

NEWSLETTER ISSUE 6 JANUARY 2012

Welcome to 2012 - I am very excited about what the year holds in store for us at Progressive Strata Services. I sincerely hope that 2012 is an outstanding year for you also. The points covered in this issue are:

- Cost savings - receiving documents via email.
- Sydney Council choose to trial sustainable living initiatives in a building under our management
- What is coming up at your Annual General Meetings this year.

Options for every owner to save

We are very excited to be launching Docmax – an option for every owner to access even more information online. Entry is available with the password issued when you became a client of PSS.

Currently all owners have a password – given either individually when you settled on your unit or at the time the scheme as a whole signed up with PSS. At present, this password allows access to the scheme's financials and your individual lot statement online.

Within a month your AGM agendas and minutes, as well as the scheme's insurance details, will be accessible using this same system. In the past, due to the labour involved, we charged for providing this information at the time of an owner's request (as the information had already been provided by our office). Very soon, however, you will be able to see this information free of charge online.

If we need to reissue you with your password, a one-off fee of \$33 will be charged (this is the current cost of providing just one of these documents).

Sustainable living

Last year we covered time-of-use charging of electricity. As the technology already existed in most modern buildings, it was just a matter of changing the timers to come on at 8pm during the week where possible. Older schemes are also making the change, and they too are seeing significant savings.

We are thrilled to be working with one of our clients on a project instigated by the City of Sydney Council (CSS) to explore how schemes can make themselves more cost-efficient and friendly to the environment.

Only 4 buildings were chosen by CSS to work on various sustainability concepts which are being audited to determine their cost and other efficiencies. The residents involved, including the tenants, are enthusiastic about the changes that have already been made and are excited about the future aspects of the exercise.

It is expected that these initiatives will take some years to work through and implement. Further, we note that none of these measures have needed direct intervention from the council as they have gone smoothly with only suggestions and guidance. Other entities such as consultants have also been successfully involved in the implementation and auditing so far.

We are considering holding a forum to share with our current clients those ideas which have already been tried and proven the most popular and cost beneficial.

If you are a client of Progressive Strata Services and are interested in attending a forum to hear from some of the parties involved please email us at reception@prostrata.com.au by **5pm on 25 February 2012**. Include your strata plan and lot number (you'll find this on your levy notice). If this proceeds contacting us now is the only way to guarantee you will be updated on this event.

Decisions to be made at your AGM in 2012

At your AGM this year you will find four new motions, covering the following matters:

- To pass a bylaw which will allow your agendas, minutes and any other legal notices to be emailed to you.

This is different from Docmax which was referred to at the beginning of this newsletter. Docmax provides access to current and past information.

This bylaw option offers the possibility for notice of any upcoming meetings to be emailed to you (as well as the minutes). This stands to *produce cost savings* on photocopying and postage charges, as well as being friendly to the environment.

Passing the bylaw does not mean that you will automatically receive documents in this fashion. Rather, *you will need to “take up” this option by writing to us after the meeting* to advise us that you wish to receive legal documents in this way and what your preferred email address is.

- To engage the services of a consultant to update your Sinking Fund Assessment (SFA). As of 2005, it became a legal requirement to have a SFA that plans the “capital” expenses for a scheme for 10 years and is updated every 5 years. In 2010 schemes under our management reviewed their SFA to see which works needed to be implemented. We will be placing a similar motion on the agenda again next year, hence updating the SFA is timely now. Committees should review their 2010 AGM minutes to check that all agreed work has been completed.

A carbon tax will start in July and see increases on most, if not all, cost of living items (at the end of the day, the consumer pays). Budgeting to undertake measures that will save the scheme money can be programmed into the long-term expenditure for the scheme. So, whilst you are maintaining the common property, you have the option to go the extra step and ensure that ongoing maintenance/running costs are ultimately reduced.

Part of the motion will be an option to have sustainable living measures included in the revised SFA. Most SFA consultants will need information on what your plan can/will be doing (hence attending the forum for ideas will assist in liaising with those consultants). These items can then be “plugged in” to be done over the next 10 years (or sooner, if your scheme so chooses). Generally many clients and managers do not look to address the negative impact of higher levies until owners are actually hit in the hip pocket and complain. Reducing levies is equally beneficial to resident and investor owners. At PSS we always look at initiatives for you to reduce costs. One can guarantee that as governments push communities towards sustainable options, doing nothing will see your expenses increase. We suggest you plan to manage this where you can now.

- A motion to sign up to Ebmax in the interests of protecting your scheme when engaging contractors. This automatically checks that each contractor you engage is licensed and has the correct insurances in place. If a contractor is not licensed and an issue occurs, no action can be taken via the Office of Fair Trading. Similarly, should a contractor without the correct insurances have an accident, the scheme runs the very real risk of being tied up in a messy court action since you are deemed by Workcover to be the controller of the site.

- At the end of 2010 the NSW Government passed legislation to change (for the umpteenth time!!) the *Home Building Act 1989* (NSW) and made it harder, yet again, for consumers to make Home Owners Warranty claims. Such warrantee’s are legally required for work in excess of \$12,000 – and may include projects that your scheme has undertaken. Accordingly, we wish to check if there are any problems with work your plan has had done in recent years which need to be fixed by the entity that did the installation or repair. If there is an issue, don’t wait till the AGM - let us know now by putting it in writing to reception@prostrata.com.au. The AGM will only formalise our notice to you and record minutes if anything requires follow up.

As you can see, 2012 is looking to be a big year of benefits available to you. We look forward to working with you again to manage your scheme and achieve your goals, as well as helping to undertake risk management to protect your valuable asset.

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