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

Not Yet Commenced

The Strata Schemes Legislation Amendment (Miscellaneous) Act 2026 has now passed Parliament, introducing a number of significant reforms to strata management legislation. However, provisions relating to building managers have not yet commenced. Once in effect, the reforms will introduce a number of important changes. In particular:

What is the term of appointment for building managers?

Section 68 and **Schedule 3** are to be amended to reduce the maximum term of appointment for building managers. These changes will 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 not apply to existing agreements.

What is the 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.

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The proposed regulation includes:

- 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.

What are the expanded powers of the Tribunal?

The reforms will 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.

Key takeaways

- The maximum term of appointment for building managers will be reduced to three years.

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- New duties and disclosure obligations for building managers are introduced under the new regulatory framework.
- The Tribunal now has enhanced powers to terminate or vary building management agreements in cases of breach of duty.

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Prepared by Bannermans Lawyers

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