

# New Rules, New Duties, New Powers: The Building Manager Overhaul

Pending reforms to strata management legislation, including the Strata Schemes Legislation Amendment (Miscellaneous) Bill 2025, are likely to commence later this year with a number of relevant changes. In particular:

## Term of Appointment

The amendments to **Section 68** and **Schedule 3** reduce the maximum term of appointment for building managers. These changes apply to both new and existing agreements, with transitional provisions ensuring the new limits take effect across the board. Key changes include:

- The term of appointment of a building manager appointed at the first AGM will expire at the end of the second AGM, if it does not end earlier or is not ended earlier for any other reason. This replaces the current provision for the term of appointment of a building manager appointed prior to the first AGM to expire at the end of the first AGM.
- The term will otherwise expire three years after it commenced, if it does not end earlier or is not ended earlier for any other reason. This replaces the current provision for a maximum 10 year term.
- A new Section 68(4) provides that the regulations may prescribe different maximum terms of appointment for specified classes of building manager.
- Transitional provision in Schedule 3 to the effect that Section 68(1) will apply to existing agreements.

## New Regulatory Framework for Building Managers

A new **Part 2A** of the Regulation introduces detailed provisions governing building manager duties, disclosure obligations, and conflicts of interest.

The proposed regulation includes:



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- R 17C definitions.
- R17D - definition of building manager, framed so as to exclude repair and maintenance contractors.
- R17E - building manager duties essentially to act with due diligence and to promptly draw owners corporation attention to maintenance repair and safety problems and a proposed solution.
- R17F - Building manager disclosure obligations when proposing a contract for supply of goods or services to the owners corporation in relation to which the manager will receive a benefit.
- R17G - Building manager disclosure obligations when proposing a contract for supply of goods or services to the owners corporation by a supplier with whom the manager has a connection, when the manager is connected with the original owner or when the manager has a direct or indirect pecuniary interest in the scheme.
- R17H - A person must give notice to the owners corporation if the owners corporation is considering appointing a building manager and that person may receive a benefit in relation to fees charged under that agreement.

### Expanded Tribunal Powers

The reforms also strengthen the Tribunal's ability to intervene in building management agreements. A key amendment permits the Tribunal to terminate or vary a building management agreement in the event of breach of duty prescribed by regulation.

We have considerable experience with these reforms and could assist you with reallocation with any practical issues you may be experiencing or expect.

If you are a Compliance Pack member, please click here to download the [Strata Reforms Guide](#).

*\*\*\*The information contained in this article is general information only and not legal advice. The currency, accuracy and completeness of this article (and its contents) should be checked by obtaining independent legal advice before you take any action or otherwise rely upon its contents in any way.*



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