

Questions of The Hon. Anthony D'Adam at bottom of page 6 and the Chairman on page 16

There would be a real benefit in a compulsory but modest minimum level of training for a strata committee member coupled with a reasonable regulated amount of remuneration for carrying out that training.

Sections 73 and 74 of the *Strata Schemes Management Act 2015 (NSW)* (Act) detail the types of payments that an owners corporation may make. It is possible that the section 73(4)(d) allowance for payments from the administrative fund that are "*in connection with exercising its functions under this Act*" would permit an owners corporation to pay the fees for a strata committee member to undertake a course to improve the committee member's ability to carry out the committee members duties. However, I consider such an argument to be a 'stretch' with the correct position probably being that the Act does not allow the making of such a payment.

Section 46 of the Act sets out circumstances in which the owners corporation may make a payment to a committee member. Those circumstances are if a resolution to pay that amount is passed to make such a payment in recognition of the person's services performed at the next annual general meeting after the performance of the services. Strata committee members who spends their own time and money educating themselves for an owners corporation's benefit cannot expect to be paid for doing so. Even if they expect to instead be paid an amount for the services that they provide to the owners corporation, the realisation of that expectation is completely dependent upon a majority at the next annual general meeting agreeing to make a payment that the owners corporation does not have to make.

There would be a collective benefit in amending the legislation to allow for an owners corporation to pay, or contribute to, the cost of a committee member undertaking training that will improve the committee member's ability to carry out his or her responsibilities as a committee member and/or as an officer of the owners corporation. There would also be justification for such an amendment allowing for payment of a modest fee to committee members for their time in carrying out such training. I suggest that such an amendment authorise a body such a Fair Trading to regulate what can be paid and the courses for which such payments would be considered appropriate. That may be needed to avoid potential abuse of such a payment ability.

Question of The Hon. Trevor Khan on page 12

The outcome of a fire industry working group identifying all the different types of fire safety related tasks for a strata building and the appropriate qualifications for each role is included in the Construct NSW 'Improving fire safety report' dated October 2021 which has been recently released.

Question of the Chairman on page 12

The 'grandfathering' for fire safety measures concern referred to has not been raised with me. The position generally is that buildings do not have to upgrade to a current compliance requirement unless doing so is required by the conditions of a development consent or an order from the relevant local council made for the purpose of ensuring an adequate level of fire safety at the building.

Question of The Hon. Courtney Houssos on page 12

I am not familiar with the Victorian regime for fire safety measures and am therefore not in a position to comment upon this question.

Question of the Hon. Trevor Khan on page 14

In relation to the list of criteria that the OCN says would be appropriate for a builder to be licenced to construct a building higher than 3 storeys, my testimony noted that one approach would be to adopt the underwriting requirements that need to be satisfied for SICorp to issue insurance for the construction of a 3 storey building.

OCN also suggested the following alternative criteria in its submission on the *Home Building Act Concept Paper* lodged with NSW Fair Trading on 22 October 2021:

- 28. A starting point for licence requirements that would assist in restoring consumer confidence would be a licencing regime that does not allow a builder to build above 3 storeys unless:*
- (a) The builder, or its nominated licenced supervisor, has been licenced (ie: not just ambiguously having "relevant experience") as a builder and/or a nominated licenced supervisor of a builder, for at least 10 years; and*
 - (b) The builder achieves, and maintains from year to year, at least a 2.5 star rating under an iCIRT detailed assessment (or a prescribed equivalent rating under another rating tool).*
- 29. Such an approach would by itself prevent a very significant proportion of the defects currently being experienced. It can also be cost neutral for the government as it would be appropriate for the applicants for such a licence to cover the cost of an iCIRT detailed assessment as part of their fee to apply for a licence.*
- 30. If a contractor cannot achieve such a rating, they cannot be trusted to, and should not be allowed to, build over 3 storeys in NSW. It is inappropriate to provide them with a licence that allows them to do that. It is also inappropriate to later seek to victim blame consumers for defects, particularly those who have struggled to enter the housing market, by later saying it is your fault that you bought a unit from an untrustworthy builder or developer.*