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YSP Podcast Transcript: 393. How to Easily Reduce Strata Energy Costs

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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 to this week's podcast episode. I'm your host, strata lawyer, Amanda Farmer, and my guest this week is Sally Pollard.

Sally is the general manager and a board director of Strata Energy Services. Sally has over 20 years management experience in a number of sectors, including energy, technology, finance and legal.

Sally leads the energy broking team at Strata Energy Services, keeping them positioned as the leading national broker. When it comes to Strata, Sally's focus includes future-proofing strata buildings with low carbon and sustainable energy solutions while ensuring the best financial outcome for the building.

Now, if you've been looking for ways to improve your building's financial bottom line, especially at a time when expenses just seem to keep rising in every respect, you'll wanna have a close listen to this episode. I'll take you over now to my chat with Sally Pollard.

Amanda Farmer: Sally Pollard, welcome to the show.

Sally Pollard: Thanks Amanda, it's great to be here.

Amanda Farmer: Sally, tell us a little bit about you, your background in strata, if you have a strata background and how you came to be part of Strata Energy Services.

Sally Pollard: I've been in Energy and Strata for the last five years. Prior to that, I was in professional services, so banking and finance, legal and IT. So strata is something more recent. I have also been exposed to strata from a personal point of view. I've got a small investment rural property that is in a strata complex and you know, with things like cost of living. Levies are going up and insurances and what have you, getting savings through my common area energy was a bit of a no-brainer.

But I do love being in the strata industry. It's a really fun social industry. We get to network with a lot of our clients and of course, Women in Strata is one of our favourite events, Amanda.

Amanda Farmer: Good to hear that. Yes, I do enjoy catching up with you and the team each year at our Women in Strata events and I was just saying before we jumped on that you and I talked about having this podcast chat 12 months ago and it is an indictment on our busy lives I think that it's taken us 12 months to get it together so it's great to finally have you on the show.

Sally Pollard: Yes, it's great to be here.

Amanda Farmer: So Sally, what exactly does Strata Energy Services do? This is maybe a big question and you may have to step it through for the non-tech heads like me. But what is it that you're doing for our Strata buildings?

Sally Pollard: So we're an energy broker and we are dedicated to the strata community. So we've got 230 Strata firms under management with over 35,000 metres that we're working on at the moment. We're a national company. So we operate out of New South Wales, Victoria, Queensland, South Australia, ACT and Victoria.

Basically what we do is we aggregate into what we call a multi-site tender approach. What that does is it tenders all of the buildings within a Strata firm's portfolio to achieve bulk buying power. And that's how we gain some really great savings. What we do is we really pride ourselves on our after-service.

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So we have a dedicated account management team and each strata firm is a dedicated account manager who looks after all of their portfolios, answers all of the tricky questions that come through and we've got state specialists as well because there are lots of nuances in all of the states. So that's super important to us but we also do is we train, we go and face-to-face train with all of our strata companies as well so that they can answer any of those tricky committee questions and we're finding lots of questions around things like EV charging is particularly interesting at the moment and things like solar. So just to help try and provide some guidance we also do things like sustainable products so I mentioned EV charging, solar, battery solutions, heat pumps and we also help with embedded network tenders.

So really a one-stop-shop for all kinds of energy solutions that are required. We have got a great account management team, we pride ourselves on our retention. We've got at the moment we were running at 98% retention rate which is awesome.

Amanda Farmer: Okay so tell me Sally if I'm in a building that says I think we can get a better deal on our electricity, do I come to Strata Energy Services and say "Can you help us with that?"

Sally Pollard: Yes, absolutely. So if you are looking for a better energy deal, electricity or gas, then absolutely we can help you. Also, if you're in an embedded network, we can also help you answer any of those questions, more technical questions that you might have or help with a tender process if you're interested in looking at other options.

Amanda Farmer: So tell me about that Sally, because I think this is sort of your sweet spot if I've got that right, this tender process and bringing together many buildings to get the power of bulk purchasing. So how does that work?

Sally Pollard: Yes, so typically what we do is we work with a strata firm and we aggregate all of their portfolio of buildings together in one what we call a multi-site deal. And we work with energy retailers, so we then take that deal, we go out to the retailers and we aggregate all of those buildings and that gives us bulk buying power. And then we obviously analyse all of those deals that come back and make recommendations for the strongest winner and that can be based on incumbency but moreover, cost.

Amanda Farmer: Right so you're actually working with the Strata Management Company in that respect. Does that mean that the strata manager is your client or at what stage if ever does the owners corporation of the building become your client?

Sally Pollard: Yes, look, typically we are dealing directly with the strata firm, but we do often have questions that come directly from the committees. There are lots of questions that they might have around different sorts of sustainable products that they're interested in navigating. EV charging is obviously a hot topic at the moment, so we try and help guide them through that. But we do provide a lot of training for the strata managers to make sure that they can answer those committee questions directly. So yes, the strata firms are our clients.

Amanda Farmer: So when the committee has been pleasantly surprised by this opportunity to be able to get a better deal on their energy services, because perhaps their strata manager has come to them and said, we've got this relationship with Strata Energy Services, we recommend that you shift over to these new contracts. Is there any cost to the building for that benefit? Are they just lucky to have that strata manager on board who's got the relationship with you? I mean, it seems like a no-brainer to me.

Sally Pollard: Yes, in a sense that they are, absolutely. So there is no cost for the committees or the strata firms. We are paid by the winning retailer. And what I will say is that we are paid the same commission from all of the retailers, so it's an equitable and level playing field for everybody and it's really about making sure that our clients get the best offer that is out there for them at any one time.

So yes, look, it is a no-brainer and certainly, we communicate quite clearly to the committees as well. They're all giving individual analysis so they can see what kind of savings they've got as well can make an informed decision and with the power-of-choice legislation they can opt out at any time, they don't have to be part of the process but when you're saving money, typically we get a hundred per cent uptake.

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Amanda Farmer: Are you mostly working with new buildings that might have more complex energy systems set up, including embedded networks, or do you also work with older buildings that really have nothing except power and gas?

Sally Pollard: Variety, absolute variety. So we can work with some small firms and they might only have six buildings in their portfolio or we can work with firms that have thousands and thousands of buildings. And each building is quite unique and there are obviously unique things statewide as well. So taking into consideration all those things, we can basically tailor it to those needs.

Amanda Farmer: So tell us Sally about some of the buildings that you've been able to help if you've got that information through your strata managers, the kinds of savings that they've experienced, I guess, what their wins have been, and even we often like to talk about challenges here on the podcast, what have been their challenges getting started with your services or making sure that they can make the shift over to a better deal.

Sally Pollard: I've got a couple of recent tenders I thought I'd share with you, just by way of example. So we had a Hursfield client. They had six buildings in their portfolio, so relatively small, but we were able to get them savings of over \$56,000 over the life of the contract. So that average is \$4,600 per annum. So huge savings for those particular individuals.

And another one we worked on last week was an Inland West, so Sydney Inland West, client. They had 56 buildings in their portfolio and they had savings of over 68,000. And they have an average savings every year of \$607. So it can vary quite dramatically, but certainly, savings are coming through. With cost of living increases going through, you know, those sorts of savings do help.

And you talk about challenges as well. It's a relatively straightforward process because we're tendering for the common area meter. So what we need to do is we communicate with the committees, we gain their buy-in, but all we really need to do to get started is a letter of authority, which enables us then to speak to the retailers, a copy of their common area bill, and a site list.

And then we can go and speak to the retailers and get the best price possible for their particular building. So super straightforward. It is obligation-free and as I said because of power of choice legislation they can be included, they don't have to be included, they can move at any time, and there's no lock-in contract.

Amanda Farmer: And tell me what message you're giving or your team that's going out and meeting with strata managers is giving to strata managers to get them on board and to get their buildings on board. I mean, it's a truism to say strata managers are very busy these days and their inboxes are overflowing and it's very hard to get their attention.

And I talked to a lot of very creative, innovative service providers in this space who just say, Amanda how do we get to strata managers talking to us about the challenges they're facing and so we can help explain how we can help. How do you do that? What's your message to strata managers?

Sally Pollard: It's almost a relatively easy sell because what we do is we actually save them quite a lot of time. So we are basically, with the account management service, we are almost like a middle person. They don't have to sit on the phone speaking to the retailers waiting for kind of energy inquiries and waiting to understand their bills or we take care of all of that.

So from a time-saving perspective, it's a complete no-brainer for them and they do find our service much easier because quite often they can get tricky questions from the committees, they can fire them across to us, and we'll answer them in a much, much quicker time frame, then they would have to spend waiting on hold with retailers and such. So they see the benefit in our service from that point of view.

Amanda Farmer: You've said there Sally that you are dealing with the common area meter, you're not adding any infrastructure or any equipment to the common property, the retailers who are coming in are not doing any of that, it's purely, I'm going to call it purely paper process, is that right?

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Sally Pollard: Yes, absolutely. The unique part is that we can go out to all of the retailers. So we have 15 or more retailers that we have relationships with and we can go out to all of those and tender and get the best price possible.

And if a strata firm were to do that, the length of time that would take for them to do it would be hugely time-consuming as you can imagine, as you said, extremely busy. So we take care of all of that for them and then come back with the best price for their portfolio.

Amanda Farmer: I'm just thinking from the legal perspective and strata managers explaining to committees what's involved. There's no changes happening on the common property that would need general meeting resolutions. As you said, it's really just that authority coming through the committee to the strata manager to say, yes, we're happy for you to go and investigate what other options are out there.

Sally Pollard: Yes, that's right, exactly. And as I mentioned before, it's a no-locking contract, so they've absolutely got freedom of choice. So they can move at any time as well. It's just really about presenting them with a better offer. It's a really proactive kind of approach that the strata managers are taking to help save their committees some cash. Which at the moment with levies going up and insurance costs going up, this is a good news story that they can then share, which is almost always really well-received.

Amanda Farmer: Yes a great way for the manager to be able to come in at the AGM and say this is how much has been saved in your energy bills this year because of this relationship that we have with Strata Energy Services. I'm trying to find the strings attached here, Sally you might be guessing.

Sally Pollard: I know. Our psyche is that nothing is ever for free, but it truly is free for the strata managers. I mean, we are obviously getting paid and we have to get paid because we've got a cost to serve our clients and answer those energy inquiries. But we are paid by the winning retailers and they're all on exactly the same commission. So there's no bias anywhere. So yes, it's as straightforward as it sounds.

Amanda Farmer: Do you ever come across a building that because of their location they may not be in a high-density area, maybe in certain states of the country, parts of the country, I'm not sure, that you really can't find a saving for them? Does that ever happen?

Sally Pollard: Yes, it does happen, absolutely. For whatever reason, maybe it's that they've negotiated a really great deal themselves, depending on the time of the year or the time of the market. Obviously, we had a time when the market wasn't doing as well, and they've negotiated a really good deal. If that's the case, we will not include them in the tender. So we never include anybody who is going to be worse off. It's only for those people who are benefiting. And we clearly state that in our reports as well.

Amanda Farmer: You mentioned there Sally, in addition to finding the best deal for our buildings, you can also help with EV charging, I imagine solar, and other forms of renewable energy. How does that work?

Sally Pollard: Yes, so look, we do consider ourselves to be a one-stop shop, pardon the pun, for energy. So we can help guide committees through the embedded network tender process. So if they are with a particular provider and they would like some guidance around whether they're on the best offer or if there are other offers out there, then we can certainly provide that service for them.

But in terms of sustainable products, yes, we're getting lots of inquiries about EV charging is the hottest topic at the moment. And in New South Wales there's a fabulous government grant that's out there at the moment, specifically for starter companies. So we're giving a lot of guidance around how do committees get the grant and then after they've been successful in getting the grant, how do we then help them with installations of those EV chargers?

And so we've got preferred suppliers on our books that help us navigate through that. They provide site audits to have a look at all of their kind of sustainable products and what would help on site. So it could be solar on the roof with a battery to help through day and night. It might be heat pumps. There's all sorts of different solutions out there.

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This is becoming more and more a hot topic for us. And we've got some really great suppliers on board who meet very high criteria to help us supply those to the strata companies.

Amanda Farmer: So would that then be something that a building can engage you directly to assist them with?

Sally Pollard: Yes, most definitely. Quite often we're getting inquiries coming daily now. A year ago, less so, but obviously with these new grants coming forward as well, it's much more attractive to strata companies to actually start engaging and getting these things and future-proofing their buildings.

Amanda Farmer: Now you've mentioned that you're across the New South Wales government grant that's out at the moment. Do you serve all parts of the country and anywhere overseas? We do have some overseas listeners.

Sally Pollard: We don't have any overseas listeners but we do serve Queensland, Victoria, South Australia and the ACT. And each state has its own kind of government grants and different things available in each individual state. So we do need to be across all of those because we can help navigate those complex questions and then obviously help with the implementation of those sustainable products. So yes, we sure do.

Amanda Farmer: Excellent. Now a mixture of owners and committee members tuning in, strata managers tuning in, can you give us a bit of a guide Sally for how an owner might get started with using your services and then I imagine it's a separate path for a strata manager who may not yet be using your services, where should they go?

Sally Pollard: Certainly, look anybody can call me directly. We have also, we've got some BDMS on board who would be more than happy to help you. So Tom Draw is the National Sales Manager and we've got Emmanuel Barbas who is the Victorian State Manager. Both can help navigate any kind of tricky questions that you've got. You can go onto our website or you can call directly into our office and somebody will be able to help you. So if it's a strata firm, all of the above applies. The same applies also to an owners corporation. And we can try and help navigate any of those difficult questions that you might have.

Amanda Farmer: Is it the case that if your strata manager was already tapping into the service that Strata Energy Services provides, a building would know about that? I'm just wondering whether some of our owners maybe should ask their strata manager, hey, are we using this? And if we're not, maybe we should.

Sally Pollard: Yes, indeed. I think that would probably be the first course of action. Definitely speak to your strata manager and see if they have engaged with our services and then if not, yes, certainly we can help them navigate that. Not all buildings are aware that they have been engaged in this process just because there's turnover or whatever might happen, but most are aware.

Amanda Farmer: Excellent. Well, look, if I was a strata manager and I was able to reduce a building's energy bill by 10, 20 plus per cent, I'd be shouting it from the rooftop. So I should hope that anybody who is delivering that benefit to their clients is talking about it.

Sally Pollard: Yes, absolutely. Strata managers work extremely hard and deal with some really difficult questions, so being able to deliver a really good new story is an absolute no-brainer.

Amanda Farmer: Well, thank you very much Sally Pollard for joining me today and sharing this option, this opportunity that I expect many out there are not yet aware of but that is becoming increasingly important to be across especially as it sounds so easy to be able to get these benefits. Anything you want to add before we wrap up?

Sally Pollard: I think we've covered everything, it's been great to join you and we're absolutely more than happy to answer any difficult questions but also service our clients and get the best price possible for our committees. Thank you.

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Amanda Farmer: Sounds good to me. Thanks so much, Sally.

Sally Pollard: Awesome. See you at the next event. Thanks, Amanda.

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.