




- 1 Smart Blocks
- 2 Managing Owners Corporation Disputes
- 3 SCA (Vic) Awards for Excellence
- 4 Insurance Excesses
- 4 Beware Hidden Details
- 5 Technology Savvy Owners
- 6 The 7 most common questions Whitbread get asked about strata insurance
- 7 Sink the cost of operating your pool
- 8 How does your garden grow?
- 8 Strata Cooking

## GM Welcome

If your Owners Corporation Manager is an SCA member, then congratulations on a wise choice! SCA (Vic) is proud to report that Victorian Strata Managers rate the highest when it comes to investing time into their own personal development. What this means to you as a client, is the provision of a more professional service; up to date knowledge and skill sets developed to maximise management services. Protection of your investment!

And it doesn't stop there. A professional Owners Corporation (OC) Manager supports the education of their clients too, providing you with access to resources to make informed decisions.

In this edition of Strata Life, we assist our members and share advice of experts to enable you to take proactive action to protect and improve your property. Learn how to be efficient with pool maintenance and gardening as we get ready for the warmer months, and also, how to do more with less any time of year, but starting now with Smart Blocks. Share in CAV's advice to better manage owners corporations disputes, and let CHU assist you assess the impact of excesses on your OC insurance cover. Find out if you know the 7 most common questions asked about strata insurance, with Whitbread Insurance Brokers, and if and how technology is working for you in the strata arena, with StrataMax.

CONTINUED PAGE 2



**Rob Beck,**  
GENERAL  
MANAGER



## TUNE UP YOUR BUILDING

The Smart Blocks program continues to roll out across Australia, with a number of workshops already completed across Western Australia, Victoria and New South Wales. The Victorian series of Smart Blocks workshops got off to a roaring start in the Docklands on August 14th, where a packed room of apartment owners, strata managers and facilities managers explored the Smart Blocks project tool and engaged in a fun activity about making positive change within an owners corporation. This event was followed by a workshop in Maribyrnong, as well as four workshops held across the Sydney metropolitan region.

If you are interested in finding out how Smart Blocks can help you start saving energy and stop losing money in your apartment building, sign up for one of the FREE workshops being held in Victoria in October!

Sign up today at <http://smartblocks.com.au/news-and-events/>



This Activity received funding from the Department of Resources, Energy and Tourism as part of the Energy Efficiency Information Grants Program.



# MANAGING OWNERS CORPORATION DISPUTES

*Consumer Affairs Victoria*

Spring is traditionally a time for clearing out the old and bringing in the new. With this in mind, the season could be right for your owners corporation to overhaul procedures for handling disputes.

Dispute handling is one of the most irksome and often avoided issues facing owners corporations. Owner disputes also prompt many complaints to Consumer Affairs Victoria. In the 2012-13 financial year we received 7901 enquiries and 318 complaints about owners corporations.

Resolving conflict can be a thorny issue, but minimising disputes and developing an effective grievance policy goes a long way toward smoothing relationships.

We've put together some tips to help you minimise disputes and develop a grievance procedure for your owners corporation.

## Minimising disputes: what you can do

- Courteous and polite communication between neighbours goes a long way to minimising disputes. The owners corporation should encourage and foster friendly interactions between neighbours.
- Develop simple guidelines about day-to-day communication between the owners corporation and lot owners; which may include:
  - how and when to contact the chairperson, secretary or manager
  - what to do in an emergency.
- Ensure all new lot owners receive a copy of the guidelines. A copy should also be displayed on a communal notice board.
- Prominently display a sign or letterbox with the current details of where a person can make contact with the owners corporation.

## Developing a grievance procedure

A simple and easy to understand grievance procedure should be developed. The model rules in the Owners Corporations Regulations 2007, Schedule 2 sets out a grievance procedure which you can use.

The grievance procedure should include:

- information about who to contact if there is an issue
- rules detailing the grievance procedure
- how to record the issue
- how to notify the owners corporation committee or manager of a problem
- how to raise an issue at an owners corporation or committee meeting
- how to make a formal complaint
- how to nominate a third party to help in a dispute.

Owners corporations must keep files of all complaints for at least seven years. Any complaints and any action taken must be reported to the owners corporation's annual general meeting.

## How we help settle disputes

If a dispute has escalated, Consumer Affairs Victoria can assist in conciliation and resolution.

When we receive a complaint, we determine if it can be conciliated. Conciliation involves negotiation between the parties to reach an agreed resolution and avoid proceedings in VCAT. We can only conciliate a matter if all parties agree to the conciliation.

We recommend trying to resolve the complaint using the internal resolution process before contacting us for assistance.

FROM PAGE 1 – ROB BECK

We also reveal the Winners of the 2013 SCA (Vic) Awards for Excellence.

Thank you to all the members of OC's who nominated their OC Managers and firms, and also to those who provided the abundant references of support. Remember the Awards are held annually so if your OC Manager is a worthy recipient, make sure you write to SCA (Vic) and share your stories of successes and professionalism.

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## Further information

Extensive information about owners corporations is available on Consumer Affairs Victoria's website, at [consumer.vic.gov.au/ownerscorp](http://consumer.vic.gov.au/ownerscorp)



# SCA (Vic) Awards for Excellence

*Rewarding those individuals and firms who depict and uphold people, productivity and professionalism within the strata industry.*



This year we are extremely excited to say we were overwhelmed with the number and quality of nominations of Owners Corporation Managers and their businesses for the Awards. Nominations were made by fellow members, their peers as well as you, their clients! So thank you, for getting behind your OC Managers to nominate them and/or provide great testimonials that evidenced your OCM and/or the OCM Business, going above and beyond for you and your OC.

Each of these awards recognise the winner acts ethically in all dealings with their clients, suppliers and peers; upholds the SCA (Vic) Code of Conduct, evidences proof of solidity and quality of management and relationship management skills, as well as pursues self-development through training and formal qualifications.

Congratulations to our 2013 Awards for Excellence winners!

Sponsor	Category	Winner
CHU	Owners Corporations Manager	Anthony Lewis, Strata Data
Tymaline Building Services	Rising Star Owners Corporations Manager	Clementina D'Souza, BCS
HWL Ebsworth Lawyers	Owners Corporations Management Business > 3,000	Engine Property Group
Buildcheck	Owners Corporations Management Business ≤ 3,000	Ace Body Corporate Management Bentleigh
Macquarie Bank	Client Award	Christine McDonald, King & Heath First National
Tresscox Lawyers	Service To Industry	David Binks
Whitbread Insurance Brokers	Website	Bodycorp

## Insurance Excesses

*CHU Underwriting Agencies*

### What is the purpose of an excess?

An excess is an amount that must be borne by the insured party in the event of a claimable loss under the policy, over and above which the insurer will pay up to the sum insured for the rectification of the damage.

The level of excess is set to reduce small, high frequency claims that ultimately adversely affect the premium the insurer requires to continue to cover a certain type of risk. For example, small claims usually cost as much again in administrative costs to an insurer. These claims also erode the premium leaving little to cater for major losses such as a large fire, storm or other catastrophic event.

An insurer may impose an excess due to poor loss history which, if not reduced or managed, could make the insurance of the property cost-prohibitive. Therefore an insurer will set a level of excess that allows it to provide the insured with a level of protection at an affordable price.

If not managed, these costs have a flow-on effect and eventually find their way back to the insured. Therefore the excess provides a two-fold benefit: It allows the insurer to control these types of costs, thereby retaining a level of market competitiveness and - for the insured - this means curbed insurance costs and more choice over the long term

### Should we consider a higher excess?

The most important aspect is selecting the right excess amount to achieve the desired outcome. Therefore you need to understand the condition of your strata property and how robust your maintenance program is. Whilst maintenance is not covered by insurance, active maintenance and keeping property in a good state of repair generally results in properties experiencing less claims and encountering only unforeseen events, like storm or fire. Regular

storm claim damage following small storm events is exacerbated by lack of maintenance. Items such as loose roof sheeting, wall cladding, bad guttering, cracked roof tiles, or fencing that is leaning or has pressure on it can result in additional damage. In the long term, such properties not only pay more for their insurance but their property assets diminish through lack of regular maintenance.

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If not managed, these costs have a flow-on effect and eventually find their way back to the insured.

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Factors to consider are:

- Selecting an excess based on how much the Owners Corporation can bear annually as a cost versus the premium saving that this will produce. Having a regular maintenance program covering all your strata property requirements will help reduce the frequency of claims.
- The current loss history of the property and the potential impact of the excess upon that loss history in the future.
- When looking at obtaining quotes for various excesses, the consideration should be based on reasonable variations to the standard excess on a policy.

An insurance advisor can help you look at some statistical examples, using the above information.



## Beware Hidden Details

SCA (Vic) warns OC's of the emergence of companies that purport to negotiate strata management contracts on behalf of, and free of charge to, Owners Corporations - in short acting as 'contract brokers'.

Such 'contract brokers' are not to be confused with traditional 'business brokers' that act as agents in the sale of portfolios from one strata management company to another and are remunerated by the vendor. The 'contract brokers' referenced here, derive income from the 'purchasing strata management company' and from the information reviewed by SCA (Vic), it does not appear the actual amount of income is fully disclosed.

Management companies wishing to have their tender presented to the OC for consideration must agree to pay 2.5 times annual management fee if successful to the 'contract broker' and become bound by the restrictive clauses within the agreement.

The OC does not receive any financial gain for the placement of their contract but may well become exposed to increased costs as managers strive to recover the significant purchase expense to underpin the ongoing viability of their businesses.

Whilst possibly appearing enticing to OC's at first glance the devil is in the detail as the tender process is limited to only those firms willing to 'buy' business which does nothing to ensure that the 'most suitable' manager for the job is actually presented to the consumer for consideration.

SCA (Vic) has fundamental concerns regarding the transparency, disclosure and ethics of this process, and is of the opinion that the best interests of Owners Corporations, consumers and the industry may not be inherently supported or protected.

## TECHNOLOGY SAVVY OWNERS

*Daniel Borin, Group Sales Director, StrataMax*

Technology affects almost every aspect of our lives no matter what age you are. Just look around you and you'll see how wired we are. Thanks to the Internet you are more informed than ever and virtually anything you desire can be delivered to your door in a matter of days. The Australian Bureau of Statistics reported in June 2011 that there were 10.9 million Internet subscribers in Australia plus the sales of mobile wireless devices was outnumbering PCs. We are now more connected than ever. Is this a good or a bad thing? The jury is still out on this but what can be guaranteed, it is only going to progress more so cannot be ignored.

As much as our personal lives have changed, the business world has been revolutionised almost beyond recognition in the past few decades. Technology – that is, the advances in communication and information technology - has changed the face and the pace of business. As communication and information travels faster and faster, the world seems smaller and smaller, and this has large implications for the way we conduct business. Storing important information in files on a computer rather than in drawers, for instance, has made information easily accessible.

As computers have emerged in the 20th century, they have promised a new age of information technology. But in order to reap the benefits, businesses need to adapt and change their infrastructure. Look today and most business is conducted over personal computers or communication devices. Computers offer companies a way to organise dense databases, personal schedules and various other forms of essential information. It cannot be ignored that technology in business can significantly, reduce costs by automating back-office functions, improve communications with customers and prospects plus ultimately increase business potential and profits.

So what are the implications for Owners Corporations Management? This is an exciting time for the industry as technology helps to automate the strata management process and give transparency to owners. Automating the administration tasks, the levy payments, the invoicing and the communications makes it seamless for managers and owners to communicate.

As an owner you are entitled to expect that technology will provide you access to timelier, accurate information about your Owners Corporation. Is your manager keeping pace with the technology that is available to them to deliver you with a better service?

One of the offerings currently in the market is an online portal. No longer do owners need to request information directly from their manager in traditional business hours. Much of the information they require can be gained online 24/7.

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As an owner in this technology age you should expect online access to items such as fee payments, meeting minutes, financial reports, insurance information, certificates and the function to update your personal details. As a committee member this extends even further to items such as online invoice approval. This online capability is readily available to managers providing owners with timely, accurate information with a high level of transparency. The days of finding out how things are going once a year when you might attend an annual general meeting should be long past. The information is now at your finger tips.

The challenge for us all is to leverage technology for positive effect in our lives, rather than feeling overwhelmed by it. As an owner this is certainly possible with the technology that is readily available to your Owners Corporation Manager.

If you would like to see what an owners portal looks like, please feel free to visit [www.stratamax.com](http://www.stratamax.com)

# The 7 most common questions Whitbread get asked about strata insurance

*Lia de Sousa, General Manager, Strata, Whitbread Insurance Brokers*

Strata Insurance is designed to protect you and your property as a lot owner. However, it is important to be aware of what strata insurance does not cover and what additional protection you may require, either as a homeowner or landlord, to mitigate your risk.

## What is covered under a Strata Insurance policy?

Strata Insurance policies cover material damage as a result of insured peril to structural fixtures including fixed plant, machinery and underground services. These policies also provide cover for owners' fixtures, fittings and improvements which form part of the building. Some of these items may include built-in ovens, stovetops, kitchen cupboards, hand basins, baths and showers.

## What is not covered under a Strata Insurance policy?

Strata Insurance specifically excludes contents within individual units such as carpets, curtains, blinds, light fittings and electrical appliances not actually wired into the premises. These items should be insured by your Contents Insurance or Landlord Insurance policy.

## Does the Owners Corporation need to get a valuation on the building?

The law requires that buildings are insured for their full replacement and reinstatement value at the time of the loss, not at the time when the insurance policy was first taken out. Whitbread recommend that the Owners Corporation obtain a professional property valuation every three years.

## What is a flood?

Each insurer has their own definition of what constitutes a flood. Owners Corporations should refer to the insurers' Product Disclosure Statement for a full definition.

## Is flood covered under a Strata Insurance policy?

Strata Insurance policies do provide storm cover but do not provide flood cover. Flood cover may be requested by Owners Corporations, however insurers will assess their willingness to offer flood cover based on the location of property and the proximity of rivers, lakes and dams. This extension of cover, if granted, will attract an additional premium.

## What if I rent out my strata property?

Strata property owners who rent out their property need to purchase Landlord Insurance as a separate policy to the Strata Insurance. Landlord Insurance provides insurance protection for your liability as a Landlord. In addition, the insurance provides for Landlord's contents, loss of rent by an insured peril and other benefits.

It is important to be aware of what strata insurance does not cover and what additional protection you may require.

## What if I live in my property?

As an owner occupier of a property, you should arrange cover for your furniture, personal contents, jewellery, collections and other special items. Personal Contents Insurance policies provide legal liability protection for any damage to third party property or third party injuries that may occur anywhere in Australia.

If you require any information about how you're covered under a strata insurance policy, including optional extras that are available, please contact your Owners Corporation Manager or visit Whitbread Insurance Brokers at [www.whitbread.com.au](http://www.whitbread.com.au)

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## Sink the cost of operating your pool

Lyn Wicks, Business Development Executive, PoolWerx

Well maintained swimming pool and spa facilities are an impressive asset for strata title buildings that can result in higher rental rates, command higher prices for sale and can add to the overall living experience and satisfaction of the occupiers of the building.

The perceived cost associated with looking after the swimming pool or spa in the building can be a point of discussion for the body corporate or facility manager, therefore a great opportunity to consider in strata title buildings is how to save efficiencies in maintenance, running cost and compliance in and around the pool or spa.

There are a number of solutions in terms of pumps, plant and equipment, pool blankets or heating systems and lights, all of which are additional ways to save a considerable amount of energy and reduce current energy cost.

**Energy efficient pumps:** In most commercial pools, pumps need to run for 24 hours a day to maintain optimum water turnover. Available now are a range of eight-star energy efficient single-phase variable speed pumps. When properly sized to the pool environment these energy efficient pumps save on the amount of energy used and maintain the necessary water flow needed to meet State Health requirements.

**Robotic cleaners:** Robotic cleaners reduce energy use as they are self-powered rather than relying on the suction power of a filtration pump at medium speed. It means the pool skimmer is free to skim the surface of the pool while the bottom of the pool

is being cleaned. Using a robotic cleaner can reduce the load on a conventional filter, reduce backwash frequency and save on additional chemicals and water top up, plus reduce on-site labour costs; allowing other areas to focus on.

**Filters:** Changing the media in the filter from sand to glass increases the amount of debris captured by the filter providing better water clarity, reduces back washing and provides the bonus of making the pool more visually appealing.

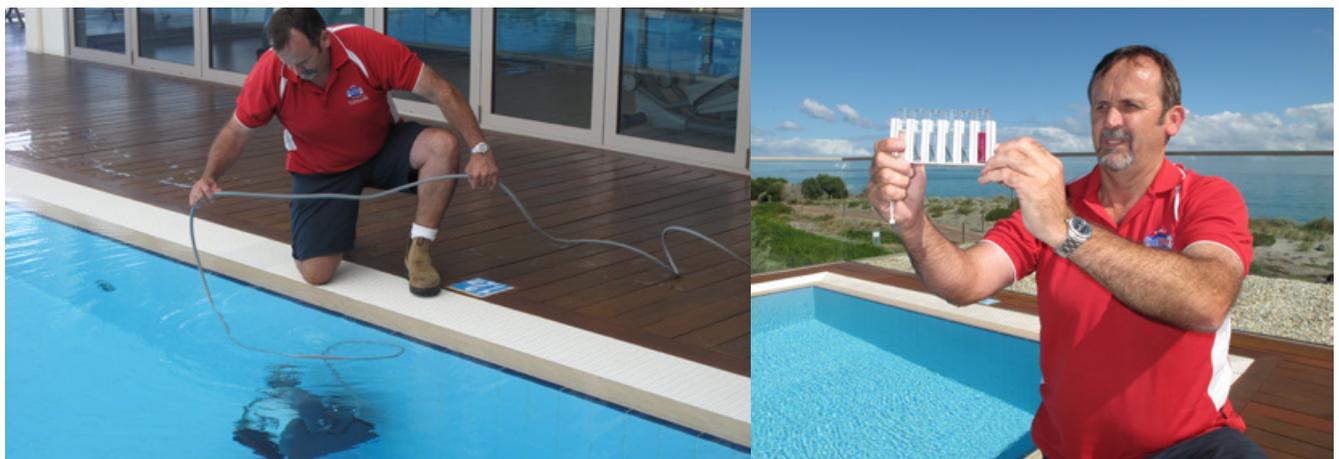
**Heating –** Extend your residents enjoyment of your facilities pool or spa through pool heating solutions. There are energy efficient alternatives including solar, heat pumps or by diverting your current heat exchange system.

**Pool blankets:** Automatic solar powered and hidden underground pool covers are becoming more common for strata pools. Using an automated pool blanket system reduces work, health and safety issues by eliminating the manual handling needed to put on and off the pool blanket daily. Additionally a pool blanket can increase water temperature by up to 8°C by trapping heat from sunlight, keeping the pool insulated and warm and saving power costs and water evaporation.

PoolWerx is Australasia's largest pool and spa care network with over 100 franchise partners operating in more than 300 mobile service vans and 70 retail hubs in Australia and New Zealand. For more information visit the website [www.poolwerx.com](http://www.poolwerx.com)

**PoolWerx**  
The Healthy Pool People

Well maintained swimming pool and spa facilities are an impressive asset for strata title buildings that can result in higher rental rates, command higher prices for sale and can add to the overall living experience and satisfaction of the occupiers of the building.





## How does your garden grow?

PL Plumbing

Many properties have invested in plantings and landscaping so working through an irrigation system check-up will ensure that protecting that investment is not left to chance.

Before summer fully takes hold now is the time to be checking irrigation systems to gardens and lawns. The system has possibly been unused for a while and so a good check-up could be a good move.

Your plants and your bank account might be grateful.

### IRRIGATION SYSTEM CHECK

One of the first things to look out for is just normal wear and tear like splits on underground pipework or worn seals on fittings and joints that could mean half your water ends up getting wasted with no visible leak.

The tell-tale sign can be when damp ground appears at the low points or you hear water entering directly into the street gutter with no obvious source. You might need to run the system for half an hour or so and check that water is getting to all branches of the pipework and that will also give you a chance to check that every sprinkler head is clean and distributing the water where it is needed.

A complete system check might include water supply lines, soaker hoses, drip lines and sprinkler lines with multiple control valves. If this is connected to a grey water system then the irrigation check-up could be incorporated into the annual service plan.

Test lines, pumps, valves, outlets and timers to make sure the system is working correctly and you have the most efficient settings to match the conditions of each different area.

Avoid watering during the day as the sun and wind evaporate water before it reaches the roots.



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## STRATA COOKING

Apple Raisin French Toast Strata  
Featured in [www.allrecipes.com](http://www.allrecipes.com)



### INGREDIENTS

- » 1 (500gms) loaf cinnamon raisin bread, cubed
- » (225grams) package cream cheese, diced
- » 1 cup diced peeled apples
- » 8 eggs
- » 2 ½ cups half-and-half cream
- » 6 tablespoons butter, melted
- » ¼ cup maple syrup

### PROCEDURE:

- Coat a 9x13 inch baking dish with cooking spray. Arrange ½ the cubed raisin bread in the bottom of the dish. Sprinkle the cream cheese evenly over the bread, and top with the apples. If you like extra raisins, add them now. Top with remaining bread.
- In a large bowl, beat the eggs with the cream, butter, and maple syrup.
- Pour over the bread mixture. Cover with plastic wrap, and press down so that all bread pieces are soaked. Refrigerate at least 2 hours.
- Preheat oven to 165 degrees C
- Bake 45 minutes in the preheated oven. Let stand for 10 minutes before serving.

Serves 12