

STRATA LIFE SPRING 2016



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Welcome to Strata Life

How many times have you wanted to make a difference to your environment? Well now's the best time as any to *spring* into action. On a broad scale you just need to stop thinking about what you would do if you had time and make the time to do it, you'll be amazed at how rewarding it is, how everything else will fall into place around you and how much more energy you'll find for all the things you love. The experts tell us this over and over again. Yet if you're like most of us you're still waiting for the push, a change in circumstances, to make it your reality. Why not start small, if you live or own a property in an owners corporation (OC), you have the perfect opportunity to contribute and benefit directly from all that you do and invest in. And we don't just mean money, but investment of your time and interest too.

You can be part of the decision making process that impacts what it means to live in your OC; the welcoming environment, the sense of security and community that makes it a home. Believe it or not whilst these are all experiences that make our house our home for each of us, in an OC this starts with creating awareness of rules that generate respect for each other, maintaining the property to a standard that creates the residents' desire to keep the property



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Rob Beck,
GENERAL
MANAGER,
SCA (Vic)

AWARDS FOR EXCELLENCE

Recognising great OC Managers is easy with the SCA (Vic) Industry Awards for Excellence.

This year our Symposium focused on Extreme Events – Developing Extraordinary People and recognised OC Managers and Companies who are excelling in their roles; as showcased through the services they offer and the relationships they continue to develop with you, their clients. Encouraging stories were shared of terrific outcomes for OC's; such as negotiating wins with local councils, introducing extra income streams to support and off-set owner contributed funds, and most rewarding of all, evidencing a high degree of respect and appreciation for the people behind the titles and management roles!

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YOUR INDUSTRY YOUR AWARDS

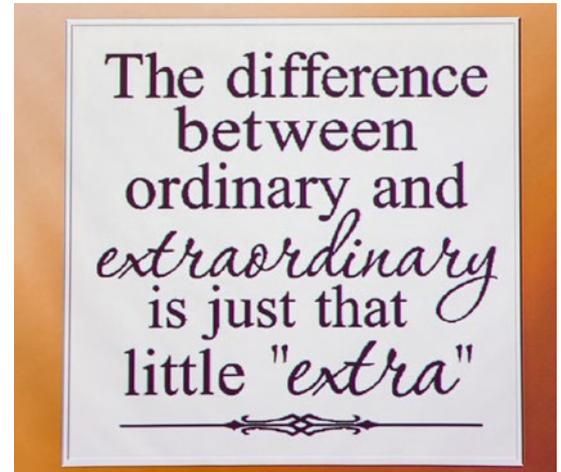


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Winners Announced

Here are this year's winners. Is one of them your OC Manager/Company?

Although, if not this year don't be disheartened, the SCA (Vic) Awards for Excellence provide you with the opportunity annually to nominate your OC Manager; we'll remind you in the early editions of 2017 to get your nominations in.



Sponsor	Category	Winner
CHU	Owners Corporations Manager	Peter Davies , Dixon Kestles
Tymaline Building Services	Rising Star Owners Corporations Manager	Nicole Ting , Select OwnersCorp Management
HWL Ebsworth Lawyers	Owners Corporations Management Business (> 3,000 lots)	Dixon Kestles
Buildcheck	Owners Corporations Management Business (< 3,000 lots)	Bluestone OCM
Macquarie Bank	Client Award	Justine Ashby , Dixon Kestles
TressCox Lawyers	Service to Industry	Bernie Herbert
Whitbread Insurance Brokers	Digital Landscape	MBCM - Ballarat



Consumer property law review update

The Consumer property law review was launched in August 2015. Since then, Consumer Affairs Victoria has received hundreds of submissions.

Contributions by industry groups, professionals and the general public are essential to ensure consumer property legislation continues to meet the needs of the modern market.

Submissions on the issues papers are being used to develop options for potential legislative changes, which will then be made available for a second round of public consultation. Submissions on these options will inform the government in determining the final suite of reforms.

For more information about the review and to view the public submissions, visit the Consumer property law review page on the Consumer Affairs Victoria website: www.consumer.vic.gov.au/consumerpropertylawreview




Help us improve Victoria's consumer property laws.

consumer.vic.gov.au/consultations



Did you know?

The Contract of Appointment (CoA) your OC is using to engage your Professional SCA (Vic) Owners Corporation Manager, may be an industry standard document.

This benefits you, as it identifies not only mandatory obligations of the management firm and the role of the OC manager, but also establishes industry best practices and sets higher standards, over and above legislative requirements, that your SCA (Vic) OC Manager agrees to comply with.

The current version (number 4) of this CoA, supports an OC being in the position to enter into a financially viable agreement, by limiting management periods to 5 or less years, that transparency is a must, requiring the disclosure of any commissions an OC management firm may receive within the CoA, as well as establishing trust by also disclosing any beneficial relationships a management firm or its manager may have with any

supporting business that provides services to the OC; ie trade providers.

The standard clauses, terms and conditions within the CoA are also valuable as they enable OCs to easily identify the different services, fees and terms of one OC management business to another; which is great during any tender process. The CoA, also has a guide that accompanies it, to provide you with a better understanding of terms and conditions, confirmation that watermarks show clauses that should not be edited, and clarifies that Clause 11 of the CoA, is where any variations or additional terms agreed to by your OC can be inserted into the CoA itself.

Feedback is that this standard document is welcomed by consumers, and goes a long way to help owners understand what services are to be provided, to budget more accurately and set realistic expectations of their OC manager.

If you want to be sure that the CoA being used by your OC manager is the standard industry document, just look for the SCA (Vic) watermark which appears across most pages.



Strata Community Australia (Vic) | www.vic.stratacommunity.org.au

Contract of Appointment
Owners Corporation Manager

Owners Corporation Act 2006 (Section 113, Owners Corporation Regulations 2007 and Owners Corporation Rules 2006-2007)

This contract must be completed in accordance with the Owners Corporation Rules, Owners Corporation Act 2006, Owners Corporation Regulations 2007 and Australian Consumer Law and Fair Trading Act 2012.

DEFINITIONS - SCHEDULE 1

Details of Owners Corporation

Owners Corporation Number: [Field]
 Name and Number of Owners Corporation: [Field]
 Owners Corporation - Plan No. PS: [Field]
 Name and address of property: [Field]
 APN: [Field]
 Representative of the Owners Corporation: [Field] Position: [Field]
 Telephone number: [Field] Email: [Field]
 Name of alternate representative (if any): [Field]
Details of Manager
 Manager Registration Number: [Field]
 Name of Manager (company or individual): [Field]
 Business address: [Field]
 Telephone number: [Field] Facsimile: [Field] Email: [Field]
 APN: [Field]
 Owner Trading Business Name (if any): [Field]
Terms of Appointment
 Number of year: [Field] From (commencement date): [Field] To (expiry date): [Field]
 (Not to exceed three years from commencement date with initial owner or in other case not exceeding six months from commencement date)

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 Version 4.2 - June 2015 | Page 1 of 12

BUILDING LEGISLATION REFORM IN VICTORIA

The Impact for Owners Corporations

Andrew Whitelaw, Partner & Melanie Hogg, Solicitor | Building and Construction, TressCox Lawyers

In April this year the Victorian Government passed *The Building Legislation Amendment (Consumer Protection) Act 2016 (the Act)*, implementing sweeping reforms affecting domestic building construction in Victoria including residential owners corporations.

The Act has been touted as a means to strengthen consumer protection and a number of the changes will dramatically change the way in which home owners, whether on private stand-alone titles of land or within owners corporations, make claims for defective and incomplete work.

The Act has been implemented so far in two stages. Certain provisions commenced on 4 July while others on 1 September this year. More changes start next year.

The changes which have had an immediate effect on an owners corporation include:

1. Building Permit requirements

New offences exist if a person carries out work without a Building Permit having been issued. It is now an offence for an "owner of land" to allow building works to be "carried out" without a Building Permit. An owners corporation in breach of this section can be fined as much as \$377,000. It is critical for an owners corporation to ensure appropriate permits are in place before any new works are carried out on common property.

2. New Directions to Fix Work

New powers are in place which can force a builder to fix works.

The Victorian Building Authority (VBA), Municipal and Private Building Surveyors and others, such as Plumbing Inspectors, can now issue "directions" to builders to "fix" building works at any

time during building works for which a Building Permit has been issued.

It is yet to be seen if these new powers will be effectively utilised to assist owners corporations with defective and non-compliant building works.

3. Entering into Building Contracts

Builders can no longer appoint a private Building Surveyor on behalf of an owner for domestic building work. A building surveyor must now be appointed by the owners corporation or private lot owner direct. While a change in compliance is required, the practical implications will be relatively insignificant.

A new "Domestic Building Consumer Guide" must be provided to all owners by builders prior to signing a major domestic building contract (where domestic building work is more than \$5,000).

4. Regulation of Building Work and Building Practitioners

The Building Practitioners Board will be abolished and its regulation and disciplinary functions transferred to the VBA. Complaints about a builder should therefore be directed to the VBA.

5. New Disciplinary Processes and Sanctions

A streamlined disciplinary process now operates. If the VBA reasonably believes there are grounds for taking action against a builder, a 'show cause' notice can be issued requiring the practitioner to explain why disciplinary action should not be taken. The VBA also has increased flexibility to impose sanctions including the power to suspend or partially suspend registrations.

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What's next

More significant changes are planned to come into effect early next year and at the latest by 1 July 2017.

The next tranche of change will have a greater impact on the strata community as it affects how an owners corporation makes a claim for defective building works against builders. Those changes will include:

1. The establishment of the Domestic Building Dispute Resolution Victoria (DBDRV)

No longer will an owner or builder be able to head straight to VCAT. Rather, all claims for defective building works will need to jump another hurdle, with an application being made to DBDRV first. This may assist with the resolution of smaller claims however it is likely to cause delay and increased costs for the resolution of larger owners corporations' claims.

2. A new dispute resolution system

While the Chief Dispute Resolution Officer of DBDRV will be given significant powers including to:

- 1. issue a stop works notice;
- 2. appoint an assessor to assess the domestic building work and to report on whether the work is defective and or incomplete;

- 3. issue a dispute resolution order requiring the builder to complete or rectify building work; or
- 4. order an owner or builder to pay money;

how this will play out is yet to be seen. Builders with rights of appeal may cause further delays.

While the DBDRV system will require parties to participate in a compulsory conciliation program before an application to VCAT or the Courts can be made, it is likely this new process will unfortunately bring with it additional complexities and costs.

And so ...

To avoid non-compliance and to take advantage of the new regime, owners corporations and OC managers need to be aware of these new changes particularly if new residential building works are planned or defective building works exist and claims need to be made against builders.

Disclaimer: The information contained in this article is intended as general commentary and should not be regarded as a substitute for legal advice. Should you require advice or assistance in dealing with a particular legal issue, please contact TressCox Lawyers directly. www.tresscox.com.au



FROM PAGE 1

looking great and in good repair, and attending meetings to ultimately be part of the decision making processes and be sure decisions are informed, fair and beneficial to all immediately and long term.

We understand that we aren't all experts in every field and provide Strata Life to you to share wisdom and tips from those who are experts in their field; to help you discover more about what it means to live and/or own within an owners corporation. Read on to find out more about the current legislative reform, common property versus personal property and your responsibility to insure, as well as potential risks when volunteering for odd jobs in your OC.

Discrimination and the Law

Owners corporation unwilling to permit an assistance dog on the premises

John, an owner of a unit, has severe physical disabilities. John has an assistance dog, which is highly trained to perform tasks to alleviate difficulties associated with his disabilities. The owners corporation has said that pets are not permitted on the premises. *Can they ban his dog?*

An owners corporation must not refuse to provide accommodation to a person with an assistance dog, require the dog to be kept elsewhere or make a person pay extra for the dog. An assistance dog is trained to perform tasks or functions to assist a person to alleviate the effects of the disability. Banning an assistance dog may amount to disability discrimination.

Banning an assistance dog may also breach the *Owners Corporation Act 2006*. Owners corporations can make their own rules, but a rule will be unenforceable if it unfairly discriminates. Model rules will apply. The *Owners Corporation Regulations 2007* also state that an owner or occupier must only remove an animal in cases where an owners corporation has resolved that the animal is a danger or is causing a nuisance. John can contact the Commission to make a complaint.

If you found this helpful, or would like to read more about the laws of discrimination and how they impact owners corporations, you can access 'A guide for owners corporations' published by the Victorian Equal Opportunity & Human Rights Commission, via the consumer tab of the SCA (Vic) website, or by clicking here www.vic.stratacommunity.org.au



COMMON PROPERTY VS PERSONAL PROPERTY: WHERE TO DRAW THE LINE

Scott Allen, Business Development Manager – Victoria/Tasmania, CHU

Whether you are an owner-occupier or an owner of an investment property, if you are a member of an owners corporation it is important that you have a clear understanding of the difference between 'common property' versus 'personal property'.

This is because there are very specific laws in each state and territory that govern how strata buildings and common property must be insured.

Whilst there are often slight differences and variations for each state regarding what is covered as part of the building or defined as common area contents,

the main message of this article is be aware of the differences so you can gain a clear understanding of where to draw the line.

To avoid confusion between which items are insurable under your strata insurance policy, we have provided some guidance as follows:

Building

The building refers to all buildings and underground services erected on the building block forming the Strata Plan, including fencing. Furthermore, all permanent fixtures and fittings within a Lot, such as the items below, are also considered part of the building:

Baths	Hand basins	Shower screens
Toilets	Sinks	Stoves
Fixed tiling	Built-in cupboards	Doors
Windows	Ducted air conditioners	

The items below within common areas are also part of the building:

Paintwork	Wallpapering	Public light fittings
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This is general advice only and the correct policy inclusions and level of cover is a matter for the owners corporation and lot owner to decide. Always check the extent of the coverage on offer and if it is right for your building and circumstances.

Common area contents

The following items should be insured as common area contents:

- Carpets, floating floors, other temporary wall, floor and ceiling coverings within hallways and lobbies.
- Pot plants, mirrors and other decorations within common areas.
- Appliances such as washing machines and dryers that are owned by the owners corporation, for use by all residents and housed in common laundries.
- Any barbeque equipment, gardening equipment and garden or indoor furniture owned by the owners corporation.

Personal contents*

Insurance on these items is the responsibility of the lot owner and not part of the Strata Insurance Plan. Personal contents include the following items that are found within the Lot area:

- Carpets, floating floors, other temporary wall, floor and ceiling coverings;
- Light fittings;
- Curtains, blinds;
- Personal equipment and valuables;
- Furniture;
- Household appliances such as dishwashers, refrigerators, washing machines and dryers.

**We strongly recommend that lot owners take out insurance over these Personal contents items.*

Understand the differences to lower your risks

When considering your insurance requirements, think about who owns what and the potential underlying risks. A comprehensive strata policy from a good strata insurance specialist will give you the majority of coverage required, and often exceeds the legislative minimum requirements to assist 'worry-free' strata living. But to fill any gaps, you should also consider your personal insurance needs as a unit owner or landlord, and those of the tenant.

If you would like to know more about the points raised above or would like to learn more about Strata Insurance, please feel free to contact your local CHU team. www.chu.com.au

VOLUNTEERING AT YOUR STRATA PROPERTY. IS IT WORTH THE RISK?

Ann Farrugia | National Client Relationship Manager

Volunteering for odd jobs around your Strata property? Think you're covered for Personal Accident under Strata Insurance if you're injured? Think again.

While all Strata Insurance policies generally include a Personal Accident section to protect Volunteer Workers in the event they sustain an injury, most are not aware of how limited the cover actually is.

This article will help ensure you're fully informed of what is covered before volunteering your services, and whether it would instead be smarter to engage a professional contractor.

Many residents living as part of an owners corporation (OC) often volunteer to do useful jobs around a strata property. Whether it be taking rubbish bins out, mowing the lawn or doing a bit of handywork in the common area, volunteering can come in many forms. Unfortunately however, volunteers can sustain unexpected injuries on the odd occasion.

Below we explain the insured features of Voluntary Workers cover, but first let's start with the basics.

What is Personal Accident Cover for Voluntary Workers?

Personal Accident Cover for Voluntary Workers is designed to provide compensation to **any person who voluntarily works on behalf of the OC**, and becomes injured in the course of carrying out their voluntary activity.

What is covered under Personal Accident Cover for Voluntary Workers?

Coverage for Personal Accident, under a Strata Insurance policy, generally **only applies in very serious and specific circumstances.**

This is where confusion can often set in...

To help clarify **what is covered** when it comes to Personal Accident for Voluntary Workers, we have taken an extract from a typical Strata Insurance Product Disclosure Statement below:

In general: the insurer will pay to a Voluntary Worker, or that person's estate, compensation in the event

a Voluntary Worker sustains bodily injury during the period of Insurance:

Whilst voluntarily engaged in work on the OC's behalf and;

caused solely and directly by violent, accidental, external and visible means and;

which independently of any other cause results in the insured Events listed below:

1. \$200,000 for death, or loss of the use of two hands, two feet or two eyes;
2. \$100,000 for loss of the use of one hand, one foot or one eye;
3. \$2,000 a week for lost income if totally disabled from engaging in his/her usual employment or business;
4. \$1,000 a week for lost income if partially disabled from engaging in his/her usual employment or business;
5. up to \$500 a week for domestic assistance if totally disabled from engaging in his/her usual employment or business or usual household duties.

In essence, Personal Accident cover only really applies to cases involving very serious accidents that have a significant, detrimental impact on your quality of life.

It is not designed to cover minor injuries like a sprained ankle or broken limb, or the cost of minor treatments that may be required as a result of an injury e.g. physiotherapy.

For more specific information on what is and isn't covered in your particular policy, we suggest talking to your insurance broker.

If you do decide to undertake voluntary work at your strata property, there are 3 important steps you need to take to ensure you're covered for Personal Accident.

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Before commencing the work:

1. Gain approval from the OC

Before undertaking any voluntary job, it is imperative to obtain written approval to volunteer from your OC, or any other party authorised to provide approval on behalf of the OC e.g. the appointed OC Manager.

2. Make sure your name is recorded by the OC

As a volunteer, it is important that your name and the type of voluntary work you are performing is noted in official records kept by the OC. Written evidence of your services must exist in order to lodge a claim if you are injured while carrying out your work.

3. No payment of any kind

You cannot receive any reimbursement for the voluntary work you are performing. This may be in the form of monetary payments, 'gifts' or even discounts off your OC fees. If any form of payment is received, the work can no longer be defined as voluntary, and you will not be covered under the Personal Accident section of the policy if you become injured.

Is it worth the risk? Should we just engage a professional contractor?

This is something you need to think carefully about, because it is unlikely you will be covered for Personal Accident under a Strata policy unless you sustain a serious injury.

The Voluntary Workers section of a Strata Insurance policy only provides protection for worst case scenarios e.g. loss of life, loss of a limb, circumstances where partial or total disability occurs. So, after taking all this information into account, we feel the answer should be quite simple...

If you don't feel comfortable with the risk, don't volunteer your services.

If the work to be undertaken cannot be safely completed by voluntary workers, the best alternative is to request that the OC engage the services of a professional contractor.

Note: When engaging a professional contractor, there are a number of things you need to check from an insurance point of view to make sure the OC's Liability is protected – [click here to read our essential tips.](#)

To read more on the other risks covered by Strata Insurance, please [click here.](#)

For further advice on Personal Accident cover for Voluntary Workers under a Strata Insurance policy, please contact your Whitbread Strata Insurance Specialist www.whitbread.com.au

This article is not intended to be personal advice and you should not rely on it as a substitute for any form of advice. Please contact Whitbread Associates Pty Ltd ABN 69 005 490 228 Licence Number: 229092 trading as Whitbread Insurance Brokers for further information or refer to our website.



Why does a CCTV Camera Inspection need to be carried out in conjunction with Hydro Jet Drain Cleaning?



When carrying out Hydro Jet Drain Cleaning it is essential to carry out a closed-circuit television (CCTV) Camera Inspection at the same time to determine and confirm that all debris, tree roots and obstructions have been removed from the drain.

If Hydro Jet Drain Cleaning is carried out to the affected drain without a Camera Inspection the drain condition is not known, including if the drain is running clear.

Recently, we at PL Plumbing, have been asked to quote on Drain Reports based on CCTV Footage only.

Not only is there no time to view this footage, this only shows the pipe's condition.

We always provide the following:-

- CCTV Footage of pipe condition.
- Where possible mark problem areas at ground level with marker paint.
- Provide an Inspection/Findings Report and Recommendations.
- Provide a "Not to Scale" plan in layman's terms.
- The Plan will indicate location of

faults, depth of pipe, the amount of pipework to be replaced.

- Repairs required.
- Reinstatements required.
- Costs for replacement/repairs and works required etc.

Without the above it is impossible to provide accurate costs/quotes.

SPICY STRATA

Recipe:
foodnetwork.com
 (courtesy of
 Aida Mollenkamp)



INGREDIENTS

- 1 tablespoon unsalted butter
- 6 medium scallions (green onions), ends trimmed and thinly sliced (about 1 cup)
- 8 ounces asparagus, trimmed and cut into 1-inch pieces (about 2 cups)
- 6 large eggs
- 1 1/2 cups half-and-half (cream/milk)
- 1 teaspoon kosher salt
- 1/2 teaspoon cumin
- 1/4 teaspoon ground black pepper
- 1/2 pound loaf ciabatta or French bread, sliced 3/4-inch thick
- 1 1/2 cups shredded Jack cheese (about 4 ounces)
- 1/2 cup pickled jalapenos, rinsed and coarsely chopped
- 1/2 cup chopped fresh cilantro leaves (fresh coriander), plus more for garnish
- Sour cream, for garnish
- Avocado, for garnish

PROCEDURE

1. Butter 8-by-8-inch baking dish and set aside. Heat butter over medium heat. When it foams, add scallions, and cook until just softened, about 1 minute. Add asparagus and cook until bright green and beginning to soften, about 2 minutes; remove from heat.
2. Whisk eggs, half-and-half, salt, cumin, and pepper in a large bowl until evenly combined. Arrange half of the bread in bottom of prepared dish. Sprinkle with 1/2 cup of the cheese and half each of jalapenos, cilantro, and asparagus mixture. Pour over half of egg mixture. Repeat layering with remaining bread, another 1/2 cup of the cheese, and remaining chilies, cilantro and asparagus mixture. Pour remaining egg mixture over top.
3. Sprinkle strata with another 1/4 cup of the cheese and push to ensure bread is submerged in egg custard. Cover with plastic wrap, put a plate and a 1-pound weight on top (a large can of tomatoes or rice in a re-sealable plastic bag works well), place in refrigerator for 1 to 12 hours.
4. When ready to bake, heat oven to 165 degrees celsius and arrange rack in the middle. Let strata sit at room temperature while oven heats, at least 20 minutes.
5. Sprinkle strata with remaining 1/4 cup of the cheese and bake until puffed and edges pull away slightly, about 40 to 45 minutes. Cool for at least 5 minutes before serving. Serve with some cilantro, sour cream, and avocado, as desired.

Serves 4-6

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