

Publication Date: 08 December 2020
YSP Podcast Transcript: Episode 243. Get ready for a strata insurance game changer – with Dr Nicole Johnston

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 to this week's podcast episode. I am your Host, Amanda Farmer. It is wonderful to be here with you this week. Today, I am bringing you part of my live chat with Dr. Nicole Johnston. We had this chat over on the, 'Your Strata Property' Facebook page just last Friday afternoon. You may have heard from Nicole, previously here on the podcast. She is a legal practitioner currently working as a Senior Lecturer and Researcher at Deakin University's Business School. Nicole researches strata related topics from a socio-legal perspective. Focusing on strata governance, conflicts of interest, purchase and knowledge acquisition, and building defects in residential schemes. Now in the first half of our chat Nicole, filled us in on her Strata Concepts project. This is the first nationwide online forum focused on navigating building defects. Now, if you're listening to this episode before the end of Wednesday, the 9th of December 2020. There should still be time to register for the Strata Concepts Forum.

I will make sure the registration link is in the show notes for this episode. Registrations are closing at the end of the day on the 9th, but as long as you are registered, you'll be able to access all of the online resources until the end of January 2021. Now this includes over 3 hours of video presentations and state specific industry relevant toolkits. These toolkits guide you through the building defect's rectification process from a legal and a procedural perspective, enabling Strata Managers, in particular, to implement best practice within their organizations. Strata Concepts is presented by Deakin University and Strata Community Insurance, working together in partnership sharing their vision to enhance professional development in the strata sector. Now, you'll hear a little bit about Strata Concepts in the opening few minutes of this episode, starting with my comment about, "*How much value is packed into a very affordable price?*"

Nicole and I then move on to talk about how the pandemic has impacted the university sector and what her personal experience been these past few months as a property law academic and a researcher, some silver linings there for those of us in the property space, Nicole, then shares with us. And I believe this is the first time this has been spoken about publicly a new research project focusing on Strata Insurance, Deakin University, and SCA National have partnered on this project with the aim of providing a comprehensive data driven analysis of the Strata Insurance industry in Australia and New Zealand. Now this includes your opportunity as a Strata Manager or an owner to participate in a survey aimed at better understanding owner knowledge, your interaction with Strata Insurance policies, owner's level of reliance on Managers, their thoughts on the current insurance model, including, yes, insurance commissions. I will leave it for Nicole to fill us in on the details coming up in this chat, but you can rest assured I will let you know, as soon as you can be part of that survey.

And of course I'll be sharing the results of that research into 2021. We have already seen the importance and effect of the kind of research that Dr. Nicole Johnston does. She was at the centre of discussions around building defects when her comprehensive report on the subject was released mid last year. So I know that this new project and the data that she will be collecting and analysing will be just as game-changing for our strata sector. If you want to listen to the full un-edited version of our chat, you can do that over on the, Your Strata Property, Facebook page. There is a link to that page in the show notes for this episode, or just head over to Facebook type 'Your Strata Property' in the search bar, and you'll find us that way. Now, I started running these live Friday afternoons chats over on Facebook, and we're now streaming to LinkedIn as well.

When we all went into lockdown in about March 2020, and they've been so popular that I have kept them up, even though most of us are out and about now, I go live each fortnightly Friday at 4:00 PM Eastern time. Next Friday, the 18th of December, I will actually be at my team's end of year lunch. So why don't I live stream from there? That could be fun. Anything could happen. I hope to see you tuning in for what is likely to be a rather festive Friday live next Friday the 18th for now. However, I will take you over to my live chat with Dr. Nicole Johnston. I'm just looking at it now. And you've said that Nicole, we can sign up now and have access to all of this information until the end of January. And it's looking like the price is \$195. My goodness, that is cheaper twice as much.



Dr. Nicole Johnston: Yes, it is. And we know it's been a really difficult year for everyone. And I know what it's like from Academic.

Demystifying the legal complexities of apartment living.

Publication Date: 08 December 2020
YSP Podcast Transcript: Episode 243. Get ready for a strata insurance game changer – with Dr Nicole Johnston

A lot of our sort of things have been frozen as far as any sort of money being spent from our business end. And previously for our face-to-face ones, it was 195 as well. We wanted to keep that price point the same for everyone. And it is probably... Well, it is undervalued, but the point is that it's about really giving back to everyone for people to provide us feedback, because this is our little trial run on the virtual reality as well.

We want to know how it worked well for you. And we just think we don't want people paying a lot of money for something that they don't really use, or they're not getting a lot back from. We're taking this really as a pilot forum. We want people to provide us feedback, what they didn't like? What was working well? So that we can make some improvements for the future. For me, I was very clear. And so was the partner on SCI on this project was to make sure that the price point was probably really conservative so that people can really enjoy this forum and engage then back with us. So that we can make some improvements.

Amanda Farmer: Yes. And you've just mentioned this SCI, Strata Community Insurance. I think it's important that we acknowledge them as partnering with you and Deakin on this project as they did last year throughout all the face-to-face programs, SCI and Paul Keating in particular being another well loved guest on our podcast.

Dr. Nicole Johnston: Yes. And so as soon as we did the first one in Melbourne, Paul came to me straight away to say, "This is such a great thing to give back to the industry." And he wanted to be involved in any way he could. It's great to have a partner involved in this. I'm just a little academic really sitting back. And although I know a lot of people in the industry.

Amanda Farmer: Stop being a female. This couldn't be happening without you.

Dr. Nicole Johnston: It's just great to have the support of other people and other organisations, and to get the word out really, and to support this sort of initiative. And we hope that it's going to be a long lasting arrangement and that we can provide so much more education and professional development. Not only to Strata Managers, but I think anyone that deals with strata. We would like to in the future, be able to provide more information to Conveyancers, Valuers all those other professional groups that sit on the periphery of strata, who sometimes don't really know the intricacies. We all know because we're working in and how complex it can be. But for us we really want to be able to provide that further development... Professional development to those sorts of industries as well over time. So that's certainly part of our remit for Strata Concepts.

Amanda Farmer: It's interesting that you mentioned Conveyancers because I was introduced to the Australian Institute of Conveyancers earlier this year by a mutual contact. And they invited me to deliver some education for them for as part of their CPD. And we'll get a weekend webinar. And I was just flooded with questions and excellent questions too all of the things that Conveyancers need to know that they don't know, they have an inkling that they need to know it. So they can better serve their clients and make sure, and I know this has been a big part of your research in the past Nicole, that purchases are going in understanding all of this. And I'm happy to say that I'll be back with them in March as part of one of their regional roadshows. We're looking at the need for that education is really clear. Yes.

Dr. Nicole Johnston: Yes... No, it's really exciting because... One just a little side note is when I did some research on this sort of area, a number of years ago. I had a Conveyancer who'd been working in this area for 20 something years said to me, I said, I got to go and inspect the records of the owners corporation. And she said, "Oh, where would I go to do that? Would I go to like Fair Trading or?" And it was just... It was surprising to me that they don't even know where to go and to understand the information that's there, that that they can inform their purchaser. And I think an informed purchaser is just great for everyone in the industry, if they know more about what they're getting themselves involved in. And it's such a critical thing for me that we just keep going on and, and educating these sort of peripheral professional groups.

Amanda Farmer: Yes. Absolutely. Now I'm just heading over to the comments hat are coming here on Facebook. And I do want to say anybody tuning in from LinkedIn, we'll make sure that we get that link to Strata Concepts over on the LinkedIn feed as well. Michael. Hello. It's good to see you. Grant is here at saying hi, Amanda and Dr. Nick and Milo is saying, "*Nicole's PhD was the only one I read all the way through.*"

Dr. Nicole Johnston: Oh my God! All the way through that's impressive. It will put you to sleep, Milo.

Publication Date: 08 December 2020
YSP Podcast Transcript: Episode 243. Get ready for a strata insurance game changer – with Dr Nicole Johnston

Amanda Farmer: Now you're a very busy lady Nicole, even in... During a pandemic, when I sense that a number of other Academics may not have so much going on. What's going on in the world of Academia? Can you give us some insight into how everybody's coping? The big changes that have happened because of the pandemic this year?

Dr. Nicole Johnston: Yes. Listen, the university sector, I don't think it's any surprise has been hit really badly. And a number of universities have had to go through significant redundancies with their staff, both professional staff and Academic staff. And certainly at Deakin we lost close to 300 staff. And it's been a really difficult really sort of 7 months dealing with that obviously. As everyone would appreciate, we've got a high reliance on international students and of course, when COVID hit that dried up and it's something that just won't bounce back quickly. We're going to be in this deep hole, I think for a number of years to come. I think it's very difficult. Fortunately, at Deakin we've sort of gone through our major changes within the university and luckily, we've survived and continued to work and, and to teach our students, I sit in a property group.

So of course in these sorts of times, a lot of people start to come back to property courses. And so we've had a real influx actually in our post-graduate property course in particular. Yes. So I've been... I'm really fortunate and I'm... I appreciate the fact that I can continue to do the work that I really love especially in relation to strata research. Around the country or the other strata academics that I know, and that I'm close to are all fine. Which is great for all of us and sort of continuing with research in our area. But I think there's a lot of pain for a lot of people and the university didn't get any sort of government assistance, like other industries were excluded from a number of initiatives. And of course it has an impact on research as well when there's not a lot of money that can be put back into... Especially the sort of research that we do a lot of it goes to healthcare.

Dr. Nicole Johnston: So yes, troubling times for universities, and it's going to be a few years, but we will bounce back. And luckily, I think universities across this country have been doing very well for a number of years. So hopefully they've got a little bit of savings in the back pocket that that can be now utilised for different ways. So, it hasn't been a good year. And normally in these sorts of any type of downturn, universities usually thrive, but certainly not in this era, unfortunately, so.

Amanda Farmer: Yes. But interesting to hear about once again, the resilience of our strata sector being part of that broader property sector. I've certainly seen many people who are part of that sector, thriving and doing really well this year. And I think... I hope we're going to see many people take notice of that good, smart, energetic, resilient people moving into my sector as Managers more Strata Lawyers, hopefully we need it. This is growing incredibly fast. It is challenging. It is changing and we need as many good people as we can get [crosstalk 00:13:56]

Dr. Nicole Johnston: Yes. And I'm seeing a lot of, a lot of people come back to postgraduate studies that are interested in strata management. I get a lot of my students asking, and I often put a call out in different areas for students that are really interested in this so I think because my love is strata. And so I talk about it a lot in my lectures, and so I tried to get people really interested in this area. And so I do now more and more get students contacting me saying, "*Oh, this is really fascinating. How do I get into this sort of industry?*" And it's a great industry for these graduates to get into. So yes, I think it is exciting times. We've got to look forward to the future.

Amanda Farmer: Now there is a comment here from our mutual friend and fellow Strata Lawyer Alison Benson, saying, "Hi, it looks like a good seminar, your Strata Concepts. I came in partway through, are you targeting at the lot owner level or the industry level?"

Dr. Nicole Johnston: Thanks, Alison. And hello. Listen, I think generally this particular forum is more geared around Managers, but I've had a number lot owners, very interested as well. So for them to understand more about how defects work and looking after their building, even moving forward in how the whole construction system works within a building, I think is really great knowledge. And so I know Karen Stiles, I've spoken to her and she certainly put a shout out to her members at the Owner's Corporation Network. They're more than welcome to be engaged and, and come along and have a look. I think they'll... It will be valuable, especially for people that sit on committees as well in sort of bigger buildings and that sort of thing. I think it's certainly a forum for them to jump into now without any worries at all.

Amanda Farmer: Yes. And I imagine building managers as well, being there on the ground or new buildings, understanding this process of dealing with building defects, it's going to be handy.

Publication Date: 08 December 2020
YSP Podcast Transcript: Episode 243. Get ready for a strata insurance game changer – with Dr Nicole Johnston

Dr. Nicole Johnston: Yes. Absolutely. Facility Managers, and also for the people in the States that we haven't created those toolkits. I've had a few from those smaller states, this is still really valuable and you can download any of the tool kits and this... Just some slight variations because of the time limitation periods and so forth, but still a lot of really valuable information. So don't be turned off that we haven't quite got to putting those sorts of toolkits together for the smaller states, but you can still... The content that is there in the video presentations and the tool kits and that sort of thing is still really valuable for everyone.

Amanda Farmer: Yes. Sounds like it. All right. We are going to shift gears a little. I'm going to say hello to Sean. Who's just coming in. How are you doing now? Now, you have I said earlier, you're a busy lady. You're already planning the next research project, which is being done in partnership with SCA National. Which is very exciting. I've teased this a little bit on our socials today. What is this 2021 project about Nicole?

Dr. Nicole Johnston: Well, we're already underway, Amanda. We've already started. And so this is a really exciting project and it's something that from both an academic point of view and from an industry-wide perspective as well. We haven't really dug down deep into what's going on in relation to strata insurance. So this is sort of the first of its kind. And from an academic point of view, it's very, very exciting. So this is a partnership that's been formed and Deakin University put a proposal for the work to SCA, and we've been fortunate enough to be awarded a grant to do this research. And it's very much a holistic sort of very comprehensive data driven look at strata insurance and the role and the value that Strata Managers play in dealing strata insurance. And for many people, they might've been alerted to a Triple C inquiry that's going on in relation to strata insurance and home and contents insurance issues in the far North area of Australia.

Some of the... Sort of the commentary that's coming out of those reports is really sort of, I think, prompted this to look more deeply into what's going on in strata because strata as we know and strata insurance is very different from any other type of insurance for general home and content type of insurance. So we want to make sure that we really look at this critically, look at... From a data perspective, I'm an empirical research perspective what's going on. So it's very much a multifaceted methodology.

That's the approach going to be used for this research project and we'll certainly be calling out to both Strata Managers and lot owners early in the new year to participate in a survey questionnaire. So that we can get a much better understanding about... From the Manager's perspective? What their role is? How they work through insurance claims? How they deal with their clients in relation to insurance? Their relationships with Brokers and Insurers and so forth. And their general knowledge about strata insurance.

But also we want to make sure that the lot owners voices are heard. And so we're going to do a survey questionnaire to lot owners as well, just to get a better understanding about what they know about strata insurance? What their thoughts are around strata insurance? How reliant they are on Strata Managers to get their information about how their building is being insured and so forth. Because it's a really complicated area. And as Lawyers, we know just looking at the legislation in the relevant strata legislation across the country, Amanda, how really complicated is when you actually draw down on all the legislation in this country that deals with strata insurance. It is a mammoth amount of regulation and every state is different the way that they approach things and we need to get a better understanding about that. So we need to sort of start to tease that out and look at what is going on. So it's a very much, a very holistic, comprehensive view of strata insurance and the role of Strata Managers in the insurance process.

Amanda Farmer: I am catching myself and my Lawyer brain wanting to ask you to what end? And I know what you're going to say because I have been present when one of your PhD students, current PhD students who is also a former Lawyer. Was asking a similar question or discussing with you. And I, a similar point as Lawyers, we want to set out to prove something, because that is our job for our client and academic research is quite different. So you've told us what you're going to do in this research. If somebody like me was to ask you to what end, what do you say to that?

Dr. Nicole Johnston: Yes. So the practical idea from a lot of people is, well, where are the recommendations and the solutions to a particular problem. And oftentimes that's not our job as Academics, our job is really to be that independent person that goes, that starts to dig in and investigate all aspects of a particular phenomenon that we're studying. And so that's what really our point is. Of course there will be a report which is a tangible sort of outcome that we'll talk about, *"How we approach the research, what the aim of the research was, what our findings were. So what were the results?"* So it will be very clear about what people's understanding of insurances. What the availability of insurances is across the country? What the variations, and we're doing a sort of a comparative analysis, looking at the taxes, the levies, the duties that are imposed on strata products, all those sorts of things.

Publication Date: 08 December 2020
YSP Podcast Transcript: Episode 243. Get ready for a strata insurance game changer – with Dr Nicole Johnston

So at the end of the day, the results will be really drawn from the research. So it will be quite clear what that end result is. The part of this remote is not for us to make overarching recommendations. We are just there to interpret the data and make sense of the data and what's going on in a given time. And then it's up to others to really, if they're wanting to try and inform policy, which is obviously an... That's what we're looking for here, especially from the partner is to inform policy. And our job is to provide the research that probably will underpin what their policy view will be.

Amanda Farmer: Now, something that comes up as a point of contention, when we talk about strata insurance is often insurance commissions that Strata Managers receive. And I'm raising this because even when I posted on our Facebook page, that we were going to talk about this topic, somebody has posted a comment. Stephanie, has posted a comment, "*I know of a strata management company who are no longer declaring commissions for insurance, but now in their contracts, they refer to them as premiums. Interestingly, the amount of this use policy has increased to the exact same amount as the premium.*" I think that's going to say, so it's a topical issue. It's an emotional issue for some owners. Is this something you're going to ask owners about in the surveys that you're planning to do?

Dr. Nicole Johnston: Absolutely. And this is the point of, with the survey and we got to take a lot of care of putting the survey together because we want to make sure that we're capturing as much information as we possibly can. And we know that the commission issue or the commissions are an issue for some people, and we need to understand better about what their knowledge is around the commissions, what their thoughts are commissions, whether they hate them, whether they care about them, that will be... Those sorts of questions will definitely be asked in a survey to Managers. So people will have an opportunity to voice these... If they've got concerns about it to have, this is their time to voice those. So I'm really interested to see what the feedback will be.

Amanda Farmer: Yes, me too. And excellent that you have the partnership with SCA National there, and you're really going to be able to reach as many Managers and owners around the country as you can. And it's definitely something that we can all help you share as well as best we can. Where did the idea or the instigation, the passion to look into this issue come from for you personally, Nicole?

Dr. Nicole Johnston: Well, I mean, I think it's been an area that has been discussed very similar almost to the building defects type of work that we did because we'd been discussing it for many, many years in different industry conferences. And we had certainly for the building defects and you just sort of get to a point that you start to sort of scratch the surface to find out, "*Well, what work has there been done in this area?*" So it's that real curiosity about what's going on in our industry and it's the same with the insurance. The insurance discussion all different aspects of insurance have been discussed at many conferences, industry conferences that I've been going to for the last 13 years or so. And this really was about SCA put together a strata insurance task force. So there's a group of people that have come together that were very much interested in putting something together.

So they put the call out to a number of providers, our research providers across the country. And so they had a very clear sort of scope of works if you will, about what they really wanted to focus on. But they were very open to be a very comprehensive research project. Which is something that I was very interested in looking at all facets of this, of this topic. And so I think my passion for strata and my... I'm very inquisitive and really interested in... For me learning more about the insurance industry and the role that Managers play as well. So, it was about putting the right people together.

We've built a fantastic team at Deakin University. We've got Tax Lawyers, we've got some Strata Lawyers involved that are now doing sort of research areas. We've got people that deal with really complex statistics. And so we've got a whole range of people that have come together on this team that will really add value to the research. And as a university, we are an independent organisation the research that we do goes through really complex ethics protocols. And so we have to make sure that we remain independent and we're really focused on achieving that goal.

Amanda Farmer: Good to hear a few comments here, Natalie, is just sympathizing there with Stephanie. That full comment is just further down the page under my earlier post today. Natalie, if you want to check that out, I'm not sure I read all of it out. Sean is saying, "*As an owner, commissions have never bothered me as a Manager. We report every year on the agenda explicitly.*" Yes. And that is a requirement in New South Wales to make that report. Natalie says, "*The writing's been on the wall from owners for a while now. I'm so interested in what owners have to say.*" Yes, I'm really interested to I, too Sean and Natalie, I hear it both ways from owners and when it comes to commissions and indeed from Strata Managers. And I'm actually... Look, I don't know whether

Publication Date: 08 December 2020
YSP Podcast Transcript: Episode 243. Get ready for a strata insurance game changer – with Dr Nicole Johnston

from the commission issue altogether. And just saying, "*I don't even go there. My fees might be a bit higher, but I don't even go there.*" I just want to take that out of the equation.

Dr. Nicole Johnston: Yes. When you start digging into it, there are a number of different models that we probably haven't been sort of shown, or hasn't been highlighted in any way across the industry. And this project, certainly will start to do that where there are some Managers out there that aren't doing commissions and there's various models. I was quite surprised when we started to dig into this, that people are looking at this whole area in very different ways.

Amanda Farmer: And overseas? Will you look at what happens maybe in the U.S Homeowner Associations? That's not something that I've ever looked into how they deal with their insurance arrangements.

Dr. Nicole Johnston: Yes. We haven't at this stage, it's this project will, it's, it's pretty fast and it's going to finish in the end of April. So we haven't looked further a field, but certainly it might be something down the track to start to look at how insurance is dealt within other jurisdictions internationally. Not for this project, but I think it's an interesting point.

Amanda Farmer: Excellent. Okay. A few more comments there coming in between Natalie, and Sean. I told you it's an issue that gets people's opinion expressing their opinion. Thank you so much for giving us the scoop on that research. I'm sure we're going to be hearing a lot more about it earlier in 2021, as you get your surveys out there and get some momentum.

Dr. Nicole Johnston: Yes. Absolutely. And i... This is the time for people to participate. This is the vehicle that you can do it in. And so we hope, hope we get lots of people responding to our request.

Amanda Farmer: So we don't have anywhere to send people yet with that request. Is that coming early in the New Year? Or have I missed that one?

Dr. Nicole Johnston: No, it hasn't. It'll come early in the new year. So we're doing sort of stage... Different stages in the research project and collecting sort of analysing in and sort of getting different results from different parts of it that then we'll come together to formulate the surveys that go out. So it will be sort of sometime in around I would suspect February.

Amanda Farmer: Excellent. All right. Well, I am going to say thank you to Dr. Nicole Johnston for spending this Friday live with us, letting us know all about Strata Concepts. Now we did hear that the last date to register to be part of Strata Concepts is next Wednesday the 9th of December. I'll just ask Richelle to pop the link to the Eventbrite page, where you can easily head over and register in the comments here. And though you can register up to Wednesday. You will have access to everything that's inside the forum. The online forum until the end of January. So I think that's an excellent way to be spending our holidays our summer holiday. I know I find it a good time to do some personal development, listen to some podcasts, do some courses that I might've had my eye on throughout the years is a good one.

Dr. Nicole Johnston: Sit at the beach, put your little earphones in... Get on the computer.

Amanda Farmer: Why not? Excellent. Well, thank you. And I hope to see you in person soon borders are opening up now.

Dr. Nicole Johnston: I know. I miss people.

Amanda Farmer: Well, thank you everybody for joining us this Friday, for all of your comments, this is important information. If you have neighbours, clients, others in your building that you want to share this with, you can absolutely click share on this video and share that across, or just give it a like. Give it a little thumbs up. And that helps Facebook to reach as many people as possible with this info. So thank you, Dr. Nicole, and thank you to our audience. We will sign off for the weekend. Have a good one.

Dr. Nicole Johnston: Merry Christmas everyone.

Amanda Farmer: Bye.

Dr. Nicole Johnston: Bye.

Demystifying the legal complexities of apartment living.

Publication Date: 08 December 2020
YSP Podcast Transcript: Episode 243. Get ready for a strata insurance game changer – with Dr Nicole Johnston

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 comments section. Which Amanda will answer in her upcoming episodes. How can Amanda, help you today?