



viewpoint

GLOBAL IRRELEVANCE CRISIS

The following is a thoughtful piece written by Ruth Ostrow in the Weekend Australian magazine.

A NEW phenomenon has struck the world. We're going through what I've decided to call a GIC -- a Global Irrelevance Crisis -- and therapists I've interviewed agree.

The GIC is the new 1970s identity crisis; or the midlife crisis of the 80s. Most people I talk to are experiencing a sense that they are irrelevant -- that they are invisible, unseen and forgotten. In the old identity crisis, people lay about in encounter groups sobbing because they didn't know who they were. In the 2010s we know who and what we are. We just suspect it isn't relevant. Or if it is, it won't be for long in this ever-changing world where standing still is going backwards.

Having been a social observer for decades, I can say that while people have always felt unsung it's never been this bad. Technological advances are making many feel things are whizzing by too fast for them to make a mark. We're all replaceable. A brilliant web designer I know who works at \$150 an hour is now competing for work with 18-year-olds in India who charge \$20 an hour. "Cheaper, net savvier, younger!" is the catchcry and people fear for their jobs, or products. Even retailers and book publishers have become irrelevant in the cyber world, where convenience is king.



In order to feel relevant, people tweet and raise their voices on Facebook, but relevant for how long in these fickle times of ADD (attention digital disorder)? One blogger I know had 100,000 followers. Then he got sick for a few months and didn't write. When he returned his devotees had gone elsewhere.

Then there's ageing. A friend at only 40 feels the GIC because she's been out of the workforce having kids. Five years ago her skills would have gotten her back in; now there are hot, cyber-savvy graduates in the wings. Meanwhile, normal events -- divorce, kids leaving home, losing friends -- can all weigh heavily on the already relevance-challenged soul.

Not to mention looking older. As a friend said: "The rich will not age because they have the money to stop time; the rest of us will look like old people. Who will be invisible and irrelevant then?"

The GIC is hard to take. But it's not all bleak. We all feel it. So it's not just you or me. It's us, and we have to go that extra mile to make each other feel relevant. Please post comments to my blog each week so we can be heard and seen. I want this new column to be relevant to you

Please comment at  
[ruth@ruthostrow.com](mailto:ruth@ruthostrow.com)  
[ruthostrow.com](http://ruthostrow.com)

ATTORNEY GENERAL DELIVERS

Our new Attorney General is proving to be a keen advocate for the rights of unit owners.

The coming twelve months will see Parliament consider and vote on:

- ✓ major amendments to the Strata & Community Titles Act
- ✓ a new tribunal for body corporate disputes
- ✓ the licencing of body corporate managers

Given so much reform is in the pipeline we are keen to see the Attorney General ensure that all body corporate legislation and regulations are reviewed as a whole in two years or so.

This will provide an opportunity for all concerned to address any concerns and tweak the new legislation.

At the time of writing only the major amendments to the Strata & Community Titles Act are before the Parliament.

We understand that the tribunal and licencing legislation will be before the Parliament early next year.

The tribunal will, unlike the Magistrates Court, provide a body of rulings. This will be most helpful to body corporates and for legislators

BLOG UPSETTING COMPETITION

Some of our competitors are taking offence at stories on our new blog.

One email we received called me all sorts of names.

We do not name managers in our blog and are surprised to receive abusive emails.

Our blog is aimed at exposing the practices of some managers. We hope that the blog encourages greater scrutiny by owners of their managers.

We have offered to publish any corrections should they be substantiated. To date no reply. Our offer still stands

  
Cheers  
Gordon Russell

ps: Do you have any friends who need to read our newsletter? Ring and we will post one out or they can download it from our website

emergency numbers

Plumbing , Gas, Roof Leaks	8356 2750
Electrical	1300 130 229
Breakins & Glazing	0437 818 449
Police to attend - noise/robbery etc.	131 444
State Emergency Service storm/flood	132 500



NEW TRIBUNAL FOR UNIT OWNERS

The Attorney General, John Rau has announced a new tribunal will provide South Australia's 100,000 plus unit owners with access to quick and cheap dispute resolution.

The new tribunal will see body corporate disputes removed from the Courts in the first instance.

"There are a number of these functions that the courts presently perform and it might be that we are able to move some of them out of the courts and free up time in the courts for more complex matters," he said.

"The Residential Tenancies Tribunal is one body which might be incorporated into this sort of model."

Attorney-General John Rau said it would combine government boards, courts, tribunals and other bodies that conducted formalised and expensive judicial procedures.

Mr. Rau said it was not right that ordinary South Australians had to take even minor decisions to court, engage lawyers and appear before a judge to question a department or council ruling which might be worth less than \$100.

"There is a whole range of decisions which councils make (for example) that affect people every day, and a lot of very minor and irritating decisions which are very hard to have reviewed short of very expensive Supreme Court proceedings, which no sane person would do for a dispute which may only be about \$100," he said.

The tribunal would help unclog the overcrowded courts which Mr. Rau said were devoting too much time and too many resources to administrative rather than legal issues.

The system would revolutionise private and public-sector civil litigation in SA. It would allow panels of independent experts to rule on matters such as:

- Strata & Community Title disputes.
- Disputes between landlords and tenants.
- The rejection of an extension to a home by a council planning department.
- Dog and cat management decisions by councils.
- Tax disputes with the State Government.
- Small claims disputes.
- Complaints against police.

Mr. Rau said the system would help educate councils and government departments on how to make good decisions.

"The Supreme, District and Magistrates courts can be freed from minor civil, disciplinary and administrative review, to be able to focus on their core business," Mr. Bonig said.

"People will have quick, cheap, fair, informal and efficient access to justice."



Picture: Mark Brake Source: AdelaideNow

Mr. Rau said the scheme could be close to cost-neutral, as interstate systems had shown savings were made by developing a standard operating practice and many matters would no longer require the cost of holding court hearings.

Mr. Rau said there had been so many tribunals, boards, courts and other adjudicating bodies set up over decades that the

first task was to find out what they all were; a process being completed by his parliamentary secretary and former Gawler mayor Tony Piccolo.

"These bodies are all over the place, have been developing on an ad hoc basis for 150 years and the first thing we have to do is find out where they reside and what all their functions are," he said for commercial groups

We are advised that from July 2012 there will be licencing of body corporate managers in all states and territories of Australia.

This will conclude the largest raft of reforms to the body corporate community since the introduction of the Strata Titles Act by then attorney general, Don Dunstan.

Go to our website for progress reports

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

t (08) 8333 5200 f (08) 8333 5210 w www.unitcare.com.au e mail@unitcare.com.au abn 193 4872 3265

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## MANAGER PUTS LIVES AT RISK

In August this year we were appointed by a group of 9 units in the northern suburbs of Adelaide.

The owners met with us full of frustrations over their manager's carelessness with their affairs. Amongst the issues to come to light were:

- ✗ Failure to pay telephone accounts for the lift and fire alarm services. This finally saw the telephones disconnected. The security service expressed grave concern over the risks to residents. The manager charged the corporation the reconnection fee.
- ✗ The manager failed to pay the gas bill for the common hot water service. You guessed it, no hot water, call out fees for a plumber amounting to \$400+ and the manager had the corporation pay the reconnection fee!

This manager has no shame. They should have borne the cost of the reconnections and explained to the owners why they had failed to pay the accounts and how it could be avoided in future ☐

## MANAGER DELIVERS JUST 1.24% INTEREST

Manager delivers high fees and almost no interest on \$7,500 savings:

In July this year we were appointed by a small group of six units in the eastern suburbs of Adelaide. In setting up the group, using the records from their previous manager, we were a little shocked to find the following:

- ✗ Bank interest of \$7.76 for the month of June 2011 based on \$7,498 of funds. This is an annual rate of 1.24%. We checked on one of our clients with a balance of \$7,276 and they received \$45.46 for the same month. That is \$37.70 more per month and \$452.40 more a year!

## MANAGER CHECK LIST

Not all body corporate managers are created equal. Use this check list to take some of the guess work out of choosing a manager.

Remember price is not always a good indicator of performance and peace of mind.

Tick the boxes and check out how the manager is doing. This list is not exhaustive but will highlight potential problems.

- |   |   |   |
|---|---|---|
| <ul style="list-style-type: none"> <li><input type="checkbox"/> Provides a money back guarantee.<br/>- phone calls returned promptly<br/>- jobs done on time</li> <li><input type="checkbox"/> Provides a money back trial so your group can try them out</li> <li><input type="checkbox"/> Provides contract explaining:<br/>- services included in the fee<br/>- commissions<br/>- termination arrangements</li> <li><input type="checkbox"/> Supplies references from current clients so you can check with a third party.</li> <li><input type="checkbox"/> Uses contractors with insurance cover to prevent your group being sued over any injuries</li> <li><input type="checkbox"/> Provides trained managers to ensure the best advice</li> </ul> | <ul style="list-style-type: none"> <li><input type="checkbox"/> Has professional indemnity insurance in case they make a mistake that costs you money</li> <li><input type="checkbox"/> Are members of the Real Estate Institute of South Australia. The REI assists with any disputes with a member.</li> <li><input type="checkbox"/> Provides all owners with a written report on all activities and works undertaken for your group.</li> <li><input type="checkbox"/> Provides your Treasurer with a monthly financial statement to keep your group up to date and allow for scrutiny.</li> <li><input type="checkbox"/> Provides for easy payment of strata levies by whatever suits you. (BPay, Cheque, Bank Deposit, Credit Cards)</li> </ul> | <ul style="list-style-type: none"> <li><input type="checkbox"/> Has the skills to help resolve disputes</li> <li><input type="checkbox"/> Provides an after hours emergency service</li> <li><input type="checkbox"/> Will attend your group as needed.</li> </ul> <p>_____ Total</p> <p>_____ Score: 0-9 may need help.<br/>10-14 on the right track</p> |
|---|---|---|

## YOU GET WHAT YOU PAY FOR

REPRINTED FROM CHU INSURANCE WEBSITE

You get what you pay for... check out your Public Liability cover

We've all had a similar experience - we've trusted an 'expert' and gone for a more 'affordable' product or service because we wanted to save money but then the wheels fell off or the service wasn't up to scratch. With strata insurance, the risks are very real because you can end up with protection that falls short of the legislation and exposes Managers and Bodies Corporate to a number of risks...which with a little bit of thought could have been avoided.

It's so important to consider what it is you are paying for and whether your insurer is a specialist in strata, because, alarmingly, some who claim to be 'Strata Specialists', either design and distribute a product, or recommend a product, that may not, under certain circumstances, comply with legislation.

The Body Corporate often looks to its appointed strata manager to provide some level of guidance so that when dealing with the statutory obligations, such as obtaining the right level of insurance, they are aware of some of the risks and ways to avoid them. In some cases getting the right level of insurance can go wrong simply because the insurance coverage was poorly constructed or corners cut to reduce costs.

Take for example public liability insurance. Most of us are aware of strata legislation in most states that requires public liability cover to be purchased up to a minimum level for personal injury and/or property

damage. This could be \$5 million to \$10 million depending on the state legislation.

While most will purchase their insurance in accordance with the prescribed level, one critical element can often get missed; how legal costs are dealt with.

Look out for public liability cover that provides the appropriate limit of indemnity and a provision for legal costs and fees on top. This is called a "Cost in Addition" form of public liability. This differs to "Cost Inclusive" forms of cover, which includes legal costs and fees within the limit of indemnity. So if a Body Corporate with \$10 million in public liability insurance cover has to pay \$9 million in damages and has \$2 million in legal fees but has a "Cost Inclusive" cover, then they will be out-of-pocket to the tune of \$1 million. Here comes another special levy...

Shop around by all means but make sure you are getting the right coverage and not just cutting costs. If you need help understanding strata insurance talk to the experts at CHU.

**Editor's Note:** The RAA advised our staff in early September that their householders policy may not cover Strata Corporations.

UnitCare are agents for CHU/QBE body corporate insurance ☐



## ANNMARIE BOYCE JOINS OUR TEAM



We are excited about latest member of staff.

Annmarie Boyce joined us in September this year. She will be replacing Jodie Gent, body corporate manager, who is off later this year to have her baby.

Annmarie has an extensive background in customer support in the health industry.

- Trained as a medication administrator.
- Support Services Officer at Adelaide North East Division of General Practice
- Aged Carer at Resthaven and Kalyra Nursing Home
- Paediatric Surgery & Human Resources at Women's & Children's Hospital
- Trained in property management - rentals
- Nominated for Customer Service Recognition award 2007 for outstanding service.

Annmarie enjoys reading, gardening, cooking and walking.

Welcome to UnitCare ☐