

PROTECTION FOR UNIT OWNERS

The Body Corporate Managers Division of the Real Estate Institute of S.A. (REISA) is currently considering reforms that will see an end to unqualified and untrained back-yard strata managers, better informed unit owners, and an independent Tribunal that will specialise in Body Corporate matters. This will bring South Australia into line with most other states.

Amongst the proposals are:

Legislated Qualifications: Better protection through managers being required at law to be trained and qualified in the application of the Strata, Community Titles and related Acts.

Information Services: With density on the rise through the support of Local and State Governments, the need for accurate information is steadily increasing. Currently the REISA assists at its cost. The provision of a properly resourced advisory service for unit owners is being canvassed.

Mediation/Tribunal: Increasing density is creating a greater need to resolve disputes. Currently the Magistrates Court is addressing vexatious and petty matters such as clotheslines, pets etc. This is a costly and difficult procedure, often before magistrates who rarely deal with the relevant Acts. A Tribunal would bet-

ter serve the consumers through a specialised service.

Funding: It is proposed that all unit owners contribute to the proposed services through the interest paid by banks on Body Corporate accounts.

With the recent release of the new accreditation programme (C.P.M.) Certified Practising Member, and the Rules of Practice for Body Corporate Managers the REISA is helping to set the agenda for a professional body corporate industry that acknowledges the need for training, minimum standards and consumer protection.

We applaud the REISA for its recent efforts.

The REISA is commencing discussions with the new Attorney General over the coming months on this and other matters. We will keep you informed of developments.

Regards,

Gordon Russell CPM



emergency numbers

Service	Number	Unitcare Fleurieu Peninsula Local plumber: Fawcett Plumbing
Breakins, Electrical, Glazing	0412 420 544	0414 835 566
Plumbing, Gas, Roof Leaks	0418 829 644	
Police to attend - noise/robbery etc	11444	
State Emergency Services	8204 2999	

www.unitcare.com.au

WEB SITE IMPROVEMENTS



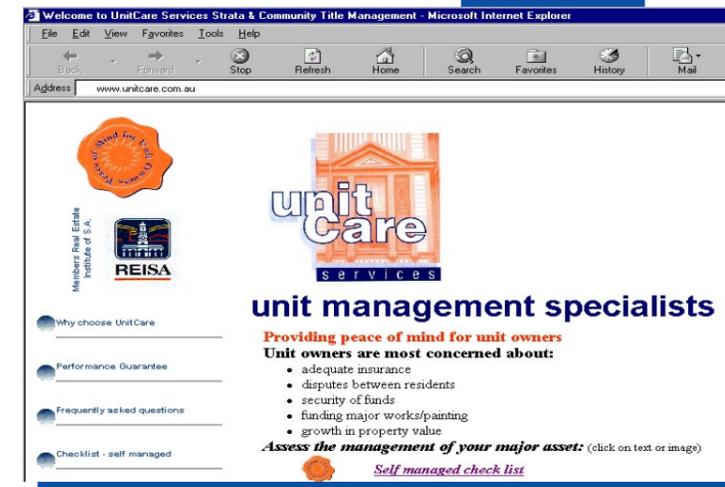
UnitCare Services has improved its website for unit owners seeking help.

UnitCare had the first website for South Australia's unit owners and a first for Australia.

Our revamped site can be found at www.unitcare.com.au.

It has some 30 pages of indexed and cross referenced help for unit owners and those thinking of buying a unit. The site includes:

- ✓ a check list for those looking to buy a unit
- ✓ an explanation of what a Strata Corporation does
- ✓ the rights and responsibilities of unit owners
- ✓ a check list for those looking to engage a Strata Manager
- ✓ procedures for changing a manager
- ✓ links to other useful sites



UnitCare Services
 phone 08 8364 0022
 southern 08 8370 4002
 fax 08 8364 6822
 web site www.unitcare.com.au
 email unitcare@senet.com.au
 P.O. Box 195, Belair 5052

after hours emergencies - phone 8364 0022 for numbers

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

Audits Required by Law

Our Auditors have advised us that all accounts held by a body corporate manager on behalf of clients must be audited.

There has been a long held myth that if a manager holds their client Corporation's accounts in separate cheque accounts then they need not undertake an audit under the requirements of Section 36 of the Strata Titles Act and Section 121 of the Community Titles Act. Similar wording appears in both the Strata & Community Titles Acts: The following are extracts of the Strata Titles Act:

DIVISION 6A—AGENTS' TRUST ACCOUNTS

Application of Division

36A. This Division applies where a strata corporation has authorised a person ("the agent") (not being an ADI or other financial institution) to receive money from another person (not being the corporation) and to hold the money on behalf of the corporation or to deal with it in accordance with this Division.

"agent" means a person, not being an ADI or other financial institution, who has been authorised by a strata corporation to receive money on its behalf and to hold it or to deal with it in accordance with this Division;

"auditor" means a registered company auditor within the meaning of the Corporations Law;

"trust account" means an account in which trust money is required to be deposited by an agent;

"trust money" means money received by an agent on behalf of a strata corporation.

Audit of trust accounts

36H (1) An agent who maintains a trust account must—

(a) have the accounts and records kept under this Division audited by an auditor in respect of each audit period specified by regulation; and

(b) lodge with the strata corporation a statement relating to the audit that sets out the information specified by regulation.

Regulations 18(7):
For the purposes of section 36H(2)(b) of the Act, an agent must lodge an audit statement or declaration within two months after the end of each audit period.

Last year a strata manager went to jail for stealing monies over many years from accounts under his control. His clients had individual cheque books requiring an officer to sign but the bank accepted his signature alone.

The officers of strata and community titled units need to ensure that they sight an annual audit report regardless of whether their funds are held in a manager's Trust Account or an individual cheque account. We also recommend that the officers require their manager to forward a ledger of their Corporation's accounts to the Treasurer at least quarterly, if not monthly.

Despite the bad press some international auditors are receiving, a regular audit by an independent person can provide peace of mind for those trusting their funds to body corporate managers.

In S.A. there is some \$12 million in trust



Audits Compulsory

free checkup

We have been able to save money for many of our clients through insurance premiums, after hours maintenance and preventative works.

If you are not one of our clients, give us a ring and we can review your group's costs to find possible savings.

This service is free and with no obligation.

Call us on **08 8364 0022** or **08 8370 4002** in the South

Strata Titles & the Law - New Edition

The Legal Services Commission have released the third edition of its popular Strata Titles and the Law.

The new edition includes help on Community Titles.

This edition deals with more issues in its compact 24 pages:

- ✓ Buying a unit - checklist
- ✓ Duties of Unit Owners
- ✓ Converting a Strata to Community Title
- ✓ By Laws for Community titles
- ✓ Buying a Community Titled lot
- ✓ Frequently asked questions and answers

The publication is free and available from the Legal Services Commission on 1300 366 424 or drop into their office at 82-98 Wakefield Street, Adelaide. You can download a copy from the web through a link on our web site www.unitcare.com.au.

The commission provides useful legal advice through its offices and those of the Community Legal Centres in Adelaide and the country.

Our thanks to the Commission for asking for our help in editing the latest edition.

Overdue Accounts & Fees

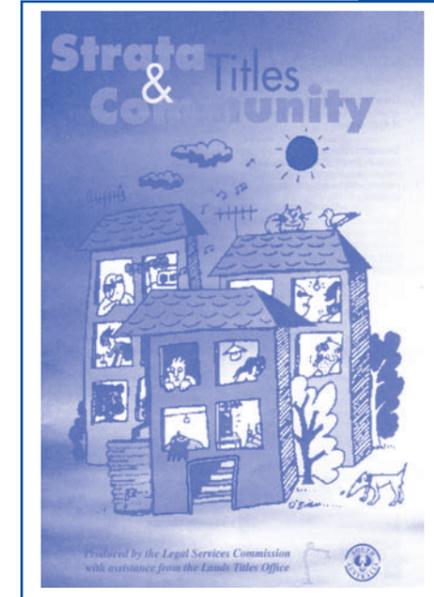
Over recent months we have received a number of calls from owners concerned over being charged fees on overdue accounts.

To clear up any misunderstanding here is the UnitCare policy.

- 1: We charge interest on behalf of the Corporation at the rate of 12% after a grace period of 28 days.
- 2: Overdue account notices are posted around 2 weeks after the account is normally due.
- 3: We charge \$5 + gst to process overdue account notices. This compares with \$10 - \$20 charged by other managers. The fees is recovered from the owner not the Corporation.
- 4: If the account is unpaid after 2 months a 7 day letter is sent to the owner warning that a debt collector will be appointed if no contact or payment is made within 7 days.

We now record the posting of all account notices and all payment slips are now dated to avoid confusion.

The vast majority of owners pay around the time their Corporation's account is due. For those who do not pay on time we give plenty of warnings on the account notices that fees will apply.



Legal Services - Update