

**SCA Australasia Statement**  
**Friday 15 November 2024**  
**Alisha Fisher, CEO SCA Australasia**

**SCA Members should be aware of reforms to the national laws which relate to unfair contract terms in contracts which took effect from 9 November 2023.**

Across Australia, SCA has sought ongoing legal advice in relation to the Unfair Contract Terms (UCT) Act and acknowledges the importance of continued updates and amendments to its template management agreements to represent both market expectations and the legislation.

As a professional association, SCA has made efforts to standardise terminology without controlling cost, as this benefits consumers. VIC has released their new agreement and an updated NSW agreement is due for release in the next 2 weeks. Other region agreements are being updated for release shortly.

SCA state-based template contracts are a helpful resource and members can choose to use these templates, but they are not mandatory, and ultimately any contracts are between the client and the company.

Any template management agreement clause may be amended by negotiation, and each OC as a legal entity, is able to obtain independent legal advice to ensure any contract they enter into meets their needs. It is up to each OC and their appointed manager to negotiate on terms.

If a strata manager is unwilling to negotiate on any term a client deems unacceptable then the client has a legislated right of choice to appoint another strata manager.

Most contracts require mutual agreement or termination for a failure by a party to remedy (after notice) a breach of contract. SCA supports that management agreements should not contain clauses that are more onerous than what is legally required to effect termination.

Legal claims, damages, or expenses that are due to actions taken on behalf of the OC, are covered if the manager has acted responsibly and within the scope of their duties.

The indemnity provision enables the manager to act in good faith. It is proposed to exclude the agent's wilful breach of the agreement, negligence, dishonesty or fraud.

SCA opposes provisions that would impose unlimited liability on strata managers, as this could create a high risk environment and lead to higher service costs for owners.

We believe strata managers should be indemnified for liabilities incurred while performing their duties, in line with established legal principles.

Holding strata managers liable for losses "as a result of the manager's actions"—would represent a significant shift and could lead to increased costs and legal disputes.

SCA agreements do not cover situations where the manager has breached the law.

**The indemnity clause has always been designed "to the extent permitted by law" and to exclude protection for any wilful negligence, intentional breaches, dishonesty, or fraud by agents. The intent is to protect only those acting responsibly and within the law and not to shield misconduct.**

We welcome all thought out reform which improves protections for owners while supporting a robust, and necessary strata management sector. We continue to work collaboratively with our members, governments and regulators.

**Media enquiries:**

Liam Kerr, SCA, [media@strata.community](mailto:media@strata.community), 0400 408 417.

**ENDS**

**About Strata Community Association (SCA)**

[Strata Community Association \(SCA\)](#) is the peak body for Body Corporate and Community Title Management (also referred to as Strata Management, Strata Title, or Owners Corporations Management) in Australia and New Zealand.

Our 5,000 individual and corporate members include strata/body corporate managers, support staff and suppliers of products and services to the strata sector.

We believe in taking action with urgency in order to raise public awareness about some of the most pressing issues facing today's society.