

Review recommendations

Recommendation 1: Prohibit conflicted remuneration

Prohibit strata managers from accepting commissions.

Recommendation 2: Address supply chain conflicts

Restrict supplier-intermediaries (including insurance brokers) from accepting commissions for strata-related work.

To implement this, consider strategies including regulating strata managers' procurement processes, regulating suppliers directly and advocating for Australian Government policy change on insurance broker commissions.

Recommendation 3: Monitor conflicted relationships and educate owners and managers

By 2028, evaluate the 2025 disclosure changes aiming to reduce harms to owners from strata managers procuring services from connected suppliers.

Consider additional measures to support the effectiveness of this disclosure, including clear guidance:

- for strata businesses on expectations when procuring services from connected persons or businesses
- for owners corporations when approving such arrangements.

Recommendation 4: Minimise impact with a gradual transition

Allow for a three-year transition period to ensure that all agency agreements and services contracts can be rolled into non-commission terms as they expire.

Recommendation 5: Support industry and owners to transition away from commissions

Continue to promote education and provide resources, and extend these to provide information on new changes, including to:

- deliver an information campaign that supports strata managers to communicate the change and gives owners confidence
- by the end of 2026, require that mandatory disclosures of strata managers' remuneration are more prominent at AGMs, setting out expected fee and commission revenue for the coming year and the previous year
- investigate standardised templates for strata managing agent agreements to make comparing managers simpler
- work with industry to develop additional communication tools, including a one-page document for managers to share with owners at insurance renewals that sets out the previous premium, the previous commission and the new premium without commission

- investigate other tools, such as an online calculator, to help owners compare the costs of strata management.

Recommendation 6: Monitor and evaluate changes

Continue to monitor the sector, with attention to compliance with requirements during the period of transition away from commission-based remuneration.

Consider a role for IPART in monitoring the strata insurance market during this period of change.

Establish monitoring of outcomes and benefits, and formally evaluate the prohibition on commissions within two years of full implementation.

Recommendation 7: Revisit burdensome regulations

At the end of the three-year transition period, remove the requirement for strata managers to seek three quotes for insurance. Instead, treat insurance the same as other contracts.