

STRATA & COMMUNITY LIVING

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Setting the record straight

We may not like having rules and regulations but to ensure fairness within the community and to moderate social behaviour they are sometimes very necessary.

In the strata and community title sector we're all aware of the various by-laws that apply to our strata plans. There are rules regarding parking, pets, washing on balconies – some of which we all might agree with and others we want to change.

Recent media reports have stirred up a lot of cheering in the strata sector concerning certain by-laws we might want to change but unfortunately the reports are very premature and for some strata schemes they may never apply.

On 28 April 2014 the Daily Telegraph incorrectly reported that apartment owners would be able to keep pets once the new legislation was introduced. The news article said "Instead of a strata building being a pet-free zone unless the owners corporation votes to allow pets, the reverse will be standard. If passed, new 'opt out' pet rules will apply to more than 72,000 strata properties in NSW."

Unfortunately this story is based on an inaccurate claim and is to some extent - incorrect.

The NSW Government has indeed proposed some changes to the model by-laws. One of the changes is to model by-law 16, which currently states that "an owner or occupier of a lot must not, without the approval in writing of the owners corporation, keep any animal on the lot or the common property."

If your strata scheme has adopted that by-law then unless the owners corporation decides to change it, that's it. The current proposed change in the legislation is not going to reverse this.

Where it will make a difference is when a new strata scheme, which is registered on or after the date the new legislation takes effect, decides to adopt the new strata model by-laws including the proposed by-law. That proposed by-law allows pet ownership with permission, which cannot be unreasonably refused, and also provide that certain small pets can be kept without permission.

At the time of writing the new legislation had not been introduced to NSW Parliament so there is no date as yet about when it may take effect.

Of course if your strata scheme does wish to adopt new by-laws or change the existing ones there is a procedure to follow to do this and as long as there is 100 percent agreement it is something your scheme might be able to do without the state government.

The 5 most common mistakes Owners make with strata insurance

By John MacGregor – General Manager, NSW & Qld

Strata insurance is a legal requirement in all states and territories of Australia. It is also essential to protecting your interests as the owner of a property that shares common ground with other owners. Here's how you can avoid the more common mistakes we often see owners of strata properties making.

1. You get what you pay for

Insurance, along with many other industries, is experiencing an upsurge in people who "self-service". This is largely due to the accessibility of online information and influx of insurance providers offering standardised policies online.

The problem with this is not all insurance policies are created equal. Every property is different and has its own unique risks that need to be accounted for. Unfortunately, the majority of owners who purchase policies online based on price will only discover the limitations of their policy when it comes time to make a claim.

2. Underinsurance (not insuring for replacement value)

Underinsurance is when the value you have insured your property for is not enough to cover the value of the items you are insuring. Best practice suggests a property is underinsured if an insurance policy covers 90 per cent or less of the rebuilding costs.¹

The law requires that buildings are insured for 'full replacement value' and for 'at least' the value of the amount indicated by the last valuation. Owners, who seek to save money by paying smaller premiums (thus leaving themselves underinsured) are dabbling in a false economy and leaving themselves exposed to potential financial disaster. Whitbread recommend you obtain a professional property valuation every three years to avoid underinsurance.

3. Not attending to property maintenance

It's the responsibility of the owners corporation to maintain all aspects of the common property of the strata scheme - which means it becomes every owner's responsibility as the owners corporation comprises each and every owner.

By law, property owners are held personally liable for any potential hazard they were aware of or were reasonably expected to have known, and did not take the necessary steps to prevent injury.

4. Incorrectly insured

Many people incorrectly assume that a home and contents policy will provide them with all the cover they require. However, much like a motor vehicle policy won't provide the level of cover you require when towing a caravan, nor will a home and contents policy provide the cover needed now you're a property owner who shares common property with other property owners.

5. Not seeking professional advice

When it comes to buying strata insurance, people have two basic choices: buy it themselves or organise it through a broker.

Just as accountants can save you thousands of dollars through their deep knowledge of taxation law, insurance brokers have the knowledge to cut through the confusion of insurance-buying to negotiate the best cover at the best possible price for their clients. And they provide ongoing service for their client, including management of any claims that arise.

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1. <http://understandinsurance.com.au/do-you-have-enough-insurance#tab-2>



Beware of the latest scams

NSW Fair Trading has issued several warnings about scams going on around NSW.

Here are the latest rogues to be aware of and if you feel you have been the victim of a scam then report it immediately to Scamwatch on 1300 795 995.

Federal Government scam

Fair Trading has issued a statewide scam warning after its centre in Wagga Wagga reported receiving numerous calls from concerned local residents.

Residents have reported receiving calls from someone claiming to be from the Australian Federal Parliament and offering refunds on overcharging of services such as the cost of groceries, electricity and water.

The scammers tell people they have been selected by the government and are entitled to a refund of \$7,268 and to process the refund they need go to Australia Post with their mobile phone and identification, either a driver's license or passport, to pay a \$199 fee to cover legal costs.

The scammers tell people to call 02 8007 5383 on arrival at the Post Office and they will then receive instructions on how to fill out the Western Union form.

When one consumer told the caller he thought it was a scam, he was told to call the same number, quote the code number KSo6 and speak to Allan Jackson or Steven Richards to confirm the validity of the offer.

The Commissioner for Fair Trading Mr Stowe said scammers were a daily threat to Australian consumers and people should hang up on such calls and report them to authorities.

"Too often the trusting and the elderly get conned out of their hard earned money and in some cases lifesavings by scammers. Often the scammers are based overseas and use sophisticated methods to lure people into their web of deceit."

Telstra scam

NSW consumers are being warned about scam phone calls and emails reported to Fair Trading, Telstra and media outlets recently.

Consumers had reported receiving unsolicited calls and emails from scammers claiming to represent Telstra and trying to scam them in a number of ways.

In one case a pensioner reported to her local radio station that she had received a call from someone claiming to be from Telstra and making her an offer on the basis of an authorisation from Telstra.

She then called Telstra and it was confirmed as a scam.

Another consumer reported a call also allegedly from Telstra informing her there was some problem with her internet connection and seeking confirmation of her personal details.

This is just another variation of the Microsoft scam, where scammers seek remote access to your computer so they can then raid your personal information, including bank account details.

Scammers have reportedly threatened to sue people for putting Telstra's infrastructure at risk.

When the person has requested proof that they are a Telstra rep, scammers have given out a fake number for Telstra which, when the consumer calls, puts them back on the line with the scammer.

Scammers are also well-versed at creating a sense of urgency to incite fear and anxiety that your device has been compromised and must be fixed immediately.

If you provide your credit card details and give remote access to your computer, the scammer may not only take more than the stated 'fee', but also infect your computer to gain access to your personal information and commit other acts of fraud.

Yet another consumer reported receiving a fake Telstra invoice via email. What alerted her to it being a scam was that the account was several hundred dollars above what she expected and when she contacted Telstra she discovered her account was not due and certainly not for the amount the scammers claimed.

Telstra urged customers to be very wary of unsolicited telephone calls they receive at home, or emails they're sent from unfamiliar sources.

Strata news

Here's the latest news from the strata industry:

SCA (NSW) launches new website

SCA (NSW) has launched a newly refreshed website which is easy to navigate and contains new sections and more information.

The new site contains two new sections - Latest News and Articles – on the front page and enables SCA (NSW) to quickly and easily provide new information as it happens.

The searchable Strata Directory is also back online enabling anyone to search for strata managers and service providers to the strata sector who are SCA (NSW) members.

Strata owners now also have dedicated pages under the Strata Community tab. Here is where you'll find the free online executive committee training as well as back editions of Strata and Community Living. Be sure to keep visiting as we add more information including new fact sheets.

Check it out at www.nsw.stratacommunity.org.au



New guide from Fair Trading

A new guide on deck and balcony safety has been issued by NSW Fair Trading. The guide provides practical information about maintenance and safety guide for timber, concrete and masonry decks and balconies. A handy maintenance checklist is also included.

The guide was produced in response to a number of recent incidents in NSW and other states involving balconies and decks that had resulted in injury or death.

To access the guide go to the What's new section of the Fair Trading website or the newly revamped SCA (NSW) website.



2014 Strata Services Directory is out now

The SCA (NSW) 2014 Strata Services Directory is now out and available online as a PDF download or in hard copy.

If you'd like a copy mailed to you call us on 9492 8200 or email enquiries.nsw@stratacommunity.org.au

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