

Mr A Roberts

Minister for Fair Trading

1 Fitzwilliam Street

PARRAMATTA NSW 2150

16 January, 2013

Dear Mr Roberts,

I am writing to you as a Strata Inspector and regular visitor into Strata Management companies and self-managed strata complexes within the CBD and greater area of Sydney.

I have my own registered business, which has been in operation for some 4 years and was a strata manager previously. I have been within the strata industry now for some 19 years.

I am also a current member of the Strata Inspector's Association formed in 2011.

As an inspector, I would carry out approx. 25 inspections a week. I have progressively noticed a decline in the quality of records being presented to us as searchers by predominantly strata management companies, and as such I wish to highlight some of the issues we are encountering on a daily basis. Most of these issues are in breach of the Strata Titles Act (the "ACT"). While I realise I can lodge a complaint, the list is quite comprehensive and therefore would be quite expensive and time consuming.

While there is currently a review of the ACT, nowhere have I seen any issues addressed by searchers or even recognised as to what is going on in companies. If anything, the issues raised by strata management companies have been well received.

The list has been compiled from the input from a number of strata inspection companies over several months.

I have been compelled to send this letter as a result of my visit into Bright and Duggan Strata Management the other day. I did an inspection of SP57556, a 405 lot strata plan and the records I was provided were a joke. I have taken a photo of the "boxes" I was given showing how much I had to inspect. 5 manila folders with next to nothing in them. I have sent an email to the principle advising him of the inspection and lack of records, and have yet to receive a response.

It is just not good enough. This is a dally occurrence for most inspectors.

Please take the time to read the list of some issues we are encountering.

I would appreciate your feedback.

Yours sincerely,

Allison McKnight

Strata Property Inspections Pty Ltd.

PO Box 112

Epping NSW 1710

Contact:

(B) 8819 2073

(F) 9801 0914

List of strata management issues-in alphabetical order

ACE Body Corporate-Balmain	Sent out blank financials statements to Owners (SP71656). Blamed the problem on computer issues. Went on for two years. Disbursement charges included these reports. CTTT appointed new manager after owner complained/applied for new manager.
Advanced Community Management	Charge for printouts regardless if you want them-9 pages in total.
Axiom Strata	Have to send an email requesting a search day/time. Can take days before a response is given advising what day and time you're allocated. Given files one at a time
All Suburbs Strata	No booking until the authority is received in their office. Say they are full when 1 or no one has been in searching.
Bay Realty/The Property Centre	Charges for additional lots (garages/car spaces) if under separate title. Cheques made out to The Property Centre regardless if building is gst.
BCS	Records kept electronically. Charged for printing out documents off computer. Not all scanned in. Cannot guarantee all is available. Computer issues-logged off/logging on for additional searches. Time involved.

<p>Bright & Duggan</p> <p>(EXAMPLE ATTACHED)</p>	<p>Minimal records presented. Archive records (records older than 12 months) require 5 working days notice. Records were taken off a searcher by the manager and told they were not for viewing (Alex Borzillo). Have to ask for defect files. Charge \$66 for a same day search request. Archive retrieval takes 5 days for older than 12 months. No current correspondence.</p>
<p>Conti Strata</p>	<p>Files on computer. Charge for printouts. Have 2 computers but cannot take more than 1 searcher at a time-computer only logs in 1 person. Charges \$10 to email pfd defects files.</p>
<p>Guardian Strata</p>	<p>Files on computer. Files unsorted, not up to date. Have to ask for items not found loose or on the computer. Missing files/paperwork. Certain files for viewing on computer. \$1.00 per page printing.</p>
<p>GK Strata</p>	<p>Records kept electronically. Charged for printing out documents via the receptionist. Not all documents on the computer have a description. Time involved. Cheques made out to GK Strata.</p>
<p>Independent Unit Management</p>	<p>Less and less provided. Cannot guarantee all is provided.</p>
<p>Matrix Strata</p>	<p>Need to fax/email request for a search along with the authority. Are given day and time options. Often take only two a day or sometimes none if he</p>

	isn't going to be in the office.
Netstrata	<p>Various systems used. Books, current files scanned and archives scanned onto discs. Up to 3 systems to search. Searchers do not see all documents- strata managers have access to a different system to what searchers see.</p> <p>Computer system issues-slow, freezes. Pay for printing off the computer. Time involved.</p>
NSW Strata	<p>Need to check current working file from the manager's desk is presented. Now on BCS computer system. Pay for printouts.</p>
O'Connors Strata	<p>One set of records say the contents "are not to be made available for searchers".</p> <p>Breach of the Act.</p> <p>Computer system super slow. Time issues. Must sign a form acknowledging files presented.</p>
O'Neill Strata	<p>Minutes not up to date. Not always given the current set of financials. Only sight year-end figures. Have to ask.</p>
Rosen & Co	<p>Have to ask for all records. Never presented with everything.</p>
Somerville 1st National	<p>Need to ensure the current working file from the manager's desk is provided.</p>
Stanton & Taylor	<p>Electronic record keeping. Poorly categorised. Charge for print outs. Cheques made payable to Strata manager.</p>
Strata Choice	<p>Keep records electronically. Not everything scanned. Minute books lost/not found/told they don't have.</p>

	<p>Eg.-SP60233 Exec Minutes not scanned, report on terrace repairs not scanned, invoices not scanned totalling \$79,000 as "Building repairs". Inspected twice as we were told it was on the computer. It was on the manager's desk. They tried to charge twice for the inspections. Inspector's computers always have problems. Time involved. Try to charge for time over when we have been kept waiting while records are being looked for.</p> <p>Restrict number of searches a day. Have been known to not allow more than one plan search a day per company (particularly if one is a big plan)-at the discretion of the receptionist.</p> <p>Rarely find anything listed under "repairs and maintenance" on computer.</p>
<p>Strata Title Management</p>	<p>Cannot guarantee all files are presented. Files not found. Current working file from manager. Never given invoice file. Charging incorrectly. \$33.00 for all inspections regardless of buildings gst or not.</p>
<p>The Heights Strata</p>	<p>Paper mess. Often cannot find relevant records-lost in the office!!</p>
<p>Titles Strata Management</p>	<p>Charge excessive amount for printouts. \$26 financials \$10 levy schedule. Do not always provide current set of files (financials/levies). If you don't ask/pay for printouts it is very difficult to ascertain figures. Charging incorrectly (GST).</p>

Universal Strata	All bad. Dreadful record keeping/financial accounts/minutes etc.
Wellman Strata (EXAMPLE ATTACHED).	Need to complete a booking sheet prior to the appointment. They then allocate a time available. Sheet attached. Only keep current records 2-3 years-all else archived. 48 hours to retrieve.
Wolody Strata	Are considering converting to scanned documents for inspecting. Were told not all would be scanned-like letters in relation to disputes.

General Problems:

Electronic keeping of records:

- Poorly organized/categorized. At the discretion of the manager where things are put.
- Charge for printing off system. Some managers charge \$1.00 per page.
- Different systems for searching to that of the managers-at least 2 known companies.
- Selective what is put on the system.
- Lack of descriptions in category listings.
- Computer system issues-freezing, log outs, slow processing. Time issues.
- Cannot guarantee we have sighted all files.

Provision of records:

- Defect records often not provided. Have to ask for them.
- Lack of records at some strata manager's offices -particularly over 3 years old.
- Cannot guarantee we have sighted all files.

Charging:

- Incorrect charging by majority of strata managers and some self-managed complexes.
- Strata managers registering stratas for GST when not required.
- Want payment for inspections for \$33 (regardless of whether strata is GST registered or not) often made out to the strata management company.

Agreement of strata inspections:

- Some strata managers request searchers sign a form confirming what they have been provided for the inspection.