

# STRATA & COMMUNITY LIVING

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SUMMER 2013



## Lot Owners Day flat out

DIDN'T GET TO THE LOT OWNERS DAY ON 20 OCTOBER? THEN YOU MISSED A GREAT DAY OUT. THIS YEAR'S LOT OWNERS DAY HELD AT THE END OF THE STRATA COMMUNITY AUSTRALIA (NSW) ANNUAL CONVENTION INCLUDED FOR THE FIRST TIME FLAT CHAT LIVE WITH JIMMY THOMSON, SYDNEY MORNING HERALD'S DOMAIN AND FLAT CHAT COLUMNIST.

Around 200 people attended the one day event at the Sofitel Wentworth Hotel in Phillip Street, Sydney to hear from a number of experts about the issues around living in strata. Lot owners also had access to the strata trade exhibitors and came away with information, contacts and we believe some new friendships were formed.

Flat Chat live was hosted by Jimmy with a panel of experts including a strata manager, a lawyer and a representative from NSW Fair Trading answering questions from apartment owners just like you. We could have run the session all day as this was by far extremely popular with attendees.

Questions on issues such as dealing with defects and the role and responsibilities of strata managers were asked and panel members explained the answers from their point of view.

Other sessions included corporate governance, defects and remedial work, managing renovations and the SCA (NSW) 'Ask An Expert' panel.

If you missed out then please make a note to come along next year. The dates for the 2013 convention have yet to be finalised but it's likely to be in October. Check the website [www.nsw.stratacommunity.org.au](http://www.nsw.stratacommunity.org.au) early in the new year when preliminary dates will be posted.

While you're on the website why not check out the dates for the Consumer Awareness Seminars which are held throughout the year at the SCA (NSW) North Sydney office and sometimes in regional areas. These regular seminars are held for around two hours on a weekday evening on one issue important to strata scheme owners. Best of all they are free.

And finally, if you're a new member on an executive committee then you should undertake the online free training offered by SCA (NSW). The course assists committee members understand their roles and responsibilities. It is well worth the time spent and can make the whole experience a lot more rewarding and worthwhile.

## Become a member of SCA (NSW)

Strata property owners in NSW are eligible to become members of Strata Community Australia (NSW) and receive many of the same invitations and benefits as our strata manager members do. These include regular e-news updates, the bi-monthly magazine Inside Strata, invitations to seminars and the end of year platinum partners Christmas Party, invitations to the annual Strata Community Awards for Excellence gala dinner and voting rights for the Strata Owners Chapter at the SCA (NSW) Annual General Meeting.

For more information contact Joanna McAndrew on (02) 9492 8200 or visit [www.nsw.stratacommunity.org.au](http://www.nsw.stratacommunity.org.au)

# Strata law review update

IN SEPTEMBER THE NSW GOVERNMENT LAUNCHED ITS MUCH ANTICIPATED STRATA AND COMMUNITY TITLE LAW REFORM DISCUSSION PAPER, INVITING SUBMISSIONS FROM ALL STAKEHOLDERS. NSW FAIR TRADING IS NOW IN THE PROCESS OF COLLECTING, EVALUATING AND ASSESSING ALL SUBMISSIONS.



"I want to keep working together on this vision to create a better strata framework for us and our children."

In his speech to SCA (NSW) members at the annual convention in October, the Minister for Fair Trading, the Honourable Anthony Roberts MP, was quite clear that everything was open for discussion and that the government did not have a view on any particular aspect of the law as it currently stands.

At the time, the Minister stated that the main aim of the review was to ensure that appropriate laws are in place to regulate the development and ongoing management of strata and community schemes into the future.

"This project will have a significant and beneficial impact on the lives of strata owners, executive committee members, strata managing agents, and strata service providers," the Minister said.

The Government's discussion paper covers every facet of strata living and focuses on five key areas: the regulatory environment, governance, managing the built environment, managing money and managing disputes. Further, the discussion paper raises suggestions about ways that things can be improved from cutting red tape to different laws for different sized schemes through to representation for tenants, community renewal and much more.

Minister Roberts asked that we tell the government "what is working well, but more importantly tell us what isn't working so well and how it could be made to work better. I want to keep working together on this vision to create a better strata framework for us and our children."

SCA (NSW) provided an extensive submission to the government. It was time consuming but we are pleased with the direction of the document. It is also encouraging that the Owners Corporation Network (OCN) played a substantive role in the culmination of this document. Our recommendations seek to strike a balance between the best interests of lot owners, strata managers, suppliers to the sector and aims to set the sector on the right course for the next 50 years.

For SCA (NSW) the key areas remain: education, information, governance, community renewal and red tape reduction. A copy of our paper will be available on line from mid-December.

# Bullying in strata: A modern problem

Words by Kathleen Aoki

LIVING IN STRATA CAN HAVE ITS CHALLENGES. OFTEN, INDIVIDUAL FREEDOMS HAVE TO BE SET ASIDE IN FAVOUR OF COLLECTIVE CONSIDERATION – A SITUATION WHICH CAN AROUSE FEELINGS FROM MILD IRRITATION TO DOWNRIGHT HOSTILITY BETWEEN OWNERS AND MANAGERS.

All apartment units require governance and management in accordance with the complex laws and regulations, there is often a discrepancy - perceived or real - between what owners feel are in their best interests and how those interests are handled by management.

Respondents to the recent Global Access Partners' Strata Laws Online Consultation Report (the precursor to the NSW Government's strata law review), raised issues such as conflicts of interest, the handling of service contracts, and bullying.

Of these issues, bullying is one of the more elusive to define, yet anyone who has been bullied knows exactly how it feels to be on the receiving end.

According to the Survey Report: Extent and Effects of Workplace Bullying, 66.6% of respondents stated that a workplace bully was currently active in their organisation. This active bully was less likely to be a co-worker (16.6%), and more likely (58.2%) to be a boss such as a Manager, Senior Manager, or CEO/Executive Director. Alarming, 83.3% of these boss bullies don't act alone – preferring to operate as a bully group, or mob.

So, it comes as no surprise that the potential for bullying on executive committees is a real issue, where power imbalances between management and owners clearly exist. The problem with bullying and the difficulty in defining it is that the bullies themselves are often not aware of their own behaviour and the effect it has on others.

Ironically, bullying types are often "successful" within their organisations and their callous style can be viewed as part of what makes them successful, both by themselves and others. Adding insult to injury is the fact others may see something as being wrong with the victim – being "too sensitive", for example.

Psychologist Deborah Farrell has worked extensively with bullying issues both in workplace and strata situations, and she states there are a number of ways to define bullying behaviour.

"Generally speaking, it involves inappropriate behaviour that occurs regularly, is ongoing, demonstrates a power imbalance, tends to increase in intensity and is intended to harm. It may be active or passive, direct or indirect, physical or psychological and generally represents a threat to professional status and personal standing."

Some of the tactics used by bullies include:

- Unacceptable language, belittling comments, name calling, rudeness or sarcasm.
- Intimidation – including threats of frivolous lawsuits, physical assault or other threats.

- Ignoring or excluding and withholding information.

The issues can be further complicated by the fact that bullying often goes hand-in-hand with a competition of interests between the executive committee and other owners.

Regardless of the motivations, bullying can have severe consequences to both physical and psychological health.

According to Farrell, the impact of bullying on the individual can range from mild annoyance to severe psychological trauma including depression, anxiety, low self-esteem, decreased self-confidence, panic attacks, fatigue, post-traumatic stress disorder, and even suicidal ideation. The impact of bullying also radiates out to affect relationships with family, friends and society in general.

Some practical solutions exist to help mitigate the potential of bullying in strata situations. For strata managers this may be through offering greater disclosure and transparency of services fees and commissions for the benefit of owners and ensuring the executive committee is clear in what its roles and responsibilities are.

In fact, the Global Access Partners' Strata Laws Online Consultation Report calls for over 600 proposed changes that could help to increase confidence and trust. We will have to wait for the results of the NSW Government's strata law review to see what solutions might be included in the new legislation.





# Meeting etiquette..to the last minute

Within each year the owners corporation must hold one annual general meeting and one executive committee meeting to appoint office bearers; chairperson, secretary and treasurer. Other meetings can be held throughout the year as the need arises. It is not compulsory for owners to attend these meetings, but the more successful strata schemes have an active owners corporation who are genuinely interested in the management of their scheme and contribute at meetings.

## General Meetings

To hold a general meeting, there must be 25% of people entitled to vote or owners who hold 25% or more of unit entitlement present at the meeting. To have voting rights you must be the owner with your name on the strata roll and you need to be up-to-date with your payment of levies.

To have an item added to the agenda for the next general meeting, provide a written request to the secretary of your scheme. Only items actually on the agenda can be voted on and resolved at the meeting. Other matters that are not on the agenda may be discussed at the meeting, but would need to be put on the agenda for the next meeting before any action could be taken.

Minutes from these general meetings must be distributed with the notice of the next general meeting, if not issued sooner.

## Executive Committee Meetings

These meetings are for the executive committee who can make many of the day-to-day decisions about running the strata scheme on behalf of the owners corporation. Owners can attend executive committee meetings, but will need the permission from the executive committee to speak. You will not be able to vote. Executive committee members are elected at the annual general meeting (AGM) so if you would like to nominate yourself or someone else to join the committee, the AGM is the place to do so.

Executive meeting minutes must be placed on a central noticeboard, or distributed to all owners if there is no noticeboard, within 7 days of the meeting being held.

## Annual General Meetings

An AGM must be held every year within 11-13 months after the date of the first AGM. The secretary is required to include specific items to the AGM agenda and this is the avenue for voting in new executive committee members.

For further information regarding meetings within the strata scheme, visit the Dept of Fair Trading at [www.fairtrading.nsw.gov.au](http://www.fairtrading.nsw.gov.au) and click on the Tenants and Home Owners tab. Strata Community Australia NSW also provides a free online course on Executive Committee Governance providing participants with basic knowledge about executive committee membership in a strata plan at [www.stratacommunity.org.au](http://www.stratacommunity.org.au) and select the Education tab.

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Strata & Community Living is a joint initiative brought to you by SCA (NSW); the peak industry body representing strata managing agents and others committed to the continual improvement in standards of strata management practice in NSW and your strata managing agent.



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