

ELEVATION

Welcome

On behalf of the team at STM, we hope you and your family had a safe and enjoyable festive season. As we step into 2012, we enter an exciting time at STM with many projects designed to improve efficiencies and enhance our service to clients through greater interaction and the use of self-service products.

Firstly, I would like to introduce our new website (www.stratatitle.com.au). This website has a more user-friendly format to streamline our information for you. We have added a new Client Resource Centre which includes information designed to help educate and inform our clients such as "In the News" and "FAQs". In addition, we have added a section called "Committee

Training Notes" which hosts a range of valuable information for Committees on topics such as "Conducting Effective Meetings", and "Meeting Preparation".

This year we are focusing on how we can utilise new technologies to enhance our capabilities of providing a high quality and efficient service to our clients. We are committed to investing in innovative and effective ways to deliver an industry leading service to you.

I hope you will join in the excitement and progress of 2012!

Kind Regards,

Patrik Bruhlmann
Chief Executive Officer



**STRATA TITLE
MANAGEMENT**
your strata care company

STM General Manager appointed Director of Strata Community Australia (NSW)

STM General Manager Tony Foreshow has been elected amongst industry peers as a Director of the Board for Strata Community Australia (NSW), acknowledging Tony's expertise, knowledge and experience in the strata industry. Tony has been an integral member of the STM team for more than eleven years and has over thirteen years' experience in the industry.

Tony's new role will ensure STM is active within the industry and at the forefront of new initiatives and ideas, as well as ensure our clients' voices are heard on strata matters.

Congratulations Tony on such a wonderful achievement!



The Importance of a Good AGM

The Annual General Meeting of an Owners Corporation is the most important event for your strata community each year. This guide will help you make it a success.

For most strata property owners, the Annual General Meeting is the one occasion they will actually participate in the process of managing the affairs of the Owners Corporation so it's important that it be a success. A well-run Annual General Meeting will create a positive sense of community and encourage strata property owners to participate in the functioning of the Owners Corporation. People will be more likely to volunteer for service as executive committee members or to undertake specific tasks if the annual general meeting is run well.

At the very least, unit owners who attend a well-run Annual General Meeting will be more likely to follow the by-laws, pay their levies on time and be civil to others in their community if they leave the annual general meeting with respect for the process and respect for the elected leaders of their strata community.

Conversely a 'bun-fight' will do nothing for community spirit. The last thing sensible people want is a hostile living or investment environment because the annual general meeting provided a forum for the disaffected few to poison their community with negative attitudes and immature behaviour.

Experienced strata and community title managers will have seen their share of good and bad strata community meetings. The difference between the good and the bad comes down to three things — attention to detail in the preparation of the meeting, understanding the formal requirements of the legislation concerning the process, and good leadership and communication skills of the executive and the strata manager advising them.

STM has released a 15-page practical guide that will help executive committees get the best from the formal process of holding an Annual General Meeting and to succeed in building a sense of community. For a full copy, contact news@stratatitle.com.au.

Article courtesy of Teys Lawyers

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StrataSphere:

Do you have a question? We have the answer!

Do you have a question for StrataSphere? Email us at news@stratatitle.com.au.

I have heard that I have responsibilities to my tenants to ensure the property is digital-ready when analog TV is switched off. I live in Sydney. When is this happening and what do I need to do?

On June 5 this year, parts of southern and central New South Wales will join regional Victoria and other areas across the country which have already had analog TV signals switched off. This means that households and properties in these areas will need to watch TV through either a set-top box for connecting to an analog TV, or through a digital TV if they are to continue receiving free-to-air TV.

The current roll-out timetable is:

Region	Date
Southern and Central NSW	5 June 2012
Northern NSW	Second half of 2012
Sydney	31 December 2013

If your tenants already have digital TV or a set-top box and are unable to receive the free-to-air digital TV channels available, your property's antenna system may need to be upgraded or a new external antenna installed.

Apartment blocks or groups of townhouses may have shared antenna systems, also known as Master Antenna TV (MATV) systems. While many shared antenna systems are adequate for both analog and digital TV reception, in some cases, a shared antenna system may need to be installed.

In a residential building, the Owners Corporation/Body Corporate is responsible for maintaining and repairing common property, including a shared antenna system. Upgrades to shared antenna systems can be complex, and getting approval from unit owners may take time. Start the process early to get your building digital-ready well before analog is switched off.

To find out more about the switch to digital TV and the resources that can help you prepare your property, visit www.digitalready.gov.au or call the Digital Ready Information Line on 1800 20 10 13.

Budgeting for 2012 Strata Insurance Costs

Insurance has been a common topic lately due to the increase in premiums being felt nationally. CHU, one of STM's main insurance providers, has kindly written an article to help both our team members and clients set their expectations when budgeting for insurance costs in 2012.

CHU

Strata insurance customers around Australia have had to deal first-hand with an unprecedented level of storm and catastrophic events this year. Against this tough economic background CHU reviewed its pricing and implemented, from 1 January 2012, a structured increase in premiums ranging from 10 per cent to 20 per cent in most cases. We are also applying variable excess amounts on most policies because this helps minimise future premium increases.

Over the last few years, CHU has mostly managed to hold rate increases to single figures as claims increased substantially.

Weather is a Key Factor

In 2011, we had the Queensland flooding, Cyclone Yasi, severe storms in Melbourne and bushfires in Perth which have culminated in another expensive year of losses for the Australian market.

Outside of Australia, major weather related events included the tragic earthquake in Christchurch and the devastating Japanese tsunami, both of which left a trail of devastation that is difficult to comprehend. And even more recently, the earthquake in Turkey and the Thailand floods will only add to the insurance losses already seen for 2011.

Premiums are set to rise to sustain the long-term viability of insurers, including strata underwriters.

Factors that have led to these price increases have been well publicised. Some of the main reasons include:

1. An increase in the frequency and size of claims across Australia. Cost of claims in the general insurance industry has

risen by *52 per cent from \$23.6 billion in June 2010, to \$35.9 billion in June 2011.

2. A 40 per cent increase in the average cost of everyday claims in strata for such things as broken glass, fixing burst pipes, cleaning graffiti etc, in the last three years.

3. Reinsurers (insurance company insurers) have increased their premiums significantly to recoup losses paid out on worldwide natural catastrophes, with a flow on effect of increasing the cost of local insurances.

Historically, strata insurance policies have been underpriced when compared to the risks they cover. Many Owners Corporations/ Bodies Corporate have been paying a third of the premiums paid on average for an equivalent stand-alone home insurance policy. (**Refer to ICA Fact Sheet Oct 2011).

Collective strata insurance remains considerably cheaper than a stand-alone home insurance with a similar sum insured amount and strata policies remain good value for money.

We endeavour to keep any increases in premium to a minimum but it is important to apply realistic pricing so that CHU can continue to provide the level of service and cover expected from Australia's leading specialist, as well as ensuring the long-term protection and financial security of Owners Corporation/Bodies Corporate assets and people.

Source:

*APRA Report General Insurance Performance June 2011
**Insurance Council of Australia (ICA) Fact Sheet - Residential Strata Insurance in Australia - www.insurancecouncil.com.au/Default.aspx?tabid=1915

* Strata Title Management offers the Elevation Newsletter to clients to assist in updating them on company and industry news. The content within this newsletter is of a generic nature and may not be applicable to all strata plans. Strata Title Management attempts to provide the most up-to-date and accurate information for its clients, however we strongly recommend that Individuals and Executive Committees seek further advice before acting on any information in this newsletter.