

Publication Date: 27 March 2025
YSP Podcast Transcript: 444 - Strata managers are getting a right to disconnect

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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. I'm your host, strata lawyer Amanda Farmer and my guest this week is Nick Hedges. Nick is the founder and director of Resolve HR and is a human resources and workplace relations advisor. With its team of expert consultants, Resolve HR assists the owners of small to medium businesses.

Nick has worked with some of Australia's most high-profile companies in industries such as finance, retail, childcare, professional services, fintech, health and aged care and is also the author of the book 'Is Your Team Failing or Kicking Goals?' He is Australia's respected authority on optimising people and performance. I invited Nick onto the show to talk about some new laws on the horizon. That caught my attention. I think they're going to have an impact on our strata managers.

To hear what Nick has to say, I'll take you over now to my chat with Nick Hedges of Resolve HR.

Nick Hedges, welcome to the show.

Nick Hedges: Thanks, Amanda, for having me. This is really exciting.

Amanda Farmer: Indeed it is, because we're going to be talking about law, one of my most favourite subjects, that's for sure. But before we jump into that, Nick, have you got any experience of living in strata, owning in strata?

I always like to ask our non-strata, I'm going to say, quote unquote, non-strata guests this question at the top of the chat. What's your strata story? Share with me.

Nick Hedges: So it's an interesting one. Several years ago, I was living in an apartment, and I was desperate for split system air conditioning. And I'm sure this is all too familiar with a lot of your strata managers and your audience, but I figured, what's the big deal?

I'll just install the system and hopefully all should be fine. Some ticking of boxes, but clearly not the case. And so really it became a big deal. And I think that before I knew it, sort of, I was caught in back and forth emails with strata, the committee, there were emails, meetings, some extraordinary meetings, and you know, I really had to sort of plead my case, and it really became a bit of an ordeal.

And so I think that what it showed me, and it alludes a little bit to the topic that we're talking about today in terms of the out-of-hours stress that kind of goes on, I can only imagine what strata managers are dealing with. But essentially at the end of the day, it was a difficult case for me personally as a tenant, and it was also a difficult case for the owner as well as the strata managers and the committee.

So, yes, that was sort of my introduction, in a sense, to strata management.

Amanda Farmer: Did you get your aircon?

Nick Hedges: We did get it through. It was rounds and rounds of discussion. Wouldn't say it was the most pleasant experience, but we got through.

Amanda Farmer: And did you have to deal with any of those pesky strata lawyers?

Nick Hedges: I didn't personally, which was good, but I'm sure on the other side they were dealing with advice. And I think the thing that helped is that there were other owners who'd already got through some split systems well before me, so I think there

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was that common thing of precedent, which probably helped our case.

Amanda Farmer: Yes, nice one. Well, thank you for sharing that, even if you may have a bit of trauma around that one. So, onto more important, more serious topics. Why do our strata management companies, even the little ones, need to be across HR issues?

Nick Hedges: Really good question. And I think that fundamentally, when I look at small businesses, and particularly in strata, they're people businesses. Yes, they manage buildings, they manage all the internal machinations of what's going on, but fundamentally, we're talking about a people business and it's a people-first business. So whether it's property owners, whether it's tenants, whether it's the committees, there's always something that's, that's needed from a people's perspective.

And that means that often our teams are being stretched. They're juggling multiple items and multiple priorities at once. So if a company isn't really paying attention to their HR issues, things like workload, burnout, work life balance, working conditions, all of those sorts of things. The company can run into problems internally as much as they are running into confronting issues externally. So the team might feel overworked, they might feel overwhelmed, and when they start to feel that and don't feel that they're getting the right support from the owner or from management, that's where you see things like disengagement, high turnover, poor retention and those sort of service levels to external stakeholders really drop.

So I think, fundamentally, why is it important that strata management companies be across their HR issues? Because, remember, at the end of the day, their people run businesses, and it's people-centric. So having compliance with workplace laws, having the right skills and skilled employees in your team is going to be completely required. You know, having the right workplace culture, the right support mechanisms, and all of those sorts of things is really, really important.

Amanda Farmer: I think if you ask any strata management business these days, what is your single biggest challenge, it's not going to be the Narcia owners who are sending hundreds of emails a day and running our receptionist ragged. It's not going to be the reform that just seems to keep coming from the strata law perspective. It's going to be staff and team, and getting the right people and keeping the right people and training the right people.

And I think what I'm hearing from you, Nick, is if you can get the HR piece right and treat the people that you've got well and recognise the difficulties that they face and try to minimise those as much as you can, then you're going to get a head start on meeting that challenge.

Nick Hedges: Yes, I completely agree, Amanda. And I think at the end of the day, and you touched on it just now, that there's so many different aspects to the HR piece in inverted commas.

We're talking about team, we're talking about team culture, we're talking about job clarity. So who's got what and who's doing what? We're talking about compliance with the law. There's so many juggling areas that a business owner needs to be across. But fundamentally, as I said before, being a people-based business, all of those things really matter to the external stakeholders. It's all about how you fix my problems.

But if you haven't got those internal pieces right, you're going to end up with some of those outcomes that we talked about before.

Amanda Farmer: All right, so tell us about these new right to disconnect laws. They caught my eye, probably was last year when maybe one of your newsletters came out, Nick and, "Oh, I hadn't seen that before. That's interesting." And I immediately thought, "Oh, I think this has some impact for strata and strata managers."

First of all, what are the right to disconnect laws and who do they apply to?

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Nick Hedges: The right to disconnect laws, you are absolutely correct. They're relatively new laws. They came into effect under the Fair Work Act and they came into effect at the end of 2024 and they're only just starting now to get a real lot of traction. And essentially what the right to disconnect laws are seeking to do is give employees the legal right to ignore and disconnect from work.

In other words, ignore work related emails, work related calls, messages outside of their standard work hours. And that is caveated by the concept of unless it's considered reasonable to do so, which would be, I can imagine, only very, very lengthy discussions in barristers' chambers and other law offices. But at the end of the day, the idea of the legislation is to create an environment for the employee to be able to disconnect from work, which is why it's called the right to disconnect.

So to be able to have their work life balance, to be able to have a life outside of work and not be bombarded outside of hours with work-related issues. So I'll preempt a question that I imagine is probably on the tip of your tongue. So what is considered reasonable?

Amanda Farmer: Let's do it.

Nick Hedges: Yes. And so that's, I think, where things get interesting. And I think the first thing I'd say is I'm not a lawyer, I'm an HR person, so I'm not here giving legal advice, I'm giving you experience from an HR perspective of what we're seeing.

But I think that's where things get interesting in terms of what is considered reasonable. So one would need to look at the nature of their business, in terms of the size of their business, the nature of the strata property managements that company and organisation is working with. So what is the nature of the job? Are the people in fact, getting paid additionally, or is it part of their package?

And most importantly, what is considered reasonable is what is an emergency and what is not an emergency. And in each case that really needs to be defined and I would be suggesting putting that down in some sort of document, probably a policy, so that there is absolute clarity around that within that organisation.

Amanda Farmer: So strata managers are still, in this modern day, I know many of them, attending meetings for the buildings that they manage.

They attend these meetings often out of hours. With the advent of technology and Zoom meetings and the ability for our communities to meet and vote online, I know some of these meetings can now happen during business hours, but I think a lot of them are still happening out of hours. Where do you think that might land in terms of this reasonableness requirement? Is that reasonable to ask a strata manager to conduct a meeting that may run from 6:00 pm to 9:00 pm in some cases?

Nick Hedges: Yes. So I think if I'm a business owner, I'm going to be wanting to set expectations from the beginning of the employment relationship that the person who's coming into that role is going to understand that a lot of the work, particularly those sort of strata meetings and committee meetings, are going to take place outside of what's considered standard work hours. And I think then as a flow on from that, it's a matter of understanding what is necessary to know straight away, at say, 9:00, as you've said, at 9:00 pm, or whether this can wait till tomorrow.

And so I think it's a matter of really outlining that reasonableness and what are the absolute essential emergency items that I need to know as a business owner or as the head of the strata, as a principal of that business with one of my team members. And you know, so in my mind, something like that become, that could potentially cause an emergency, a fire hazard, a safety issue, those sorts of things really are probably something that need to be looked at.

But even if someone's threatening with legal, is that something that needs to be called in at 9:00 pm or is that can that wait till 9:00 am and have the discussion? So you know, potentially the SMS, the quick SMS at 9:05 to my boss saying, "Hey, it was a pretty heated meeting, a lot of things got discussed. They're potentially looking at some legal matters. Happy to discuss with you tomorrow morning."

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So again, it's a matter of what is an emergency, what is absolutely necessary and what can wait till tomorrow. And it'd be foolish for me to outline specifically what it is because each case is going to be different. But I think it's a matter of the team and the principal working out what those areas are for their particular type of strata that they're managing.

Amanda Farmer: Yes. And maybe coming back to, you said setting expectations at the beginning of the employment relationship.

What do your contracts look like? What does your employment contract look like? What is the job description, and where are you making clear? And I imagine strata management companies are doing this already, making clear that as a strata manager, you are expected to attend a certain amount of after-hours meetings. It just sounds like that is going to be more important than ever before to be clear about that and to make sure that the employee, from the business perspective, the employee has gone in understanding and accepting and agreeing to these working conditions.

So that I suppose you're not going to end up with a complaint under these right to disconnect laws or whatever the avenue is if these laws are being breached.

Nick Hedges: Yes, absolutely. And there's already the existing legislation already talks about, you know, what are the standard hours of work. In most cases, that are where employee is covered under a reward that's 38 hours plus what's called reasonable additional hours.

Now again, that person might be paid for those reasonable additional hours, but in the case of strata, it will be considered reasonable to be working outside of those particular hours. Now, whether the business owner structures those 38 hours, that the 6 till 9 meeting that you referred to is included within that or outside of that, that's a matter for their own employment relationship. But those boundaries already exist. And I think this is an extension around trying to find the balance for both the owner and for the team member in terms of, well, at what point do I bug you about a particular meeting or a particular issue, and what don't I bug you about?

And so that sort of natural instinct for someone to say, "Hey, I sent you that email earlier and I'm just checking, did you get it?" If that's sent at 10:00 pm, you know, is that really necessary to be responded to?

Amanda Farmer: Do employers really do that? Like that just blows my mind to hear. I mean, we're sort of coming to. What I'm thinking is, you know, what do you think?

Was this law necessary? You know, you work with businesses, small and large, you're on that side of the employment relationship. Are there employers who really struggle to understand that that is not cool? Do we need laws that we can wrap them over the wrist with?

Nick Hedges: I'd like to think that we don't need laws for it, but unfortunately, yes, there are plenty. Not just lawyers, a lot of business owners.

And I've grappled with it in my own business with my team, where, you know, something will pop into my head at 9 o'clock at night, and "I just feel I need that answer, I need that answer." And I've stopped myself even before these laws came in because I'm like, hang on, it's not that urgent that what's going to change in my life if I know the answer now at 9:30 pm than if I know the answer at 8:30 am and the reality is not probably much, maybe a bit of sleep on my behalf that I've lost a bit because I'm ruminating it in my head, but on a practical level, it's probably not going to make much difference.

So as I said, I think, you know, unless there's a pipe that's burst or you know, there's an issue with the security gate of the building or the front door, security, where it absolutely needs to be looked at. It's really a matter of determining what is an emergency, what's necessary and what, in a sense, as I said before, can, in inverted commas, wait till tomorrow morning.

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Amanda Farmer: And look, something we haven't touched on. I think it's kind of an assumption underlying all of this, that everyone understands this, is that our working environment has changed so much. You know, we are tied to our phones, which are in turn connected to our email accounts. And yes, our boss does email us at 9:00 pm, maybe expecting an answer, maybe expecting you to look at it in the morning. But you're looking at it as you're getting ready to go to bed for the night.

We have SMS, so we do have clients texting us. I mean, I can see how this right to disconnect has grown out of the fact that we are always connected and that's the big shift that you would have seen over the last, well, what, 20 years in this space.

Nick Hedges: Absolutely. And I think the last thing to say around the reasonableness and unreasonableness is, you know, where there's an agreement put in place maybe prior to that meeting, because they know that there's going to be a serious issue that's going to be discussed and maybe the boss might say, "Hey, listen, I don't care if you finish at 11:00 pm, call me," because it might be on the team members mind all night.

And so it might be, you know, a mental health safety issue for them themselves, that they want to reason something out at 11:00 pm. So where there is agreement, that might be perfectly fine. So it's really a thing where there are probably more extraordinary things, and is it really necessary and therefore comes back to the definition of was it reasonable in those circumstances?

Amanda Farmer: Yes, I really like that. That's such a great example because I see that happen in the strata space. And actually I had an example in my own office just last week. Team member of mine was travelling for a Tribunal attendance and I knew that she was going to be returning home quite late. I think it was 10:00 pm at night by the time she'd got back to her home. And I'd said, "Let's make sure that we connect. Text me when you get home. I want to make sure that you drove the roads okay at that hour." And for our strata managers going to those late meetings, and you're absolutely right, it's all adrenaline in some of those difficult meetings. The debrief is so so important, and necessary and needed. So as a team leader or a boss in this situation, I think that's a great tip to be giving that team member a heads up, "Hey, just give me a ring after the meeting. If only just to offload on me so that you can sleep well."

Nick Hedges: Yes, and I just want to check in that you're going to be okay as well, you know. So I think that's exactly to your point.

Amanda Farmer: So you may have touched on a couple of these, Nick, but is there anything else you want to add about the challenges that you see? You know, you've had a close look at the legislation, you're answering questions from business owners.

What are the kinds of things that they are finding might challenge them in complying with this law? And how can they get on top of that?

Nick Hedges: Yes, so I think the first thing, as we've sort of really unpacked earlier, is finding out really what is actually reasonable and unreasonable. And the solution I would suggest there is to create a clear policy. And I would also suggest to do that probably in consultation with your team, because they're going to have some insights that you're probably not aware of.

And so it's really important to bring those nuances into that policy. So outline in that policy exactly what qualifies as an emergency and what doesn't qualify as an emergency and be very clear on this is and this isn't. And that way that employees and the team members are not left guessing.

I think the second thing around that then, which, if you look at the flip side, is managing the client expectations or managing, you know, the committee expectations or the tenant expectations, at the end of the day, let's get real in that a lot of owners, tenants, committee people, they want instant responses.

They expect instant responses. As you just said, technology, for better, for worse, can be our friend, but can also be our worst enemy. And so the fact that we are so able to be communicated in an instant can really work to a detriment. And so it's about communicating with the end customer, if you like, to maintain and manage those expectations.

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So potentially that's around educating your clients internally, setting up automatic responders, like, you know, having an out of office message, "Hey, I'm currently out of the office and I'll respond to your query within 24 hours or respond to you in the morning," whatever it might be having on your website, if you can, having things like FAQs and what happens in an emergency and who to contact or actually having in your FAQs, this is what we regard as an emergency.

And also obviously having an emergency contact system that can help shift those expectations with your clients. And then the last thing is in order to keep sort of those operations running smoothly, that how does the business, I guess, grapple with the fact to make sure that the business ensures that critical issues get handled. So you might have a roster in terms of, you know, on a particular day, a particular staff member is looking after all the emergency issues that we've just outlined before.

There might be a concept of having shared inboxes so that people can see and, and if you're on that roster, or the ability that if somebody then can go away, you know, can they go away for a weekend and staggered shifts without overloading any one person, as in, well, that was your building. We expected you to be looking after that building. Can you share that load? So I think that's, they're probably the couple of the key considerations.

And I think at the end of the day, if the businesses can really plan ahead and think about the specific issues, they'll be in the best position to be able to transition with this new legislation.

Amanda Farmer: Yes, I like it. Now, is it the case that the legislation has commenced and is applicable to all, or I thought I might have read in your last newsletter there was a staged commencement?

Can you just fill us in on that one?

Nick Hedges: Great question. So the right to disconnect legislation came into effect from August 26th of 2024, and that was for what's considered large businesses and large businesses under the Fair Work Act, businesses that are greater than 15 employees, and for small businesses or businesses that are fewer than 15 employees. These right to disconnect laws will only be starting from August 26th of 2025.

Amanda Farmer: Okay, so August coming up. Good to know. And you've mentioned the Fair Work Act, you've mentioned an award. I am displaying my ignorance about this area of the law. I think I did workplace law when I was at university. But does this law apply to all employees or is it only those working under an award? Or how far does? Because it's Fair Work Act, it does just apply to everybody. How does that work?

Nick Hedges: I'm going to make an assumption that probably most people working or that are listening and that are working in strata are going to be covered by the award, which is the Real Estate Industry Award. The simple answer is yes. It covers what they call all employees that are covered within the national employment system. So again, I would make an assumption to say that it probably would be covering most businesses, strata or otherwise.

Amanda Farmer: Yes, sounds like best practise. Anyway, as I said, you got my shock when I said, "Really? Are employers writing and expecting employees to produce an answer or work at 10:00 pm at night?" If that's happening in your business, whether this law is on your tail or not. Probably not. Great business practise if you want to keep your staff and keep good staff who are going to produce good work for you.

Nick, is there anything that you want to add before we wrap up? And please do let our listeners know how they can connect with you.

Nick Hedges: Yes, look, I think the key takeaway if we're, you know, wrapping up this particular topic is that the key takeaway here is that the right to disconnect isn't designed to make life harder for people in business, but actually about trying to make workplaces better.

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And that's for everybody, for both the boss, if you like to put it that way, and for their team members. So, at the end of the day, strata management specifically is a very demanding industry. There's lot of hours, irregular hours, but the laws can really give us a great opportunity to rethink how we operate and to recalibrate in terms of what our expectations are with each other and within the business.

So I'm more than happy to connect with anybody if they've got other, deeper questions or they've got some specific issues or challenges within their business. I've also written a book if anyone would like a copy of that book. It's called 'Is Your Team Failing or Kicking Goals?' They can jump on my website at resolvehr.com.au. I'll happily send them out a book and I'll even pay for their postage. So yes, if anyone wants to reach out, I'm happy to help.

Amanda Farmer: Excellent. We will make sure that link to our website, Nick is in the show notes for this podcast episode. Thank you so much for coming and sharing your expertise here with us. An important issue that I think all strata management businesses need to be across. If they weren't aware of it before, they are now. You heard it here first from Nick Hedges. Thank you, Nick.

Nick Hedges: Thanks for having me, 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.