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YSP Podcast Transcript: 373. Tabling quotes | predicting burst pipes | appeasing an agitated owner

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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.

Amanda Farmer: Hello and welcome. I'm Amanda Farmer and I have with me today, Reena Van Aalst from Strata Central. Hi, hi, Reena.

Reena Van Aalst: Hi, Amanda, how are you?

Amanda Farmer: I am great. Thank you very much for joining me this week. Our strata manager extraordinaire here to share her wins and her challenges. I too have a win and a challenge to be sharing this week. Let's start with your challenge, Reena. Hit me.

Reena Van Aalst: Well it relates to the fact that sometimes we don't get copied in emails relating to reports, certain advice, perhaps from third parties, quotes, etc.

So I've had a few different instances where I'm at a meeting and the building managers are tailing their report and they mentioned that there's these quotes to be accepted, which really should be on the agenda in the first instance. But putting that part aside, there's actually no copy of the actual quote. So I'll just say the company and the amount. I'm thinking, well, where's the actual quote? I think the owners corporations records should really reflect that it actually has a quote from someone.

The other thing also that I'm finding is sometimes with consultants if they're working on a project and they'll submit a request or obtain a brief or a report from a third party, but then we don't actually get that.

They'll say, "Oh, we submitted that. I had one, which is like, it's called a fire engineering brief questionnaire, which had to go to the fire brigade."

And our consultants said, "Oh yeah, I've submitted the report and the questionnaire to them."

And I said, "Yes, but where is it? Like, I actually need to see what you've submitted.", because the problem is that people don't think about things at the time, but later on, you might need that. Something happens, there's a change of committee, there's a change of managing agent.

And if we don't have things that are actually received, and they're paid for, I said to the consultant, I said, "I want to see what we've paid for. That's what I want to see." And then next minute, I got it right away. But sometimes committee members, I don't think they confer with lawyers and I know, I'm not talking about things that are privileged, perhaps, but I'm more talking about, they receive advice, and it's back and forth between them. And then, we have a meeting and we say, "Oh, there's an advice from the lawyer, but I haven't seen it."

And then sometimes you have strata searches happening, we don't have all the information. So I just think that I know that people sometimes don't want to copy us in one because they're trying to sort of minimize our email volume, which I'm really grateful for. But sometimes I think, oh, you know, I didn't think of the strata manager, I think in that context that they should be aware, or perhaps some people I know, from what I've seen hearing lately on some of these different mediums relating to how much strata managers are charging, thinking, "Oh, well, you know, if I have to get billed every time the strata manager receives an email or read something, we're going to be billed."

But I think it's sort of a bit of a balance between maintaining owners corporations records correctly and properly. And then on the other hand deciding, okay, is there a cost to this and trying to weigh up the balance between the two different issues that are in people's minds, Amanda, but I still think that sometimes committees have a proprietary mindset when it comes to information. And it really doesn't belong to them. They're only just the committee, you know, in that particular period and then they may continue for

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years and years. I'm not saying that communities always change, but sometimes someone would've had like some key person cells and then everyone else doesn't even know what's going on.

Amanda Farmer: Hmm. And I might throw a hand grenade in there and say, and in some communities, records are intentionally not provided to the strata manager because some owners don't want certain things to be on the record and to be made available to potential purchases. So there is a conscious or unconscious decision to withhold things. If I can go back to the quote that you were referring to, Reena, and committee members obtaining quotes, building managers obtaining quotes, and then simply letting you, the strata manager, know that they want to engage X person for X sum of money to do Y job.

How does a committee approve this work if there is no record of this quote? I mean, at some point, I imagine there needs to be a committee meeting that attaches that quote to the notice of the committee meeting and there's a motion to approve the attached quote. So I'm not sure how building managers or committees think that it's possible to properly authorize work without giving a copy of the quote to the strata manager, I suppose is my point.

Reena Van Aalst: Yes, it happens all the time. Like I had a meeting a few weeks ago. And there was like a summary that the building manager had completed of all the quotes that they wanted approval for. And some of the quotes were included in like another report where you had to click on which is fine. I mean, it's all articulated quite clearly and you just click on it. So I understand these putting management software systems allow building managers to insert documents, then you just click on it, that's not an issue. But there were some other quotes that hadn't been sent to me. I'm not sure they've been sent to this committee or all the committee members maybe and then next minute, like, I'm saying, well, where's the quote like, and also like the various options and I'm here to record in the minutes, which option but I don't even have the point to understand what options being approved and..

Amanda Farmer: So you're actually in the meeting, realizing that copies of the quotes weren't available.

Reena Van Aalst: Yes. And everyone's just saying, yes, let's go ahead. It's like, oh, you know, I've got a quote and I'm thinking, well, where is the quote? And then I'll send it to you. It's like, well, no, like, this wasn't on the agenda, number one, which also concerns me. But the second thing is that, yeah, I'm just being told, oh, you know, I'll send it to you. And it's like, you know, and we should have the records of the answer cooperation should reflect all the source documents that it's being asked to consider, or it's being asked to you know, take action on or whatever the case may be.

But it's happening quite a lot. And I'm actually finding it a lot more and more now where people like I said, don't include us. And I think sometimes Amanda, you're right, there could be some element in some cases where people don't want us to know because they know that once they email us, it's on the record. But sometimes I get emails where I think to myself, do you know this is on the record? What you just said?

Amanda Farmer: Yes. It is a challenge and it's a good one to be calling out. And I suppose as a strata manager, the best you can be doing is to be responding as it sounds like you do, Reena and say, Hey, I need that. This needs to be attached to the agenda. We can't make a decision on that in the absence of this document. And ultimately it's all about transparency. These, are buzzwords that we like to use, at least here on the podcast. I know many listeners in my inbox and in our member form are using them, transparency and accountability. And by having up-to-date, accurate, complete records, that is how you tick those transparency and accountability boxes.

Reena Van Aalst: And also the other thing Amanda too, that we're finding also with the transfer of records, I mean because people get lots of things by email unless there's a mechanism of adding it to a document management system or you save it somewhere and you don't get the emails and like up with this new scheme, and I don't have anything, the committee doesn't have anything because they were compulsively managed and they're gonna be "Oh, just ask the strata manager the old ones." like they won't give me anything like people don't realize that you know if they had it on document management system, they would have given it to me. It's just that it hasn't been saved anyway. So yeah.

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Amanda Farmer: The history of the building is recorded in its documents and as a strata manager, you're the custodian of those documents. So it's important that they're up to date.

Moving on to my challenge for this week. This is a question that's been raised by a member in our forum, Reena, and I thought I'd bring it to you. It's another one of those really practical day-to-day management questions, not necessarily a legal question, and I'm interested in your thoughts. The question is this, is there any way to identify whether a pipe needs maintenance work before it bursts or do these things just break at some point in time, and all you can do is call a plumber and deal with the consequences.

The same with the roof. How do you know whether it needs repairing, when it needs repairing, is it possible to be on the front foot with these kinds of repair and maintenance items before the worst happens? Whether it's a burst pipe or storm event and suddenly the roof is leaking into the top floor apartments. Reena, are you working with any particularly proactive buildings who have this under control or is it really a matter of just having to react to these kinds of situations?

Reena Van Aalst: Yes. It's more the latter, Amanda, reacting.

I think it's a very good point that your member raises in relation to the roof, because with the roof, sometimes when you've had an event, then they go up and they go, oh, there's X amount of cracked tiles or whatever. So I think if committees want to be proactive, they can probably engage a roofing contractor when it's not raining at the moment, which is probably a good time to do it. Because when they're busy, you'll never get anyone to give you that advice or even as a matter of what you want to pay them.

So that would be a good idea to actually get perhaps an annual check of your roof tiles if they're older or, or there's been some problems in the past. In terms of burst pipes, I don't think it's really that easy to find out the pipes going to burst. But I think sometimes in older buildings where it could be issues in certain rises of the building, or there's been like a lot of hammering noise, I've just had one email today, actually, just by chance where the tenants said to the agent, "Well, you know, I can hear this hammering noise."

And the building manager said, "Oh, well, we have a plumber out and he could be the assistant, you know, leaking or something in the next apartment." And the guy said, "No because it's banging when the pumps were turned off the other day, the banging stopped."

So I think that times they're asking on some signs that owners and tenants can bring to the attention of the building manager or the managing agent that might allude to something happening like that, but unfortunately, I don't know in terms of pipework how anyone would be able to monitor that in a maintenance type of way.

Amanda Farmer: The point about the roof, that point is coming to a podcast episode near you very soon. I have interviewed a waterproofing expert. I won't reveal much more than that. And that chat does cover maintenance of our waterproof membranes on our roofs and what we should be doing there. So thanks for that reminder, Reena, that will be out very soon. And yes, look. Unless there's an expert out there, a plumber or some other building expert who can let us know about the proper regular maintenance of pipes. And we're talking about pipes you can't see, aren't we? Pipes that are in the wall, pipes that might be in the ceiling that when they go, they really do cause some damage. I know that we have in many buildings, we have these flexi hoses that are within our kitchen and bathroom cabinets that connect our sinks to the building plumbing and those kinds of things I'm sure we can look at, and know whether they're very old and frayed and they're about to go.

Reena Van Aalst: A lot of buildings, Amanda, actually have, we've implemented programs like that for many buildings because we know that they're old and we're having like, and normally what we try and do is have an inspection when there's a fire inspection happening say in every apartment. So we try and mirror a plumber to go in at the same time. Then, and we've given actually like a report to the committee and then the committee have decided, you know, we can engage the plumber on a much cheaper basis to replace each one per lot because they're there for a day or two or a week or whatever.

Amanda Farmer: I like that.

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Reena Van Aalst: But in some cases, there's been instances where the insurance company has forced the owners corporation to replace them because of numerous, claims. So the insurance company in one particular building said to us, "Unless you have a program, you go in and you check every single one and replace them, or we're not going to insure you."

So even though it was a lot owner's fixture because within the airspace and under the sink of the respective residents, the insurer didn't care. And of course, the community decided by the time we're trying, you know, invoice each person separately. And for those that already had new ones, it wasn't going to, it was going to be more of an exercise of greater cost to try and invoice individuals separately than just to the owners corporations to pay it because it was a measure that was determined by the insurance company to be needed for renewal of the policy.

Amanda Farmer: Yes, that's a really good point. And I'm glad that we're talking about that because it is a common one. And it's the kind of thing that when one of those hoses breaks or bursts, especially if someone's away, even if they're just at work, or if they're away on holidays, then it causes flooding and a lot of consequential damage. And yes, it's the kind of damage that would usually be covered by an owners corporations building insurance policy, as I understand it, even though that hose itself is not common property. And it sounds like that approach is being taken by your buildings as a sensible one, Reena. Let's just do the process of auditing everybody and making sure that we can tick that box because it's just not worth it having to deal with the catastrophic damage that can flow, literally flow from that kind of issue.

Reena Van Aalst: Exactly, Amanda. But just funny because I just had this same issue today that we've taken over a building there was a burst flexi hose last year. And the committee is saying that why is it being submitted as an insurance claim by the previous manager. It's holding them not to, it's not common property. And I said, I know it's a fixture under the building policy. So people have to remember, common property is one thing, but building insurance and a damage policy and what the answer question must ensure is fixtures. So it is a fixture. That's number one. So that's why it's covered when it comes to an insurable event like a burst one, but it was just leaking. We had one that was just leaking and it caused that wouldn't be covered by the insurance policy for the most part, depending on your policy wording, because a leak is not deemed to be an insurable event. So that's where the difference is.

Amanda Farmer: Yes, great way to explain it. Thank you, Reena.

And thank you to our members for asking that question. Hopefully, that gives you some guidance in that respect. If you have a view on this particular topic, please do post a comment for us over on the website under this episode that's over at yourstrataproperty.com.au/podcasts. We always like to hear from our listeners.

Reena, your win for this week.

Reena Van Aalst: My win for this week relates to an owner who was very upset about their levies and they were in arrears and the owners corporation had tried to through the strata committee asked them to submit a payment plan, which they refused to do, or they said that "Can you tell me what we should pay?" And we're saying, "No, you've got to tell us what you can pay in the NS Corporation, we'll then decide whether that's an acceptable payment plan." And he started screaming on the phone, blah, you know, we try to calm him down. And then he actually came into the office, which I think sometimes is a bit scary for some of the staff members, because, you know, he was telling a big guy build a type of person. I don't mean that in a different way, but it was, it was a bit intimidating. So one of my staff members went out who was you know, he has a he has a very calm disposition. Which I think is a good thing to have in these circumstances. And he basically tried to explain to him was he thought that the member that the person that was communicating with him was the person making the decision.

So what he didn't realize that it wasn't us that was saying, we don't accept what you're submitting, or please submit something or we're going to refer to the deck collecting lawyers. He thought that the person that was communicating with him was the one that telling the committee and was the person in charge. And I think you might've mentioned this perhaps Amanda, in one of your previous episodes about the fact that many owners that understand the law of agency and that the [inaudible] doesn't actually have the power that some people think that we have that thing that we're making the decision.

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You know, and even though we tell people, this is what the committee have said, I think for those owners that don't go to meetings and he's never been to a meeting, and that when people go into financial hardship, you know, they take it out on the wrong person. I mean, we're just the messenger. And unfortunately, you know, my staff went out and explained to him that, you know, now we just, we just being told by the committee that who will look at the AGM, they get elected, they, like board directors for a company, it tells us what to do, etc. And also the committee is obviously acting within the framework of the legislation and also within the framework of the AGM resolutions that empower them to recover outstanding living contributions.

Also in this building that they had, you know, they were running out of money because they have a fire order, and they had to replace some of their roof membranes. So there were significant costs. So sometimes, you know, in a sort of medium to small size building, having one owner, in a significant area does affect the cash flow and ability to pay invoices. I know that shouldn't really happen. But sometimes, as we know, a lot of our expenses, they've been rising, they've been going out of budget, there are things that you only find out when the work is being done that they haven't been aware of when they provided quotations, all the thing managers and lot owners out there would be familiar with this type of problem. And I think sometimes in terms of strata managers, because we're the face of the bad news, then people actually sometimes erroneously think that we're the ones that are making those decisions and we're not. We're just basically just trying to do our job, which I think can be really hard. I think the managers, especially when you're dealing with that type of aggressive behaviour when it's not really our fault. And I mean, I don't know what's happening in his life either, but It's one of those things where sometimes people take it out on the wrong people when they're going through hardship.

Amanda Farmer: And when your very calm staff member was able to explain all of that, was that well received by the owner?

Reena Van Aalst: Yes, I think when he came, yes, because he went out and spoke to him, he told him, he said, listen, it's not, you know, us, it's we take instructions, you know, so it's not the lady that's been emailing you, so please don't be upset with her. And he calmed right down after that, which was good. It was a good outcome. And that's why I've got it as a win. But unfortunately, I think it's a very prevalent misunderstanding on the part of lot owners that sometimes the power of the strata manager isn't always what people think it is.

Amanda Farmer: And a good tip there for managers to be aware that perhaps that's the way the owners are thinking and misunderstanding. There's a breakdown in communication there, misunderstanding that it's not the strata manager making the decision. Strata manager is acting on the instructions of their principal, which is the owners corporation generally via the strata committee. And just explaining that to the person on the other end of the phone or on the other side of the email can help to de-escalate the situation quickly which is great.

Reena Van Aalst: Yes

Amanda Farmer: Excellent. My win for this week. This was actually a win shared by a fellow strata lawyer. Some of you listening may have seen this on LinkedIn. The strata lawyer who shared this, his name is Christopher Kieran. If you're tuning in Chris, hello.

Chris is a partner at Kieran Benson Lawyers together with Alison Benson, who has been a guest on the show here previously. And Chris posted on LinkedIn a photograph of a plaque that he had walked past in Bondi Junction. It is a plaque affixed to a strata building.

And the plaque says this, I'm going to read it out in full. It's public. It's a plaque that you can see yourself if you were to walk past this building in Bondi Junction. It says,

"In honour of the memory of Dr Michael Hafer, who's dedicated and long service as chairman of the owners corporation of this building, 1994 to 2021, will always be remembered with the utmost gratitude and appreciation."

That is a plaque that a community has decided to place outside its building in a public area to recognize a former chairperson. Isn't that glorious, Reena Van Aalst?

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Reena Van Aalst: Yes, I think it's the first time I've ever seen this ever, in any building, in any context. I mean, you see it when you look at building plaques that have, you know, like people that have opened a building, you know, by this, the Premier opened the building in 1975 or that, that type of thing, but you never see anyone giving gratitude in such a public way for someone's efforts. And I think the thing that people don't realize when you're a committee member is that it's all free. Like they're not paid to put up with, you know, people's bad behaviour and they're not paid to do all the work that they're doing. And yet some people do it so well and so graciously. And it's really lovely, Amanda, to see that some people recognize that and through their gratitude have displayed something that's really to me, like an unforgettable symbol.

Amanda Farmer: Absolutely. And a lot of the comments on LinkedIn under Chris' post were saying, "Wow, I've never seen that before. That's fantastic. I think Chris was posting it saying he'd never seen that before. Had anyone seen something similar?"

And happily, there were actually a few comments there saying, "Yes, there's another one in this building or in this suburb" or "Yeah, there's a few of them out there." So I thought it was one that I couldn't not bring here to the podcast to share with other communities. Either you've seen this or it's something you might think about doing for a long-serving committee member whether they're still with us or not. I wasn't sure how to read that, read that plaque, whether that was someone who is, clearly there were a number of years mentioned there where that person was the chairperson. The plaque was there in memory of them. So, I'm not sure if they're still part of that community or not, but, whether your committee members are still in the building or they've moved away, it's a really lovely idea if that is someone whom your community would like to remember to recognize them in that way.

Reena Van Aalst: Yes, I think it's fantastic Amanda. It's such a lovely, heartwarming gesture.

Amanda Farmer: And I think a lovely place to finish up our chat for this week. Thank you very much for spending time with me again here on the podcast, Reena Van Aalst.

Reena Van Aalst: Thanks, Amanda. Have a good week.

Amanda Farmer: You too. Bye bye!

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 via the show notes at yourstrataproperty.com.au.