

For SP52948 owners and tenants

On 17 October 2023, NSW Fair Trading (case 11138875) reached decision that Waratah Strata Management failed in its duties for financial audits - the first step in Lot 158 prevention of mismanagement of the complex.

Thank you for your correspondence regarding management of SP52948 by Waratah Strata Management Pty Ltd (the Agency).

Fair Trading regulates the property sector in New South Wales and can take action against traders who have engaged in illegal conduct. All information we receive is assessed against our various consumer protection laws.

NSW Fair Trading cannot assess issues which are more than 3 years old or where matters are subject to an order or determination by the Tribunal or court of competent jurisdiction.

Based on the information provided, Fair Trading identified that the Agency failed to provide a copy of audit reports to the owners corporation as required under Schedule 1, Clause 9 of the Strata Schemes Management Act 2015 (Act). Fair Trading has taken appropriate compliance action in accordance with our policies and procedures.

If the owners corporation is dissatisfied with the performance of the strata managing agent, the owners corporation may consider convening a general meeting to terminate the management agreement. If considering this option, the owners corporation should carefully review the agreement for termination conditions.

A lot owner has the option to follow the dispute resolution process applicable to strata schemes by submitting a motion/s to be included on the agenda of the next general meeting.

Some of further issues: SP52948 repayments in amount of \$28,545.69 (GST excl) to insurance companies for legal costs of Solicitor Adrian Mueller in 2017, 2022, and 2023, repayment to insurance company in amount of \$1,574.00 (GST excl) for water leak damages which were below excess threshold in FY 2022, rejected claim by insurance company in amount of \$13,497.00 in 2021 for sunroom window frame of Lot 190 destroyed by strong winds on 30 November 2020 with owners corporation carrying out additional costs of \$12,270.00 for repairs in Lot 190, and legal documents related to past engagements of Solicitor Adrian Mueller, insurance commissions paid to Waratah Strata Management in amount of \$47,849.98 since 2018 with evidence of previous strata agency BCS Strata Management not allowed to receive insurance commissions due to conflict of interest, and insurance premiums growing by 50.84% in FY 2023 and additional 21.57% in FY 2024, costing owners now \$181,778.06 while SP52948 has \$10,000.00 excess for each and every water-related damage or water-leak explorations.

As of 18 October 2023, negative balance (DEFICIT) in Admin Fund reached \$272,482.76. That is the highest negative balance ever reached for SP52948. Owners still have to pay monthly salary (for October 2023) for building manager Uniqueco Property Services before next collection of levies on 1 November 2023. It is almost guaranteed that negative balance in Admin Fund will go above \$300,000.00 by the end of October 2023.

Strata Plan 52948		Macquarie Gardens, 1-15 Fontenoy Road, Macquarie Park NSW 2113	
Administrative Fund			
	Current period	Previous year	
	01/09/2023-18/10/2023	01/09/2022-31/08/2023	
<i>Total expenses</i>	283,450.73	898,866.80	
Surplus/Deficit	(283,135.62)	(65,148.09)	
Opening balance	10,652.86	75,800.95	
Closing balance	-\$272,482.76	\$10,652.86	