

Publication Date: 23 May 2016

YSP Podcast Transcript: Episode 012. How to use technology to improve strata management outcomes

Listen to this podcast episode [here](#).

Intro: Welcome to Your Strata Property. The podcast for property owners looking for reliable, accurate, and bite-sized information from an experienced and authoritative source. To access previous episodes and useful strata tips, go to www.yourstrataproperty.com.au.

Amanda Farmer: Hello and welcome. I'm Amanda Farmer and this is Your Strata Property. Today, I've got a very special guest for you; I'm talking to Gary Bugden.

He's a man who needs no introduction for those of us who have been involved in this sector for some time and even those of us who haven't. Gary has had a lot to do with the setup of strata legislation, both in Australia and internationally, and in recent years, he has embarked on a series of different ventures using his legal expertise to bring great value to the strata sector.

I recently attended the annual conference for the Australian College of Community Association Lawyers, which we affectionately call ACCAL, and I listened to Gary speak about the different types of technology that strata communities are now using and strata managers are now using and certainly should be using, to get the most out of their communities and achieve a much higher level and more efficient level of management, and after listening to Gary deliver that presentation, I was really keen to get him on the show so that you could all hear his expert views on that topic as well.

So we're soon to hear my interview with Gary Bugden but before we get stuck into that, I do want to remind you if you haven't already, head over to the Your Strata Property website: www.yourstrataproperty.com.au and grab your free eBook: 'the six things you absolutely must know about owning a strata property'.

Now I know many of you have taken that up and are having a read through that. It would be great to have your feedback on what you think of the content and how it's resonating with you, I'd love to hear from you.

There's also something new on the Your Strata Property site that you might want to check out. You now have the option to book and pay for my legal services online. This is something that I like to think is quite novel, particularly in Australian legal services, and I'd love to hear what you think of it. If you head over to www.yourstrataproperty.com.au/bookamanda, you'll see there that there are three levels of service and I specifically identify under each level what you get for your buck, and I tell you exactly how much I charge and which level of service might be appropriate for your needs. So go and check that out, again I'd love to hear what you think. It's something that I think is a little bit different, but at the end of the day, it's about making legal services accessible, efficient and transparent which I think is valuable for everyone.

Alright, let's get stuck into my interview with Gary Bugden. Today I have the absolute pleasure to be in the esteemed company of Gary Bugden. For over ten years Gary was the Chairman of My Strata: a company providing the strata management industry with state of the art technology on the international stage.

Last year My strata was taken over by the ASX listed technology company 'Urbanise.com Ltd' and Gary now serves on Urbanise's advisory board.

After spending fifteen years as a partner at the top tier law firm Mallesons, Gary now describes himself as a Queensland consultant lawyer who continues to consult on all matters relating to strata and community title, including the development of laws for governments in various international jurisdictions.

Gary is the author of numerous books and loose-leaf services educating strata lawyers, strata managers and the strata sector generally. His name will be well known to a lot of our listeners, and I am absolutely delighted to welcome Gary Bugden to the show today to talk to us about the potential for technology to significantly disrupt the strata sector. Welcome, Gary.



The podcast for property owners looking for reliable, accurate and bite-sized information. from an experienced and authoritative source.

Publication Date: 23 May 2016

YSP Podcast Transcript: Episode 012. How to use technology to improve strata management outcomes

Gary Bugden: Thank you, Amanda. It's a pleasure to be here.

Amanda Farmer: Absolute pleasure to have you. Now, Gary, I want to start by asking you if you could tell us a bit about why you think it's so important for strata managers and strata communities to be embracing technology today?

Gary Bugden: Sure. Well first of all in relation to strata managers, technology or the modern versions of technology, either available or becoming available, assist the manager in improving the efficiency of their business and also the profitability of their business.

It also gives them the opportunity to provide the service levels that owners are demanding increasingly. I think perhaps the most important thing from the strata managers' point of view though, is that the technology of today and the modern technology, provides an opportunity for the manager to transition their business to more of a self-service model for owners. So instead of having owners dealing face to face with the various portfolio managers, the owners can come into a web portal and serve themselves, very similar to what's happening, or what has happened, in the banking industry.

Amanda Farmer: Yes, fantastic stuff. When I interviewed Reena Van Aalst in episode two of the podcast we actually talked about what makes it a good strata manager and how hard it is for strata managers these days to fulfill all the roles that are expected of them, and I can hear what you are saying there when you say strata managers could really use technology, and should be using technology, to make their jobs easier, and to ensure that their clients can be more engaged in that process and that really gives them a helping hand when they are trying to fulfill their role as strata manager.

Gary Bugden: Yes and there's also a benefit for the communities and the owners themselves because it gives them the opportunity of getting much better value for money that they spent on management, and also it gives them a much greater access to information, particularly financial information, which helps them better control their owners corporation, and another thing that modern technology can do for the community is to help it build community...

Amanda Farmer: Yes.

Gary Bugden: and promote a more harmonious environment within their community. So there's a win-win situation there for both sides.

Amanda Farmer: Yes. Can you give us some examples Gary of the types of technology products that are out there now and that you might see on the horizon?

Gary Bugden: Sure. Generally speaking, they fall within three areas: technology that relates to the body corporate administration and that's essentially what the strata managers are using to do their day to day record keeping and business activities.

The second category is the building or facilities management tool, and what this does and I'll come back and give some examples, but what that does is it helps owners to control the costs related to their building much better.

And then the third type of technology is what's commonly called 'community web portals' or 'community websites', and what these do is they provide a much greater level of access to services, and also they can be used to create or build a community within a particular building or project. Just looking at those, not so much the administrative tools because that's more of interest in strata managers, but if we look at say the community web portals, what these do is they enable a huge range of information to be put on display for owners, such as financial information, and also the information is often presented in graphs and bar charts, so people get a much clearer picture of where their owners corporation's finances are.

But also document access, benchmarking tools, segregated social networking, electronic voting and electronic meetings are now being introduced and community events, facilities' booking such as the booking of the tennis court or the squash court, but also increasingly there's a need now to introduce online shopping in bulk deals for owners, so local businesses can actually provide sort

Publication Date: 23 May 2016

YSP Podcast Transcript: Episode 012. How to use technology to improve strata management outcomes

of specials in bulk supply arrangements.

Amanda Farmer: Oh, that's fascinating.

Gary Bugden: So yes, from a community web portal point of view, there's a lot happening and a lot planned.

Amanda Farmer: Are these things that are happening in Australia do you know Gary? Or is this sort of still what you are seeing in your international experience? Have we got buildings that are connected to these kinds of portals now?

Gary Bugden: Well, look it's fair to say that it's early days in Australia, but the technology is available in Australia and it has been rolled out, this sophisticated web portal technology has been rolled out to many thousands of buildings in Australia.

But to be honest, most of the Australian buildings are not using the technology to their full advantage. It's really in North America, Europe, Middle East... these are very good examples where communities and buildings are using this technology to their advantage, but in Australia, we are lacking behind and there are couple of examples of where technology is being used in Australia but by-and-large, the best examples are certainly overseas.

Amanda Farmer: You mentioned there Gary when you gave us those three examples of types of technology, I think your second example was about building facilities management, can you tell us a bit more about that and what that means?

Gary Bugden: Yes, sure. There's a very sophisticated range of technology available that monitors what's happening within a building and when I talk about that I'm talking about the equipment within a building.

Amanda Farmer: Right.

Gary Bugden: So, it's possible today to put on each piece of equipment within your building, little devices that communicate back to the building manager whether they're onsite, or whether they're the strata manager, or whether they're some other company that these little devices will report back to the person that's responsible for the building and tell that person if there's a problem.

For example, if a particular engine develops a vibration that's not normal, then this device will communicate back to the building manager and say effectively the piece of equipment says: "Look, I'm not feeling very well, please have a look at me and see what's wrong with me" and you know, there's the ability then to prevent major faults in equipment.

Amanda Farmer: Yes.

Gary Bugden: Often it's better to pick up these problems before they result in the equipment actually failing. So, that's one example.

Energy generation and storage within a particular community, and the ability to be able to measure how each unit in the scheme uses energy and then be able to build separately for that energy. So if you generate energy using, for example, solar or wind energy, it's possible to actually put an embedded network in place and supply to the units with, and that's actually happening today in major projects such as Barangaroo and Sydney where they're generating their own energy so the other area of building management is worker tracking, where if you engage a worker to fix something, you can use the website in order to determine at what point that particular work order is at whether they're waiting for parts, when the work is scheduled to be done, when it's to be done and then get a report on when it has been done, and that recording can also involve emails and SMS. So, as each stage of the process has reached, the committee member or body corporate manager actually receives a message to say just what stage the particular work order is at.

Amanda Farmer: Great.

Publication Date: 23 May 2016

YSP Podcast Transcript: Episode 012. How to use technology to improve strata management outcomes

Gary Bugden: So, you know...

Amanda Farmer: Yes.

Gary Bugden: there's a lot happening on the building side.

Amanda Farmer: Yes, you can really see the efficiencies that are being created or can be created for strata managers here, and also, I guess, the cost savings for owners when you have these kinds of technologies in place when you're talking about monitoring equipment and dealing with equipment before there's a major failure, I mean the cost savings that you can imagine there would be quite enormous so that's quite exciting.

Gary Bugden: Potentially the cost savings are very significant.

Amanda Farmer: Great. Okay Gary, could you share a story around how the use of technology has helped a strata manager or a strata community in your experience?

Gary Bugden: Sure. There are a couple of examples in Australia but as I said before, some of the best examples are overseas. But there's a community down in Victoria that comprises a single standing stand-alone houses the community is comprised mainly of average family-type people, and within the center section of the community, there's a very substantial set of community facilities, there's tennis courts, barbecue area, there's a communal swimming pool, there's a clubhouse. The clubhouse is equipped with a whole range of facilities, including believe it or not a place, where children can do their homework...

Amanda Farmer: Fabulous.

Gary Bugden: and the communal facility is supervised by I think it's the YWCA, which had been engaged to actually supervise this communal hub within the project.

Now, they've also got a website and what they do is they organise functions; they have social networking, when they have a function, and they post photographs from the function on the website so people can go in and see the photographs...

They have booking facilities for the tennis courts, they expose a whole range of documents for people who can log into a special section on the website, and really what this website has done, in conjunction with these central facilities, it's created a real community atmosphere within this particular project. They even have touch football competitions with the kids and it creates a real community.

Amanda Farmer: Fabulous, and that's something that is just becoming increasingly important, I think, as more of us are living in strata or in community buildings, that sense of community really needs to be developed and valued, and it's great to hear that there are communities out there that have found ways to use technology and to be creative and innovative to ensure that they have that wonderful sense of community.

Gary Bugden: Yes and sure, creating community involves more than just a website, we have to have within a project the facilities to enable people to interact and to come together...

And what's happening more and more from the developer point of view, is that the developers have realised this and they are now starting to put a lot more facilities into buildings which act as a way of bringing people together and helping create community. Now, it's the use of the websites in conjunction with those facilities that's creating the real opportunity.

Amanda Farmer: Yes, and it's great to know that developers are tapping into that and that they are aware of and educating themselves that this technology exists, because I suppose, if they are setting up the community and they're implementing this technology from the beginning, then it is for the owners corporation when its established and the strata manager to really just carry

Publication Date: 23 May 2016

YSP Podcast Transcript: Episode 012. How to use technology to improve strata management outcomes

that on as something that has always, just like the by-laws or the actual physical structures themselves, these were here when the strata plan was developed, this technology was here when the strata plan was developed, it's just part of the way that we do things...

So, it's really a good point that it's something for developers to be focused on when they are planning these communities.

Gary Bugden: True.

Amanda Farmer: Okay. Shall we move on to challenges here Gary?

Gary Bugden: Sure. Why not?

Amanda Farmer: What are the most common challenges that you've noticed managers and communities face when it comes to implementing these types of technology? And have you've got any tips for what's worked to overcome the challenges?

Gary Bugden: Look, I think probably the biggest challenge, with all due respect, is the strata manager. It seems to be an attitude within the strata management sector, and that doesn't apply to all strata managers, by no means to all of them, but certainly a substantial number of strata managers don't really want to be involved in that sort of modern technology...

Amanda Farmer: Right.

Gary Bugden: and some of them, as crass enough to say, it's because they don't like to give the owners too much information...

Amanda Farmer: Oh, dear.

Gary Bugden: Because the more information you give the owners, the more questions they've got and the more work that it creates for you. So that's one end of the spectrum. The other thing is some of them, I suppose what goes along with that, is that they don't want an active community. It's much easier to manage a sleeping community than it is to manage an active one.

Amanda Farmer: That's kind of crazy. I mean that seems completely counterintuitive, I would have thought that an engaged community would have far less problems and less questions, and would be able to self-manage a bit more effectively than a disengaged community.

Gary Bugden: Not to mention the retention rate that you would be able to achieve if you have a more engaged community...

Amanda Farmer: Yes.

Gary Bugden: But this is a bit of an attitude and one of the other problems is that there is a fair bit of work involved in setting up and maintaining this sort of technology.

The websites have to be customised, although there are templates that the owners corporation can use, you have to actually feed a fair bit of information into the website and you also need to put some photographs on it to make it look good.

Amanda Farmer: Yes.

Gary Bugden: Now you know, people need to take photographs, they need to put them into the site, they need to feed the information into the site, and even when the site is up and running, someone has to take responsibility for its future management, making sure that what's on their particular social network and monitoring it, making sure that inappropriate material is not posted, and generally keeping it up to date as far as activities. Now strata managers are not keen to be involved in that...



Publication Date: 23 May 2016

YSP Podcast Transcript: Episode 012. How to use technology to improve strata management outcomes

And in some cases, the owners are not going to pay for the strata manager to be involved. So, I guess these are the few challenges for this type of technology, is the effort that's required to put it in place, so that it's available to be used to its maximum advantage.

Amanda Farmer: Have you got any tips on how those challenges might be met? I mean, I suppose we talked about the potential cost savings for buildings if they implement these kinds of challenges, and the reduction in workload for strata managers, I suppose that could be a selling point to the strata manager, on the one hand, to say: "Look, there's a little bit of upfront investment of time for both you and the community, but in a long run this is going to be something that really frees you up to do more important work." Do you think that's a way to get strata managers on board?

Gary Bugden: Yes, I guess there's a fundamental road block for a strata manager if they're not using technology that offers the type of facilities we've been talking about, then it's a huge exercise for a strata manager to change that technology.

Amanda Farmer: Yes.

Gary Bugden: They've got to migrate all of their schemes onto the new technology, they've got to have their staff trained for the changed management. They've got to have their staff trained on the technology. It's very, very difficult to convince the strata manager to actually make the change to a different technology.

Gary Bugden: So I suppose that's the first barrier that owners will be confronted with, but look what I would suggest would be that the owners discuss with their strata manager what the capabilities are of the technology that's currently being used.

Amanda Farmer: Yes.

Gary Bugden: And also encourage the manager to get access to the latest technologies, because at the end of the day, the decision to change technology will be driven by owner demand, so if owners sort of encourage their strata managers, and to some degree demand that these technologies are made available, then that might accelerate the process. But there's another thing that they can do: there are what I call 'static communal websites'.

Amanda Farmer: Right.

Gary Bugden: Now these are websites that are provided, they don't need to face to the management system, they don't provide real-time data, but they're just like a website where you can put information, physically put the information on and take it off. But there are these communal websites that have been designed for strata communities and although they're nowhere near good as the ones that actually draw on the strata managers' database they're certainly better than nothing.

Amanda Farmer: Yes, I think I've seen quite a few of those in dealing with buildings and working with buildings that I've worked with, plenty of them do have them do have those kinds of websites where they might put up their by-laws or their community management statement, they might put up the minutes of the last general meeting, these are the people on the committee and this is how you contact them, this is our strata manager.. it's quite basic, but certainly better than nothing.

Gary Bugden: Yes, I agree.

Amanda Farmer: Okay now I think you've probably answered part of my next question there Gary. I was going to ask you: "what are the steps that our listener can take to get started with introducing these types of technology?" and you've offered a good suggestion there to talk to your strata manager about where they are at in terms of technology...

I certainly know both ends of the spectrum here in Sydney. There are some up and coming strata management companies that are doing some really innovative things and they would be the types, I think, that would be all for this technology if they don't have it already.



Publication Date: 23 May 2016

YSP Podcast Transcript: Episode 012. How to use technology to improve strata management outcomes

And then there are some other players that have been around for a while and I suspect they're the ones that you're thinking of that might be a bit harder to change, but as you say, buildings are going to vote with their feet, and I think that's something that any strata manager listening out there really needs to be aware of and start thinking about the potential for technology to really shape the future of the business.

Gary Bugden: Yes, and what we're finding up here in Queensland, is quite a few body corporate have to tender for their strata manager.

Amanda Farmer: Yes, that's happening here too. Yes.

Gary Bugden: And they're actually specifying in the tender what they are looking for from the technology point of view so, you know, all of those practices help put pressure on the change.

Amanda Farmer: Yes, definitely. I interviewed Helen Wells for the podcast and she spoke about tendering your strata management contract, and we talked in some detail about the kinds of questions that buildings are asking and should be asking, and that's a really good one to add there 'what kind of technology are you using in your strata management business and how is that going to help us and how can we work with that?' so that's a really good point.

Amanda Farmer: Okay Gary, I'm going to ask you what books you've read that have the greatest impact on you and why?

Gary Bugden: Well, you're probably not going to be ready for this one.

Amanda Farmer: Okay, I like a surprise.

Gary Bugden: Well, I think, perhaps, the book that has the most impact on me was the book written some time back by Sue Williams...

Amanda Farmer: Right.

Gary Bugden: Called "World Beyond Tears."

Amanda Farmer: Right.

Gary Bugden: And it's the story of Chris Riley...

Amanda Farmer: Oh, yes.

Gary Bugden: The founder of Youth Off The Streets...

Amanda Farmer: Yes.

Gary Bugden: and it's a book that's well-worth-reading and particularly it makes you aware of the plight of our most disadvantaged young people, but more importantly the potential that they've got to contribute to the society, and that was certainly a book that inspired me, and I recommend it for anybody who has a genuine interest in our young people.

Amanda Farmer: Fabulous. Thank you for that recommendation, I'll make sure that we've got a link to the details of that book in our show notes to this episode.

Alright Gary, how do listeners find out more about you and is there anything you'd like to add before we wrap up?



Publication Date: 23 May 2016

YSP Podcast Transcript: Episode 012. How to use technology to improve strata management outcomes

Gary Bugden: Well I guess, most of the information about me is on my website which is www.garybugden.com, also on that website is a large collection of materials on strata titles, including a very large collection of papers that I've delivered over the years, some of which are purely historical these days, but the only other thing is I guess I could give a plug for my new book.

Amanda Farmer: Go for it, please.

Gary Bugden: Hopefully it will be published in the third quarter of this year, it's called 'Strata Management in New South Wales'...

Amanda Farmer: Great.

Gary Bugden: published by CCH.

Amanda Farmer: And is that for strata managers?

Gary Bugden: Yes, that should be. Look, it's a layman's book... it's for strata managers, committee members and owners who perhaps want that slightly higher level of information.

Amanda Farmer: Great.

Gary Bugden: Yes.

Amanda Farmer: And that will be advertised through your website I suppose, and I'm sure the industry will be hearing all about that when it's been published.

Gary Bugden: Yes, sure, and CCH will no doubt be promoting it and there will be something on the website as well.

Amanda Farmer: Excellent, great to hear. Okay, thank you very much Gary. It's been an absolute honour to have you on the show and appreciate I you making the time, I know you are a very busy man with a few balls in the air, and a book on the way which is fabulous.

Gary Bugden: Okay, thank you, Amanda, it's been a pleasure.

Amanda Farmer: Thanks, Gary.

Outro: Thank you for listening to Your Strata Property. The podcast which consistently delivers to property owners reliable and accurate information about their strata property. You can access all the information below this episode by the show notes at www.yourstrataproperty.com.au. You can also ask questions in the comment section which Amanda will answer in her upcoming episodes. How can Amanda help you today?

