

# NZ PRESIDENT'S REPORT



It wouldn't be an update in 2021 without addressing the Delta edition of COVID-19 head on, however, life does go on, & SCA (NZ) has been spending a huge amount of time also proactively engaging with and promoting the industry outside of the COVID related activities.

I think it's fair to say despite witnessing first-hand the devastation as Delta ripped through Australia, and the challenges our comrades faced, it always seemed at arm's length away... until that day came to NZ. Everyone knows where they were when news of that first case broke. SCA NZ worked hard to bring clarity to members about their rights and obligations throughout the pandemic, which seems to continue to evolve, as we all came to grips with new rules and realities.

Excitingly for the industry, our governing legislation is under review at present and SCA (NZ) has been driving the input into the legislative processes that will decide what the new, and long overdue, strata laws look like moving forward.

There are significant areas that need addressing, as the legislation and accompanying regulations continue to prove not to be fit for purpose in many areas.

Relating specifically to the Bill, we fed back incredibly important information to the day-to-day management of Body Corporates and the work that managers perform. These included ensuring equitable uses and levying of utilities, disclosures pre-contract and at the point of sale to make sure that consumers have access to the information they need to make informed decisions.

Another issue within the current Bill is that the terminology and wording of the legislation leans heavily towards the Chairperson having responsibilities within the law, but the delegation is then unclear regarding roles and responsibilities when there is an appointment of a manager. As so many schemes use managers to navigate the complex legal, administrative, and regulatory environment involved in running a Body Corporate, this distinction is incredibly important. Not to mention the ever-increasing challenge of getting volunteers into the mandatory role!

When appearing before the select committee overseeing the review of the Bill, in addition to highlighting the numerous changes that we would like to see made to the current Bill, we outlined the broader challenges for the sector that have emerged since the Bill was updated and require attention from the government.

These included some form of government or self regulation of body corporate managers and regime to raise the bar of the industry as a whole. We believe that measures such as requiring minimum education standards that are mandated or legislated and supported by a robust industry body will improve standards and practices across the sector.

SCA (NZ) was also involved in the production and launch of Australia and New Zealand first comprehensive report into strata insurance - *A data-drive holistic understanding of strata insurance*.

SCA worked with its members and formed a specially designed, representative taskforce to identify the report direction. It quickly emerged that driving a conversation based on statistics and data would best illuminate the work strata managers do and the strata insurance sector as a whole.

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Some incredible information has been pulled together in the report that hasn't been publicly available previously, with some headline figures including.

This article explored some of the most important and insightful statistics and findings from the report and spend a little bit of time unpacking each one.

Most importantly, it showed the knowledge and value that strata managers bring to the strata insurance process, undertaking as many as 47 discreet activities including obtaining quotes, administering claims, placing policies and liaising with brokers and insurers.

## Key data facts, findings and statistics from the Deakin University report

- In 2020, 165,554 (sample) Australian and New Zealand strata communities paid over \$1bn in strata insurance costs.
- 27.45% of premiums on average were paid to state, territory and federal governments
- As a rough guide, for every \$100 of premium, about one-third is reinsurance costs, one-third is administration and one-third to pay claims.
- Storm (\$438m), water (\$362m) and fire damage (\$248m) - top three claims cost by loss (2016-2020 sample period).
- SCA recommends better regulation and oversight of the building and construction industry, particularly in relation to certifying work on high-claim areas such as water or fire.

## SPONSORS

SCA (NZ) is supported by sponsors that enable us to deliver member services. Our sponsors are our trusted and preferred suppliers in their area of expertise, and we thank them for their ongoing commitment.

We are looking forward to further promoting the content of the report and the videos, infographics and animations produced to promote it over the coming months.

Advocacy efforts to increase awareness of the issues and the value of the strata manager in the insurance process, as well as other areas, are ongoing and will continue in 2022 as we educate the general public, industry stakeholders and government.

We have been lucky enough to host a myriad of in person and online events through-out 2020/21 including hosting the local NZ Australasian Annual Conference at the Chateau, our educational NZ100 and Committee Training platforms, our annual joint venture Symposium with the Auckland District law Society, round table Manager Strata Chat and infamous Christmas party!

SCA (NZ) is grateful for all the knowledge sharing, resources and relationship building between SCA, partners and members. I would like to specifically acknowledge and thank our Sponsors and Executive for all their support in navigating another eventful year!

We are looking forward to another big year in 2022 as we raise the profile of body corporate managers and strata communities as a whole across New Zealand.

**JOANNE BARRETO**  
PRESIDENT  
SCA (NZ)

**PLATINUM**



**GOLD**



# NZ 2020/21 EXECUTIVE COMMITTEE



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## 2020/21 AT SCA (NZ)



**29 TOTAL MEMBERSHIPS**



**13 STRATA MANAGEMENT MEMBERS**



**14 STRATA SERVICES MEMBERS**



**2 OWNER MEMBERS**



**30,209 LOTS UNDER MANAGEMENT**



**46,483**

**TOTAL REVENUE FOR 2020/21**