

## *NEWSLETTER ISSUE 28 MARCH 2019*

We have some very exciting news regarding savings available for all of our clients – via:

- Sustainable electricity – and you don't have to have a flat roof to benefit – read about solar farm options for power supply.
- The NSW Govt reduces one of their levies – which benefits all strata owners

We also cover:

- What your options are, if you are not happy with work carried out by a contractor – simply with-holding payment may be illegal
- Which is the right paint, for the job – we provide advice from Premier Painting to guide you
- Insurance premiums on the increase – what you can do

### **SUSTAINABLE ELECTRICITY**

We are all aware of the hot debate regarding environmentally friendly power supply, and the rising costs of electricity. Our politicians seem to discuss this at some level every week or so. We have a solution for each of you – regardless the design of your roof. Sustainable power has been a passion of mine for some years – and so we have monitored and talked to various consultants over the years as to options – recognising that not all our clients can fit solar panels to their roofs. Even those that can – this was not always financially viable. Now there is a solution for **every one of you** – as our clients.

**Solar:** We recently negotiated a deal with ZED (Zero Emissions Developments) for one of our clients which will see them not have to pay for electricity for the next 30 years. The scheme will in fact generate a profit by delivering electricity back into the grid – and making almost double the money they are currently paying for electricity. From day one – this scheme will not have to pay for electricity – AND they earn income equivalent to ¼ of what they would have paid for electricity in one year, in the past.

There have been significant changes in the types of solar panels and their efficiencies in the past few years – and ZED are at the for-front of this. They have, for instance – overcome issues other providers are experiencing with break downs due to over-heating in the solar panels that track the sun (to gain maximum exposure during the day). Such breakdowns obviously create various issues which are most unpleasant. ZED guarantee their work for 30 years from date of installation.

Further, we have been liaising with ZED in their progress with storage options – which is cutting edge. The systems currently available to the consumer provides for battery storage of the power generated – which is not environmentally friendly. However, ZED offer two environmentally friendly options – which we can arrange for them to discuss with you if the committee instruct your manager.

**Where to start:**

**Solar panel installation:** If you have a flat roof – now is a great time to get a proposal from ZED as to your options and sustainability. This can be an opportunity for the owners to not just save on electricity costs (even though in some scheme's this amount is small) but more importantly - the income you may generate could be significant.

**Solar farm:** We recognise that many clients do not have rooves that are solar panel friendly – but it is still possible to save and be more environmentally conscious.

We have negotiated with ZED to provide power from a solar farm. This has been done already in QLD, but not yet in NSW.

**So, you can be the first scheme in NSW to sign up to this option.** It does not require any solar panels on your property – but you can get solar power from a farm outside of Sydney. **This is an exclusive offer for Progressive Strata clients only – ZED is not offering this arrangement to any other strata management firms.**

This is very reliable. Even extended periods of cloudy days do not affect the supply. With this option also come savings. You can sign up to a solar farm for as long as 10 years – paying the same rate for that whole period and get away from the ever-increasing prices. If you stay with that same solar farm – you can sign up for a further 10 years after that.

We know some scheme's have been considering their solar options for some time – but due to the only viable method being panels on their own property – they have not been able to proceed. Now there is another way. If you are keen to move on this – please contact your manager today via email to start the ball rolling.

If it is something you haven't previously considered – we will be placing this on the AGM agenda for the next 12 months



only. It is an opportunity for your group of owners to discuss and decide if they will continue to be connected to the grid and pay the rising electricity prices – or get off the merry-go-round and get a fixed fee agreement and take control of electricity costs for the next 10 years.

**We have put up a basic Q&A sheet on this – on our website** – after this newsletter - if you want to know more.

## GOVERNMENT LEVY REDUCED

Those who have been with us for some years will be aware we reported in April 2016 that the NSW Emergency Services Levy was to be reduced – however, when it finally came down to implementing; the NSW Govt backed down - for fear of reprisals at the polls. The 2016 option would have more evenly distributed this cost across all property owners via their council rates – not just in a fee added to premiums – paid by those who insure (and of course scheme's must legally be insured).

The good news here is, the following reductions will soon be seen on policies falling due now.

Residential properties	from 16.5% currently	down to 13%	from 1 April 2019
Commercial properties	from 30% presently	down to 27%	from 15 March 2019

## WHAT CAN YOU DO IF YOU ARE NOT HAPPY WITH A REPAIR

No one wants to pay if a job is not performed satisfactorily – however what are the options and what does the law say you can do about it?

Two very important legal processes exist:

- You cannot simply decide not to make payment – under *Building and Construction Industry Security of Payment Amendment Bill 2018* – even if you do not have a formal contract or work order.
- If the contractor is licensed – you can refer the matter to NCAT who can either issue an order for the contractor to return and rectify – or a Tribunal may order costs to be paid so you can have someone else rectify the works.

For this newsletter we will deal with the first point only – as it is time critical.

As soon as you are aware there is a problem with any work – even the smallest job – e.g. an intercom repair - please advise us what is wrong (your issue with the work performed) IMMEDIATELY, we will also need to know – if you know – who performed the work and when.

**It is illegal not to pay for work performed.** The *Building and Construction Industry Security of Payment Amendment Bill 2018* was passed to protect those in the building industry – which includes builders, electricians, plumbers and consultants etc. This requires that if there is an issue with invoiced work, that party is notified within 10 working days with a Payment Schedule indicating what part will be paid and which won't and this must be substantiated.

To ensure this timeframe can be met – we require immediate notification of an issue (All owners and committee members take heed). **So, if we send an invoice for approval – OR – you become aware of unsatisfactory work – whether in your unit or otherwise – we must be informed in writing within 24hrs to allow enough time to lodge the required paperwork and defend the scheme's position.** Failure to do so may see legal action taken under this legislation. The whole intent of the Act is to protect the contractor here – not the consumer. Failure to issue the Payment Schedule within time will likely see an Adjudicator find against the scheme.

When the original legislation was passed many lawyers considered it very draconian and one sided. We are not aware that this view has changed with this recent amendment. Even so, it is best to remain vigilant so as not to find oneself paying fees to a lawyer – which is likely to be more than the sum disputed - because the Owners Corporation failed to meet its legal obligations to the contractor and inform them of the issue with the work and what amount they would be receiving against their invoice. This is one scenario when two wrongs do not make a right.

## WHICH PAINT FOR WHICH SURFACE/LOCATION

We have uploaded a guide as to which type of paint to use, where – and why – from the great team at Premier Painting. Whilst we use professional firms to paint your building, who know how to do the best possible job – we provide this as a guide to you in your home – in case you are unsure – we trust you find it helpful.

Please see the link on our website – under this newsletter number 28.

## INSURANCE PREMIUMS

As there is only a handful of insurers across the world – with those we deal with day to day being either underwriters or re-insurers etc – major events everywhere in the world where policies are widely held, impact all insurance companies and hence their premiums.

Unfortunately, the recent floods in Townsville will no doubt see insurance policies significantly increase in the coming 12 months. Whilst brokers do shop around – as indicated – all policies feed back to about 5 world wide insurers – and hence as all are facing these extra claims – it is extremely important to review what a policy covers – not just the amounts/sums insured – but the policy wording – ie events you will be able to claim.

To improve how attractive you are to insure, we covered what schemes can do to reduce claims etc in issue 26 which can be found under the “Newsletters” icon on our home page.