

# ELEVATION

## Welcome to Elevation

I'd like to take this opportunity to introduce to you our first edition of Elevation, our regular quarterly newsletter designed to enhance communication to all our clients. Strata Title Management Group (STM) has undergone some exciting changes recently and have a rejuvenated commitment to serving you, our clients, better than ever. Elevation will keep you informed of issues relevant to your property, with tips to help make the management of your home or investment hassle-free.

In addition, I am proud to introduce a new-look STM. We've merged our Sydney offices, transformed our work culture, and refined our work processes. We have a new customer service department dedicated to your satisfaction and a new logo to signal a new era for STM.

This is an exciting period for STM and we look forward to passing our continuous improvements onto our dealings with you.

### Cameron Davis,

*Managing Director/CEO  
Strata Title Management Group (STM)*



**STM**

**STRATA TITLE  
MANAGEMENT**



## Sydney Forces Unite

In 2006, Sydney-based Insite Asset Specialists and STM joined forces. But the change really began to stick early this year when the nine STM staff from Market Street joined the thirty at Surry Hills to create one united strata force.

"We have two great companies with excellent clients, fantastic staff and broad professional experience. Sharing offices and corporate entities means we can take the best of both," says Marianne Leighton, Surry Hills General Manager.

"Bringing our staff together has created a more competitive environment and a diversified skill base to share knowledge and experience."

A new logo has been launched to mark the new era. The Insite name has been retired and the entity is now trading as STM (Strata Title Management Group). "There is a new atmosphere in the office, a renewed enthusiasm among staff who are relishing management's call to challenge old ways of doing things and gather the best business processes to ensure we are efficient, streamlined and, most importantly, as effective as we can be," says Marianne. "That means putting people at the centre of all we do to ensure that we become a truly world-class service."



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## New department aims to satisfy

As STM enters an exciting new era of improvement, we have created a new Customer Relations Department headed by Clayton Davis. The Department will formalise and systematise our approach to pursuing excellence in customer service. It will also function as quality control to ensure that strata managers act in accordance with STM's code of conduct, that issues are resolved speedily and satisfactorily and that clients are informed on all issues that are relevant to their property.



"Having run my own business for 28 years, I know how important good working relationships are to achieving satisfied customers," says Clayton. "Open communications are key to building mutual trust into an effective working relationship, so we have undertaken new ways to better inform our clients on issues, legislation, and changing circumstances."

The Customer Relations Department is central to STM's value of innovation and will continually investigate new ways at improving our service, efficiency and communication in order to provide better support for our clients. We look forward to exceeding client expectations.

## Knowledge is power: dealing with building defects

Resolving building defects can be costly, stressful, confusing and unsatisfactory to owners. But, explains Francesco Andreone of Andreones Lawyers, it doesn't need to be. As owners or executives for a scheme, knowing the proper procedure for dealing with defects makes life easier and resolution speedier.



### Identify and investigate problems

Understanding the nature and extent of defects is fundamental to resolving their repair. Owners should report problems with their lot and common property immediately and in detail to scheme executives and the building manager.

Engaging expert consultants helps you investigate defects properly, with written reports and advice. Make sure the expert is qualified for the type of defect, experienced in multi-storey building diagnostics and appropriately insured. When defects are extensive and may lead to legal action, it is sensible to involve lawyers in briefing expert consultants so that their reports can be used in later legal action and do not need to be redone at further cost.

### Talk to the builder

Schemes and owners should contact the builder about the defects as soon as they are discovered, even if the scheme does not yet have experts' advice. Builders are entitled to be involved in the investigation of defects,

can assist with information about the building and the defects, and time limits apply to notify builders that can quickly expire. Ideally, building defects are fixed by the builder promptly and without cost. In most states, the builder has the right to attempt to fix the defects.

Owners should act as one when dealing with builders regarding common property defects to have the highest chance of success. Document your dealings with the builder and get independent advice about what the builder tells you. Ensure the builder specifies in writing what repairs are being done. If repair work is extensive then the scheme should consider having its experts check the work.

Act promptly if the builder is uncooperative. When issues are dragged out, time limits may expire while consequential damage from the defects increases.

### Use your home building insurance

Most states have consumer protection laws that include insurance covering residential



# StrataSphere...

The world of Strata...your questions answered!

## Question

*"At a recent meeting, our strata manager dissolved proxy votes because of tampering. Is this allowed? What makes a proxy valid?"*

## Answer

Dissolving proxy votes is not done very often but is necessary in cases where a proxy has not been signed by all owners on a strata roll, when proxy forms have been incorrectly filled out or possibly when proxies have been tampered with.

All owners that appear on a strata roll must sign the proxy for it to be valid. If you fill out a proxy and then chose to attend the meeting and vote in person, you have forfeited your proxy vote. When filling out a proxy, make sure you read it thoroughly and follow directions to the letter, particularly in the case of how to mark your preferences. For a proxy to be valid it must be in the form prescribed by the Strata Schemes Management Act (SSMA) 1996. Similar to a vote for government, filling it out incorrectly will dissolve the validity of the proxy vote.

Tampering with proxies is a sad reality and subverts the democratic process that strata regulation aims to uphold. Look out for tampering and inform your strata manager promptly if you have evidence that this is occurring. Remember, your strata manager acts as the conduit for the SSMA and its related laws to be upheld.

building work when builders do not repair defects. Owners should make sure they have their HOW insurance certificates and supply copies to the scheme. Schemes need to seek legal advice as soon as practical about what kind of insurance applies and time limits for giving notice and claims.

Insurance companies may accept what builders say or they may liaise with builders to rectify defects. Should an insurance claim be wholly or partly refused, schemes have the right to appeal through specialist building tribunals or courts. Seek legal advice promptly if a claim is refused as strict time limits (usually 28 days) apply to appeals.

## Taking civil action

Civil legal action is the appropriate recourse of action if a scheme does not have residential building insurance, insurance does not cover the defects, or the scheme is out of time. It is important that owners support the agreed strategy, even if legal procedures get hard.

Although legal action may be expensive and lengthy, schemes can recover their legal, expert and additional management costs if the action is successful. If a scheme does repair work itself before taking this civil action it can also recover interest on the money spent.

Be aware that time limits also apply to taking civil action.

## Conclusion

Despite the difficulties involved with extensive building defects and the myriad of people and processes that need to be overcome in getting them fixed, most schemes can successfully have building defects repaired or get compensation for them if they act on their rights. Schemes may have other rights in relation to building defects, but accessing these is more complex and should only be pursued after getting expert legal and other advice.

Because of the time involved, the technical nature of the issues and the complex processes and strict time limits that apply, schemes should rely on experts and lawyers. Dealing with defects in a proper and prompt manner is central to successful resolution.

Andreones Lawyers are strata law experts in the specialised areas of strata, community and property law.

link:

[www.andreones.com](http://www.andreones.com)





## Your Strata Manager's role

The role of a Strata Manager is often misunderstood and can be a source of angst for clients and Strata Managers alike. The role of a Strata Manager is to help the Body Corporate or Owners Corporation ensure that all legislative requirements are satisfied so that owners' assets are properly maintained and protected. This role is both administrative and legislative in nature.

**There are five service areas looked after by your Strata Manager:**

### Accounting

- Establishing and maintaining the trust account which is owned by Owners Corporations
- Issuing levy notices every quarter
- Monitoring and recovering levies in arrears
- Paying invoices on behalf of Owners Corporations
- Paying disbursements and expenses incurred in the day-to-day running of the strata scheme
- Providing monthly account paid summaries to Owners Corporations
- Providing statutory reconciled accounts including balance sheets, statements of income and expenditure and levy status reports to the treasurer of the Executive Committee and, when necessary, the Executive Committee
- Processing quarterly BAS for the strata and arranging the preparation and lodgement of annual tax returns
- Assisting auditors in providing accounts and records for annual audits
- Establishing and managing administrative fund and sinking funds and fund budgets.

### Insurance

- Preparing and lodging routine insurance claims (maximum time per claim of 15 minutes)
- Providing insurance valuations when required
- Providing quotes to Executive Committees regarding renewal of insurances according to instructions.

### Secretarial

- Maintaining strata rolls and minute books
- Maintaining correspondence files
- Recording and retaining notices under sections 118, 119, 120 of the Act
- Issuing minutes of delegated performance of roles of Secretary, Chair, Treasurer, etc, according to delegated authority given to Managers by Owners Corporations
- Maintaining the strata common seal
- Attending to routine written and oral communication.

### Meetings

- Preparing and distributing notices of Annual General Meetings (AGMs)
- Attending AGMs and Executive Meetings during office hours at Agent's premises
- Preparing and distributing minutes of AGMs
- Arranging venues for meetings, with cost borne by Owners Corporations.

### By-laws

- Answering queries from the Executive Committee about by-laws.

These services are standard and included in your STM Strata Management fee. We are happy and willing to do additional services but these will necessarily incur an additional fee, which is always disclosed before services commence. To obtain a list of additional services and charges, please request these from your STM Strata Manager. Strata professionals are governed by the Strata Schemes Management Act 1996.

*Did You Know?*

*It costs less than a cup of coffee a week  
for STM to manage your property.*

