

CASUALISATION OF BUSINESS

Email technology has seen an explosion in communication between our clients. This new tool is however leading to a casualisation of correspondence that is putting body corporates at risk.

At UnitCare we receive emails from committee members telling us to proceed with jobs costing \$1,000s.

A typical email will let us know that the writer has had a conversation with some of the committee but not heard from others and that we should proceed as quoted.

We have recently sought legal advice from the REISA lawyer and advisory service on this important matter. Their reply follows...

"The answer is simple.

Agent is not to act if unlawful instructions are received. The agent needs to put procedures in place to make it easy for the client."

The Strata & Community Titles Acts are clear in their requirements..

NEW ADVICE LINE FOR UNIT OWNERS



STRATA AND COMMUNITY ADVICE HELPLINE

Following the changes in South Australia to Strata Title and Community Title law the Legal Services Commission is currently responsible for providing the public with advice and information regarding these amendments. A new advertising campaign across South Australia was recently launched promoting the Strata and Community Advice Service provided by the Commission.

Information packs have been posted across South Australia to over 18,000 strata and community organisations informing them of the changes to Strata & Community Title as well as the information resources available.

The relevant updates regarding Strata and Community Titles can now be found online in the Law Handbook Online...

<http://www.lawhandbook.sa.gov.au/ch23508.php>

The public who have a specific query regarding recent changes to Strata & Community Title can now do so by simply calling 1300 366 424 Monday to Friday.

For resources and fact sheets provided by the Office of the Attorney General of South Australia detailing the changes to Strata Title and Community Title law in South Australia - click on ...

http://www.isc.sa.gov.au/cb_pages/news/Strata_Title_Amends_2013.php

Advice Line Number 1300 366 424

Unitcare 4



Gordon Russell
Managing Director
UnitCare Services
mail@unitcare.com.au

viewpoint

Strata Titles Act: Section 35 (8) A management committee must (a) keep minutes of its proceedings; and

Community Titles Act: Section 92 (7) A management committee must cause accurate minutes to be kept of proceedings at its meetings.

We supply a proforma with correspondence to our committees when a decision is required. This makes it easy for the secretary to fill in the blanks and fax, post or email it to us. Soon we will put a committee proforma on our website for download.

Your help in following this emailing checklist will be greatly appreciated...

- committee instructions to be in minute form, i.e.; Who was present in person, proxy, phone or by email or skype, the date of the meeting and decisions made. This can be an attachment, a scan or minutes typed or hand written or within the body of the email. All are a legally acceptable format.
- No Co-ing, we only want decisions not discussion
- No instructions without minutes unless an emergency, if an emergency please phone.
- Your strata or community title number, address and unit number (if applicable) on all emails.

Policy on Email to Clients: Except for informal correspondence, we will continue to post documents. This includes the monthly treasurer report, account & meeting notices, minutes and documents for committee decisions.

We have noted that at meetings many of our clients advise us that their email addresses have changed and often for some time. The national picture is that 25% of emailers change their email address every year.

Our experience with emails is that often they fail because of server problems and out of date email addresses.

We are continuing to review how we might save costs for owners by using emails ☺

Cheers

Gordon Russell

ps: Do you have any friends who need to read our newsletter? Ring

emergency numbers

Plumbing, Gas, Roof Leaks	8356 2750
Electrical	1300 130 229
Breakins & Glazing	0404 165 338
Police to attend - noise/robbery etc.	131 444
State Emergency Service: storm/flood	132 500

unitcare services

PEACE OF MIND FOR UNIT OWNERS
autumn 2014

NEGLECT WILL COST OWNERS BIG \$\$\$

Unit owners who fail to care for their units and common property face hefty bills for repairs and replacement of timbers, paving, exterior doors, fascias, gutters and more.

The photographs on this page illustrate the problems a group of five units not managed by UnitCare.

1: Driveway: The flooding has occurred over many years. The owners have received a quote to fix the problem but have decided not to. The water is more than ankle deep, making it difficult for residents and visitors to access the units. The flooding is damaging the base to the paving.

2: Timbers : The pergolas and fascia timbers about the group are severely rotted. Many will need replacement. This will be costly.

3: Doors: Many of the exterior doors in this group have rotting timbers. Some of the doors are beyond repair and will need replacement.

For any owner who sees the importance of preventative maintenance but faces unresponsive fellow owners, we strongly suggest they seek legal advice, with a view to pursuing the group for its failure to maintain the common property. Maintenance is not an option, the law requires it....

Strata Titles Act Section 25.

The functions of the strata corporation are as follows:

(a) to administer and maintain the common property for the benefit of the unit holders and, to such extent as may be appropriate, other members of the strata community; and

Community Titles Act Section 75

Functions and powers of corporations

(1) The functions of a corporation are

(a) to administer, manage and control the common property for the benefit of the owners of the community lots; and

(b) to maintain the common property and the property of the corporation in good order and condition; and

(c) where practicable, to establish and maintain lawns or gardens on those parts of the common property not required or used for any other purpose.

Prevention is so much cheaper than cure. The owners of this group will have a day of reckoning soon, let's hope they have saved for the additional costs ☺

Published by UnitCare Services, P.O. Box 4040, Norwood South 5067 52 Fullarton Road, Norwood.

☎ (08) 8333 5200 ☎ (08) 8333 5210 ✉ www.unitcare.com.au ✉ mail@unitcare.com.au

abn 193 4872 3265 This is a publication of UnitCare Services and is offered as information only and is not intended as a substitute for professional advice.

after hours emergencies - phone 8333 5200 for up to date information.



COURT CASES

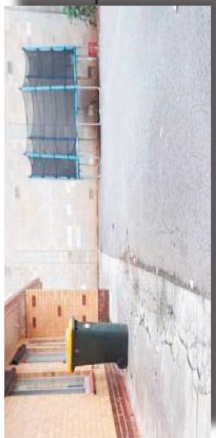
Trampoline on Common Property. On the fifth day of February this year Magistrate Eldridge at the Adelaide Magistrates Court ordered the removal of a trampoline at a strata titled group.

The case came to Court in 2013 as the owner had installed the trampoline on the common property driveway and refused to remove it. She stated it was for her son's use.

The group held a general meeting in January to decide the matter. The trampoline owner lost the vote. The matter was then heard again at Court where the removal was ordered.

The reason the Corporation needed the removal of the trampoline was risk. The very real risk that a child would be injured in the course of using the trampoline.

As can be seen from the photograph, there is no security fence to prevent a child



walking off the street and using the trampoline. This exposed the Strata Corporation to a multi-million dollar public liability claim. This was against the backdrop of the corporation's insurance company excluding any such claims from its policy coverage. Owners faced the real possibility of financial ruin.

The magistrate agreed that the risk was high and backed the corporation's general meeting decision to refuse approval. The owner was given fourteen days to remove the trampoline. □

LINDA JOINS OUR TEAM



We have a new member of staff.

Linda joined us in March this year.

Linda has worked extensively in property including recent work as a rental manager.

Linda has qualifications in finance and mortgage broking.

She is a keen runner, aiming to undertake the City to Bay run in under an hour and a marathon next year. Linda also enjoys cooking.

Linda is an officer in a Strata Titled group so has hands on experience as a unit owner.

Welcome to UnitCare. □

TRANSPARENCY PARAMOUNT

The article below emphasises the need for body corporate managers to be totally transparent with officers & owners. It is too easy to pay accounts when the money is not yours.

To protect owners funds we at UnitCare do the following:

- 1: we ask officers if we can pay an irregular or large account before we pay it.
- 2: supply a monthly ledger to Treasurers
- 3: upload daily all paid invoices to the client's website for viewing.

At the time of going to press an officer using their website picked up a mistake in a payment to a contractor. The contractor was contacted immediately and has electronically refunded the \$200.

We strongly recommend that owners and officers keep an eye on their managers and accounts. □

Origin, AGL admit five years of double-billing

Energy giants double dip on gas

How The Australian broke the story last Tuesday

EXCLUSIVE

ANTHONY KLAN

ENERGY giants Origin and AGL have admitted they double-billed an entire Brisbane apartment block for gas over the past five years, with thousands of dollars to be returned to residents.

After 18 months of wrangling with the residents of the 42-apartment complex in Brisbane's Indooroopilly, Origin and AGL conceded an "error", and will reverse all improper charges, after *The Australian* revealed the case last week.

The gas supplier to the building was changed from Origin to AGL in 2008, without the residents' knowledge, and both companies continued to charge for the service.

AGL spokeswoman Nicole Rizgalla said one resident had requested to be connected with AGL in 2008, but the energy company mistakenly transferred the entire building.

"Unknowningly to the customer and to AGL, the customer signed up to the master meter for the building," she said.

"Usually the national database of gas meters would flag a master meter, but in this instance it was not identified."

Concerns over the ease with which suppliers can be switched have grown following revelations that Energy Australia was forced to contact thousands of customers in five states after it became aware a third-party sales group had allegedly signed customers up without consent.

National laws allow for a household's energy supplier to be changed without a signature or any paperwork, and sales agents can earn high commissions for transferring accounts.

Origin Energy executive Andrew Cameron last week wrote to the residents of the Indooroopilly block, saying the company would refund \$13,325 in gas bills.

"While Origin has been charging individual occupants for their cooker gas, AGL has also been charging the body corporate for the same gas", Mr Cameron wrote.

He said Origin would be re-installed as the provider of gas to the building.

Body corporate manager Geoff Trotter said he welcomed the development but was frustrated a resolution was reached only after the issue had been publicised.

"I'd been at Origin and AGL for a year and a half, and they just didn't want to know about me," he said.

Article withdrawn

MANAGER'S SYPHONING OFF CLIENT'S BANK INTEREST

BUILDING MOVEMENT - WHO PAYS?

Past water restrictions, along with the increased cost of water, have seen many owners and body corporates cease watering their gardens. The results are costly.

At this particular group, see photos opposite, the buildings have suffered a lot of movement. The arch to one carport was at risk of collapsing when we undertook a site visit last year. Temporary repairs were undertaken.

In this particular case the grounds in front and to the side of the unit are the owner's to maintain.

So who is at fault? Who is liable for the building repairs.

1: No report was made to the manager regarding the problem

2: The Corporation did not put the owner on notice

3: The owner's rental agent did not advise the owner of the cracks

The buildings are common property under the strata act. The strata corporation is responsible for their maintenance. They argue that the owner should pay the cost of repairs as their garden and trees



caused the shrinking of the ground under the building.

The owner is responsible for maintaining their unit, including yards, under Article 1 of the Strata Titles Act.

As we see it the case is a mix of common law and the Strata Titles Act.

Can the strata corporation show that the owner was negligent in not watering?

Should the strata corporation have been more vigilant?

Is the rental agent at fault?

Whilst it is laudable to save water in many cases the savings are far outweighed by the cost in building repairs

This case may need legal intervention to resolve - more costs □