

Executive Summary

This is a document showing how Raine & Horne Strata Sydney BCS continually fails to provide access to documents and financial statements in large strata complex at Macquarie Park, NSW for 15 years (since 1999).

- 1. For the last 15 years, Raine & Horne Strata Sydney BCS provides only single-page balance sheet for owners at Annual General Meetings and full financial details are never given.**
- 2. Balance sheet at AGMs are full of errors and hidden or unapproved expenses that are never disclosed to owners, and amount to between half and one million dollars losses in common funds over 15 years.**
- 3. Before AGM 2014, around AU\$50,000,00 was found by an owner to be mismanaged, wrongly reported, or in unapproved expenses and access to document viewing as per SSMA 1996 S108 was issued to Raine & Horne Strata Sydney BCS to prove to all owners the serious mismanagement. Raine & Horne Strata Sydney BCS, with full support of the EC members, delayed access for five weeks, and then carefully declined not to give access to any financials and other evidence.**
- 4. SSMA 1996 S108 in October 2014 also requested access to tenders for renewal of contracts for Caretaker and Strata manager. They were not provided and contract renewal for Raine & Horne Strata Sydney BCS was "approved" without any proofs of proper tendering. Same applies to Caretaker's contract, worth in excess of AU\$280,000.00 (GST exclusive) per year.**
- 5. SSMA 1996 S108 in October 2014 requested access to at least two quotes for building painting that was planned for 2015. Raine & Horne Strata Sydney BCS refused to provide any information. That contract is worth above AU\$600,000.00 (GST exclusive)! In 2004/2005, similar painting project was approved without general meeting, spent more than AU\$110,000.00 above initial value of which AU\$43,000.00 is unaccounted for 10 years.**
- 6. Just for one owner alone, Raine & Horne Strata Sydney BCS failed to provide access to documents as per Strata Scheme Management Act 1996 S108 four times in period 2011-2014.**

Brief Details of Non-Compliance with SSMA 1996 S108

- These are details for latest failure by Raine & Horne Strata Sydney to comply with SSMA 1996 S108. Proofs for the previous three years can be provided upon request.

Subject: OFFICIAL SUBMISSION PER SSMA 1996 Section 108: Document Viewing Request on 28Sep2014
Date: Sun, 28 Sep 2014 20:07:05 +1000
From:
To:

Hello,

As per Section 108 of the NSW Strata Schemes Management Act 1996 I am requesting access the following documents IN THE WEEK AFTER THE NOTICE FOR THE AGM 2014 IS SENT TO ALL OWNERS AND BEFORE THE ACTUAL MEETING.

As a professional Strata Manager, with additional duty of a Treasurer and Secretary of the EC your legal obligation is to:

1. Send me the invoice for the document search which will be paid before the visit to your office.
2. The date of visit to your office that must fall in period between the notices being sent for the AGM 2014 and the actual meeting.
3. Officially respond which of the listed documents Raine & Horne Strata Sydney and the current EC is not willing or cannot provide, stating reasons why.

In the correspondence in the past, Raine & Horne Strata Sydney REFUSED to provide full financial statements to any owner (as it is common practice in all other complexes). None of these requests would be needed in other complexes because the Strata Manager and the EC would provide them automatically on a six-monthly basis and before the general meetings.

- The document viewing was paid in advance to Raine & Horne Strata Sydney BCS on 7th of October 2014 and visit to strata office organised more than one-month later (financial documents were allegedly being checked and verified), on 17th of November 2014.
- On the day of the visit to Raine & Horne Strata Sydney BCS, none of the documents were made available and Branch Manager refused to sign off the document listing missing documents. Instead, they scanned the owner's request and filed it under name BCS9354999 in their database.
- National Manager of Raine & Horne Strata Sydney BCS was contacted in person (17th complaint in two years). In all 17 attempts, he did not reply or take any action!
- At AGM 2014 on 26th of November 2014, Strata Manager and the Branch Manager mislead owners when they stated that "access to computer was provided", without clarifying that no documents were made available on the system.

There is undeniable evidence that the Strata Manager offered the owner to reimburse him for SSMA 1996 S108 payments because documents were not provided.

- Details of missing documents that Raine & Horne Strata Sydney BCS refused to provide:

a) Documentary evidence that Raine & Horne Strata Sydney and the EC investigated allegations about the (known to the EC for a while now) who have been providing caretaking services since 1999:

* They were issued warning and forced by the Australian Taxation Office to pay proper amounts in superannuation funds to their staff.

* In another complex, were removed from office because of overstated expenses and financial claims.

* Overpayments for security guard services in our complex.

Back on 1 December 2013 I sent the request to EC members (including Chairperson Mr.) and Raine & Horne Strata Sydney documenting the fact that for more than a month at that time the working schedule for security guards was cut by two hours in our complex (14 hours a week, or around 68 hours a month). No replies were ever received.

For how long did such decrease in security services last? Provide the proof that the reimbursed owners for services they did not deliver.

* Claims that tried to sell their business several times during 2014 but failed because the asking price was too high.

Confirm for how long will commit to be in the complex if they win the next contract.

* Email or paper correspondence between Mr. and a member of several months ago who gave advance notice about separate bid for the caretaker's contract. In essence, Chairperson Mr. was fully aware of two different quotations stemming from different staff members of

Not found any documents in Folders Contracts, Confidential, Memorandum of Association, Articles of Association, Correspondence, Reports

b) Full details of audited financial statements for FY 2014 (balance sheet, income and expenditure statements, debtor financial status report, cash book payments by account code, cash book payments summary, receipts, and similar).

Not found in Financials, Lot Files, Plan Files, Reports

c) Document listing which members of the EC and the date of when they approved final version of the accounting (including if they sighted the receipts) for FY 2014.

Not found.

d) Proof of any possible payments details when and how much was credited back from the 18 owners to the Owners Corporation between now and the day of the notice for the AGM 2014 (that includes water and gas reimbursements post 1 September 2014).

The penalty interest rate is applied in accordance with the NSW Strata Schemes Management Act 1996 and the EC has no power to reduce or waive it.

*As per spreadsheet I created for water and gas reimbursements to selective townhouse owners this month, 18 of them are unfinancial and cannot vote or be counted in quorum at the AGM 2014.

To be financial, in accordance with the NSW Strata Schemes management Act 1996, Schedule 2, Section 10 (8), vote at a general meeting (other than a vote on a motion requiring a unanimous resolution) by an owner of a lot or a person with a priority vote in respect of the lot does not count unless payment has been made before the meeting of all contributions levied on the owner, and any other amounts recoverable from the owner, in relation to the lot that are owing at the date of the notice for the meeting.

Unfinancial is any owner who is in negative for more than several dollars before, or on, the date of AGM 2014 notices being sent (as per Chairperson's own statement in the past, which I have copy of).

Not found in any Folder.

e) Final listing of FINANCIAL owners who have rights to vote or be counted in quorum for the AGM 2014.

This listing is finalised by, or on, the date of AGM 2014 notices being sent to owners.

Not found in any Folder.

f) Evidence who approved and why for some significant invoices to be paid belated.

Not only it is against the contractual agreement with the vendors, but as well creates false accounting status whereas the invoices are artificially moved into different financial year pretending that the costs are lower than they really are.

Example, ThyssenKrupp sent invoice number 1066146 for lift maintenance in amount of \$6,464.06 (GST inclusive) on 1 July 2014 (payable within 30 days), which Raine & Horne Strata Sydney paid on 4 September 2014 (34 days late!). Then, eight days later on 12 September 2014, another ThyssenKrupp invoice in amount of \$6,464.06 (GST inclusive) was paid.

Not found in any Folder.

g) Exact bank status of all strata accounts on the day of my visit for document viewing.

Not found in any Folder.

h) Proof of Special By-Law compliance by owners of Lot during whole 2014.

They obtained exclusive use rights to common property through falsified General Meeting in 2003 (at the first meeting, there was no quorum, whilst the adjourned meeting had astonishing 74 proxy votes without a single person being present). This was clear violation of the NSW Strata Schemes Management Act 1996, Schedule 2, Section 11 (3) b.

The proof has to be either photocopy of their public indemnity insurance in amount of at least 5 million dollars, or Statutory Declaration stating so (with at least insurance policy number and insurer details that can be verified independently).

Not found in Folder By-laws, Reports, Correspondence, Confidential.

i) Copy of an updated listing of By-Laws which includes Special By-Law . This by-law has been hidden in all official documents since 2003.

I warned Raine & Horne Strata Sydney about it two times (last on 4 August 2014 and no actions so far).

It can be seen in BCS DocID 2541110, published at hub.communitye.com.au on 10 October 2011. This document has to be updated and all owners notified about the updated version, along with newest By-Laws 10, 11, 12, and 13.

Not found in Folder By-laws, Reports, Correspondence, Confidential.

j) Proof of valid contract and earnings credited to owners corporation by "allowing" BigAir Group to run wireless services in our complex during 2014.

Reminder: they have been running business without proper reimbursements and benefits to the owners corporation since 2004.

During FY 2014, Grace Lawyers charged our complex \$4,172.30 (GST inclusive) for attempts to remove this company from the complex to no avail.

Not found in any Folder. Not only the current contract it missing but telecom invoices as well.

k) Full building inspection report (including OH&S compliance) with updates about the issues listed by Napier & Blakeley as early as July 2012.

No comprehensive report found in any folder.

l) Summary of the physical inspection of additional gas connections in townhouses who enjoy selective, inequitable, and discriminatory financial benefits for private water and gas usage.

The same inspection was conducted twice for owners in the four building in last four years (at the cost of around \$4,000) but never for townhouse owners, of which some received excessive reimbursements.

Not found in any Folder.

m) At least two quotations for all new contracts that have to be approved at the AGM 2014 (cannot be done by EC alone):

- * Building Painting
- * Strata Manager's Contract
- * Caretaker's Contract

Why two quotes: NSW Strata Schemes Management Act 1996 Section 80B: at least two quotations required by large strata schemes for expenditure over \$30,000.

Not found in any Folder.