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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. Welcome, Reena.

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

Amanda Farmer: I am great. Powering through the list of strata challenges as usual. That's what we're here today to talk about, as we like to do every few weeks, our wins and our challenges. What's been challenging you this week, Reena?

Reena Van Aalst: Well, this is a very sort of mundane thing, I think, for someone to probably be talking about in a public forum, Amanda. But I suppose we've always worked with people, whether it's in our offices and workplaces or whether it's in a professional capacity when you're dealing with clients. But I have many clients that pretty much, sort of they're lovely people but they're very disorganised. And so you send out an agenda or you send out drafts, they can't find the draft agenda, you got to resend it.

Where's that document? Where's the financials? Oh, here it is. I've already sent it to you last week. Here's a calendar invite. Oh, when did you send that? And I know the reason I'm raising this now, I think because people are so busy in strata at the moment and I think it's just a time where there's so much upheaval. These things normally, you know, it is sort as part of the normal course of work.

But I think even if you're an employee in a job and then you had a boss that kept on sort of asking you, can you please send me this? And you please send me that, can you please do this, can you please do that? After a while, it does become a bit weary when people, you know, just disorganise. And I know that some people, everyone has strengths and we all have weaknesses.

But the thing is, all comes down to cost as well, where people are complaining about the cost of strata management fees and the value they get from managers. But when someone's being asked to do something over and over for either one or two people in a building or a committee, it does get really hard, I think, because, you know, I mean, of course you don't have to charge.

But again, like, it's one more thing, you have to do one more thing. You got to locate the email. I mean, we have really good systems where we've sent an agenda, we have a separate section, we file that email so that it's in the buildings file for that meeting and it's easily accessible. We try and use our portal, but these are the people you never want to tell them, I'll go to the portal and get that document because you definitely hear it get an earful.

And I think also the human thing about people's intelligence, I mean, the average person is just has average intelligence and that's fine. But when you're trying to deal with people on a scale in strata that we're dealing with, I think sometimes what gets forgotten is the time that people take to do all those little mundane things that aren't evident. Like you go to a meeting, no one knows, you've sent that agenda three times to someone, or you've sent the draft budget and you've changed this and you've done that and move that and move this and do this and change that.

No one knows any of that, you know. And that all takes time. And I think that, with managers and their portfolios and all the demands that are being put on them and the support teams to get things done in certain statutory timeframes, agendas going out on certain dates. So, again, like, we have to get things out certain, certain times to comply with the Act.

So, yes, I'm just sort of having a bit of a. I think, I'm not sure if purge is the right word, but I think in this current environment, where there are so many complaints about strata managers and their fees, I just would like to point out to those listening that there's so much that people don't see. It's like when you're watching a TV programme, you don't really know all the ins and outs of what you

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see two minutes on the clip and you don't know behind the scenes how many people are involved just to produce it. Two minute flip.

Amanda Farmer: Yes. Well, it's definitely the case that some people are more organised than others, some are better at email management than others, and I noticed this most of all when I'm serving on my own committee. And maybe it's because I'm a lawyer and I kind of have this logical, hierarchical way of thinking and maybe understand the importance of paper control, but I definitely feel that I have a better handle on the emails than my fellow committee members.

And they have said that to me before, you know. If we need to find something, Amanda will be the one to find it. And this example, Reena, of, you know, having to send things multiple times, having to follow up on instructions, committee members saying, "Oh, hang on wasn't this decided? Didn't we already talk about this?"

Reena Van Aalst: Yes.

Amanda Farmer: That example is very fresh in my mind because just this week in my own committee, there's been an email running around about, I think a resident had complained about something that was happening in their unit.

We had talked about that at a committee meeting. There was an instruction issued to deal with that. The strata manager had had some more communications with the tenant and then had followed up with the committee with some instructions or seeking some instructions, and one of the committee members said, "Hang on a sec, didn't we already talk about this? And wasn't this what was supposed to happen?" And that committee member, great that they were responsive and responding to the email, but if they had read back through the email trail and the chain of emails, they would have understood that, yes, the strata manager had actioned what was decided at the meeting.

There'd been some more correspondence from the tenant with some more photographs. There had then been a request for instruction, "Should we send a contractor out?" And that's kind of where it was at. And it was, I'm not going to say up to me, but sometimes I feel like if I don't do it, no one's going to do it. To revisit that trail, revisit the minutes of the committee meeting, go back over, what was it that has happened in the last couple of weeks, and set that out in an email to everybody to say, "Yes, we did talk about this two weeks ago. Here's the chronology of what's happened since. Here's the additional information that our strata manager has given us and here's the decision that needs to be made."

That's something that maybe in another building a strata manager might have to do to bring everybody up to speed, in my committee, I kind of tend to be that person who reminds everyone where we're at. But it absolutely comes down to some people have that skill of having that paper control and having that organisation in their inbox, and others just don't or don't understand the importance of it.

Reena Van Aalst: Yes.

Amanda Farmer: Of course, I'm always coming at this from the angle of we cannot be ignoring residents who are complaining about problems with the common property. We've got to deal with that promptly.

Reena Van Aalst: But, I mean, that's a really great point that you raised about the fact that you have taken the time. Now there's a cost to that time and this is where I'm coming back. So therefore, when people say, you know, if the manager's role is then to do that, and I agree in many of our cases that we do have to then come in and say, if there's no one else, like yourself or other community members that are across things. And also have the time to respond, then the manager is then responsible to then, you know.

And usually, the manager will have it in the back of their mind because they're dealing with it on a constant basis versus a community member who's not, it's not their job, they just live there. So therefore sometimes they don't have the same, you know, like memory or ability to count the historical aspects of a matter, but then the manager will have to charge for that. And we're also being encouraged by companies and others to use like these sort of programs where people can have a voting platform where you

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can sort of put, you know, comments in or ask the committee for an answer and then everyone can say yes or no.

But those platforms in this case would not work because one, I think people have questions and they don't remember anyway, so they wouldn't vote or they might vote no. So that which is contrary to what you would want if they had all the facts. And secondly, some people aren't technologically able to deal with different types of programmes and therefore, for someone like yourself who's, you know, and others who are more in that professional area where you work with programs and different types of apps and that there's a lot of people perhaps don't have that ability to understand and use technology the same way that other people can.

And so these are the challenges that I think, also are causing strata management costs to rise. Because as things are failing in buildings, as buildings are aging, obviously there's more money needed to fix them, but consequently there's also more money needed for people to be involved in the decision-making process and at that level to fix it as well, to deal with it.

And so I think this is a thing that sort of, I think we need to sort of think more broadly about, you know, and this is why I think I know that simple. There's been, which is another subject for another time about these fixed fees. But in having agreements so people can have surety, but in life nothing is short.

Like today, we had a building, everything was fine and then next minute there was a lightning strike and, and now this catastrophe. People had to move out. It couldn't have been foreseen and therefore things like that can't be included. You can't include everything. Of course, there are unforeseen things and you can't include everything in life, in a very staged way in terms of an agreement or an arrangement.

And that's why there has to be room for extra cost to be charged. But I think this is an example of what we're talking about, a very simple little thing where one little thing becomes so much more magnified because people either don't have the ability, don't have the memory, don't have the skill set. I mean, not everyone understands how things work in terms of strata living or buildings. Just like I don't know how things would work for other professionals out there. Everyone is more confined to their own areas of expertise. So yes.

Amanda Farmer: So how about a line item in our strata management agreements: an additional service performing functions as the committee members PA.

Reena Van Aalst: Exactly! Yes, hourly rate.

Amanda Farmer: Hourly rate for that one.

Reena Van Aalst: Yes.

Amanda Farmer: Because that's what it is, you know. You're there organising them because they either can't organise themselves or don't have someone on their side to organise themselves. And as you say, there's a cost for that. It's either a cost on your side or it's a cost that you're happy to pay the strata manager to perform that service for you.

Reena Van Aalst: Exactly.

Amanda Farmer: Okay, thanks for sharing that. I'm sure there are many managers tuning in and committee members and owners who can relate to that. My challenge for this week relates to insurance. Favourite topic of ours.

Reena Van Aalst: Oh my gosh!

Amanda Farmer: Question is in my inbox from a person who describes themselves as a longtime listener. This person's name is Scott. Thanks for reaching out, Scott. Scott is a strata manager and says that he has a building currently in dispute with their insurer about a request from the insurer to be provided with copies of all minutes from the last 5 years following a recent storm event that has led to a claim.

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Now, the committee doesn't want to provide the minutes, perhaps because there are some repair and maintenance issues that were never discussed or never dealt with. They don't want to provide the minutes. There is a loss adjuster involved for the insurer and they are saying, "Well, I need these minutes to be able to progress the claim." Scott's wondering, "Has anyone else come across this before?" Reena, have you come across this? What are the rights or obligations of the owner corporation in this case? Do they have to provide this kind of material to the insurer?

Reena Van Aalst: Yes, I think it's part of the disclosure requirements under every insurance policy matter and I've just had one where it's a lightning strike. I was just mentioning to you that as it resulted in people having to relocate. The insurance assessors, there's been multiple, three or four different areas of the insurance side that have appointed different brokers for different aspects of this claim and they have wanted all the reports and all the minutes and agendas for the last three years.

We had to prepare an index and, you know, because there's so many documents, so it's quite normal and that the insurance company would require this as part of the disclosure requirements to see whether or not things had been fixed when they should have been and how long this has been going on for. But I'm not really sure why the, I mean, obviously that Scott should be able to do a strata search and get the minutes. Hopefully.

Amanda Farmer: Yes. So Scott is the strata manager. So Scott would have been able to put his hands on the minutes. I think the instruction from the committee is don't hand over the minutes. I wouldn't be surprised if there were no minutes. Maybe there's a strata committee meeting once a year after the AGM, but yes, I'm inclined to agree with you there, Reena.

The place to look for our strata managers is in the policy terms and checking what those disclosure obligations are, as Reena says, I imagine, you know, I haven't looked at one of these policies for a while, but I imagine there are terms in there about the insurer being entitled to request that information, the insured being obliged to provide any information that the insurer may request in order to progress the claim.

Including documents like minutes of meetings and any other records that maybe, that the insurer may believe are relevant to the claim. So if Scott's issue is with trying to tell the committee, "Hey, you've got a legal obligation to do this," then pointing to that relevant term in the policy is going to be the way to go about it.

Reena Van Aalst: Yes, that's exactly right, Amanda, because they also ask for quotes and reports that you've had that it's more than just minutes. It depends on and I've had times when I've had one I remember many years ago my large schemes where someone fell over in a building in the car park, they were injured. And the insurer even asked for the Work Health and Safety reports that had been obtained.

Amanda Farmer: There you go.

Reena Van Aalst: To see obviously if there'd been any reports of any risks that had not been yet notified. So, yes, it's very common and it's in every single policy wording as you've advised earlier.

Amanda Farmer: So just to be clear, for anyone who's not familiar with these kinds of claims, or this process, if there is a storm event and there is a leak, there's damage, the insurer is not just going to say, "Okay, fine, there was a storm, that's an insurable event, we're going to pay out." The insurer might be concerned to make sure that the owners corporation has been properly repairing and maintaining its common property, that the damage is a result of the storm and that it's not a result of there being a pre-existing hole in the roof, for example.

The insurer is not going to take responsibility for that. Insurers are getting tougher on buildings that are aging, and buildings that are not performing that legal duty to repair and maintain. And so I'm not surprised that they may be asking questions that perhaps in previous years if you're an experienced strata manager, you may not have had these kinds of questions from insurers. But now they're recognising that sometimes the building is leaking not because of the storm.

Reena Van Aalst: Yes and I think also it's like one of those sort of user pacings. Why should buildings that don't spend money and

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don't maintain their assets subsidise those through insurance premiums that have been rising partly because of this reason. Where other buildings have been maintained and they have a storm and therefore, they should be paid out. Whereas the ones that haven't been perhaps have partially contributed to the more extensive damage that's being suffered.

Amanda Farmer: Yes, exactly. That's a nice neat one. Thank you very much, Scott, for raising that one. Listeners are always welcome to post comments on the website under each episode if you've got questions or suggestions for topics that you might like. Reena and I to cover or feel free to drop an email to amanda@yourstrataproperty.com.au. Reena, do you have a win for us this week?

Reena Van Aalst: This win is really a testimony to someone who's been injured at a site. In a building that we managed a few weeks ago. There was a pit and the building had arranged for the old hot water tanks to be removed and relocated.

And during that time there was a plumber whose latch got caught onto a tap as he went to swing and the actual hot tank sort of fell on him and broke his arm. Anyway, there was obviously, we had the call, we were so worried and concerned and I had a story from the chairperson who said something that was totally different to what happened. And it was like, I mean, I won't even repeat it now on air because it's really horrific to repeat.

Amanda Farmer: Oh, right, you thought something terrible.

Reena Van Aalst: Oh, yes. Like, basically that is like so catastrophic that he probably would have been. Not that he was dead, but he's probably close to it. And the amount of ___ was hot water and there was gas, I think the amount of like 14 police cars turned up and 5 ambulances. I mean, I could hear the sirens because it was not far from our office.

And you hear sirens all the time, but then when you hear that, and so all of us in the office were so shaken by what had happened. Anyway, now I end up speaking to the plumber, the owner, who's there, obviously at the same time and assisting. And it wasn't as terrible as what we had been thought to initially believe. And he's doing really well now and he just broke his arm. And obviously, he was unconscious for a few minutes.

And then, of course the first thing that the community. "Oh, you know, you've got their insurances," and I was a bit sort of taken back by that. But I understand why everyone's after the shock wears off people's minds goes to all the liability issues that could arise. And I think this is another area where I want to raise in terms of strata schemes, paying for someone to do all the checking of the contractors' licences insurances and policies. And when they expire and whether a work safety method statement was required. So because the buildings pay, you know, we just charge it at cost, we don't make any money out of this.

We actually checked our system, everything was up to date and it just obviously gave the strata committee and our office obviously, peace of mind that everything was assured in that respect. But I think it's just one of those things where until something goes wrong, many times, as a manager, someone doesn't have their documents, and we get a warning in our system because people don't want to pay the company money to be on their register. Why should I pay as a contractor to be on the register?

It's like, well, if we had to check your licences and keep a record every year and check it and follow you up when you don't send it and follow up the insurance policies that have expired, that's going to cost you a lot more than, I think at the \$95 that company, like Ebix Trade monitors charges. And so normally, if someone hasn't had it, I've overridden it.

Now, I'm thinking that now I'm not going to override anything because I know these people like I've seen all the emails between Ebix and it's on the way. So I'm not sort of approving, that shouldn't be approved. It's one of those things where now it takes an injury like this or a potential issue to happen where people, and just like that recent case with the person that fell over with the gate, even though that wasn't to do with insurance, you just don't know when something could be catastrophic and resulting in death or,

Amanda Farmer: Oh, exactly.

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Reena Van Aalst: Permanent injury.

Amanda Farmer: And it's these close calls that remind you of that. It was only yesterday that I was online with a group of strata managers teaching the module 'Introduction to Work Health and Safety' for their CPD compliance for this year. And it's great that that topic is on the curriculum. And exactly what you're saying there, Reena, is what we teach that you need to be checking for safe work method statements, you need to be checking licences and insurances, even in residential buildings.

Reena Van Aalst: Yes.

Amanda Farmer: Residential buildings, purely residential WHS obligations strictly don't apply. They are exempt. But we still want to make sure that we're providing a safe environment as possible for our contractors. And if there is something that could have been done to prevent an injury, a serious injury or even a death, don't we, as an owners corporation, want to make sure that we've done that. And if the worst happens, to be able to as you've done, go back and check your records and go, yes, they were licenced, they were insured, there was a safe work method statement. We did all those things that we could do in this situation.

Reena Van Aalst: Yes. I mean, on the topic where people say that residential schemes are exempt, but I think that when it comes to an injury, like as I said, I had a scheme where someone had fallen out that was residential. The insurer asked for that report. Now, I believe that even though it's not necessarily required, you got to mitigate the risk of the insurer.

Now, how else are you going to mitigate the risk of the insurer if you don't know what the risks are? By doing an assessment. I think a lot of buildings are concerned about, "Oh, we don't want to do this report, because then they'll find out what's wrong and then we'll have to spend money fixing it." It's like, yes, but if something happens, if this accident had been as a result of a risk in that pit, as opposed to the clip getting on his belt, getting on his harness, his harness clipped to the tap as he moved.

If it hadn't been something like that and it was something that was wrong in the pit and he had actually suffered more serious injury or worse to death, then I'm not sure if the owners corporation can say, "Oh, well, you know, we're exempt from these reports and didn't have to sort of make sure that the.."

Amanda Farmer: Yes, it really depends on whether the owners corporation knew about that problem. Something like a slip and fall is a little easier to unpack because there's water on the floor. Everybody saw the water on the floor. The owners corporation, for example, was aware of a defect in the building that was causing water to pool in that area. There was a report about that. They didn't do anything. Anything about that. All of that, you're absolutely right.

Reena Van Aalst: Yes. Although there's a hole in the ground and you can see like there's a little chunk of concrete. Yes. So that's obvious...

Amanda Farmer: Whether you're residential or commercial, you're right that is all a relevant consideration for your insurer. So I agree and this is what I teach. And you'll hear about this when you're in Mudgee coming up soon, Reena. Learning these CPD subjects for any building, residential, commercial, or mixed. I believe our strata managers should be recommending safety reports and try not to call them workplace health and safety reports because that turns people off and they think, "Well, we're not a workplace, we don't employ anyone, we're not covered by WHS law, we don't need it for all of the reasons we're talking about." It's an important document to have and to comply with where that report identifies risks, minor, medium, high risks. To be having a program in place where you're addressing those risks I think is important.

Reena Van Aalst: Yes. Thanks, Amanda.

Amanda Farmer: Okay, to wrap up with what I'm calling a win for this week, some listeners may have heard me within the last couple of weeks talking about the new disclosure legislation that now applies to our strata managers in New South Wales. We've had some recent amendments to our Strata Schemes Management Act, most recently coming into effect at the beginning of February 2025, requiring our strata managers to disclose a few more things about their relationships with third parties, about the benefits they're receiving, any commissions or payments they're receiving. You might have heard me say that I think this is kind of

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just more of the same.

And disclosure does not cure the problems that have been identified in the strata management industry over the last 12 months or so. Setting that aside, having a close look at some of these amendments, what I have noticed is that there is now a new requirement in the legislation. And it's not in the Strata Schemes Management Act, it's an amendment to the Property and Stock Agents Regulation, which does apply to our licenced strata managers.

An agency agreement can no longer contain a provision that allows the agent to receive an insurance commission where the client, the owners corporation, has arranged their own insurance, has arranged their own quotes, has done the work to get that insurance policy in place. Where that's happened, it is now illegal for an agent to have a clause in their contract that allows them to receive the commission anyway.

I think that's a good change. I don't think it goes far enough and I'll tell you why in a minute. But over the last couple of months, as you might have heard me say on the podcast recently, I've been looking at a lot of agency agreements, contracts between strata managers and their owners, and I have seen some of these weird clauses that say we are to receive an insurance commission.

And even if we don't get that commission and you get the commission, then you've got to pay us the commission. I've heard from a few strata managers who would try to explain to me why that's fair and why they think they need to do that. On a pure reading of this new piece of legislation, that's no longer going to be possible.

But I think the wording is a little bit too narrow. It specifically says that where the agent has not done the work of arranging the insurance, the agent can't receive the commission. That's fair enough. But what I think it could have said or should say to broaden that, is that the agent also can't receive a payment that is equivalent to the commission, or in the same amount as the commission that the agent was going to receive.

I don't think that clause prevents an agent from getting an amount equivalent to the commission. It only prevents the agent from getting the actual commission. I know that there's more discussion that's going on in the industry, with government, with industry associations, to work out exactly what's happening with this commission problem.

And the prospect of commissions being banned out, outright, I know is still on the table. From my point of view, I think that's a good thing, because then we're not bending over backwards trying to draft our way out of unfairness, and instead we have a clear rule that all owners and all strata managers are aware of and can comply with.

Reena Van Aalst: So on that subject, Amanda, that you're referring to in terms of the insurance fee and remuneration, et cetera. I think as I've mentioned earlier, perhaps on a previous podcast as how I understand it, it's not sure if I'm correct. But the whole thing of insurance commissions, it was an income source to subsidise managing agents fees. It was never actually I know there's been all these reports about how many things an agent does and all that sort of stuff and some schemes do take a lot more time to have their renewal. Because they've got a lot more problems, a lot more disclosures have to be made, a lot more reports have to be.

But in the whole. I never ever in my history as being a strata manager ever understood that the reason we got a commission was because of our insurance work. That never was ever taught to me or I never saw it ever occurring practise and this is obviously these changes to the Act and now a result of that saying that well if you don't do anything for it, how can you get it? Because you're saying that you're getting it because of this.

But my understanding has never been that was the case. That's why I think there's a bit of a. I think cross-purposes that where we're at. I took over a building a couple of might have been two years ago and it's a building in an area that I don't do much in. It's Inner West and it's a lovely, lovely area and they came to me because they've heard about me, etcetera.

Anyway, a small building, one owner I think owns about maybe 3 quarters of the thing through different entities. Anyway, so we took over and straight away I get this Amy renewal of the insurance policy. Now we had quoted to receive an insurance commission because it was a small block and that's what they had asked when we spoke to them. And I didn't ask them who you're

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with whatever, came Amy renewed it. So I thought I'm not going to worry about it.

Second year again it comes we say, "Do you want to use a broker? No, we don't want to use a broker. We just want to go through, Amy." So anyway, okay, so they went through Amy. Then they now they realise that when it comes to a claim Amy hasn't been performing in the way that they would have assumed and some of the ancillary policies are not available through Amy like the optional policies that owners corporations can take out that aren't mandatory and they want to take them out because something has happened now since that time.

Now, I haven't said to them, I'm not going to take it and say, "Well, we can't charge you extra even." I mean, I would never do that anyway. But the point is, I think this is now the second year. And I said to them, "Oh, well, you know, unfortunately, like this is now the second year, we will have to enter into a new agreement. Because our agreement was based on the fact that we should have received an insurance commission. And we're not." They said, "Reena, fine, we're happy. You did a great job. Let's enter into the new one and will just enter into a new one with a higher fee if we're going to not use a broker."

And so I think that's where I think managers have gone wrong rather than saying, "I'm sorry, but our quote to you is based on us getting some sort of subsidisation through your commission. That's not happening. So we'll have to now either terminate this agreement and enter into a new and a general meeting explaining why." I think if agents had done that rather than using this clause that apparently was in these agreements that allow them to do. I think that would be more transparent.

Amanda Farmer: Yes, see I like the way that you did that. And you would have had, if you're using the standard SCA template, you would have had a clause in there that said, "If our fee is quoted on the basis of receiving an insurance commission and we don't receive it, then our fee increases by the same amount."

Reena Van Aalst: Why I didn't even know it was in there.

Amanda Farmer: Well, there you go. Sent the bill. So. Yes, and I completely take your point. This is the discussion I've been having with some strata managers that insurance commissions don't just fund the work that we do on insurance claims.

Reena Van Aalst: No.

Amanda Farmer: But they're in my answer is, well, therein lies the problem.

Reena Van Aalst: That's right.

Amanda Farmer: In a climate where insurance premiums are rising.

Reena Van Aalst: Correct.

Amanda Farmer: Where commissions we're seeing are rising, and we heard last year about 25, 30, 40% commissions and broker fees. These are huge numbers and they're being used and the money that is coming in is being used to fund services, to pay for services that are completely unrelated to insurance.

And I'm told in some companies, completely unrelated to the building for which the policy is being placed, a smaller building that might not have a lot of work, not a lot of insurance claims, perhaps not a lot of demand on the strata manager, there's still a big lump sum coming in and that's subsidising the work that that strata manager does on another building. That is completely unfair, and completely lacking in transparency.

And it leaves strata managers in a position of having to explain themselves and explain this murky greyness that is around insurance commissions. My answer as a professional is why put yourself in that position? Why not be absolutely upfront? This is the service I provide and this is how much it costs.

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Yes, there will be additional work for additional fees and you'll have a range of rates that you might charge for that additional work. That may or may not happen. But this whole question of insurance commissions. You're right, Reena, over the years has become more complicated. And I think because some businesses have perhaps abused that opportunity, let's call it.

And certainly our insurance climate, I'm going to say, has changed significantly. So that's why we're having the conversation, that's why this new legislation is creeping along. Things could be moving a little bit faster in my point of view, but something is better than nothing. That's why I've added this one in as a win this week and make sure all of our managers are aware of it.

Reena Van Aalst: Yes, I think you're right, Amanda, saying because the insurance premiums have been rising. I mean, there was a time we wouldn't realise that the insurance premiums were actually going down. And managers' remuneration was also going down. But at that time that wasn't really an issue because people don't think about that when things are going well, we all don't really think about it.

And I totally agree. I mean, some of these premiums now because of the fact that the buildings are ageing and they're higher risk for the insurer and also the insurance market with climate change and storms and fires as causes. But it's funny because back in 2007 I recall that I went to the SCA Principles Forum in Bali and this was actually brought up back then about abolishing insurance commissions.

And many of the businesses I was surprised at that were present at that particular conference. Including larger companies wasn't just smaller operators said that if insurance commissions were abolished, they would actually go broke, they would not be able to because sometimes the insurance commission is, you know, half the management fee or even more than the management fee for the smaller buildings. Where this is, again, if you don't provide service, you don't provide value, you're too scared to then up your fees.

And there are also, Amanda, some demographic areas where if you try and increase your fees, then they're going to fire you. You know, I mean, in some. And I've heard that as well, where people think, "Well, you're not comparing apples at apples, you're not comparing the base fees, you're not comparing the quality of the manager, the longevity of that manager, how many buildings they manage, what's the turnover of managers to buildings for that company."

Like I've had the other day, someone told me, "They've had four different managers, you know, in two years." But when you're looking at base fees, you're looking at comparing Apple, the two different agreements, you're just looking at the dollars, you're not looking at the quality. And that's, I think, where the consumer has lost that because of rising costs. Where can we sort of save money? Where can we cut down? So, yes.

Amanda Farmer: Well, hadn't planned this one as a revisit on the insurance commission topic, but I really walked into that one. Thank you. Thank you for sharing your thoughts. As always, it is a continuing conversation and we'll keep our eyes on the movement of further reform through our parliament, especially here in New South Wales. You seem to be really leading the way on this one. Thank you for taking the time to join me again this week, Reena. Enjoy the rest of your week in Strata.

Reena Van Aalst: Thanks, Amanda. Bye.

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