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YSP Podcast Transcript: Episode 255. Owners are the priority for SCA (WA) -
Catherine Lezer

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Amanda Farmer: Hello and welcome. I am your podcast host, Amanda Farmer. And my guest today is Catherine Lezer, the current president of Strata Communities Association (WA). Catherine has been a member of SCA since 2014. In 2015, she was elected as a director of SCA New South Wales. Resigning only in her second term upon relocating to Perth in 2019, she was appointed to SCA (WA) board in 2019 and elected as president in 2020. Catherine's passion for the industry and high energy has led her to write numerous case studies, articles, and present at education seminars as well as represent the strata sector in various government forums. Catherine has owned in 15 apartment buildings so far as an owner. The projects she's been involved with range from exterior defects remediation, to interior lobby upgrades, lift replacement, retrofitting efficient lighting, fire safety upgrades, installing solar and monitoring waste and recycling initiatives, green roofs, community get togethers, cost reductions and contract reviews. In 2020, Catherine was elected as a councilor at the City of Perth.

In this chat, Catherine and I discuss the reason for her move from New South Wales to WA, what she finds different between the states on opposite sides of our vast country, and how SCA (WA) is beginning to prioritise the needs of strata owners, including its wishlist for the upcoming state election. Let's head right on over to my chat with Catherine Lezer.

Catherine Lezer, welcome to the show.

Catherine Lezer: Thanks Amanda. Pleasure to be here.

Amanda Farmer: It's a pleasure to have you here with me today. Now, Catherine, you are the current president of Strata Community Association, what we call SCA in Western Australia in particular. Now I know you are not a strata manager or a strata lawyer as our SCA presidents, so often are. Can you share a little bit about your background in strata?

Catherine Lezer: Of course. It is interesting that I am not from one of the professions that makes their money from strata. I just happened to be a very interested owner. So, I got interested when I was living in New South Wales and I was renovating apartments. And of course, when you're renovating apartments, you get interested... Well, I did anyway. Got interested in how buildings run and also upgrading buildings and all of that kind of stuff. And it just naturally led me to find SCA New South Wales. So I became a member, as soon as I found out about them. They gave me heaps of knowledge and wealth of information. And then I joined what they call the Owners Chapter over there. And then the next thing happened. I was elected to the board in New South Wales, which is very exciting.

Fast forward a few years, and I moved back to Perth. I'm from Perth originally. I come here and I, of course, look up SCA in WA. I get involved there. I get invited to be on the board and they don't have an owners chapter here yet in WA, but I'm still able to impart some knowledge from, let's call it a resident experience. And then last year I was lucky enough to be elected president.

Amanda Farmer: Yes. Congratulations. Are you looking at introducing an owners chapter? Is that a part of your mandate as president?

Catherine Lezer: There is a strategic review going on right now, SCA nationally, and of course SCA in all the states. And that is one of the items that is on the table. So we should see... strata here in WA is a lot smaller than in New South Wales. There's only about something like 50,000 strata schemes. We call them schemes here. So it's a smaller industry and it's not as well known. So we've got about 7 to 8% of housing stock in WA, which is what we call strata. And those figures came from the Strata Insights Report last year. It's interesting that you don't walk around the place and meet people who've lived in apartments and it's not a common kind of conversation like it was in New South Wales when I was living there. So we've got a long way to go, but yes, we are looking at how we can get owners educated and owners interested in running their own buildings.

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Amanda Farmer: Excellent. I think it's very much needed over there in WA. I'm in New South Wales, as most listeners will know, but I am regularly approached by listeners in WA who say, "Amanda, who is you in WA? Where do I go to get this level of information that you give so well in New South Wales, over in WA?, What's the owner advocate, the owner resource?" I did see an article recently... Well, at the time this is going to air, I think you guys are heading to a state election this weekend and I did see an article recently that SCA had a bit of a wishlist when it came to that election and some things you wanted on the agenda for government, whoever they may end up being. Are you able to talk to that a bit? My memory is it had to do with some owner education.

Catherine Lezer: Yes, of course. When we're out talking to people in positions of power or being elected member, I'm lucky enough to be an elected member myself. I'm on the City of Perth Council now. And having these conversations about strata living, it is often the first time that these elected people have had this conversation. So we are out there now doing the work to A, introduce elected members to, or potential elected members to strata. And we have a wishlist, as you said, and it's 3 priorities that we've developed with the help of the board and the committee structure that we have here.

The number one thing that we're asking for is we're asking for a strata consumer helpline. So it may interest you to know that we don't have such a thing as Fair Trading to call up, or I think it's called other things in other states. So the best that you can do here for information is you can go to a website, Landgate website and have a look at their strata information, but there's no one really to ask complex questions of. So sometimes Landgate will say, "Well, if it's not on my website, we can't help you." They might refer them to SCA. And we often have people coming to us asking us complex questions, but as you know, SCA is a member organization. So we can't help the general public. We can only help members. Even if we can help them often, it's so complex that they need to go to legal advice because there's nowhere else for them to go.

So we are calling on the new government when it is elected to help establish a strata helpline. Now, if they don't want to run it, we're happy to run it, but we need to get the money to do that. But it's not that different to the tenants' helpline. We have a tenants' helpline here. I imagine all states have a tenants' helpline. That kind of idea. That's the first thing that we're asking for.

The second priority we're asking for is we are asking for better licensing of certain trades, especially concrete pouring trades and waterproofing trades. Currently, these trades are not licensed and you're not too sure the application of such things. So we're calling on the government for that in the regulation space.

Thirdly, we are... And this is a conversation around Australia talking about insurance. And we have in WA is a big state, as you know, and the northern part of WA, it's getting increasingly hard to get insurance. And if you can get it, the cost can be very expensive. And there's a case here at the moment, the case of north, where the building is worth something like \$5 million and the insurance premium quoted was \$1 million-

Amanda Farmer: What?

Catherine Lezer: per year. And the funny thing about that of course, is the law says here as a strata company, you must insure your buildings, which in any other circumstance would be very sensible, but when you're facing \$1 million per year premium, it would seem that self-insurance would be a sensible option. There's an ACCC inquiry going on and we're asking for a broad look at legislation, but one thing that can be done very quickly and fairly easily is if stamp duties were removed off insurance premiums. When GST came in... You're probably old enough to remember, Amanda. I certainly am. But when GST came in, there was a promise that all stamp duties would be removed and they haven't and strata companies here are still paying stamp duty on their premiums.

Amanda Farmer: Yes, those are indeed big issues. And I am sure our WA listeners will be confident by the fact that SCA is taking a position on those and getting a seat at the table with government to make some change. How much of that do you feel, Catherine, you have brought over perhaps from your New South Wales experience, and as an owner in particular? Having very successfully, I know, lived in and invested in strata over here, have you come across to WA with that experience, with these ideas and started whipping everybody into shape?

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Amanda Farmer: Is that how you see it or have these ideas and plans been on the agenda for a while over there?

Catherine Lezer: These ideas and plans have been on the agenda for a while. It's just that now as the president, because I'm not distracted by having, let's say a day job, I have a lot of time to focus on it. So I'm happy to take the meetings, I'm happy to go out, happy to be on radio, happy to do interviews, all those kinds of things. Whereas it's very hard when you are working in strata, as you know, Amanda, to be as you're a lawyer, or if you're a strata manager, finding the time to also do a very full-time job as your second job is hard.

Amanda Farmer: Absolutely. And are you investing in strata companies over there in your capacity as an owner, Catherine? Have you chosen a few developments there to get excited about?

Catherine Lezer: I am a little bit excited. I have bought and renovated and sold a strata apartment here so far, and then I've just bought my second one. And that second one that I've just purchased is currently tenanted, so I've actually moved into another strata company as a tenant myself. So far my experience will be 3 buildings, and there's so much common... Like I can look at the financials for any building. It makes no difference whether it's New South Wales or WA. The financials look the same. That's interesting.

What is very different here though, is the regulatory environment that we exist in. If I was comparing... When I first came over a few years ago, New South Wales was, compared to WA, highly regulated. In WA, there was very low-touch regulation. And combine that with not many strata companies and not many strata matters around. You didn't also have a good body of case law or what we call SAT. Which is NCAT over there, but SAT here, the tribunal matters to inform decision-making.

Last year, the new laws, the updated laws. So they were in 1995 strata laws. They've been updated last year. And that all came into effect on the 1st of May. And that was the first time in 30 odd years that the laws have been changed. It hasn't helped us yet, but it helps us in as much as it's a baby step towards legislation and there's some good things. And in fact, there's a couple of things that are a bit better than New South Wales legislation, in my opinion, but what is good is that you've got now, more matters going through and more case law about to come in the new regulatory environment, which will start informing everybody's decision-making. Yes, it's a very interesting one, having a comparison between New South Wales and WA. There's not one that's better. There's just, I would say here, it's less mature than New South Wales.

Amanda Farmer: Yes. Well, new legislation, indeed. We had that experience in New South Wales in 2016 when our new legislation came in. It does drive a lot of change. It does drive a lot of improvements and we are still some 5 years later seeing some very helpful, interesting cases come through our tribunal, clarifying what our legislation means. So I think it's exciting. It's pleasing to see WA going through that process as well, and improving, getting more knowledge out there along the way. Now I do have to dig deeper on your comment there, Catherine, that you think there's a couple of things in the WA legislation that are better than in New South Wales. Can you fill us in on those?

Catherine Lezer: I thought I would sneak that one past you.

One of the really good things here is that there's a statement... When you buy into strata now, there's a statement that you have to sign. So there's a disclosure document that is given to you as a buyer from the seller, which includes all of the strata fees and all of the information that you would expect to get, AGMs and so on. And there's a statement which prospective buyers need to read and sign. And it basically says, and I'm paraphrasing, that you understand that you are responsible for the common property as well as your unit, and there are some things you can and can't do based on the law. That's a good thing to have. That owners as they buy in, understand a little bit. Now, whether they actually read that is another thing, but they'll sign that they've read it. So this is good.

Amanda Farmer: Great. Yes, that information at the point of purchase has for so many years, in most jurisdictions, been missing. I'm very interested to see how that's put into effect in WA and how that helps down the line and helps strata managers in particular work with new owners, perhaps a greater understanding of what they're getting into, which is good.

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Catherine Lezer: And the other thing that changed in the laws was about pets. And I know that's so topical because I keep seeing all the cases going in New South Wales. But the law here defaults to pets are allowed, not pets are not allowed.

Amanda Farmer: Fantastic.

Catherine Lezer: And then you can allow them. It's now pets are allowed, unless there's a specific by-law that has been enacted since the new laws have come in on the 1st of May.

Amanda Farmer: Oh, interesting.

Catherine Lezer: Yes. It's very interesting. Very interesting.

Amanda Farmer: Did that mean that buildings that already had pet bans in place had to revisit that because the legislation was retrospective and lifted the ban?

Catherine Lezer: That's exactly what it meant. It meant that if you had some sort of... It wasn't just pets, but it was the most obvious one to talk about. You have to then at the next AGM, what they call a by-law consolidation, which means anything that was in your by-laws that doesn't now match the new regulatory environment, you have to change it.

Amanda Farmer: Wow.

Catherine Lezer: You had to do that at the next AGM after the 1st of May last year.

Amanda Farmer: Very good. When we had our new legislation here in New South Wales in 2016, there was a requirement to review your by-laws within 12 months of the legislation taking effect. But that was about it. That's all that legislation said. You must review. There are a lot of questions about what did that mean? Do we have to change them? The lawyer's answer was, "No, you don't. You just have to say that you have gone through that process of reviewing. And if you're happy with them, they can all stay the same." So I think we may have missed a trick there in New South Wales.

Catherine Lezer: It was a similar discussion here, except the law was very clear that if your by-laws are a conflict with the new laws and regulations, then it is invalid and we haven't had it tested yet in court. So that is yet to come.

Amanda Farmer: Yes. Well, I know the few strata lawyers over there will be keeping busy for some time to come. What else is on the agenda for SCA (WA), Catherine? It is still early enough in 2021. What exciting things do you have on the horizon to share with our listeners?

Catherine Lezer: We are lucky enough here to be having face-to-face seminars. COVID hasn't impacted WA so extremely that we can't do that. So we are still continuing on with our seminars, which is great. We've got quite a big schedule coming up in the next year. We actually are having a conference where we're all getting together and that's called the Principal's Retreat. We're having that in Broome in a couple of weeks. And that's the first time since COVID started that we've had an away moment.

Amanda Farmer: Great.

Catherine Lezer: SCA is working hard on many levels. The biggest one though here, and the biggest factor is just getting people to understand what strata is. That it is a thing and it's a profession. I mean, you and I know, Amanda, and the Strata Data Report from last year told us that it's a \$1.3 trillion industry Australia wide. And if you compare that with superannuation industry that's 2.9 trillion assets under management, we could say that strata is 1.3 trillion assets under management. That's quite a big industry. And here I tell people that I live in an apartment or that I work in strata and there's blank looks. That's our biggest thing here. We've got to try and get the word out. Apartment living is wonderful. Community living has so many benefits and it's just that Perth is full of quarter-acre blocks that it hasn't become a common conversation.

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Amanda Farmer: But I do expect that that is changing and it is definitely the right part of the country, if not the right part of the world to be in at the moment and within the last 12 months. I think you are seeing that reflected in your real estate sector. I did notice with some envy, I think you had your annual conference, your SCA annual conference last year in November, 2020, when we were all canceled everywhere else. And I saw some photos on LinkedIn and I was very jealous.

Catherine Lezer: We managed a conference, we managed an award, we just had a wonderful seminar on, we called it all things fire. So it was to do with fire safety and fire maintenance. And we had the Department of Fire and Emergency Services gentlemen talk to us and we can do all of that face to face. We're very lucky, very lucky, and we're not taking it for granted.

Amanda Farmer: Excellent. Definitely there at the right time.

Well, thank you so much for chatting with us today, Catherine. We will be watching what's going on in WA and with SCA with some interest, especially with this election coming up this weekend. Is there anything that you wanted to add before we wrap up and perhaps let our listeners know where they can get in touch with you or with SCA (WA)?

Catherine Lezer: Absolutely. Look, Strata Community Association WA is here to help. We're here to help all levels of strata, people who live in strata, people who own strata, people who work in strata, people who manage strata. We want to be the place that you think of to come to. So please don't hesitate to pick up the phone. We're a phone call away or an email away, and you can just go to strata.community. That's the website. There's dot com or dot au or anything. It's just strata.community, and you can find us through that.

Amanda Farmer: Perfect. I love it. We will put that link in the show notes.

Catherine Lezer: Another thing I'd like to mention is that there's the Western Australian Apartment Advocacy, Apartment Excellence Awards happening right now. In fact, the submission period is open right now and it's going to be the first time we have dedicated apartment awards here in WA. So if anyone is listening in WA and have a great council of owners or a great apartment renovation or a great community that you would like to enter these awards, please do. SCA has negotiated a fee-free entry for 2 categories of these awards: category 6 and category 8. So please enter. The more people we can get into these awards and the more excellence we can celebrate, the more we can get the word out about how wonderful strata living is.

Amanda Farmer: Yes, I know the Western Australian Apartment Advocacy headed up there by Sam Reece, who has been a past podcast guest and a summit guest expert in 2020. She's doing great work in that space. I'll make sure that I find the link for buildings, for councils of owners to enter these awards and pop it in the show notes for this episode, which you can always grab over at yourstrataproperty.com.au/podcasts. I will send you off to enjoy the rest of your day, Catherine. Hopefully, I will see you in person sometime soon. It's been a while.

Catherine Lezer: I hope so too.

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