

Sliding Doors - Management rights in NSW would have ceased in 2025 if not for the existence of ARAMA

Fortunately, for the vast majority of people reading this, the story I'm about to tell is one you were completely oblivious of. For building managers in NSW in particular, ignorance is bliss and you were actually able to get some sleep for the last few months.

In September 2024, the Australian Resident Accommodation Managers Association (**ARAMA**) was contacted by NSW Fair Trading with an invitation to provide feedback on a confidential draft strata legislation reform Bill that was about to go to the NSW parliament. ARAMA was given just a couple of weeks to consider the significant changes being proposed. Changes it turns out, that would have killed the management rights industry in NSW and had negative repercussions Australia wide.

Knowing that any change of the strata laws would have an impact on management rights, Trevor Rawnsley and the ARAMA team organised an urgent meeting to discuss the proposed changes. Myself, along with a number of other lawyers and building managers representing a significant cross section of the entire management rights industry in NSW attended that meeting. Had ARAMA not organised this meeting, none of us would have been aware of what was about to happen.

So, what was about happen in NSW?

- All building manager agreements would be dropped to a 3 year maximum term.
- Existing building manager agreements and service contracts that were over 3 years in length could be considered "unfair", and terminated under new unfair contracts legislation.
- Owners Corporations would be able to deny the appointment of a building manager who didn't have prior experience as a building manager.
- Building managers would be banned from seeking other income sources from owners.
- Building managers would effectively be required to share trade secrets with Owners Corporations concerning the calculation of their fees and commissions.
- Building managers would be required to perform certain caretaking duties relating to fire safety and the preparation of maintenance and repair proposals, regardless of whether they were paid to perform these duties or if the duties were already performed by another person.
- All service contracts for an Owners Corporation (for example plumbers, electricians and elevator maintenance) would require a general meeting to be approved.

To say that we were all shocked and surprised when we realised the extent and impact that these changes would have on the management rights industry (not just in NSW) is an understatement. Realising that we had only days in which to do something about it was daunting.

It was at this crucial moment that I found myself standing in the breach with the task of writing a document on behalf of ARAMA that would, at the last minute, convince the NSW Government not to go ahead with implementing the new laws they had been working on for years.

In less than a week and over 5,500 words later, with crucial support from ARAMA's Trevor Rawnsley, Jeff Beere, Minor Hotels, Accor, Small Myers Hughes, Flood Legal, Mahoneys and Pevy Lawyers, a written submission was made to NSW Fair Trading. In it, I very politely suggested that the Government should take a different approach with their new laws and instead improve the management rights industry in NSW. This message was again repeated in some hastily arranged

Zoom meetings between Fair Trading and ARAMA members, as we all made it very clear that the new laws being proposed would result in the cataclysmic destruction of the management rights industry in NSW.

As a result of our efforts, we were heard and the Bill was amended. And not just with some small, minor alterations, but with broad unambiguous changes that removed every red flag that we had identified. The management rights industry in NSW has been saved and I can proudly say I was there, on that day. But, in a different timeline where there is no ARAMA representing our industry and bringing these issues to our attention, things would have been so different. Instead of writing this article I would have been writing an article about where were you on the day management rights died in NSW. I'm glad we don't live in that timeline!

If you believe that long term agreements are worth fighting for then you should join ARAMA as a member and stay connected to them when asked to renew:-

<https://www.arama.com.au/membership/join-arama>

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