



InFocus

An informative guide on the changing strata environment and how Civium is responding.

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Welcome



Gareth Halverson
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The strata industry is entering a defining period. Across the east coast of Australia, the buildings we manage are becoming more complex, the risks they face are intensifying, and the expectations of owners, residents, regulators and insurers are rising. Traditional operating models, where facilities, strata, insurance and technology are treated as separate functions, are no longer sufficient to meet the realities of modern strata living.

At Civium, we believe the future of strata management lies in integration. When these elements work together, buildings are safer, assets perform better over their lifecycle, risks are reduced, and communities function more harmoniously. When they don't, the cost is felt in deferred maintenance, rising premiums, special levies, compliance failures and resident frustration.

This paper outlines how Civium is responding to these structural shifts across multiple fronts. It explores the evolution of facilities management through the introduction of Precinct Management and Roving Building Management models designed to reflect the true complexity of today's buildings. It examines how strata insurance is moving into an era of precision risk pricing, where maintenance discipline, governance and valuation accuracy directly influence insurability and affordability. It also looks at how technology, when applied thoughtfully through intelligent automation rather than novelty-driven AI, can shift strata from reactive problem-solving to proactive asset stewardship without losing the human connection clients value.

We hope you find our inaugural *Strata InFocus* insightful and useful. As always, we are happy to assist should you have any questions or wish to explore any topics further.

National Insights

- In the ACT, our Strata Kickstarter Program is developing new talent for the strata sector with a view to build greater continuity for our clients and our team.
- As NSW enters 2026 with rising regulatory demands and increasing financial pressures, sustainable and strong long-term planning is becoming essential.
- Following last year's weather events in QLD, proactive maintenance and clear risk-mitigation has become more important than ever.
- As reform momentum builds in Victoria, strong disclosure practices and robust governance frameworks are the keys to success in 2026.

As we look ahead to 2026, Australia's strata landscape continues to shift under the combined influence of regulatory change, financial pressure and environmental challenges. We are closely monitoring these trends and adapting our approach to ensure our clients remain supported, informed and well-positioned in every state we operate in.

ACT: The Future of Our Workforce

The ACT strata market continues to face the challenge of building and sustaining a skilled, experienced workforce in an industry where expertise is developed over time.

In response, Civium built the Strata Kickstarter program in 2025 in order to create structured career pathways designed to attract new entrants to the industry and support long-term capability. Civium's Strata Kickstarter Program, now completing its first year of intake, reflects this broader shift.

Based in the ACT, the 12-month traineeship combines hands-on exposure across key strata areas with formal study toward a Certificate IV in Real Estate Practice. Participants rotate through departments, gaining practical insight into how maintenance, finance, insurance and client service intersect in day-to-day strata operations.

Looking into 2026, programs of this nature point

to a longer-term strategy for Civium in terms of strengthening service quality through internal capability development rather than short-term recruitment.

For Owners Corporations, the benefit is greater continuity, stronger staff knowledge and resilient client relationships. As compliance and complexity continue to increase, investment in people is emerging as a defining feature of sustainable strata management in the ACT.

NSW: Cost Pressures and Compliance Converge

New South Wales enters 2026 with ongoing legislative reform firmly shaping the strata landscape. Regulatory changes introduced throughout 2025 have heightened expectations around compliance, reporting and transparency, with further reforms anticipated. For Owners Corporations and managers alike, compliance obligations are becoming more detailed, more

visible and more actively enforced.

At the same time, financial pressure remains a dominant theme. Rising costs across insurance, utilities, trades and professional services continue to place strain on strata budgets. While levies are often viewed as one of the few controllable costs, keeping them low carries significant risk. Underfunded schemes are more likely to defer maintenance, rely on temporary fixes and fall behind in capital works planning. These outcomes ultimately increase long-term costs and risk exposure.

The 2026 outlook for NSW points to a convergence of financial and regulatory stress. As NSW Government expectations around maintenance and governance continue to rise, schemes with inadequate funding structures will find it increasingly difficult to remain compliant. Sustainable levy setting, realistic capital works planning and transparent financial management are likely to become non-negotiable foundations for effective strata management in the state.

QLD: Weather Events and the Resultant Insurance Impact

In Queensland, and particularly the South-East, the strata sector is operating in an environment increasingly defined by climate-driven weather risk. Successive floods, severe storms and ex-tropical cyclones have reinforced insurer assessments that extreme weather is now a structural risk, rather than cyclical. Flooding remains the state's highest natural disaster exposure, with storm intensity and rainfall volatility continuing to increase.

Despite this backdrop, strata insurance premiums have remained relatively stable compared to standalone housing, supported by risk pooling and reinsurance mechanisms. Entering 2026, insurers continue to signal that well-managed schemes, those with sound maintenance practices and limited claims histories, can expect broadly sustainable pricing outcomes.

However, the Queensland market is becoming more risk-selective. Insurers are applying sharper differentiation based on location, building conditions, historical claims and maintenance planning. Higher excesses, particularly for weather-related claims, are increasingly common,

shifting more exposure back onto Body Corporates.

As a result, the key challenge in 2026 is not simply premium growth but retained risk. Proactive maintenance, accurate valuations and demonstrable mitigation measures are emerging as central to insurability in Queensland's strata sector.

VIC: Governance Reform and Regulatory Uncertainty

Victoria enters 2026 with regulatory reform firmly on the agenda following the Allan Government's announcement of an inquiry into Owners Corporation management practices in mid-2025. While public detail remains limited, the appointment of an expert panel and an extended consultation process signal a clear intent to examine systemic issues across governance, consumer protection and industry conduct.

Three main components of the inquiry include: hardship arrangements for owners facing financial stress, voting and proxy practices in meetings, and undisclosed insurance commissions and conflicts of interest. Together, these issues strike at the core of trust, transparency and accountability within the Owners Corporation framework.

Although a report was originally expected in late 2025, its absence heading into 2026 suggests the potential for substantive reform rather than incremental change. The outlook for the Victorian market is therefore one of preparation rather than immediate disruption.

Owners Corporation managers, insurers and service providers with strong disclosure practices and robust governance frameworks are likely to be best positioned as reform momentum builds, while others may face increased scrutiny as regulatory expectations sharpen.

Facilities

- Civium is introducing a new Precinct Manager model to deliver stronger on-site support and community cohesion in mixed-use buildings.
- Smaller schemes will benefit from twice-yearly Roving Building Manager visits to identify maintenance, safety, and quality issues early.
- Strata and facilities teams are working more closely than ever to ensure buildings run smoothly across both physical and administrative needs.
- A structured approach using the asset register, maintenance plan, and sinking fund ensures buildings stay compliant, maintained, and financially prepared.

As buildings become more sophisticated, Civium is expanding our facilities management capabilities to better support the communities we manage. These initiatives are designed to deepen our visibility on the ground and create smoother, more cohesive building operations.

Introducing Precinct Management

After much work on whiteboards and with the strata teams, Civium Facilities Management is pleased to announce that it will be rolling out this service line with a local developer in Canberra. The intention being to then expand this service across our other buildings where appropriate.

The expanded role, now known as a Precinct Manager, serves as the dedicated on-site presence and operational anchor for the mixed-use community. Their role is hands-on and proactive, focused on maintaining the functionality, safety, and presentation of the common property across both residential and commercial spaces.

The Precinct Manager conducts regular inspections of all common areas, oversees service contracts, and facilitates timely maintenance and repairs, ensuring that issues are identified and resolved before they impact residents or commercial tenants. They manage building access systems, coordinate contractor inductions, liaise with police where

necessary, and monitor building compliance with safety and asset certification requirements.

Beyond physical maintenance is really where the difference lies however, as the Precinct Manager plays a key role in fostering a cohesive community. They coordinate community events and maintain digital platforms to keep residents updated with what's happening around their complex. They assist residents with amenity bookings, address minor maintenance tasks personally (when appropriate), and provide CCTV support for incident resolution.

By delivering monthly reports and maintaining constant communication with the Strata Manager and Executive Committee, the Precinct Manager ensures that the mixed-use precinct runs smoothly, safely, and harmoniously.

Their presence brings structure, accountability, and a visible point of contact for all stakeholders, enhancing the day-to-day experience of living and working in the precinct.

Supporting Strata: How Roving Building Management Works in the ACT

We manage a large number of smaller strata schemes in the ACT. Typically, the buildings are without dedicated building management and as such it can be difficult to stay up to date with their maintenance needs. Strata managers are often unaware of any of common property maintenance unless it is raised by the owners themselves.

In order to get a greater sense of what these schemes need, we have built the service line of Roving Building Management, which offers these smaller schemes the opportunity to have a Building Manager visit the property and provide an in-depth analysis of any proactive or reactive maintenance items that need to be addressed. For buildings without a routine building management presence, we attend site twice a year.

The main focus areas are:

- Safety and compliance
- The general aesthetic of the building
- Quality assurance

For example, if there's a recurring gardening work order in place but the gardens clearly aren't being maintained, we can pick that up, which is especially useful in investment heavy buildings where tenants don't report issues.

One report is provided just before the AGM so the Strata Manager has physical context when all the owners are present and decisions can be made, also giving all stakeholders a clear baseline. As these schemes receive more reports we will be able to track a building's physical health over time and ensure they are ageing as gracefully as possible.

The Relationship Between Strata and Facilities

Strata and Facilities Management are two very different things and need to be treated as such, but the relationship between them is critical given how complex the amenity within many buildings is today.

A Strata Manager is only as good as the Building Manager, and vice versa. The onsite team builds knowledge of what's physically happening: what's

being serviced, who's doing the work, and how.

At the same time, the administrative side which includes meetings, minutes, financials, insurance is equally important. Our Building Managers meet with Strata Managers weekly. They're really an extension of each other, and when they're working in harmony, the building runs smoothly and the community is better off.

How the Asset Register, Maintenance Plan, and Sinking Fund Connect

When it comes to mid to large sized developments, maintaining and tracking the proactive maintenance needs a solid structure. To breakdown our process simply, we use three pivotal documents to tie it all nicely together and ensure we can capture all the required contracts and maintenance.

The three documents are the:

Asset Register

The asset register keeps count of every physical asset in the building. Once you know what assets you have you can then determine their shelf life. In some of our developments we tag all these assets so that we can scan them to pull up a report of their service schedule.

Maintenance Plan

The maintenance plan outlines servicing intervals to ensure assets actually reach their shelf life, just like a car can't go five years without servicing or something will break. The last thing any building wants is premature failure, which leads to unbudgeted spend or special levies.

Sinking Fund Plan

Once we know all the assets, their shelf life, and their maintenance schedule we can then have a professional structure the sinking fund plan to ensure the owners corporation has enough money to replace these assets when they do reach the end of their life. For example: if you have five CO2 extinguishers and they have a five-year shelf life, the asset register will tell us that. You know the replacement cost (including inflation) and the sinking fund plan will ensure it outlines the funds necessary at that five-year mark to invest in their replacement.

What Size Complex Needs a Dedicated Building Manager?

It's not about size. It's about complexity.

Factors include:

- Whether the building is a mixed-use development or purely residential
- Amenities (pools, lifts, extensive gardens)
- Whether the building is at a life cycle stage with major capital works
- Is it heavily owner-occupied or are there a lot of investors

In some cases, a building manager might be needed only for a set period to get a building through a particular stage.

Owners can sometimes self-manage in owner occupied buildings, but owners come and go. The decision depends on the building's dynamics more than its size.

What Building Managers Will Do for Buildings in 2026

In 2026 and beyond, the biggest shift in building management will come from what clients expect of a Building Manager.

In the ACT, building management is still an industry in its infancy compared to what we see in our other state markets. What a Building Manager does elsewhere is a big part of why we've brought in the new Precinct Manager model and why we're trying to drive greater client outcomes here in Canberra.

Clients are increasingly connecting with the building manager when they have queries, as the building management team is more physically present at their properties.

The role has grown beyond caretaker duties and now interplays with starta management services more intimately. Expectations are rising, and in 2026 Building Managers will need to deliver more than just management of the physical building to meet those expectations.

Insurance

- **Strata insurance in NSW is under review, but Civium remains unaffected due to clear and transparent commission disclosures.**
- **Reducing premiums relies on fixing building defects early, maintaining assets proactively, and completing thorough, up-to-date prerenewal requirements.**
- **Effective claims management depends on early reporting, make-safe actions, and providing clear details, photos, and supporting documentation.**
- **Strata insurance is shifting to precision pricing, with well-managed, well-valued, resilient buildings benefiting most as risks and weather impacts intensify.**

Insurance has become an increasingly scrutinised part of the strata sector, with greater attention on how commissions, disclosures and risk practices are managed. Civium continues to prioritise transparency and proactive guidance so that our clients can navigate changing expectations with confidence.

Recent Developments from NSW Productivity & Equality Commissioner

There has been a great deal of media attention swirling around the insurance practices of strata firms in NSW recently. The New South Wales Productivity and Equality Commissioner has been examining whether these practices and most specifically looking into the commission arrangements and disclosures.

There has been much conjecture about whether a total ban on commissions may be required, and whilst a ban has not been required it is still a matter for investigation from the NSW Government.

There has been no impact on Civium's insurance practices as we currently clearly disclose any commissions arrangements in multiple documents and locations. We will of course be keeping a close eye on any future developments in this space.

Strategies to Reduce Premiums

The biggest question we get asked from our clients, as it relates to insurance, is how do we reduce our insurance premiums.

The three best strategies to assist in a reduction include:

1. Addressing Building Defects

Identifying and rectifying building defects as soon as possible. For example, waterproofing issues or roofing issues should be addressed quickly to mitigate risks or potential claims. If roof damage is left untreated, the likelihood of internal water damage increases.

2. Regular Maintenance

Proactive maintenance of your building assists in how it ages and how the assets within it will perform over the long term. Planned preventative maintenance and ensuring that your Owners

Corporation is adhering to the sinking fund (capital works fund) as intended is crucial.

3. Prerenewal Process

For prerenewal, it's important to have an updated insurance valuation and complete any risk recommendations from the previous policy (usually maintenance related). Doing so will ensure you have the property insured for the appropriate amount and that you have positioned your policy to be as attractive as possible to as many insurers as possible, ultimately creating competition for your policy and hopefully driving your premium down.

Best Practice for Managing Claims

From a client perspective, the ultimate best practice is to notify your Strata Manager as soon as possible. If damage is still occurring, for example, an active leak, undertaking make-safe to stop the damage is essential.

The priority is always to prevent and mitigate further loss. When submitting claims, the more information provided, the less back-and-forth is required.

Key details include:

- When the event happened
- What has been damaged
- What caused the damage (a major factor in determining insurability)
- Photos
- Any invoices or quotes for make-safes
- Evidence that any leak has been stopped

Future of Insurance: What CHU's 2025 State of Strata Market Report Tells Us

Strata Insurance Is Entering Its Precision Era

For decades, strata insurance worked because it's scale smoothed risk. If you pool enough strata lots together the volatility evens out.

That principle still holds, and it explains why strata insurance has remained surprisingly affordable, even as house insurance premiums surge. In the year to June 2025, strata premiums rose just 2.8%, compared with a 14% increase for houses. Entering

2026, however, averages are no longer the story.

Precision Risk Pricing

Strata insurance is shifting from pooled protection to precision risk pricing. Well-maintained buildings with strong governance, current valuations and documented risk controls will continue to remain competitive for insurers to quote.

Buildings with unresolved defects, stale valuations, high-risk uses or repeated losses will not. The gap between "good risks" and "bad risks" is widening. In the future, insurability will depend less on what a building is, and more on how it is managed.

The Impact of Weather

Extreme weather is no longer a once-in-a-decade stress test. By May 2025, insurers had already received more weather-related claims than in all of 2024, driven by floods, cyclones and severe storms across multiple states. This has pushed climate risk firmly into the centre of insurance design and pricing.

A New Issue Arising: Underinsurance

While inflation has eased, building costs remain significantly higher than they were pre-2020, and they are not coming back down. Schemes relying on outdated valuations may technically comply with insurance obligations while still being dangerously exposed at claim time.

In the years ahead, valuation discipline will separate resilient communities from those facing financial shock after a loss. Underinsurance won't announce itself until it's too late.

New risks are rewriting the rules

Defects, cladding, lithium-ion batteries, high-risk tenants and sustainability upgrades are all reshaping what "standard" strata insurance looks like. These issues don't make strata uninsurable, but if they remain unmanaged, they certainly will.

The future belongs to buildings that integrate innovation with risk control, not those that treat them as separate conversations.

Things every building can control:

- Updated and professional insurance valuations

- Documented maintenance and risk controls
- Investing in assets and building upgrades that protect the building against weather events

In an environment shaped by climate volatility, rising complexity and regulatory scrutiny, the communities that adapt early won't just be easier to insure. They'll be better places to live.

Systems

- Civium is approaching AI cautiously, focusing on useful long-term outcomes and preserving human-centred service as clients still value real interaction.
- The strata industry is shifting from broad AI experiments to intelligent automation, reducing administrative burden while keeping human oversight.
- Proactive maintenance automation through CXM, helping prevent avoidable failures and tailoring workflows to each building's needs.
- Technology improvements aim to enhance (not replace) human expertise, enabling faster maintenance handling, better visibility of reactive work, and more time for meaningful client engagement.

Artificial intelligence is rapidly reshaping expectations across many industries, and strata management is now beginning to feel the impact of this shift. At Civium, we are approaching AI with a measured, client-focused mindset, exploring its potential while ensuring that technology enhances, rather than replaces, the human service our communities value.

Civium's AI Perspective: How AI Is Being Viewed and Implemented in Strata Management

AI is certainly a hot topic, not just in strata, but across all IT development right now. Around 80% of all AI projects are abandoned within the first two years, costing the IT industry billions worldwide.

The strata industry is no different. It's generally a little slower in adopting cutting-edge IT developments, but it is catching up and becoming active in this space.

Civium is particularly cognisant of what the end goals are for the strata market. We don't want to invest in something that isn't needed or that won't work long-term. There's an interesting tension in the market: everyone wants to use AI in order to progress toward better customer service, but what does the client actually want? In many cases, human interaction is preferred over a generated response.

There will be more technology entering the strata market in the coming months and years, and AI will play a role, but we need to balance that with the actual outcomes clients desire. The feedback we currently receive indicates that our clients don't want a robot for all their interactions, they want real people, real service, and real connection.

For Civium, we're exploring all avenues. Being a company on the frontier of technology and innovation, we want to implement efficient systems that drive accuracy and better outcomes without losing that "human touch" – the person who remembers you have two daughters, like cats, and have graffiti issues in your neighbourhood.

There will be changes, AI is inevitable, and the strata industry is getting there. We'll be on the forefront of these initiatives, but we want to do the correct thing, not the quick thing.

Major Feature Releases Planned for 2026

As the strata industry continues to evolve, one of the most notable shifts for us at Civium, is a move away from “pure” artificial intelligence and toward intelligent automation.

This distinction matters. Automation is controlled, reliable, and repeatable, qualities that align closely with the operational realities of strata management. While human oversight remains essential, repeatable automation is useful in reducing administrative burden and delivering consistent outcomes.

From Reactive to Proactive Maintenance

A cornerstone of our 2026 IT roadmap is a fundamental shift from reactive maintenance to proactive maintenance. This will be delivered through a comprehensive overhaul of our maintenance systems, known as CXM, designed to automate the scheduling and coordination of routine maintenance across properties.

By scheduling essential maintenance, our buildings can be kept compliant, functional, and insurable. This proactive approach addresses long-standing issues such as roof leaks caused by decades of deferred maintenance and helps prevent avoidable failures before they escalate into costly claims or disputes.

Rules-Based Automation Tailored to Each Building

The new system is being designed with flexibility at its core. It will support building-specific rules that reflect the unique requirements of each owners corporation. For example, the new system can automatically schedule six-monthly gutter cleaning, initiate quote requests, or seek committee approval in accordance with agreed thresholds and AGM resolutions.

The result is faster response times, fewer maintenance backlogs, and a material reduction in common issues such as burst pipes, water ingress, drainage failures, and electrical faults.

Personalised Service, Supported by Technology

While automation is often perceived as impersonal, our approach is deliberately the opposite. The system is designed to reflect each client’s preferred level of involvement. Some Owners Corporations

choose to have maintenance handled automatically within agreed parameters, while others prefer to review and approve each step. Both approaches are fully supported.

By ensuring tasks are never missed and communications are consistently delivered to the right people, automation enables our Strata Managers to spend less time on repetitive administrative tasks and more time providing value through advice, strategic oversight, and meaningful engagement with our clients.

Delivering Better Outcomes for Strata Communities

Ultimately, this technology is not about replacing human expertise, it is about amplifying it.

By combining intelligent automation with personalised service, the 2026 feature releases aim to address one of the industry’s most persistent challenges: slow and inefficient maintenance processes. The outcome is safer buildings, better-maintained assets, and a more responsive strata management experience for all stakeholders.

Supporting Reactive Work and On-Site Visibility

While proactive maintenance reduces risk, reactive work will always be part of strata operations. To improve how these issues are managed, we are implementing end-to-end systems that streamline reporting, tracking, and communication with residents.

Residents and contractors will be able to log issues instantly via QR codes located throughout a building, ensuring maintenance requests are captured accurately and without delay. Owners and committees will have real-time visibility of reactive works, including contractor attendance and live job progress, reducing uncertainty and follow-up enquiries.

At the same time, enhancements to our owners portal will provide mobile access to live property data, including contractor updates, completed work orders, financial positions, and individual lot information.

Meet the Team



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Kylie Dennis
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Gareth Halverson
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