

STRATA LIFE WINTER 2013



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Welcome to Strata Life

A warm winter's welcome to this edition of Strata Life.

Winter sees much more of our time spent in doors, and whilst we welcome the cosy nights rugged up in front of the television, we have to be mindful we aren't expecting our neighbours to be watching the same show!

Unfortunately in strata developments the close proximity of our neighbours means we must be more mindful of how and what we do, impacts on others. Simple courtesies we extend to our fellow neighbours are what make community living work successfully.

And whilst SCA (Vic) encourages residents to talk and work out differences, there is a formal process you can revert to if and when needed.

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Rob Beck,
GENERAL MANAGER



STACK UP THE SAVINGS

Apartment owners can start saving energy and stop losing money by making their building a smart block as part of a new, national program which launches this month.



Investing in energy efficiency could save owners corporations up to 20 to 30 per cent in energy costs. The new Smart Blocks program helps apartment owners and their managers discover how to improve energy efficiency in apartment buildings and save money.

At Freshwater Place Apartments in Southbank, changes to lighting, heating and cooling in common areas has reduced average electricity consumption by 10 per cent for the year to January 2013, according to David McGlashan from Facility Management Victoria. And there's more to come.

'Programs like Smart Blocks offer valuable support for owners corporation committees to understand the benefits and their obligations to reduce costs and support a cleaner environment,' said David, who worked with owners

corporation chair Peter Renner and the committee from Freshwater Place to implement the changes.

At the core of Smart Blocks is an interactive (and free) online toolkit, designed to help people discover what energy efficiency improvements can be made to common property, including lighting, pools, hot water systems, cold water pumps, heating and cooling, which can all be expensive to run.

All apartment buildings can fine-tune the energy use of common property, but making change in an owners corporation isn't easy. Smart Blocks is about giving you the right information and guidance to get the job done.

Find your nearest Smart Blocks community workshop at
www.smartblocks.com.au



Australian Government
Department of Resources,
Energy and Tourism

Beware the Wheat Heat Bag this Winter

Alistair Nicoll, Managing Director, Link Fire Pty Ltd

It's 3 am on a cold June morning and I'm woken by the mobile on the bedside dresser. The caller ID indicates it's my older brother Glenn, who lives on the family farm in Nth East Victoria; just 200m away from my 81 year old father's home. I note to myself, this won't be a social call, it can't be good!

The night of the fire was a particularly cold night. It was below zero and there was also an unusually strong westerly wind blowing.

Normal routine for Dad was to heat up his wheat filled heat bag in the microwave for three minutes and then retire to bed.

And, it all turned to ash within 20 minutes due to a chain of small events. *So what happened?*

"Don't worry. Dad's okay. He's sitting in the ute next to me in his PJ's. We're watching the house burn down"; were Glenn's opening lines.

The home was built 50 years ago by my parents and housed four generations of our family farming history. And as Glenn was quoted saying to the local newspaper "it was no Windsor Castle but it was Dad's castle".

And, it all turned to ash within 20 minutes due to a chain of small events. *So what happened?*

On this particular night, Dad heated his bag and then took a phone call. So after he sat chatting for 30mins or so, he thought he should zap the bag just a bit more before placing it at the end of his bed near his feet and dozing off to sleep.

Approximately, three hours later, he fortunately awoke to excessively hot feet and the smell of smoke; at that point he realised that his blankets were smouldering and his toes burnt!

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FROM PAGE 1

This edition shares advice from Consumer Affairs Victoria (CAV) on the newly introduced laws for neighbourhood disputes within Company and Stratum Titles. For information on managing disputes within Strata or Subdivision style developments, simply refer to prior editions of Strata Life.

Now, in this Winter Edition; TressCox Lawyers share with us the latest updates on the continuing dispute of 'short term letting' within residential complexes, LinkFire offer an unfortunate and personal warning when using wheat bags as a winter warmer this season, CHU take us on a closer look at the increasing large scale 'Community Living' solutions being developed to compete with the demand for suburban living. And we excitedly encourage you to take up the opportunity to start saving energy and stop losing money; with the launch of Smart Blocks!

Before I close and you read on, we also remind you that whilst windows and doors remain closed to keep in the warmth this winter, don't forget to take every opportunity available to you to maintain ventilation to your home. Remember to use exhaust fans and regularly open windows to avoid the build-up of mildew and mould which is not only detrimental to the fittings, fixtures and structure of your apartment, but also your health! Find out more from PL Plumbing as you read on.

Be sure too, to check out how you can get involved and support your Strata Manager in the upcoming SCA (Vic) Awards for Excellence. Winners will be announced at the CHU SCA (Vic) 2013 Symposium in August, and will be featured in the Spring edition of Strata Life, so if you have had a great experience with your strata manager be sure to tell us.



FROM PAGE 2

He quickly tried to roll up the smouldering blankets and throw them out of the west facing window. But the strong westerly breeze entered blowing on the blankets providing yet another ingredient to emblazon the flames. The curtains caught fire. Dad dropped the blankets.

Dad lives alone and has restricted mobility due to polio; but he struggled on and managed to find a container of water in the nearby bathroom in an attempt to quell the fire. But upon return he found the fire had taken hold. He quickly closed the door and lay on the hallway floor; somewhat taken by the smoke. Luckily he had the phone in his hand and

presence of mind to call Glenn. Glenn arrived within only two minutes but what must have seemed like forever to Dad.

During the commute Glenn called Johnny at the local CFA to "get the truck to the old man's place".

On Glenn's arrival he found the house full of smoke and called for Dad. Finding him lying in the hallway outside his bedroom, he carried Dad immediately out to safety. Glenn's thoughts then turned to the house, and he proceeded to grab the high flow garden hose and drag it to the north facing bedroom window. He smashed open the window and started to douse the fire, but then... the water stopped.

The fire had caused the electrical fuses to drop out; this meant there was no power to the bore water supply pump. In less than 10 minutes the fire had taken hold and there was nothing they could do but stand back and wait for the CFA truck to arrive. By that time, the house was gutted.

It's kind of ironic that this should happen considering I actually own a fire protection company and had taken steps to make the house more fire safe.

I inevitably questioned Dad following the event - Why was he not woken by the smoke alarms I had installed? His reply, "They started beeping and I couldn't reach them, so I knocked them off with the broom handle and forgot about them".

Curious too why he hadn't used the various fire extinguishers I had installed, I had to ask on. The reply, well, quite simply, they had forgotten about them during the panic.

Outcomes:

1. Don't over heat the wheat bag
2. Maintain your smoke alarms (not with the broom handle)
3. Fire extinguishers have a set home. Ensure all occupants are aware of location and operation of any fire fighting equipment
4. Have a fire plan
5. Fortunately Dad was fully insured, and is about to move into his new rebuilt "castle".

Link to news article:

<http://www.bordermail.com.au/story/54027/everything-lost-in-dads-castle/>



SCA (VIC) AWARDS FOR EXCELLENCE

"Have you had a great experience with your Owners Corporation Manager?" Then please tell us about it.

The SCA (Vic) 2013 Awards for Excellence are open for nomination. If you would like to nominate your Manager for the 'Client Award', simply let us know in writing why they would be a worthy recipient.

Email us at info.vic@stratacommunity.org.au and be sure to identify the name of the 'person' or 'company' you wish to nominate. **Entries close 26th July 2013.**

The Rise of the Strata Community

Scott Overy, CHU Underwriting Agencies



Over the last 5 years we have seen a continuing trend of the ever-increasing size and scale of strata title developments.

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Gone are the days that every development a Strata Manager had to look after is a '6 block walk up'. In Victoria, we are seeing more and more 'Master Plan Estates' where there is very extensive common property and community amenities, intertwined with many hundreds of private lots.

For an Owners Corporation (OC) this can mean managing thousands of members, with the OC often fulfilling the role of a 'de facto local council'.

This trend is likely to continue at equal or greater speed as the social demographic demand for suburban living is increasingly being met through medium to high density strata developments. Developers continue to deliver very large scale 'Community Living' solutions.

This growing trend is placing new and complex demands on Strata Managers not only in terms of required knowledge and time necessary to service the plans, but also in terms of what they have to deliver in fulfilling their role as the trusted advisor to the OC in these strata communities.

CHU insures communities nationwide where these situations exist, and is seeing an increase in being requested to do so.

Managing complex common property can include the OC being responsible for:

- gyms, golf courses, large swimming pools, sports ovals, outdoor parks, ocean beaches – that are used 7 days a week, up to 24 hours a day, by a large number of people.
- all roads or landscaping throughout an entire community.
- stand-alone private business being run on common property, such as cafes and restaurants.

The insurance implications and exposures will vary between each and every OC. However, the above highlights some key considerations. Understanding what constitutes common property, the correct amount of liability cover and 3rd party liability cover is complex but critical to ensure the right insurance cover is in place.

If you are interested in learning more about this topic or have a specific insurance concern in relation to a 'Community Association', don't hesitate to contact your local CHU office visit www.chu.com.au

General Advice Warning: Any advice provided is of a general nature only and does not take into consideration the specific objectives, financial situation or needs of the reader or the terms, conditions and exclusions of individual policies held.

NEW LAW TO SIMPLIFY DISPUTE RESOLUTION FOR COMPANY TITLE AND STRATUM TITLE RESIDENTS

Consumer Affairs Victoria

Residents of Victorian company title properties and stratum title subdivisions will soon have a faster, more efficient way to resolve neighbourhood disputes.

Under a new law, residents will be able to take neighbourhood disputes to the Victorian Civil and Administrative Tribunal (VCAT) rather than having to go to a court.

Expected to take effect October this year, the Company Titles (Home Units) Act 2013 is intended to save time and money for residents and companies.

It also brings their dispute resolution framework into line with that for owners corporations.

Residents, former residents and companies will be able to apply to VCAT to resolve disputes about matters such as noise, residents' conduct, use of common areas, unit repairs and maintenance, and pets.

VCAT will have powers to make orders and impose penalties. However, it will not be able to alter a person's shareholding or otherwise affect a company's corporate governance.

What is company title?

Under company title, a property does not have a plan of subdivision but comprises a number of units. A company title corporation, established under the Corporations Act 2001, is the registered proprietor of the entire property. Buying shares in the corporation entitles each shareholder to exclusive use and occupation of a unit.

What is stratum title?

Stratum title pre-dates modern strata title subdivisions. Under stratum title, the property is subdivided into lots. Each unit owner is the registered proprietor of their lot and also holds shares in a service company established under the Corporations Act 2001. The service company owns and manages common property.

For more information:

Victorian Civil and Administrative Tribunal (VCAT) is the first point of contact for company title and stratum title residents with enquiries about a neighbourhood dispute. W: vcat.vic.gov.au E: vcat-civil@justice.vic.gov.au T: (03) 8685 1499 or toll free on 1800 133 055 (country callers)

Consumer Affairs Victoria has information about the Company Titles (Home Units) Act 2013. W: consumer.vic.gov.au/consultations E: consumer@justice.vic.gov.au T: 1300 55 81 81



Fire Services Levy Countdown... Not Long to Go

From 1 July 2013 Victoria will abolish the insurance-based fire services levy and replace it with a property-based fire services levy collected by local councils as part of rates notices.



The Changing Landscape of Owners Corporations - Class 2 and Class 3 Building Classifications

Andrew Whitelaw, Partner, and Casey Williamson, Trainee Solicitor, TressCox Lawyers

A contentious issue for many Owners Corporations is the use of some apartments by owner/investors for 'short term letting'.

While this brings some investors a financial return, it is often the owner occupiers who raise concerns regarding safety, the maintenance of the common areas and whether such operations improve or reduce the value of their apartments and the building as a whole.

The recent decision by the Victorian Building Appeals Board in *City of Melbourne v Paul Salter* and others delivered on 22 March 2013 looked at whether buildings must be a Class 2 or Class 3 building

The BCA defines a Class 2 Building as 'a building containing 2 or more sole-occupancy units each being a separate dwelling'. A Class 3 Building is defined as a 'residential building, other than a building of Class 1 or 2, which is a common place of long term or transient living for a number of unrelated persons'.

Watergate Owners Corporation opposed short-term apartments due to increased noise, abusive behaviour, damage and increased safety and security risks. Dockland Executive Apartment Owners argued that the use of the word 'dwelling' did not impose a qualification as to time. At

Ultimately the Victorian Building Appeals Board determined that short-term apartments ought to be classified as Class 3 apartments and thus were not permitted within a Class 2 building. It was determined that a 'dwelling' is not only defined by the physical characteristics required by the building codes, but also by a sense of connection by the occupants.

For short term letting to operate within a building, the building will need to comply with Class 3 requirements including far more stringent disability access and energy efficiency requirements, fire safety obligations and car parking ratios. Buildings wishing to

A contentious issue for many Owners Corporations is the use of some apartments by owner/investors for 'short term letting'.

to operate short term letting.

The Watergate building in question at Docklands is classified as a Class 2 residential building according to the Building Code of Australia (BCA). At issue was whether serviced-apartments which operate within this building, fall within the scope of a Class 3 classification thereby breaching the BCA.

the heart of the dispute between the parties was whether the classification should be determined based on the built environment or the behaviour.

The conjecture over the definition between a Class 2 and Class 3 Building is not a new one. The previous interpretations of Class 2 and 3 building definitions reflect that although it is important that buildings meet the requisite requirements under the BCA, Courts also place great importance on the behaviour of occupants. (See *Hafza v Director-General of Social Security (1985) 6 FCR 444* and *Armato v Hepburn Shire [2007] VCAT 603 (18 April 2007)*)

host short term letting will be required to comply with these requirements and have the building re-classified as a Class 3 Building or face being in breach of the legal requirements.

At the time of this article we understand the Building Appeals Board decision is to be appealed to the Supreme Court of Victoria. No doubt further "clarity" is therefore just around the corner.

 **TressCox**
LAWYERS

When a Leak is not a Leak – The Condensation Confusion

PL Plumbing

Condensation is a common problem in apartments during winter; although there is a simple test you can apply to confirm the problem is not a leaking window.

Firstly, is the water appearing on the window sill on days when there has been no rain? Secondly, is the moisture 'beading' uniformly on the window surface? If the answer is yes to both questions then you most likely have a condensation problem.

The severity of condensation is relative to the size of the space, surface area of window glass, the airflow, humidity from breath/dryers/showers/cooking and the temperature difference on either side of the glass windows.

Condensation on windows overnight drains down to the window sill and can overflow. This causes the architraves to swell and come away from the wall, and also for the moisture to be drawn into the underlay and carpet. The damp environment leads to content damage and creates the opportunity for mould to grow, which at high levels can pose a health risk.

The preventative solutions to consider include:

1. Reducing the overnight humidity in the room.
2. Reducing the overnight temperature in the room.

- both of these can be achieved by occupants leaving the window or sliding door ajar overnight – or at least prior to sleep to clear the air.
 - humidity can also be reduced by using a desiccant based de-humidifier.
3. Reducing the temperature differential between the surface of the window, by installing heavy duty drapes; such as to prevent the warm/humid air from coming into contact with the glass.
 4. Reducing the surface area of exposed cold glass window.

Alternatively, to mitigate damage some options include:

1. To clean and apply mould resistant paint or membrane to adjacent walls and ceilings.
2. To annually (pre-winter) refresh sealant to the top of the architrave; below the window sill to prevent water seeping behind.
3. To trim carpets back away from the window sill and install a strip of non-absorbent floor covering.
4. To install an absorbent strip under the window sill and a barrier to prevent drainage down the window sill/wall join or over the sill edge.





Winter Warmer Strata

First featured in recipedose.com

INGREDIENTS

- 6 corn tortillas
- 4 oz green chillies (drained and chopped)
- 1 red or yellow pepper (diced)
- 2 cups cheddar cheese (grated)
- 1 cup pepper Jack cheese (grated)
- ¼ cup green onions (diced)
- Jalapenos to your liking for that extra inner warmth
- 2 eggs (beaten)
- 1½ cup milk
- 1 tbsp cumin powder

PROCEDURE

1. Grease a round baking dish and place layer of tortillas at the base of the dish.
2. Layer over this base, a sprinkling of cheese, then spread chillies, onion and peppers one after the other, include jalapenos if using.
3. In a separate bowl whisk together egg, milk, cumin powder and salt.
4. Pour this batter over the prepared baking dish, cover the dish with lid or gelatin sheet and refrigerate overnight.
5. After refrigeration, bake in preheated oven at 175 degrees Celsius for approximately 30 minutes until the strata is slightly puffed and bubbly.
6. Allow it to cool to room temperature before serving.

Serves 6 As an option add salsa to the dish or serve as an accompaniment

National Licensing of Strata Managers



Council of Australian Governments (COAG) has announced, in its April 2013 communique, that the National Occupational Licensing System will be implemented in 2014 following additional consultation conducted by States and Territories.

COAG noted progress on the National Occupational Licensing Scheme reform and agreed to a request for additional State based consultation on the final Decision Regulatory Impact Statements, approved by the Office of Best Practice Regulation, to better inform decision-makers of stakeholder views. All governments recommitted to work towards a final decision on the reform by the end of 2013, which will take into consideration the outcomes of the further State-based consultations, with national licensing to commence in 2014.

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Questions? Comments? Articles?

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