



# Submission cover sheet

## Inquiry into the management of strata properties

Submission number: 079

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**From:** [REDACTED]  
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To Whom It May Concern in the Standing Committee on Legal Affairs

### Submission to the Inquiry into Management of Strata Properties

I would like to make the Committee aware of the cosy relationship between insurance brokers and strata management companies, as an issue that needs better regulation.

Our [REDACTED] apartment complex in [REDACTED] is managed by [REDACTED] which, according to the MGI website, is owned by the insurance broker, [REDACTED]. [REDACTED] and [REDACTED] share not only the same address in Deakin but they are right next door to each other, on the same floor of the building. [REDACTED] directs our insurance to [REDACTED] and declares remuneration which it receives from [REDACTED]. The total amount, staying around 19%, increases with the insurance premiums each year.

The total brokerage and strata remuneration increased by [REDACTED] for the broker to do the same or very similar work. This broker has directed our insurance to the same insurance company for many years.

Our strata management agreement declares that our Owners' Corporation is not obliged to use their insurance broker but finding another broker who only charges fee for service and does not take a cut from our insurance premiums will be extremely difficult, in my opinion. And more work for a disinterested Owners' Corporation.

I think the strata insurance industry as a whole is opaque and rife with kickbacks. See the "Four Corners" investigation titled "The strata trap" and ACCC comments <https://www.abc.net.au/news/2024-09-09/accc-chair-calls-for-ban-on-strata-insurance-commissions/104321746>

Choice magazine also warns of "backroom deals" <https://www.choice.com.au/money/insurance/home-and-contents/articles/conflicts-of-interest-in-strata-insurance>

I would like legislation to be introduced in the ACT which penalises a strata management company which does not act to ensure that the best interests of their owners corporation clients are being served.

I would like a properly funded Strata Commissioner appointed, with legislative authority to provide support, education and visibility to strata owners, strata residents and strata management companies.

Regards

Christine Coghlan  
Chair of Unit Plan 1245 Executive Committee for 2024

