ul> <p>Operates in conjunction with statutory schemes, such as:</p> <ul style="list-style-type: none"> <li>● HBA regarding residential building work.</li> <li>● SSMA Section 106(5) regarding loss suffered from failure to maintain common property.</li> <li>● WHS and workers compensation laws regarding workers.</li> </ul>
<b>NSW Land Registry Services</b>	The NSW Land Registry Services is a private operator of the land titles registry on behalf of the NSW Government. It maintains the General Register of Deeds and

	the land titles register under the <i>Real Property Act 1900</i> (NSW). Additionally, it provides lodgement and registration services.
<b>Occupier</b>	See “Strata Scheme”.
<b>Occupiers Liability</b>	See “Negligence”.
<b>Occupation Certificate</b>	A certificate issued prior to occupation of a specified development, subject to satisfaction of and requirements.
<b>Ordinary Resolution</b>	A resolution passed by a majority of persons voting on the resolution.
<b>Original Owner</b>	This is the person, typically a company, which on registration of the strata plan owned the land the subject of the strata plan or in the case of a leasehold scheme, was the lessee of land representing at least 2/3 of aggregate unit entitlement of lots in the scheme.
<b>Owner</b>	See “Strata Scheme”.
<b>Owners Corporation or OC</b>	<p>This is the legal entity created on registration of a strata plan to hold the common property on behalf of lot owners and to administer the strata scheme. Its rights and obligations are dealt with primarily by the SSDA and SSMA, but other legislation can be relevant.</p> <p>Importantly:</p> <ul style="list-style-type: none"> <li>• Although it is a type of company, it is not subject to the <i>Corporations Act 2001</i> like most other companies. As a result, in many respects, it operates differently to other companies, e.g. how it makes rules (by-laws instead of a constitution), conducts meetings and signs documents.</li> <li>• As a company holding the common property portion of the strata parcel on behalf of lot owners, the extent of the lot owners’ interest in the common party is a tricky question.</li> </ul>
<b>Parcel</b>	See “Strata Scheme”.
<b>PBCU</b>	Person conducting a business or undertaking. Defined term under WHS law. The person to whom the primary duty under Section 19 applies. It does not extend to the owners corporation of a scheme, the common property of which is used solely for residential purposes and which does not employ workers. It may extend to the strata managing agent of such a scheme.
<b>Personal Information</b>	Relevant to privacy laws. Essentially, it means information or an opinion about a person (whether or not true) where the person is readily identifiable.
<b>Planning Approval</b>	An approval issued by a consent authority, typically council or a private certifier, approving development on a site and imposing conditions on that approval. This extends to use of the land.
<b>PMCW</b>	Person conducting a business or undertaking involving management or control of a workplace. Defined term under WHS law. The person to whom the duty under Section 20 applies.

<b>Poll</b>	A vote determined according to unit entitlements.
<b>Proxy</b>	This means a person voting at a meeting on behalf of another person entitled to vote at the meeting. There are some restrictions, e.g. how the proxy is appointed and for how many persons the proxy can vote.
<b>Proxy Farming</b>	<p>The practice of securing proxies from blocs of owners, with a view to swaying the vote at one or more GMs.</p> <p>This was once a widespread practice, but is now limited in a number of ways:</p> <ul style="list-style-type: none"> <li>• A contract for sale of a lot can't require the purchaser to give another person a proxy to vote at OC meetings.</li> <li>• An <a href="#">Original Owner</a> or a person <a href="#">connected</a> with the <a href="#">Original Owner</a> cannot exercise a proxy given by a lot owner if the proxy was given pursuant to a contract for sale of the relevant lot.</li> <li>• A <a href="#">building manager</a>, <a href="#">on-site residential property manager</a> or <a href="#">strata managing agent</a> holding a proxy cannot use the proxy so as to confer on themselves a material benefit.</li> <li>• The total number of proxies that may be held by a person are: <ul style="list-style-type: none"> <li>○ if the <a href="#">scheme</a> has 20 lots or less = 1.</li> <li>○ if the <a href="#">strata scheme</a> has more than 20 lots = a number that is equal to not more than 5% of the total number of lots.</li> </ul> </li> </ul>
<b>Qualified Request</b>	A request for an EGM made by <a href="#">owners</a> of lots in a <a href="#">strata scheme</a> representing at least 1/4 of the <a href="#">aggregate unit entitlements</a> .
<b>Quorum</b>	The minimum number of persons required to be present at a meeting for it to be validly constituted.
<b>Resolutions</b>	<p>Resolutions are decisions made by an OC at a general meeting. The strata laws require that specified decisions be made by a specified type of resolution, including:</p> <ul style="list-style-type: none"> <li>• Ordinary Resolution or Majority Resolution – a resolution passed by a simple majority.</li> <li>• Special Resolution – a resolution where not more than 25% of the value of votes (calculated by unit entitlement) cast are against the resolution.</li> <li>• Unanimous Resolution – a resolution having no votes cast against it.</li> </ul> <p>Notes:</p> <ul style="list-style-type: none"> <li>• Only votes actually cast count, i.e. abstentions do not count for or against a resolution.</li> </ul>

	<ul style="list-style-type: none"> <li>• Votes are counted on a 1 vote per lot basis, unless a poll is called, in which case votes are counted pro rata to unit entitlements.</li> </ul>
<b>Schedule of Unit Entitlements</b>	A schedule forming part of a strata plan indicating unit entitlements pertaining to each lot, which is relevant to a range of issues, including voting rights and pro rata liability for levy contributions.
<b>Scheme</b>	See "Strata Scheme".
<b>Section 88B Instrument</b>	An instrument registered with a plan, including a strata plan, setting out the terms of restrictions on title such as easements, covenants & rights-of-way.
<b>Section 136 By-Law</b>	See "By-Laws".
<b>Sensitive Information</b>	Relevant to privacy laws. A category of personal information given special protection due to increased sensitivity, e.g. information relating to health, political views, religious views, racial/ethnic origin, criminal record & sexual orientation.
<b>Shared Facilities</b>	See "Stratum Subdivision".
<b>Special Levy</b>	See "Levy Contributions".
<b>Special Resolution</b>	<p>A resolution passed when:</p> <ul style="list-style-type: none"> <li>a) For a sustainability motion not more than 50% of the unit entitlement rate of the votes cast, vote against it.</li> <li>b) For any other motion not more than 25% of unit entitlements cast, vote against it.</li> </ul>
<b>Staged Development</b>	A scenario in which development works are completed in stages, with lot owners taking title and entering into occupation on completion of the relevant stage, prior to completion of the development as a whole, with remaining development to involve a development lot and development contract.
<b>Strata Committee or SC</b>	<p>This is the committee appointed by the OC to administer the scheme. Key points:</p> <ul style="list-style-type: none"> <li>• Elected at each AGM, with casual vacancies filled in between. Minimum and maximum numbers and eligibility criteria apply.</li> <li>• Similar to the board of directors of a company, the SC is able to take a more "hands on" approach than the OC, due to more flexible meeting and decision making procedures.</li> <li>• SC decisions are taken to be decisions of the OC. However, some decisions are reserved to the OC and OC decision prevail in the event of inconsistency.</li> <li>• Includes the following office bearers: <ul style="list-style-type: none"> <li>○ Chairperson – to preside over OC and SC meetings and to make determinations as to quorums and procedural matters at such meetings.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ Secretary – as set out in SSMA Section 43, essentially administration of OC and SC meetings, records and correspondence.</li> <li>○ Treasurer – as set out in SSMA Section 44, essentially administration of OC funds, levies and financial records.</li> </ul>
<b>Step down</b>	A slab step down refers to a change in elevation between one floor level (e.g. interior floor level) and another floor level (e.g. the balcony floor level). This step down is designed to prevent water from entering the other space by creating a barrier that directs water away from the building. It is a common feature in balcony construction to ensure proper drainage and waterproofing. A step down cannot necessarily be cut into an already poured concrete slab, as this could impact the fire-rating of the slab. Beware of <b>ramps</b> in <b>wet areas</b> – these can indicate insufficient step downs.
<b>Strata Information Certificate</b>	<p>This is a certificate which an OC is required to provide on request (subject to payment of the prescribed fee), containing prescribed information in relation to the scheme.</p> <p>This is extremely important to persons considering acquiring an interest in a scheme, e.g. a proposed purchaser or mortgagee of a lot.</p>
<b>Strata Interest Notice</b>	This is a notice which a person must give to an OC if the person acquires an interest in a lot entitling the person to vote at OC meetings, giving details of the person and their interest.
<b>Strata Laws</b>	<p>A number of acts and regulations impact on the strata sector. The most important are:</p> <p>CA            Conveyancing Act 1919.</p> <p style="padding-left: 40px;">This important in relation to the sale and purchase of strata lots.</p> <p>HBA          Home Building Act 1989.</p> <p style="padding-left: 40px;">This is important in relation to building works relating to residential strata schemes.</p> <p>PSAA        Property &amp; Stock Agents Act 2002.</p> <p>PSAR        Property &amp; Stock Agents Regulation 2014</p> <p style="padding-left: 40px;">These are important in relation to the operation of agency businesses, such as licensing and conduct.</p> <p>RPA          Real Property Act 1900.</p> <p style="padding-left: 40px;">This is important in relation to the sale and purchase of strata lots.</p>

	<p>SSDA      Strata Schemes Development Act 2015.</p> <p>SSDR      Strata Schemes Development Regulation 2016.</p> <p>These are very important in relation to strata development issues, such as creation, variation and termination of strata schemes and ownership and dealings with common property.</p> <p>SSMA      Strata Schemes Management Act 2015.</p> <p>SSMA      Strata Schemes Management Regulation 2016.</p> <p>These are very important in relation to operation of strata schemes, such as property management and financial management.</p>
<b>Strata Management Statement or SMS</b>	An instrument registered in relation to a strata development, regulating management and use and cost of shared facilities.
<b>Strata Managing Agent, Strata Manager, Agent or Manager</b>	<p>These terms relate to the contractual relationship under the agency agreement, as well as statutory obligations under the SSMA.</p> <p>These terms relate to licensing requirements under the PSBA, as well as statutory obligations under the SSMA.</p> <p>These can be very confusing, due to the overlap between some of them, the diversity of roles which can exist within an agency and legislative changes due in March 2020 which will rename some of these roles.</p> <p>Using the new terminology, the key players will be:</p> <ul style="list-style-type: none"> <li>• Strata Managing Agent, Agent, Licensee or Corporate Licensee normally refers to the owner of the agency business, typically a company, which has entered into an agency agreement with the OC client and holds the appropriate licence under the PSAA. This entity will have contractual obligations under the agency agreement and statutory obligations under the SSMA &amp; PSAA.</li> <li>• Strata Manager or Manager normally refers to the person actually performing work for the client, usually as an employee of the agency business. They generally have no liability under the agency agreement, as they are not a party to it, but will have statutory obligations under the SSMA &amp; PSAA.</li> <li>• Strata Manager or Manager can refer to various roles within an agency business, depending on function and licence level. The main roles are: <ul style="list-style-type: none"> <li>○ Licensee in Charge – This person holds what is now known as a class 1 licence and can perform all agency functions. They supervise other agency staff, but can now do so in relation to multiple locations, a</li> </ul> </li> </ul>
<b>Licensee, Corporate Licensee, Licensee in Charge, Licenced Agent or Assistant Agent</b>	

	<p>licensee in charge for each office no longer being required.</p> <ul style="list-style-type: none"> <li>○ Licensed Agent – This person will hold a class 2 licence and cannot withdraw money from a trust account.</li> </ul> <p>Assistant Agent – This person, previously known as a registered agent or certificate holder, holds a certificate of registration and cannot withdraw money from a trust account or enter into a contract on behalf of a client, other than a residential tenancy agreement.</p>												
<b>Strata Plan</b>	See “Strata Scheme”.												
<b>Strata Roll</b>	<p>This is a register which OCs are required to maintain, including prescribed information regarding the common property and lots, including information provided in Strata Interest Notices and Tenancy Notices.</p> <p>The Strata Roll is very important, particularly because it will be used to determine entitlement to notice of meetings and other matters and entitlement to attend and vote at meetings.</p>												
<b>Strata Scheme</b>	<p>As defined in the SSDA, this essentially means the framework of rights and obligations as between the various persons having interests in the land regulated by a particular strata plan, e.g. ownership interests and liability for contributions according to unit entitlements. However, given the complexity of that framework and the often incorrect use of some of the relevant terminology, e.g. use of “scheme” to mean the OC or the land, this area can be extremely confusing. The following “who’s who” and “what’s what” may assist:</p> <table border="1"> <tr> <td>Strata Plan</td> <td>The plan registered in relation to a site, identifying and creating the strata scheme.</td> </tr> <tr> <td>Parcel</td> <td>All of the land the subject of the strata plan.</td> </tr> <tr> <td>Scheme</td> <td>The rights and obligations as between the various persons having interests in the parcel.</td> </tr> <tr> <td>Common Property</td> <td>All of the land in the Parcel not included in a lot.  See also “Common Property”.</td> </tr> <tr> <td>Lot</td> <td>An area identified as a lot in the strata plan, but not including common property infrastructure, unless indicated in the strata plan to be part of the lot.</td> </tr> <tr> <td>Utility Lot</td> <td>A lot “designed to be used primarily for storage or accommodation of boats, motor vehicles or goods and not for human occupation as a residence, office, shop or the like”.</td> </tr> </table>	Strata Plan	The plan registered in relation to a site, identifying and creating the strata scheme.	Parcel	All of the land the subject of the strata plan.	Scheme	The rights and obligations as between the various persons having interests in the parcel.	Common Property	All of the land in the Parcel not included in a lot.  See also “Common Property”.	Lot	An area identified as a lot in the strata plan, but not including common property infrastructure, unless indicated in the strata plan to be part of the lot.	Utility Lot	A lot “designed to be used primarily for storage or accommodation of boats, motor vehicles or goods and not for human occupation as a residence, office, shop or the like”.
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		Note – there are some differences between lots and utility lots, e.g. whether approval of its owner is required for a strata renewal plan under Part 10 of the SSDA.	
	Owners Corporation	The legal entity created on registration of a strata plan to hold the common property on behalf of lot owners and to administer the strata scheme.  See also “Owners Corporation”.	
	Lot Owner	The registered owner of a lot.	
	Occupier	The person in lawful occupation of a lot, e.g. a tenant.  Note – tenants are bound by by-laws and may be entitled to be given notice of and attend meetings.	
<b>Stratum Development</b>	A scenario in which a site is developed by way of multiple strata plans, e.g. a commercial plan for ground floor retail lots and a residential plan for upstairs residential lots, governed by a strata management statement and a building management committee		
<b>Stratum Subdivision</b>	<p>The land comprising a building can be subdivided into multiple lots, one or more (but not necessarily all) of which can be subdivided into strata lots by a strata plan. This is common in mixed use developments, with shared facilities.</p> <p>In these cases:</p> <ul style="list-style-type: none"> <li>• The owners of the lots constitute a building management committee or BMC, responsible for management of use and contributions to the cost of the shared facilities according to the terms of a registered strata management statement or SMS, which amounts to a contract between the owners of the lots.</li> <li>• The BMC members will typically appoint a BMC manager, usually a strata manager, possibly the strata manager for an OC for which the strata parcel is one of the lots.</li> </ul>		
<b>Tenancy Notice</b>	A notice which a lot owner is required to give to an OC in the event that the owner leases the lot, giving details of the tenant.		
<b>Tenant Representative</b>	A person elected by tenants of lots in the scheme to represent them at meetings of the scheme. Applicable where at least half the lots in the scheme are the subject of tenancies in respect of which a tenancy notice has been served on the owners corporation.		
<b>Transitional Provisions</b>	Provisions in legislation dealing with transition from previous legislation, e.g. the whether provisions of the new legislation have retrospective effect and the status under the new legislation of things done under previous legislation.		



<b>Tribunal</b>	The NSW Civil & Administrative Tribunal or NCAT, which has substantial powers under the SSMA to make orders relating to strata schemes.
<b>Unanimous Resolution</b>	A resolution in relation to which no vote against is cast.
<b>Unfinancial Owner</b>	A lot owner, who has not paid all contributions levied on the owner that are due and payable and any other amounts recoverable from the owner in relation to the lot.
<b>Unit Entitlements</b>	This involves the specification of owners' respective interests in the scheme according to a table of unit entitlements registered with the strata plan. It has a number of consequences, including respective: <ul style="list-style-type: none"> <li>• voting rights.</li> <li>• obligation to make contributions.</li> <li>• interests in the land the subject of the strata scheme, in the event of a termination of the scheme.</li> </ul>
<b>Utility Lot</b>	See "Strata Scheme".
<b>Vicarious Liability</b>	Legal principles relating to liability of one party as a result of another party's actions, where they have a relationship of a specified type, e.g. liability of an employer for employee's actions.
<b>Void</b>	An area within a strata scheme comprising airspace on a particular level, which generally forms part of common property, rather than lot property on that level, due to a floor or ceiling opening excluding the usual definition of cubic airspace for the relevant lot.
<b>Wet area</b>	An area within a building supplied with water from a water supply system, which includes bathrooms, showers, laundries and sanitary compartments and excludes kitchens, bar areas, kitchenettes or domestic food and beverage preparation areas.
<b>Work Health &amp; Safety Laws or WHS</b>	Work Health and Safety Act 2011  Work Health and Safety Regulation 2017.  These impose safety obligations on all persons involved in activities at a workplace or place where a business or undertaking is being conducted.
<b>Workplace</b>	Defined term under WHS law. A place where work is carried out for a business or undertaking, including any place where a worker goes or is likely to go while at work.

Updated by Bannermans Lawyers

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