

# SUPERIOR STRATA



ACCC Northern Australia Insurance Inquiry  
 GPO Box 520  
 Melbourne VIC 3001  
 Via Email: [insurance@accg.gov.au](mailto:insurance@accg.gov.au)

11 April 2019

Dear **Sir/Madam**,

**RE: ACCC Northern Australia Insurance Inquiry First Interim Report**

I am writing to dispel some common misconceptions about the strata industry, specifically the relationship between commissions and the strata manager that were mentioned in the *ACCC Northern Australia Insurance Inquiry First Interim Report*. Owners, managers, brokers, and the extended strata community must be given an opportunity to have any legislative changes carefully considered and this cannot be accomplished without full and complete information.

*Recommendation 11* and *Draft Recommendation 9* of the *Interim Report* suggest the elimination of commissions for strata managers. The recommendations as presented do not elaborate on the extensive services a strata manager provides in return for the commission and it does not clarify who would be supporting bodies corporate in fulfilling their legal obligation to insure their strata community. The task of insuring a building is not a one-off transaction but involves significant education, information and communication between various parties.

As an experienced professional with in-depth knowledge of the strata industry, I firmly believe that the Interim Report's recommendations are based on misconceptions and would have serious consequences on this emerging and dynamic sector if implemented.

A loss of commissions is unlikely to result in any reduction in costs to consumers, as the party responsible to service the body corporate relating to their insurance would be a different one. Due to mandatory insurance requirements, the need for the service is undeniable and will always include administrative expenses that the consumer must carry one way or another. Strata Managers are better placed to understand strata communities and their unique needs, while also maintaining the relationships that enable communication with each individual owner; something strata insurers do not have the capacity or systems to do.

I am a member of Strata Community Association (SCA), the peak industry body for strata managers and suppliers. Collectively SCA represents more than 5,000 entities and individuals who care for 2.5



## SUPERIOR STRATA

Strata Management Services  
 ABN 71 535 366 026

P.O. Box 598, PANANIA NSW 2213  
 Phone: (02) 8599 9999 Fax: (02) 8599 9998  
 Email: [strata@superiorstrata.com](mailto:strata@superiorstrata.com)  
 Website: [www.superiorstrata.com](http://www.superiorstrata.com)

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million lots in Australia. Our profession prides itself on upholding standards and servicing lot owners for a reasonable fee and excellent service.

Broad brush reform risks unintended and damaging consequences for both consumers and associated businesses. I do believe that there is clear scope to further improve transparency and accountability through the financial services licensing mechanism. Any reform that seeks to remove commissions should only occur in the context of a comprehensive program that provides transitional support to affected businesses. Regulatory and market mechanisms will only build consumer trust and confidence by raising standards, not lowering them.

As a key stakeholder in the strata sector, I support SCA's submission to the *ACCC Northern Australia Insurance Inquiry First Interim Report* and urge you to do likewise.

Kind Regards,  
SUPERIOR STRATA

Mrs Dilber Beattie JP  
Licensee-In-Charge

*Finalist Australian Small Business Awards Professional Services 2019*  
*Winner and Finalist Bankstown Business Awards 2016 & 2018, 2017*  
*Strata Managers Committee SCA 2019, 2018*  
*Mentor Program SCA 2019*  
*Professional Standards Committee of the SCA 2017, 2016 & 2015*  
*Nominee for the Board of the Strata Community Australia Strata Manager Division 2015*  
*Licensed Strata Managing Agent*  
*Licensed Real Estate Agent*  
*Auctioneer's Agent*

Our office Hours are Monday to Friday 9am to 5pm.



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Website: [www.superiorstrata.com](http://www.superiorstrata.com)