

### HARMONIOUS LIVING

Harmonious living requires co-operation of all residents. To help everyone understand, there are **rules** called **By-laws**.

## INFORMAL TALKS

Living near others is easier, if you can develop good relationships.

Talk with neighbours – build your community.

# FACT SHEET

HOW ARE THINGS RUN?

### **RULES FOR EVERY DAY LIVING (BY-LAWS)**

### Clear rules for harmonious living – every Strata has them

Owners can obtain a copy of the bylaws from the strata committee secretary or strata manager. (They will probably be happy to supply tenants as well.)

If you are a tenant (renting), your agent or landlord must provide the by-laws within 7 days of contract signing. They must give you a new copy if the by-laws change.

NSW-gov Understanding By-laws

Understanding By-laws, Chinese 了解物业管理细则

#### If there is a problem

Start a friendly conversation. Or try a short, friendly note – offering help is a great way to create goodwill.

Sometimes a neighbour may react badly at first – **give them time to think things over**. Stay calm, friendly and open... be forgiving. <u>NSW-gov Resolving Disputes</u>

#### Formal Steps – Rule Broken (By-law Breaches)

- 1. The strata committee may talk to the offender
- 2. A 'notice to comply' may be issued by the strata manager for the owner's corporation.
- 3. Then, the Committee may contact the Department of Fair Trading and request **mediation (provided free of charge)**.
- 4. Next step, NSW Civil and Administrative Tribunal (NCAT) can decide whether a by-law has been broken and issue a fine of up to \$1,100.00.

Breaches Webinar, Step-by-step. LookUp Strata



### **WEBSITE**

Does your complex have a website?
Check it for handy information.

### IF YOU OWN

There may be an owner portal you can access.

### **IF YOU RENT**

There may be a Tenant Representative. Also refer to the <u>Renters Kit</u>.

### **MEETINGS**

Knowing the reasons behind decisions reduces worry.

NSW-gov Types of Strata Meetings

Making Strata meetings work for you, Strata Skills 101 (video)

# FACT SHEET

HOW ARE THINGS RUN?

### SETTLE IN, LEARN ABOUT YOUR NEW HOME

### Every complex has its own personality

Check Noticeboards, chat to neighbours – don't be put off if they are not helpful, keep going until you find someone who can assist.

If you are a tenant, check that your agent has provided a copy of the By-laws and ask if they have any tips.

Get used to the term <u>STRATA</u> or Strata Scheme – a building, or collection of buildings:

- LOT: the property that each individual lives in (such as, an apartment, villa or townhouse)
- COMMON PROPERTY: the property connected to the lot & outside around the building/s (such as, external walls, foyers and driveways)
- your floors, ceilings and walls are connected to common property, so remember to get permission to make changes to fixtures, tiles, etc.

There may be a **Building Manager** who can help. (Full time or part time.) Introduce yourself – being friendly makes it easier if you need them later.

A **Strata Committee** of volunteers makes decisions on behalf of owners – they may help new owners and tenants.

Misunderstandings and frustration may arise from incorrect assumptions. If your committee is not good at communicating, seek help from other sources.

Read/download: Strata Committee, Steps

Working with your Committee often takes time to get right.



### **WEBSITES**

Read or watch online – tips for Strata Living NSW Fair Trading

Sign up to Newsletters / Insta OCN Lookup Strata Instagram StrataSkills101

Prefer a different language? Check government websites for help – State / Local

NSW-gov Annual Reporting FAQs Korean

NSW-gov Annual Reporting FAQs Arabic

### **HELP OUT**

Good communities have small, informal working groups – a great way to get tasks done and support the Committee.

# FACT SHEET

HOW ARE THINGS RUN?

### STRATA COMMITTEE

### **Owner Representation**

At each annual meeting, owners elect a volunteer group to manage the running of the scheme: the **Strata Committee**.

Questions for the committee? Be prepared with facts and figures. Be brief, so you can be understood. If you're an owner, you can read previous meeting minutes and records.

Any owner can nominate themselves for the committee and attend formal committee meetings as an observer.

NSW-gov How to run a Strata Committee Meeting

NSW Committees, LookUpStrata

When is the Committee elected? Annual General Meeting. How? By vote, then ballot if too many applicants for positions. Who can vote? Owners ('Owners Corporation'). How many? Usually depends on the size of the scheme.

After elections, the Strata Manager is not usually present at the meeting deciding positions: Chair, Secretary, Treasurer.

Meetings may be held between Annual General Meetings, there is no legal requirement for them or how often to hold.

### **Tenant Representation**

If people who rent occupy **50% or more** of the properties in a strata scheme, They can appoint a **Tenant Representative**, who can attend committee meetings and speak on tenants' behalf.



### **COFFEE CHAT**

During the year, stay in touch with residents of other buildings. Compare experiences, costs and how problems are tackled.

Learn about significant savings made with easy organisation & free Council programs.

Find ideas to keep electrical appliances out of bins & use a local recycling contractor for polystyrene – you may save **tens of thousands** in Council service fees.

Waste Management Review

RecycleSmart, What we collect

# FACT SHEET

HOW ARE THINGS RUN?

### LEVIES PAID BY OWNER

### Are your levies keeping up?

Each owner in a strata scheme contributes financially to the day-to-day running of the scheme by paying a quarterly 'levy'.

Levies are set at each AGM and divided between 2 funds: **Administrative Fund** – every day costs<sup>1</sup>. **Capital Works** – fixing, maintenance costs<sup>2</sup>, as per **10-year Plan**<sup>3</sup>.

- <sup>1</sup> Common property maintenance, insurance premiums, electricity, water, garden maintenance, strata manager fees.
- <sup>2</sup> Replacement of major items, non-recurring expenses, such as painting, repairs, fixtures.
- <sup>3</sup> Sets out potential works and estimated costings for the next 10 years. The plan is reviewed every 5 years.

<u>How Levies work, Strata\_Skills\_101</u> – **essential video for owners** <u>NSW-gov Levies, Finances, Insurance</u>

Not enough funds?
There may be a need for a <u>Special Levy</u> or <u>Strata Loan</u>

If you are unable to pay your quarterly levies speak to your strata manager about a payment plan.

More: NSW-gov Levies Finances Insurance (1/3 down the page)

#### **BUDGET EFFICIENCIES**

#### Remember to be effective outside Strata

Did you know that you might be able to reduce Council rates by improving recycling & using fewer red bins? Hundreds of dollars in savings for every owner would be handy!

Local Councils often give funding to assess installation of efficient lighting & water systems – thousands might be saved.



### LEARN STEP-BY-STEP

It takes a while to figure out all the parts of shared living in 'Strata'.

**Keep looking** until you find a person, website or group that suits you.

**Keep learning** – situations & regulations change, other residents may have ideas which you can use.

### THE GOVERNMENT'S BIG RULE BOOK

The Strata Schemes

Management Act (2015)

# FACT SHEET

### HOW ARE THINGS RUN?

### **RECORDS**

### Poor records may mean poor management

Documents recording operation of the Strata are usually kept by the Strata Manager – e.g., accounts, insurances, minutes, fire safety, correspondence, defects, legal, by-laws.

A 'key financial statement' is a record that must be sent to each owner before every Annual General Meeting (AGM)

Don't wait for things to go wrong! The Strata Manager should be contacted **every 3 months**, to ensure records are up-to-date. This also prompts you to check if anything has been forgotten.

Beware: due to Strata Managers having different software systems, records are often lost in transfer.

Webinar by LookUp Strata What an eye-opener!

A strata report is an inspection of these records.

More (scroll half-way down): NSW-gov Strata Report

#### STRATA HUB – MANADATORY

### Information to assist government & essential services

NSW: Strata Managers or the Strata Committee must upload specific details to the NSW Government **Strata Hub**.

Strata Hub reporting will bring greater accountability on how strata schemes are run. More: Strata Hub



### **'SQUEAKY WHEEL'**

If you ignore your Strata Manager, chances are that they will ignore your scheme.

Collaborating effectively means records will be kept efficiently and the scheme receives the best service possible. Within a company, the skill can vary greatly.

# COMPLAINTS ABOUT STRATA MANAGING AGENTS

Complaints about a strata managing agent should initially be raised with the agent or their supervisor.

If a grievance can't be resolved, it can be lodged with the

Office of Fair Trading.

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### STRATA MANAGER

### Owners may choose to appoint a specialist

The Owners Corporation may engage a strata managing agent. They are bound by laws which set out rules and procedures.

The Owners Corporation may resolve at a general meeting to delegate all of its functions to the strata managing agent, or only some of those functions.

Any functions of the committee may be delegated. For example, preparation and distribution of meeting minutes and maintenance of the strata roll (resident details).

A strata managing agent must disclose at the Annual General Meeting if any commissions or training services have been provided or paid.

#### **Choosing a Strata Managing Agent**

Seek recommendations from other strata schemes. **Track record**, **skills**, **and** 'fit' **are critically important**. Consider whether the Strata Manager accepts commissions.

Price can be a misleading factor, as a lesser charge up front may mean more charges are built into the Agreement and the total cost is greater than anticipated.

For a new build, the agent in place may have been appointed by the developer, so consider potential conflict of interest.

There are companies that can assist in such selection, including formal tendering.

The Owners Committee can seek amendments to the Agreement, e.g. reduction of the term and deletion of conditions allowing commissions.