

DEVELOPERS SIGN AWAY OWNERS RIGHTS

In recent months evidence has come across my desk of deals done between developers and body corporate managers that see them stealing unit owners rights to manage their own investments. This is in spite of the legislation.

In one prominent case the developer of a large tower block sold their interest to a another company that has the same directors and shareholders. This enabled them to get around the provisions of Section 87 of the Community Titles Act. This section limits the voting power of the developer to less than the majority. The related company held a meeting of the body corporate. They did not invite the many investors in the group all of who had paid substantial deposits. The meeting was held with a large management firm. The outcomes were:

- ✗ body corporate manager signed up for 15 years at around \$500,000
 - ✗ a caretaker was signed up for 25 years at around \$90,000 per annum
 - ✗ the incoming owners were saddled with annual debts incurred by the developer
- We are advised that neither the manager or caretaker positions went to tender. We are yet to learn of any

considerations that may have been given to achieve these sweetheart deals.

In another case a developer did not even go through the charade of using a third party company. She simply signed up a strata manager and the owners had no choice at their first meeting.

This Government and the Attorney General in particular have stated they are big on consumer protection. From what we have seen over recent years in the body corporate community, this need has never been greater.

Despite the AG's problems, the needs of some 100,000 unit owners should come before his troubles.

The AG has promised to table reforms if the Labor Party is re-elected in March 2005. Keep the

B's honest by lobbying your local MP and ensure unit owners rights are protected.

Cheers

Gordon Russell CPM

ps: Do you have any friends who need to read our newsletter? Give us a ring and we will post one out ☐

The Independent Weekly
A DAILY NEWS PAPER FOR ADELAIDE

Strata titles in a shambles

Adelaide's apartment boom has seen aggressive body corporate managers squeeze owners out of decisions regarding their investments, reports Ian Williams



viewpoint



Gordon Russell CPM
Managing Director
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CHRISTMAS ARRANGEMENTS

Our best wishes for the New Year, to you and those close to you.

This Christmas we are closing our office from 5pm Friday December 16th and opening on Wednesday January 4th from 8:45am.

If you have an emergency over the break and you need assistance just ring **8364 0022** for up to date details on contractors and emergency services, or see the list below.

EMERGENCY NUMBERS	Service	Number
	Plumbing , Gas, Roof Leaks	8356 2750
	Electrical	0411 195 275
	Breakins, & Glazing	0437 818 449
	Police to attend - noise/robbery etc	131 444
	State Emergency Services	132 500

www.unitcare.com.au

UNITCARE GOING SUSTAINABLE

UnitCare is working towards social and environmental sustainability in its business.

It all came about at Adelaide's wonderful Festival of Ideas in July 2005. There we were motivated by the idea of a business having three major sustainable elements being financial, social and environmental.

Whilst our directors and staff had always been somewhat aware of our social and environmental responsibilities, we had never thought to actually measure our performance against set objectives.

So that is what we are attempting and we hope that many of our clients, both Strata & Community Corporations and individuals, will join us on this exciting and necessary journey.

Our first steps:

Social: We believe that we already contribute substantially in this way but are investigating how to progress further.

We aim to:

- ✓ conduct our business with integrity.
- ✓ champion the cause of fair and honest dealings in our industry
- ✓ volunteer our services regularly
- ✓ contribute to needy people
- ✓ create a secure and meaningful working environment for our staff
- ✓ encourage personal growth

Environment:

This is where we can make great progress. We are looking at power consumption, and motor vehicle usage, to reduce greenhouse gasses.

We are supporting Trees for Life (www.treesforlife.org.au), a marvellous organisation that has thousands of volunteers growing and planting native vegetation to reduce greenhouse gasses and promote biodiversity.

This will in some degree make up for the resources we use and gases we cause to be emitted. We are looking to transfer to Green Power with our electricity supplier and are shredding then recycling all waste paper, and reducing the refuse we put in the rubbish bin.

We are now recycling our printer toner cartridges through Planet Ark (www.planetark.com). This is done through major post offices ☐

See page 2 for tips on how you can help.



UnitCare Services

phone 08 8364 0022

fax 08 8364 6822

web site www.unitcare.com.au

email mail@unitcare.com.au

P.O. Box 4040 Norwood Sth 5067

46 Kensington Road, Rose Park

after hours emergencies - must phone 8364 0022 for up to date numbers

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

ABN 193 4872 3265

FAKE CAMERAS MAY HELP

Some of our clients have installed fake video cameras at their groups to deter burglars.

Here are a selection of cameras. If your group would like to explore this idea you can pick up cameras from the company on the brochure or drop into Dick Smith Electronics ☐



SOME TIPS TO HELP OUR PLANET

Will you work towards social and environmental sustainability too?

What you can do:

- ✓ Change all light bulbs to energy savers
- ✓ Get out of the shower after 3 minutes or less
- ✓ Recycle paper, plastics, glass etc
- ✓ Call your electricity supplier and change to green energy
- ✓ Give a hand to a community organisation or someone needy

What your corporation can do:

- ✓ Change all common property light bulbs to energy savers
- ✓ Mulch gardens
- ✓ Be water wise through the coming summer – drip systems, no daytime watering, etc
- ✓ Change to green energy

See the Links page on our web site for more help ☐



ALL CLEAR FROM AUDITOR

Every year strata & community title managers such as UnitCare must have their Trust Accounts audited. This has been required by legislation since November 1996.

The audit is carried out by a recognised and qualified auditor. In our case this is Messenger Zerner. The auditor not only checks the balance on the books but also the systems for authorising work payments and record keeping. They also check our business account



STRATA TITLES ACT, 1988 (as amended) AUDITORS REPORT

I have examined, with the assistance of my staff, the books and trust account of UnitCare Services for the year ended 30 June 2005 and report:

- (a) that the accounts and records appear to have been kept at all times regularly and properly written up except for the Bank SA Bill Flex Account which holds trust monies does not include the words "Trust Account" in the name.
- (b) that the accounts and records have been ready for examination at the periods appointed by me;
- (c) that the agent has complied with my requirements;
- (d) that the agent has not, during the period of the audit, overdrawn the funds in the trust bank account;
- (e) that the agent does not have and has not had any debit balances in the trust account;
- (f) that I have received and examined the notice furnished to me under Regulation 19 and it sets out accurately the particulars required to be stated therein. A copy is attached hereto.
- (g) that the agent uses a computer program to keep the accounts and records and this program allows for the accounts to be conveniently and properly audited.

Dated at Adelaide this / day of September 2005.

W G Dartnall
W G DARTNALL
Registration No. 5149

This is the document marked "A" referred to in the annexed declaration of WILLIAM GORDON DARTNALL made before me on the / day of September 2005.

M K Zerner
Justice of the Peace No.23169
M K ZERNER

MESSENGER ZERNER PTY LTD ABN 48 006 036 048
DIRECTORS • M K ZERNER • W G DARTNALL • CHARTERED ACCOUNTANTS
157 GRENFELL STREET ADELAIDE SA 5000 TELEPHONE (08) 8223 1468 FACSIMILE (08) 8222 1753
email admin@messengerzerner.com.au

to ensure we have not banked any client cheques.

At UnitCare we post the Audit Report to the Treasurers of all our strata groups in September each year. This along with the regular monthly statement of accounts ensures that our clients are kept up to date on the state of their funds and given the opportunity to query the records.

If you are thinking of having us as your manager and would like a copy of the Auditor's report please give us a call. Our thanks to all our clients who have trusted us with their Corporation's funds and business.

This year we are publishing the auditor's report here and on our web site. This is part of our ongoing commitment to transparency ☐



audit report

WHAT IS WELLBEING?

In a world of seemingly endless options, what choices will make us happier? Studies of happiness show that the following things all enhance our wellbeing:

- ✓ a good marriage
- ✓ the company of friends
- ✓ rewarding work
- ✓ sufficient money
- ✓ a good diet and physical activity
- ✓ sound sleep
- ✓ engaging leisure and
- ✓ religious or spiritual belief and practice.

Optimism, trust, self-respect and autonomy also make us happier. Gratitude and kindness lift our spirits. Having clear goals to work towards, a 'sense of place' and belonging, a coherent and positive view of the world, and a belief that we are part of something bigger than ourselves also foster wellbeing.

These ingredients of a happy life are not just a matter of personal choice. They are also determined by the social conditions in which we live, and these, in turn, are influenced by government policy. Australian governments make it clear that a strong, growing economy is their over-riding goal and responsibility, believing wealth is the foundation for creating a higher quality of life. Yet the evidence shows that wealth does not automatically produce wellbeing. Wealth can be

harmful when its pursuit crowds out more important sources of happiness. The need to belong is more important than the need to be rich; meaning matters more than money.

Creating wealth as a nation means consuming more as individuals. As it seeks ever more ways to colonise our consciousness, consumerism both fosters and exploits the restless, insatiable expectation that there has got to be more to life.

So we need to think about social or community wellbeing, not just our personal happiness. A focus on personal happiness discounts the importance of broader social, economic, cultural and environmental factors that affect our lives.

Despite our affluence, about twice as many Australians say quality of life is declining as say it is getting better. Many are concerned about the greed and selfishness they believe are causing social problems and threatening their children's future. They yearn for a better balance in life, believing that when it comes to things like individual freedom and material abundance, people don't seem 'to know where to stop' or now have 'too much of a good thing' ☐

Reprinted from www.wellbeingmanifesto.net/



wellbeing - what is it?

AT LAST! MORTGAGE STAMP DUTY ABOLISHED

Great News! The SA Government recently abolished stamp duty on owner occupied and existing investment mortgages. UnitCare asked Flynn Sullivan of Mortgage Choice what the new legislation would mean for unit or house owners.

"Stamp duty has always been an expensive stumbling block for many people wanting to pay off their loans faster. Even though new and potentially cheaper mortgages were available to them, mortgage stamp duty on the transfer of their home or investment loans often put the savings out of their reach. It was very frustrating for them", said Flynn. "Now many people can access cheaper loans, save on interest & fees and reduce the length of their loans".

The best way to determine if you can benefit from the stamp duty abolition is to take a free home loan health check. Flynn compares your current home & investment loans with hundreds of mortgage products from 28 of Australia's leading lenders.

Total Interest	Total	Ongoing Fees	Total Repayments	Interest & Fee Saving Vs SVR Loan
Lender 1 Example	\$197,061	\$0	\$347,062	\$35,301
Lender 2 Example	\$198,858	\$0	\$347,070	\$33,504
Lender 3 Example	\$199,784	\$0	\$349,784	\$32,578
SVR Product	\$229,386	\$2,976	\$382,363	

VR=Standard Variable Rate (7.32%) loan with monthly fee.

Lender examples are real and available as at production of this table.

The example describes a 30 year term with P&I repayments of a \$150,000 loan.

For your free home loan health check call Flynn Sullivan on 8388 2655 or 0400 201 848 ☐