



unit/update

viewpoint

TEN VIRTUES FOR THE MODERN AGE

The following was written by philosopher Alain De Botten. He titles it Ten Virtues for the Modern Age

- 1 RESILIENCE. Keeping going even when things are looking dark; accepting that reversals are normal; remembering that human nature is, in the end, tough. Not frightening others with your fears.
- 2 EMPATHY. The capacity to connect imaginatively with the sufferings and unique experiences of another person. The courage to become someone else and look back at yourself with honesty.
- 3 PATIENCE. We lose our temper because we believe that things should be perfect. We've grown so good in some areas (putting men on the moon etc.), we're ever less able to deal with things that still insist on going wrong; like traffic, government, other people... We should grow calmer and more forgiving by getting more realistic about how things actually tend to go.
- 4 SACRIFICE. We're hardwired to seek our own advantage but also have a miraculous ability, very occasionally, to forego our own satisfactions in the name of someone or something else. We won't ever manage to raise a family, love someone else or save the planet if we don't keep up with the art of sacrifice.
- 5 POLITENESS. Politeness has a bad name. We often assume it's about being 'fake' (which is meant to be bad) as opposed to 'really ourselves' (which is meant to be good). However, given what we're really like deep down, we should spare others too much exposure to our deeper selves. We need to learn manners, which aren't evil - they are the necessary internal rules of civilisation. Politeness is very linked to tolerance, the capacity to live alongside people whom one will never agree with, but at the same time, can't avoid.
- 6 HUMOUR. Seeing the funny sides of situations and of oneself doesn't sound very serious, but it is integral to wisdom, because it's a sign that one is able to put a benevolent finger on the gap between what we want to happen and what life can actually provide; what we dream of being and what we actually are, what we hope other people will be like and what they are actually like. Like anger, humour springs from disappointment, but it's disappointment optimally channelled. It's one of the best things we can do with our sadness.
- 7 SELF-AWARENESS. To know oneself is to try not to blame others for one's troubles and moods; to have a sense of what's going on inside oneself, and what actually belongs to the world.
- 8 FORGIVENESS. Forgiveness means a long memory of all the times when we wouldn't have got through life without someone cutting us some slack. It's recognising that living with others isn't possible without excusing errors.
- 9 HOPE. The way the world is now is only a pale shadow of what it could one day be. We're still only at the beginning of history. As you get older, despair becomes far easier, almost reflex (whereas in adolescence, it was still cool and adventurous). Pessimism isn't necessarily deep, nor optimism shallow.

10 CONFIDENCE. The greatest projects and schemes die for no grander reasons than that we don't dare. Confidence isn't arrogance, it's based on a constant awareness of how short life is and how little we ultimately lose from risking everything.

If you found this piece of value there is more at The School of Life www.theschooloflife.com



RIP-OFFS BY MANAGERS

Contractor Registration: The new work, health and safety laws have seen some strata managers seize the opportunity to charge new fees to both owners and contractors.

For contractors there are new annual registration fees. In addition many managers have over the years been charging unit owners around \$70+ per group for an external agency to check contractors credentials.

For the owners with one medium sized management firm the fees amount to some \$28,000 per year. This would cover the salary of a half time person to check all contractors insurances and licences. The latest figures for one of the larger management firms reveals their clients are paying some \$112,000 per year. Our experience is that the work involved hardly justifies these charges to unit owners. As managers we use a limited pool of trusted contractors along with many self employed lawn and grounds contractors. Many managers are in our opinion outsourcing their work and charging the client for the privilege.

At UnitCare we undertake licence, ABN & insurance checks on all our contractors as part of the service. Our staff member responsible for contractor checks, estimates that they need to spend less than half a day per week overall on this work.

Reinvoicing: Most managers receive commissions when paying insurance premiums. This can vary between 15% & 20%. This income helps keep management fees affordable. For one manager the commission they receive is not enough.

We have documents that show this manager is re-invoicing clients. They print a new invoice in place of the one from the insurance company. They inflate the insurance company's administration fee. The client does not get to see the original invoice. This practice brings in an extra \$14,000 a year for this manager.

The new laws require transparency and reporting by managers. We hope that owners vigorously apply these laws to ensure their manager is ethical and provides value for money ☐

Gordon Russell
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	0422 650 366
Police to attend - noise/robbery etc.	131 444
State Emergency Service storm/flood	132 500

LEGISLATION UPDATE

Strata & Community Titles Acts: At the time of going to press the Attorney General and his department are finalising the regulations that accompany the amendments to the Strata & Community Titles Acts.

The new laws cannot come into effect until the regulations are finalised. We expect the new laws and regulations to be proclaimed and therefore come into effect before June 30.

During February the Attorney General sought comment on the draft regulations. Here are some highlights that may affect your group...

Manager Presiding at Meetings: Managers may only preside at the meeting of a corporation if a majority of the persons present and entitled to vote at the meeting agree to the person presiding. The manager must, at the start of the meeting, inform and make available all of the proxies or powers of attorney that are held by them for the meeting.

We suggested to the AG that managers may NOT use proxies for their appointment unless the owner has stated so on the signed proxy form.

Fidelity Guarantee: Corporations must have fidelity guarantee insurance. This covers the risk of theft or fraud of the corporation's funds by the manager or other person authorised to handle the funds. The insured amount must be the maximum total balance of the corporation's bank accounts at any time in the preceding 3 years or \$50,000 whichever is higher.

We are a little unclear on when the insurance to cover maximum balance in last 3 years is to take effect. An example might be a group raising \$100,000 for a repaint. Should the group seek an endorsement of its existing policy knowing it will exceed the \$50,000 regulation or does this apply retrospectively. We believe that the intention of the Act is to ensure that funds in hand are always covered. If this is the case then an endorsement would apply. We have asked the AG to clarify this matter.

Note: Fidelity insurance comes standard with all CHU/QBE policies used by most of our clients. Those Corporation's using RAA , APIA or other insurers need to check that they have fidelity insurance cover.

Future Funding: The regulations spell out how groups larger than 6 must plan for the future maintenance of their common property. This goes beyond the recurrent annual costs.

In the case of strata and community corporations consisting of at least 7 but not more than 20 units/lots, 3 years; or in the case of a corporation consisting of more than 20 community 10 units/lots, 5 years. Affected groups will need to produce a budget for the 3 or 5 years along with sinking levies to fund their budget.

Penalty Notice: The regulations prescribe the form of a penalty notice. These notices are for serving on those who have breached the Articles or By-Laws of the corporation. The new regulations propose giving the person breached 60 days to appeal.

In our experience penalties are usually applied for recalcitrant behaviour. This behaviour needs rapid redress, not two months if the owner wants to appeal, then another two weeks or so before a Court hearing.

We believe that 60 days to appeal is too long. Appeals to the District Court must be made within 21 days. We have strongly suggested a similar period of 21 days from the date of the posting of the Notice.

The body corporate may as well take the owner directly to Court as currently only two weeks for a hearing.

Manager Professional Indemnity Insurance: The amount of professional indemnity insurance (PI) to be maintained by a body corporate manager has been set at \$1.5 million. PI covers managers for claims of negligence and fraud.



We have strongly recommended that a copy of the certificate of insurance be supplied with documents required before appointment to enable owners to satisfy themselves. The acts currently require only making it 'available'. This requires the owner to know that it is required. Our experience with some managers is that it will only be supplied if required by law.

Manager Disclosure: The further information that must be included in the written contract between the corporation and the body corporate manager.

We strongly recommended that 'availability of a copy of a pamphlet' be replaced with wording to the effect that all owners must be supplied with a pamphlet. This we believe this will help promote awareness amongst owners and officers of their rights and responsibilities.

The pamphlet must set out the role of the body corporate manager and the rights of the corporation and its members, including the rights to...

- ✓ inspect records held by the manager;
- ✓ to revoke the delegation of a particular function of the manager;
- ✓ to appoint the manager as a proxy and revoke that appointment,
- ✓ be informed of any payment that the manager receives from another trader for placing the corporation's business;
- ✓ terminate the contract and the right to apply to the Magistrates Court for a resolution of any dispute.

continued page 2

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 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 - must phone 8333 5200 for up to date information.



LEGISLATION UPDATE

(CONTINUED FROM PAGE 1)

Inspect Records: Managers must on request make those records available for the unit holder to inspect within 10 business days of the request and provide the unit holder with a copy of any of the records on payment of a fee. The regulations state that the applicant may be charged \$1.20 per page.

We have recommended that in addition owners should be explicitly permitted to photograph records and that there should be no fee should they do so.

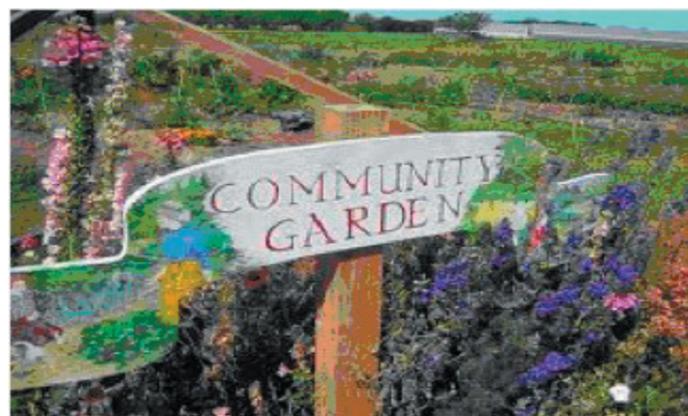
Our submission to the Attorney General concludes ...

In order for unit owners to exercise their rights and responsibilities they need to know that they have these rights and responsibilities.

To this end we suggest that all unit owners be advised of such in a special mail out with their SA Water Accounts. Since the mid 1990s the SA Water database has identified body corporates and their associated unit owners. This mail out could include the contact details for the new advisory service.

For the full text of the amendments to the Strata & Community Titles Acts and regulations please go to our website and click on Reforms ☐

COMMUNITY GARDENS



There is a lot to be said for the resurgence of the community garden.

As the peas sprout and the lettuces grow, there is something in your plan to look at and talk about where once there was grass that was never watched. The elderly or the shy might emerge from their units and talk to the growers much as people feel able to do so to a complete stranger fishing on a jetty. Someone unable to bend and weed might bake a cake or make a thermos of tea for the Saturday afternoon workers.

People who once struggled to make eye contact in the common stairwell are now talking and doing things for each other. The seasonal crop is grown and now what to do – a shared picnic meal on the common lawn to which all residents are invited by a note slipped under the door is the suggestion. Some attend, some don't, but all have been asked so everyone wins. With the surplus produce divided at the picnic's end, talk starts of the next season's planting and on it goes.

The vegetable patch is a metaphor for the community that has grown.....

Posted by Michael Teys of teyslawyers.com.au on Twitter on March 04, 2013

Note: Use of common property is a matter for a general meeting. We suggest a discussion with your management committee before seeking a meeting of all owners ☐

SOUTH AUSTRALIANS SUPPORT HIGHER DENSITY HOUSING

The following article appeared in the local online newspaper www.indaily.com.au on Monday, 4 March 2013

South Australians support higher density: survey SOUTH Australians are in favour of urban in-fill and higher density in established suburbs, according to a property industry survey.

The annual Property Council survey, My City: The People's Verdict, found that South Australians were more likely to support, rather than oppose, a range of housing options for coping with growth.

The highest support was for the conversion of industrial sites to apartments or town houses, with 77 per cent of respondents in favour and only 6 per cent opposed (17 per cent had no view). Medium density apartments in middle and outer suburbs attracted the support of 59 per cent, with 15 per cent opposed.

Fifty nine per cent of respondents also supported more apartments in inner city neighbourhoods, with 15 per cent of this group strongly in favour. Of the 13 per cent of people who opposed more apartments in the inner city, 3 per cent were strongly opposed.

Freestanding houses in the outer suburbs also attracted strong support, with 62 per cent in favour and 14 per cent opposed.

Overall the survey found Adelaide was Australia's most livable city, but not without some significant caveats.

Adelaideans gave our public transport the worst rating out of any city in the survey. Overall Adelaide's residents were least likely to agree that Adelaide has a good public transport service, has a good road network with minimal traffic congestion, and has good employment and economic opportunities.

On the positive side, Adelaide's residents were most likely to agree that the city has a wide range of recreational outdoor environments, an attractive natural environment and a good climate ☐

NOW IS THE TIME TO BUY

Wednesday, 6 March 2013 www.indaily.com.au

AUSTRALIAN homes are the most affordable in three years, thanks to rising incomes and falling interest rates.

The Real Estate Institute of Australia's (REIA) Housing Affordability Report, released this morning, shows that housing affordability improved in the December quarter, with the proportion of income required to meet loan repayments decreasing by 1.4 percentage points to 30.4 per cent. The result is at its lowest level since December 2009.

REIA president Peter Bushby said housing affordability had been improving over the past year and a half as the Reserve Bank of Australia continued to cut the cash rate.

"Rising income and declining mortgage repayments contributed to the improvement, with the median family income increasing 2.2 per cent and the average monthly loan repayments decreasing 2.1 per cent," he said.

All states and territories recorded improvements over the quarter, is now the time to buy?

http://www.indaily.com.au/global/wp_print.aspx?feedname=indaily&tit...

TIPS FOR BUYING YOUR 1ST UNIT

The following appeared in 1st www.realestate.com.au Written by Mark Lever. This article is written with New South Wales laws and terms in mind however we believe the points equally apply in South Australia.

So you're buying your first apartment and joining the hundreds of other singles, couples and families around Australia in community living. What do you need to know?

Buying a strata or community title property is different to buying a house. The first thing to remember is that you're buying air space.

The bricks and mortar are owned by the collective of owners, which depending on the relevant state laws is referred to as the owners corporation, body corporate, strata company or community association. We're going to refer to it as the strata scheme. As an owner you automatically become part of the strata scheme and have certain rights as well as responsibilities. Community living means living by a set of rules that make it fair for everyone. You don't want to move in with your pet only to find out the building is not pet-friendly. Make sure you get a copy of the by-laws and that there are no rules you could not live by. Don't go in thinking you can change minds on Fluffy or Fido moving in as it will probably only end in Tribunals and lawyers.

Inspection reports: Before you buy it is recommended that you get a Strata Inspection Report done. Just as you would with a house, you need to ensure that not only is the wiring and pest control in good order but you should also search the strata scheme records to view the finances and any issues the building may be facing.

A Strata Inspection Report checks the following:

- The books and records of the strata scheme to get a full picture of the state of the building

SERVICES UPDATE

Meeting Reminders: We have commenced a new service to unit owners. From March we are sending owners an emailed reminder of their upcoming meetings.

We are sending these some 3 to 5 days before the meeting to jog unit owner's memories.

To date we have received positive feedback on the new service. Our aim is to help improve attendances at meetings in person or by proxy.

We can only send the meeting reminders to owners who have supplied us with current email addresses.

If you wish to ensure you receive a reminder please send your current email address to mail@unitcare.com.au



- Notices served on the strata scheme including any court or tribunal orders
- Minutes of general and executive committee meetings
- Accounting records including income and expenditure records

- The approved budget and levy instalments

- The certificate of title and registered copy of the strata plan

- Up-to-date insurance policies

- Managing agent records (if there is a strata manager)

- Other supplier agreements

Levies: Don't forget to factor in that you will have to pay a levy. This is usually paid quarterly with the monies going into maintenance and upkeep of common areas such as the lobby and garages, gardens, fences and extras such as a pool or gym.

It also covers insurance (which is compulsory for all strata and community title properties), the sinking fund, and administrative costs.

Check the plan: Also check the plan for your apartment to make sure you are getting what you think, for example, is your car space correctly allocated to your apartment? Your lawyer (or conveyancer) should also take you through the contract to ensure you understand each step of the purchase process.

Get involved: Take an active interest in what goes on in your building. Attend the annual general meeting so that your voice is heard and consider becoming a member of your building's executive committee.

Live neighbourly: And finally, remember that in an apartment building, your neighbour is usually just on the other side of the wall. Live next to them as you would have them live next to you ☐

Site Visits: Our site visit reports are also proving popular with owners.

Our reports focus on safety issues and maintenance needs, such as the state of timber work, balconies and stairs.

We are currently exploring a move from printed photographs to video. We anticipate that this will provide more detail and be available online.

New Legislative Requirements: We are rewriting our documents and management agreement to ensure that we comply with the new legislation and regulations.

We anticipate putting these reforms into place before the legislation is proclaimed - see story page one ☐

