



A SHED LOAD OF STORIES

The following is an article on the benefits of men sharing. The Mens Shed movement is a great story and worth telling, or even getting involved. www.samensshed.org

Go to www.menshealthservices.com.au for more mens health articles.

When Bob Kleinig came home to the family farm outside Dubbo to find his mother beaten up, he shot and killed his brother on the steps of a caravan. He says he was 14 at the time and he knew he was going to prison, where his abusive father was already doing time. Four decades later, Mr Kleinig says the Dubbo Community Men's Shed saved his life.

"There was that many times I was that close to suicide," he said. Depression and a temper were getting the better of him when he knocked on the shed door two years ago and, for the first time, began talking about his past. "Everything just seemed to go away because I talked about it," he said. "No one judged me for what I'd done."

Mr Kleinig is in the best kind of company. When the men gather in their shed, he is surrounded by other blokes who have suffered depression, trauma, isolation, alcohol abuse, sorrow and abuse.

The Dubbo Men's Shed, one of 650 similar groups across the country, and part of the Australian Men's Shed Association, has between 60 and 70 regulars. Many are retired farmers or tradesmen, but some are as young as 20.

They meet regularly, build rocking horses, restore dolls' houses, make bird nests, and work to build bridges between indigenous and non-indigenous men. In between work, they have "smokos" together and discuss their health, their problems.

This year, a local writer, Kathy Stone, helped them compile their life stories into a book, published as A Shed Load of Stories.

"Country men in particular don't have access to groups," said Phil Knight, 65, a former police officer who retired 12 years ago and faced the abyss of retirement inertia.

"Women have been doing this for years; they have their own social groups. Men, because a lot of us have worked for many, many years, we haven't been able to get involved in communities."

The statistics are against rural men who, in 2006, made up one-third of all men in Australia. Death rates increase with remoteness, men living outside cities are more likely to smoke daily or drink dangerously, and suicide rates are higher, according to a 2010 Australian Institute of Health and Welfare report.

"Social isolation is probably the main thing that causes problems," Julian Krieg, the president of the Australasian Men's Health Forum, said.

Old-fashioned attitudes to life struggles also played their part, he said, while the distance to doctors and social services was a deterrent to seeking help.

But in Dubbo and hundreds of other towns around the country, men who came together as strangers now share skills, stories and, most importantly, talk.

Source: April 20, 2012, Sydney Morning Herald



Bob Kleinig, middle, Phil Knight, left, Phil Walker & Frank Doolan.
Photo: Janie Barrett

INSURANCE FOR THE BIG EVENTS

At the time of going to press, Perth and Albany are picking up the pieces from a series of catastrophic storms. This is an event that sends shivers up the spines of insurance company executives.

Events that cause major damage to our homes are the reason we take out insurance. In South Australia we are on the whole blessed with moderate weather.

Most of the claims we see are less than \$1,000. Our insurance claims manager recently observed ...

Insurance is not a nest egg or savings to cover for a lack of maintenance or wear & tear such as gutter cleaning to prevent water damage during heavy rain.

Claims for a water damaged bathroom due to poor ventilation resulting in mould build up are not the basis of a water damage claim. The insurance company can ask for two quotes to repair and proof that a roof leak or similar occurred and has been rectified

Claims for cracked shower screens when an upgrade to the whole cubicle is made should see the owner paying the difference not the insurance company paying for the face lift.

Claims for burst breecher where the leak has occurred for considerable time and no action taken to rectify until resultant damage is major.

Claims for damage caused by old galvanised pipes may be refused as it is foreseeable that they needed replacing many years ago.

The more claims that are made result in higher excess applying and possible premium increase, which affects all owners in a group. We foresee body corporate insurance firms applying the same excess policy as do the car and household insurers.

GR
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

LEGISLATION PASSED BY PARLIAMENT

Reforms to the Strata & Community Titles Acts have passed through Parliament. The legislation is at the time of going to press yet to be proclaimed and as such is not yet in force. We understand that this will occur when the regulations are complete.

We have canvassed the need for reforms and draft legislation over the past decade. We have reviewed the legislation for what the Attorney general put to the Parliament and what the Parliament passed. We understand that some managers heavily lobbied the upper house to protect their management rights

A tick ✓ indicates the Attorney General won his case, a cross ✗ indicates what we consider to be a weakening of efforts to improve consumer protection....

✓ an advisory service provided by the Legal Services Commission

✓ enabling strata corporation's to impose fines for breaches of their Articles - up to \$500 for residential groups and \$2000 for commercial groups

✓ a penalty notice system for by-law and article breaches.

✓ requiring deposits for off-the-plan purchases to be held in trust

✓ requiring quarterly financial reporting - \$500 fine for breach. Only applies to self managed groups.

✓ that each member of the corporation has the right at any time in business hours to inspect the records of the corporation in the possession or control of the manager, and how inspection can be arranged. The manager has 10 days to comply - was 3 days.

✗ limiting body corporate management contracts to a maximum of two years.

✗ enabling a corporation to terminate a contract with a strata manager at any time. However managers no longer can force 3 month termination penalties, now 1 month.

✓ requiring managers to maintain professional indemnity insurance throughout the life of the contract

✓ forcing body corporates and their managers to provide a list of owners and contact details upon request by an owner

✗ relaxed requirements to pass special and unanimous resolutions for strata corporations



✓ compulsory fidelity guarantee insurance for corporations to cover theft or fraud of corporation funds. Penalty \$15,000

✓ participation in meetings remotely, provided corporations are not required to provide facilities.

✓ court power to convene strata corporation meetings.

✓ rights to revoke a proxy at any time as well as limiting proxies to no more than 12 months, and requiring disclosure of proxy documents.

✓ improved disclosure of conflicts of interest. Fines apply.

✓ search documents must be supplied within 5 days of application. Some managers have required incentives to supply promptly.

✓ streamline timing of meetings of secondary and tertiary community corporations.

✓ extend the right to apply for help to the Magistrates Court where a by-law is made that reduces the value of a unit or unfairly discriminates against the owner to strata unit owners and persons who have contracted to purchase a community lot or strata unit.

✓ provision to agree (by by-law) to insure some or all of the buildings in a community scheme through the

agency of the corporation.

✓ requirement to keep and make available a register of owners' contact details.

✓ enhanced requirements to provide information and access to records, including for lot or unit purchasers.

✓ requirements to prepare sinking fund budgets (or plans).

✓ audit exemption for small community corporations and other minor audit changes. Managers must send audit report to Secretary not just file it.

✓ enhanced Court powers to resolve disputes.

✓ making it clear that the developer and an associate of the developer are not 'different persons' for the purposes of a first general meeting.

✓ making it easier to enforce development contracts.

continued page 2

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

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



NATIONAL CONFERENCE

In May this year the new body representing some body corporate managers, the Strata Communities Australia (SCA) had its national conference. It was held here in Adelaide. Two of us from UnitCare attended.

The conference was titled 'The Next Level'. Some of the areas covered were..

- Funding capital works
- Accreditation Program
- Committee governance
- Ethics As Core Business
- Insurance costs
- Management Practices (U.S.A) Core values for an organisation
- Deliver what you promise
- Take pride in what you do
- Respect the individual
- Demolition of old groups
- Strata Disasters- Defects Case Study

We found presentations by professionals outside the strata industry very useful. They came with research that will help us to help our clients.

Presentations by those in the industry tended towards improving our image with the public and government (branding), redevelopment and increasing profits.

A prominent interstate lawyer and I reflected on the conference theme 'The Next Level'. He observed that service to clients had improved little in the last 20 years.

Whilst looking forward may be admirable we strongly believe that getting the fundamentals right is more important. Returning phone calls, taking care of relationships, people at the end of the phone not

message banks, turning up on site and asking management committee's before spending their money. Failure to undertake the fundamentals is the reason our new clients have left their previous managers.

These photographs show the state of a group of units. They were until May managed by a firm that is a leading member of the SCA. Rubbish everywhere and a dangerous trip hazard where people walk. A public liability risk to owners and the manager.



The Macquarie Bank in 2011 reported that ... 'People drive profits across the strata industry -The largest contributing factor to the success of a strata management business is people, according to Macquarie Relationship Banking's 2011 Strata Best Practice Benchmarking survey. The survey of more than 140 strata management businesses across Australia, shows the two factors considered by strata managers as having the most impact on profit performance, are delivering great client service and maintaining client relationships, both of which are driven by people.'

We lose touch with our clients interests at our own peril. Perhaps the next conference could pay more attention to challenging the complacent culture of many managers, big and small ☐

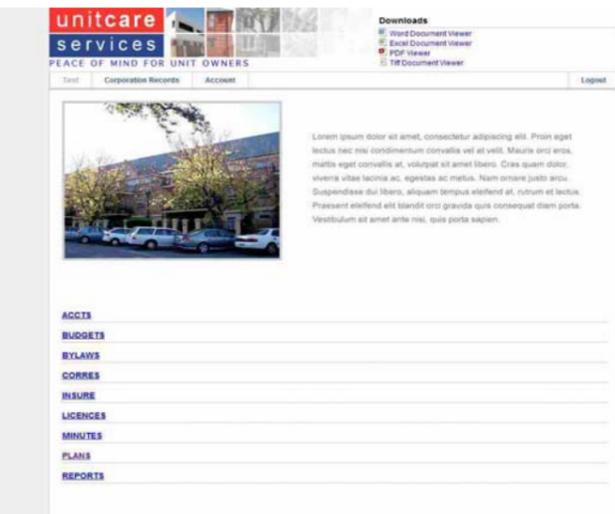
OFFICER ONLINE ACCESS

We are improving the appearance and ease of use of our online access for officers.

An idea of the layout can be seen in this picture.

We will be uploading photographs and property descriptions over the coming month or so.

Access for officers to detailed records for their corporations can be made by clicking on the Officer Login button on UnitCare's website ☐



LEGISLATION PASSED (CONTINUED)

✓ applications to cancel or amend plans to be heard in the Environment, Resources & Development Court.

The bill is available on our website.

We have been advised that national licensing for managers will now be later in 2013, not this year as promised.

We will let you know when the reforms and regulations are proclaimed ☐

INSURANCE COSTS - PAUL KEATING CHU

At the recent national conference of body corporate managers Paul Keating delivered a paper on insurance costs.

Mr. Keating is the managing director of CHU Underwriting Agencies Pty Ltd, an underwriting agency of QBE Insurance that specialises in body corporate insurance. It is the largest insurer of body corporates (strata & community title) here in Australia.

Mr Keating stated that there is considerable upward pressure on insurance premiums from natural disasters both here in Australia and overseas in part caused by the cost of reinsurance.

Mr. Keating presented a graph that analyses CHU/QBE expenditure from premiums (claims cost) paid by unit owners.

Twenty percent of their costs are payouts on small claims of less than \$2,500, whilst only one percent is on claims greater than \$50,000.

A review of claims through our office over the past decade confirms the findings.

In addition we have found:

- # owners in two groups claimed replacement shower screens, one after another over 12 months.
- # owners having 'shower screen breaks' a month or two before they go on the market to sell.

This behaviour leads to increased premiums and the application of substantial excesses across the board, very similar to the practice of many years by car and home insurers.

The self interest of some individuals is resulting in their corporations wearing the cost of common property claims such as vandalised lighting.

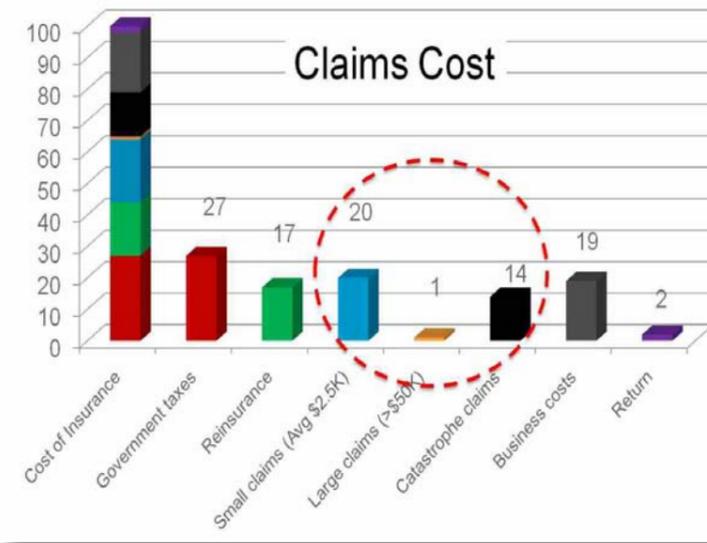
A bad claims history costs everybody. We take all claims in good faith so please ensure any claims you may make are legitimate. This will help reduce the pressure on your group's premiums and excesses

Note: The insurance company can then appoint an assessor to check the voracity of any claim. ☐



Paul Keating
Managing Director
CHU Insurance

UnitCare are representatives of CHUUA



FUNDING CAPITAL WORKS



At the recent national conference Professor Chris Guilding of Griffith University presented a session on funding capital works on common property.

These works might include, painting, balcony repairs and roof replacement.

He looked at the merits and otherwise of three funding alternatives:

Special levy, Debt funding (bank finance) and Sinking fund (savings).

The professor looked at the costs over time of the options and concluded that sinking funds accumulated over many years were for most circumstances the preferred funding option.

On the debt funding side, there are now more options and suppliers available. The cost can be high in accord with the risks taken by the financier.

He concluded that although one size does not fit all... the sinking fund option appears to rank highest...

The full set of session notes from the Professor appears on our website ☐

Professor Chris Guilding is a qualified member of the Chartered Institute of Management Accountants.

He has taught accounting and finance in universities in Australia, Canada, England, Hong Kong and New Zealand. Chris is sole author of the Elsevier book *Accounting Essentials for Hospitality Decision Makers*, and lead co-author of *The Key Elements of Introductory Accounting* published by John Wiley.

A Working Example
200 units in a complex where \$1 million is to be spent on major lift overhaul in 10 years time. Assume sinking fund earns 4% per year in trust account and 5 year loan can be raised at 8% pa.

Years	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Special levy: per unit cash flow in \$K															
	0	0	0	0	0	0	0	0	0	5	0	0	0	0	0
Sinking fund: per unit cash flow in \$K															
	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0	0	0	0	0
Debt funding: per unit cash flow in \$K															
	0	0	0	0	0	0	0	0	0	0	1.2	1.2	1.2	1.2	1.2