

Comments to NSW Minister of Fair Trading about lack of proper strata laws, especially referring to poor services by BCS Strata Management and attempts to spend owners corporation funds on unnecessary works:

<http://www.openforum.com.au/content/strata-laws-online-consultation-question-1?page=1>

Tue, 28/02/2012 - 14:03 — Joanne Cheng

### Serious issues

It would be very much appreciated for giving us the opportunity to voice and to raise the Strata Schemes serious issues harming the Owners Occupiers life. I wish the reform of the existing Strata Laws will be beneficial to everyone!

CTTT imposed penalty to the Owners Corporation \$750.00 for explanation of delay for the repair of the investors property damaged by the tenants who carried out the catering business in the residential premise. CTTT ordered the Owners Corporation to repairs the property must be completed within six months.

But CTTT had approved the Compulsory Strata Manager's application for extension of his period year after year with the mislead information.

Schedule 1 General rules of conduct applying to all licensees and registered persons must be displayed in the office.

In March 2009, I was injured and out of work. I received a bankruptcy from the Compulsory Strata Manager **BCS** because I could not make a payment of \$12,560.00 for a Special Levy to repair the investor's property damaged by their tenants.

My lawyer proposed on my behalf offering \$ 7,000.00 as an initial lump sum payment and then further instalment \$500.00 per month.

\$7,000.00 was enough to cover the repairs of Lot 5 as an initial quotation obtained for the repairs was about \$38,000.00 for this Lot.

Legal Aid's Lawyer confirmed to me that Credit Collection Services Group overcharging me. The Compulsory Strata Manager ignored it and double charged me, with one invoice he charged me twice. He refused us to make instalment payment.

The Compulsory Strata Manager of BCS applied a loan of amount \$110,000.00 on behalf of the Owners Corporation without the consent of the Lots owners. We as the owners occupiers each had been forced to pay \$5,500.00 per quarter for one year. (2010)

All was planned and controlled by the Compulsory Strata Manager of BCS. He then resigned and appointed his colleague to replace his position with the approval of CTTT.

On 15 March 2011, the written submission by the Lawyers of Salvation Army clearly stated that:  
" 2. In summary, while the majority lot owners are not wholly opposed to the appointment of a Strata managing Agent to manage the property pursuant to section 162 of the Strata Schemes Management Act 1996, they are strongly opposed to the appointment of BCS as they believe that BCS has not performed its duties as Strata manager efficiently or in the best interests of the majority lots owners."

"9. As can be seen from the decisions of the Adjudicator made 6 January 2009 and extended on 5 January 2010, BCS was appointed pursuant to section 162 of the Act primarily to " facilitate works required to be undertaken to restore the building of SP to satisfactory level for the occupation and enjoyment of all the occupants thereof ( see Order 2(b) made 6 January 2009 Tab F of the Application) and perform the function ` of completing the works set out in that order which are outstanding." The original order was made for a period of 12 months with the Adjudicator noting that at the expiry of that period " democracy should resign."

"11. The majority of Lot owners submit that BCS should not be re-appointed as Strata managing Agent of the property as they have failed to carry out their duties appropriately or effectively. This is evidenced by the fact that after two years of being subject to the compulsory appointment of a managing agent the owners corporation are yet to fully comply with the order of the CTTT made 2 April 2007. BCS has failed to satisfactorily achieve the primary and most important basis of its appointment."

The Compulsory Strata Manager who has failed to perform his duties and to act for the best interests of the majority of Lots Owners, has spent \$4,000.00 from the Owners Corporations fund to M.G Lawyers( the Owners Corporation's Lawyer) to draft the application for his extension period.

After the appointment of the Compulsory Strata Manager , Mr B.J of BCS, he engaged an engineering firm Esk. Partners who proposed that the entire perimeter of the building be underpinned. He then convened a meeting of the executive committee of the Owners Corporation of Strata Plan( which consists only of himself) and had resolved to enter into an agreement with the accompany B.Tuffy Developments for the purpose of the complete perimeter underpinning on incomplete information, never actually investigated the existing footing and it is not known whether piers exist already.

The proposed costs exceeding \$300,000.00 noting that only one tender was obtained from B.Tuffy Developments. Underpinning comprises\$238,000.00 of the \$325,150.00. The quotation allowed for underpinning to a depth of 5 metres with a variation rate of \$1,363.00 extra per line metre.

On November 2007, a quote was obtained from the same builder B.Tuffy Developments who quoted a price of \$29,678+ GST to effect the underpinning.  
The Compulsory Strata Manager was intending on undertaking very expensive building works that may not be necessary.  
The rectification costs are disproportionate to the value of the Lot. An appraisal of the Lot5 indicated a market value of about \$390,000.00 in 2009.

We obtained the services of structural engineer B.Lee who concluded that the underpinning was not necessary. We obtained a further report Arup which concluded that the underpinning is not required. Further, we arranged for a representative from Uretek to visit the site confirm whether the proposed works could be undertaken by way of grout injection. Uretek advised that no subsidence of the footing existed and therefore noting need to be done.

The Affidavit of N.D.M stated that " there was no danger of the building suffering any or immediate collapse and it was generally sound in its construction. This fact is clear because the movement and cracking which I initially examined in 2003 has not progressed at the date of this report, namely 2009. That is, there has been no movement over six year."

A submission to CTTT seeking variety of the orders relating to the Strata Plan with B.Lee, Arup's reports and Uretek's opinions was unsuccessful.

Trustees for Sale of Lot 5 requited to CTTT an extension of time to make submissions a further report from B.Hawkins ( Aurecon) commissioned by the Compulsory Strata Manager B.J.

The Owners Corporation's Lawyers M.G stated that " the Aurecon report is not an Owners Corporation document, it is privileged document of the unit 5",and he had charged the Owners Corporation \$6,688.00 (M.G invoice on 5 November 2009).

The Strata Laws should be improved by allowing an owner to seek the order against the incorrect decision or bullying solutions.

Do not allow the majority to pass any unfair motion dealing with conflict of interests , discrimination and bullying.