

## CONSIDERING COMMITMENTS: A RESPONSE TO QUESTIONS IN THE STRATA AND COMMUNITY TITLE LAW REFORM DISCUSSION PAPER

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### **Overview: Conclusions on direction in multiple-occupancy housing in Australia (Oli reminds me of the Strata Roll – The strata manager should send them this.)**

Questions in the Strata and Community Title Law Reform Discussion Paper, 'Making NSW No. 1 Again: Shaping Future Communities' (2012) are replied to later, in the hope of gaining more broadly informed and effective housing management and financing at all regional levels, to support more open communication and related data collections, which can achieve greener, more sustainable directions more fairly, cheaper and faster. This is an attempt to explore the reasons for management cost, directed to people who perhaps don't really want to know. You have to explain how different multiple occupancy housing 'schemes' work in the real world as we have no idea. I guess it isn't pretty.

This is a discussion of management and the cost of levies in the light of commitment to mixed social living and shared zone management. I began living in a shared house in Glebe, Sydney in 1975 and have been a member of the owners' corporation executive at St James Court in Glebe, since 1994. It was not until 2008, after retirement and the global financial crash, that I began to take any real management interest in the shared property, as distinct from arguing ignorantly from time to time about some bee in a bonnet. Like most people, we have faced many concerns raised in the Strata Laws Online Consultation Final Report (2012) by Global Access Partners Pty Ltd. At the end of the day, all we can usually do is try to get on. In order to do this we may or may not need to know more about each others' businesses, since our pipes, etc. may or may not be connected. Get it?

The Law Reform Discussion Paper supposedly outlines the competing interests of stakeholders involved in any owners' corporation in a diagram (p. 5) which ignores the interests of tradesmen who may be regularly involved in maintenance or in construction of housing. This appears to show lack of understanding of how an owners' corporation is managed, well or not, and related issues. The Paper states 'the main focus of government in deciding to intervene and set laws should be on **protecting consumers and preventing harm**' (p. 4). This is a distorted, partial view of regional and related site management as it does not address the whole site, where maintenance or many other service providers may account for many risks and costs which ideally are more openly linked to control them. Insurance is a big expense for the owners' corporation. Why have brokers when they were banned in workers' compensation for unfairly and pointlessly increasing cost? What do we know about them and the related policies? Nothing – give us the strata roll.

It is wrong to discuss the size, use and investment of strata or other title or property levies, insurances or other relevant funds, in the absence of a focus on any apparently rational scheme structures at the top. Yet this is what the Strata and Community Title Law Reform Discussion Paper does, as is usual. The owners' corporation is not an effective

management structure as the executive may largely reflect the taste of a minority rather than any more broadly informed management of any property. More costly red tape is likely to be added to any scheme by comparatively uninformed but continuing emphasis on site micro-management in situations where any owner taste, rather than risk, may primarily be debated at considerable and growing professional cost. What is a 'scheme'? How do strata managers and those in the role in other multiple occupancies ideally fit in?

Like food, health and education, we all need housing and from time to time its plumbing, electricity, etc. need maintenance. To provide more affordable housing, consider the ideal housing scheme design in the light of Australia's history of work, health, disability and related insurance, taxation and pension structures. Parts are discussed later. The strata manager and her relationships to other service providers in trades, insurance, etc. etc. appear to be pivotal management concerns for the cost of levies. Do any strata managers ever live on the housing block? It would make management oversight easier if they did.

The Productivity Commission and other studies show Australians prefer investment in their own housing most, perhaps for stability. It seems stupid to take up investments one can only pick comparatively ignorantly, or rely on financial 'experts', especially if one does not move in their social circles. They may very easily screw you if it suits them. In contrast, people normally want to buy housing to live in themselves and may invest in it and/or an additional property. Make these housing systems more openly stable to cut dysfunctional costs and to provide better quality of life more broadly. Related strategic directions for communication, education, research and development are attached.

On reading the article 'AustralianSuper targets \$5 billion in real estate' one wonders why the fund chairwoman of what is Australia's largest industry fund with about \$46 billion under management and 1.9 million members, wants 'direct investments', rather than equity holdings, 'in large, top end shopping centres, while continuing to build a portfolio of offices in central business districts and other commercial properties (Australian Financial Review 25.10.12, p. 47)'. Is being a residential property developer, owner and manager currently too unstable and costly from AustralianSuper perspectives? I guess so.

The Minister for Fair Trading states the guiding principles for the current review include the need to '*adequately protect consumers*'. However, analysis of consumer needs or wants, activities to satisfy them and to manage risks, ideally all begin in regions and related places, in which households of citizens, producers and investors expect to see completed work. As superannuation is demanded by law we are all capitalists now. A recent ABC TV Business Sunday discussion of a trend away from investment in equities towards bonds appears to be a trend to trust in broader planning with governments. Is it?

As many trades are pivotal in maintenance as well as in new construction, the Inquiry into Construction Industry Insolvency in NSW is addressed in related industry contexts later, with reference to potential cost shifting, to draw particular attention to the situation and view of Craigs Coastal Landscaping Pty. Ltd. in Wollongong regarding proposed construction industry trust arrangements for which it is suggested (p. 63):

- The developer or owner has to have the funding for the project approved and money should be set aside in a trust
- A percentage amount for variations should be part of the trust arrangement
- As the builder makes claims, the owner and developer verifies that the work has been done and that payment to subcontractors and suppliers has been made before the next payment is made

Feudal concepts of trust and security depend on state sanctioned proliferation of secret associations and adversarial actions with huge costs often at the expense of many outside the court. This state encouraged ignorance retards communication and development which is better expressed. More openly evidence based, empathetic approaches to trust are consistent with democracy. They depend on producing evidence and comparing outcomes more broadly, to gain cheaper and better behaviour, services and goods. From perspectives designed to serve the community interest in better behaviour and in regard to many expectations addressed later, voting by an owners' corporation executive committee may be worse than beside the point. In management reality we also appear to be a rubber stamp. Is there no higher comparative evaluation or cost control capacity in any multiple occupancy housing system? I guess not - just silence, lies and ratings agencies as usual?

The history, design and performance of Australian health care, workers compensation insurance, and non-profit industry superannuation show risk management structures and practices are more stable and cheaper if driven to achieve social and environmental goals of the key stakeholders, not purely the pecuniary goals of fund managers, related brethren and stockholders perhaps. Funds are ideally owned, underwritten, managed and invested openly and competitively in the interests of *key* stakeholders. These are the people for whose benefit the fund was ideally established and those who paid the money. Lawyers, fund managers and their stakeholders may resist this direction. However, their traditional perceptions of risk have led globally and in Australia to comparatively higher costs and risks ending in market collapses which some fund managers walk away from to get richer. Other investors, especially the elderly or comparatively poor, cannot avoid substantial losses and end their lives dependant on government support. Those who can pay their bills slowly when the market cycle turns wipe out others down the production chains.

One assumes that the market cycle expressed in construction has substantial effects on strata management levies and disputes and that many in Asia could assist Australians develop greener direction and more jobs more cost-effectively. They also appear to have had a lot more building practice. David Attenborough pointed out in 'The Life of Plants' on ABC TV that a third of the world is now desert and this is rapidly increasing. In many places around the world, with a spare half hour one can watch deserts being expanded on a daily basis. Turn it around with Kew gardens help. Current structures, whatever they are, appear to have reached their limits to growth. Try open planning for shared zones. Try planned and managed competition designed in the interests of key stakeholders first.

One ideally starts with scheme and related fund and place management design and expectations, based on the aim of managing housing stock primarily in the interests of the *key* stakeholders - *those living in the housing on one hand and those owning or*

*investing in the housing on the other.* They are offered services by a range of other stakeholders. Data capture is designed to assist a top management structure which serves what the *key* stakeholders (relevant householders and investors) want. The stakeholders providing services to this place based scheme (e.g. strata managers, real estate agents, building trades, brokers, insurance companies, solicitors, etc. etc. etc.) are ideally addressed in this primary context, in the light of the income, lifestyle preferences, time of life, perceptions of risk, reward and related opportunities and constraints upon all involved. Ideally, the design and direction of such a place based scheme is open, stable and overseen by representative fund managers at the top. In the absence of such arrangements there can be little control of costs which will continue to rise dramatically in comparison with legal expectations placed on individuals living in free standing houses.

### **Strata and Community Title Law Reform Discussion Paper questions:**

- 1. Should the law distinguish more between different schemes based on size, usage, type of construction or other reasons, if so how?**
- 2. Should the current laws be combined and if so, how?**
- 3. What red tape should be removed?**
- 4. To what extent should government prescribe rules for all schemes?**

To address a law or direction, first define the term ‘scheme’, its structure, aims and how these are expected to be achieved. Good governance by, or for, an owners corporation under strata or any other form of title, can only begin at the collective investor tops, with clear and effective scheme management and investment structures, including property management and related maintenance expectations on shared land and related sites and buildings. These may vary greatly in terms of their location, size, age, accommodation types, values, commitments and risks. Many services to individuals with common and/or unique needs may best be seen over time in such regional and related plot based contexts.

Laws should have aims, consistent with the generally required social direction outlined by elected governments, rather than prescriptions and rules. The latter may make no sense in some particular regional or social locations, which may vary enormously from others in the area, the building, or in some combination of people on the block or those servicing it. However, historical, commercial and related technological knowledge, experience and views, may be vitally important aspects of the exercise and recording of management or related judgments, which ideally are not expected to be infallible or structured in adversarial contexts, but rather to assist in learning, better service and control of risk.

The above and related questions are dealt with later, in regard to confused expectations about the ideal treatment of levies, by-laws and stakeholder relationships. These are normally expressed in the ongoing management of the property by the strata manager, in cooperation with many other service providers in maintenance, finance and elsewhere. Progress is monitored mainly through her administration of accounts, for current and future maintenance, household levies, insurance premium payments, or for other relevant services, products, activities, disputes and fund management concerns. These appear or are put on the agenda of owners’ corporation executive meetings. She runs a big gig.

The Minister for Fair Trading, states in an opening message for the Strata and Community Title Law Reform Discussion Paper '*owners' corporations effectively act as a 4<sup>th</sup> tier of government, with democratic elections and powers to raise levies and to make and enforce rules*'. The discussion paper, however, states an executive committee does not have the power to set levies (p. 18). It claims agents must declare **any commission they receive from a service provider**, (my emphasis) such as an insurer, in their contract, under the Property, Stock and Business Agents Act 2002, S. 57 (p. 17).

I have no idea how we inherited the strata manager or why she apparently operates under the Property, Stock and Business Agents Act. The discussion paper suggests our owners' corporation has entered into a contract with the strata manager at some stage, but I've never seen it. Who has a contract with the man who cleans our yard and puts out bins? The owners' corporation cannot effectively oversee and should not be held responsible for actions of the strata manager or maintenance workers on site. I tried to accept management responsibility and soon saw my efforts were stupid attempts to exercise management, rather than to watch or advise. The owners' corporation or members have neither the knowledge nor power to manage. They can usually only run up costs by many ignorant or conflicting demands the strata manager appears happy to meet by hiring many specialists. This is a common problem in elected bodies, e.g. in unions or associations.

Our strata manager will be re-appointed at the AGM as we cannot see why anybody else would be any better unless they appeared as capable and lived on site. The accounts look okay but how would we know and why ask us to approve so many things she will actually decide, like the size of levies and who does work for here? We are not her employer. She knows we are part of her business. Don't tell us wrong, silly stuff about our capacities on the owners' corporation as it makes anybody who cares angry and confused. Who is driving this system of such enormous potential power we all appear to be caught up in?

To discuss building management, maintenance and construction or the related size, use and investment of strata or other property levies, insurances or related funds, one first needs a regional focus on an apparently rational scheme management structures at the top. Risk management is ideally addressed in person, activity and environment contexts over time. Currently, shared property can only be viewed too ignorantly by all on any owners' corporation executive committee, or in any related governance position, to be well managed in the interests of any of the stakeholders, let alone in the interests of all. See related discussion of the Inquiry into Construction Industry Insolvency in NSW later.

First provide plain English **definitions** of the term 'scheme' and other key regional land, housing and financial terms which are related to multiple occupancy and land titles, as compared with the single family house. For example, what do the concepts 'lot, strata title, community title, freehold, precinct, medium density, high density, fidelity guarantee etc. mean in terms of the ideal common dictionary and in practice, as distinct from the idiot operations of law courts. With better definitions we could also understand how these concepts should relate to each other better at commanding heights of the economy, in

which an owners' corporation is just a helpless little pig ignorant cog, to gain better quality of life on particular sites and more broadly. Stop patronising us. It's expensive.

Consider ideal scheme design in the light of Australian history of work, health, disability and related insurance, taxation and pension structures, using data collection categories of Australian and New Zealand Standard Industrial Classification (ANZSIC). Use other relevant United Nations (UN), Australian government or related industry and community classifications. I guess these are found, for example, at Land and Property Information NSW, the Australian Bureau of Statistics, within local government and in business. This is necessary to develop better approaches to contain risk and cost, as distinct from being driven by markets which appear increasingly opaque, unstable and therefore cost-shifting.

From this perspective, the heading **Governance** (p. 6) in the Strata Online Consultation addresses only the symptoms of lousy legislation and poor management. It offers little or no panacea in calling for higher standards of professional training for strata managers or anyone else. Training may be a waste of time or worse if it is conducted narrowly and expensively in secret and delivers the prescriptive, rule bound, incomprehensible content which is already the management problem. On the other hand, the heading **Streamlining Administration** (p. 119-120) makes many sensible points in calling for plain English wording and consolidated legislation. One needs general aims and common dictionary definitions, not prescriptions. One consolidates, one assumes, with Current Laws in Appendix B in the Strata and Community Title Law Reform Paper and other key laws.

## **5. Is there merit in the mission statement idea?**

In the Strata Laws Online Consultation Final Report produced by Global Access Partners Pty Ltd a participant asks,

*'How can a building valued at \$20-\$50 million (as many of them are) be controlled by a rag-tag band of 'accidental' allies whose only claim to stewardship is their joint or common ownership in a strata titled or community titled building' (p. 26).*

Another states, *'compulsory strata managers can and do keep owners completely in the dark'* (p. 30). Amen to all that. The strata managers may perhaps not know answers to questions themselves. Finding out may cost a lot of time and money which could have been a lot better spent. Whose watch is this on, yours or mine? Is this speech paid for? Are you leading us up the garden path? Another participant in the consultation states:

*'For a residential, commercial, retail and serviced apartments scheme to function as well as possible there needs to be a common purpose amongst the lot owners. However, the interests of lot owners from residential, commercial, retail and serviced apartments are different and often in conflict' (p. 43).*

Locally, there is not much merit in the mission statement, as people already appear too busy and ignorant to enter into practical, let alone theoretical discussion and information

provision on what they want from their group housing besides its affordability. To be fair, the generally more open society direction and the individual's wish ideally set management tone. There appears little point in discussing issues abstractly, rather than in the context of any particular situation which may or may not be in dispute, e.g. in regard to creating or receiving the actual or potential effects of renovations, personal insecurity, cigarette smoke, noise, pets, cars, trees, rubbish, etc. On the other hand, there is no harm in discussing a mission statement if this fosters more open approaches to problem solving.

Explain more about the context or mission statements are like lying paternalistic games, giving no understanding of real world conditions and so largely a waste of time or worse. As a member of the executive committee of the owners' corporation one mainly asks, primarily in regard to the size of levies, 'Has our particular common been comparatively unfairly or inefficiently overgrazed and are we the sheep'? This is a key management question. Collectively and individually, we don't have the time, expertise, information, experience, interest or money to find out, as distinct from whinging over whatever upsets us. Strata managers or estate agents appear key parts of general solutions or problems. What do we know about what they do or who watches over them - nothing? It isn't us.

With all professional and related communication around services, the big question always lost in the air for some is 'Whose watch is this on, yours or mine?' Words are time and money. The doctor, lawyer and many of their supporters are paid by government for words. The latter may charge like wounded bulls for total crap which the consumer cannot escape if the provision is mandated by law. See discussion of by-laws later.

Get a good website with wording for key by-laws suggested on it – e.g. for renovations and other matters which will crop up. I am often grateful for information provided by Lord Mayor Clover Moore and the City of Sydney Council in relation to gaining more sustainable and beautifully planted development which may not only be new, but also necessary to employ the world well in future. Planting trees and vegetation is the quickest and cheapest way to reduce the effects of climate change. Vegetation is also better than concrete to help reduce flood run-off and in corridors to protect vanishing wild life, planted alongside rivers, and elsewhere. Parks, trees and restorations raise values for people like us. Fences, on the other hand, may or may not matter. At St James Court we are always seeking better ways of dealing with common fences, trees and rubbish. On the other hand, in regard to management here, there may also be much to be said for the view that what you don't know will save you time and probably not hurt you much.

## **7. Should the law give more recognition to the personal freedoms of owners?**

Yes. Government should accept the proposition put by a participant in the Strata Laws Online Consultation that it should generally be recognised that:

*'an owner's unit was their home and should not be micro-managed out of existence by numerous rules and regulations, which would not be countenanced for owners of free standing accommodation'* (Global Access Partners: 2012, 65).

A related assumption is that housing may primarily be an investment for some people and treated accordingly, whether they are personally living in that investment, or not. Renters have paid for the right to live like anybody else. Glebe has always been a big cultural mix and that's the way we like it. It should develop green jobs to prepare skills for the future. Others higher up must facilitate more effective treatment of shared zones for this to occur. As an owners' corporation we should not wish to service debt, and certainly not the debt of somebody else. This appears to be a reasonable proposition shared by government.

One agreed with Cathy Sherry, in Law at the Uni. of NSW who stated, according to the Strata Laws Online Consultation Report:

*'The power of the majority to write laws for their neighbours is potentially dangerous and oppressive. If misused, it can foster disharmony and resentment in communities which in turn make everyone's life a misery. (p. 65).*

One assumes the ideal aims for an owners' corporation are broadly the same as one has when living in a freestanding home with neighbours. Such aims are social harmony, fair treatment, cost containment, security and suitable return on any joint investment. In an inclusive (democratic) society, the general laws of the land provide the context and key standards of most relevance for all those living in the state, no matter what their housing.

However, laws are often incomprehensible, stupid drivel, when we need plain sensible direction for particular situations. One cannot follow what one does not know about or cannot understand. Even the Law Reform Discussion Paper points out some of the bizarre regulations only a lawyer could write (p. 6). I give you an example of the by-law a lawyer wrote for St James Court later. Dealing with constant crap is the way lawyers make money from the rest of us. Things should be set up more clearly and plainly from the start to save money and invest it better in learning on the job to settle things better. Insolvency in the construction industry is addressed in related contexts later.

You may secretly think that you or I are fools. However, little that is honestly said could be any worse than what we have dished up to us by lawyers at huge expense to everyone who may be more or less fortunate than a client. For Christ's sake do not expect a lawyer to admit this or anything else. If you rely on lawyers you will waste a lot of time wasting other peoples' money or your own. Use plain English writing, pictures, movies, etc. and consider related contexts of construction trust arrangements suggested by Craig's Coastal Landscaping Pty Ltd at Wollongong to the Inquiry into Construction Industry Insolvency in NSW. The construction trust funds are ideally earmarked for various projects with a percentage amount for variations being part of the trust arrangements. As the builder makes claims, verification is undertaken that the work has been done, with payments made to subcontractors and suppliers before the next payment is made. Open it up.

Risk management is discussed in the above context later, with recognition that an owners' corporation largely has the capacity only to be a glorified style police. If any of its members have more capacity and management involvement, one may well worry about their related interests, as time is often seen as money. According to the Owners

Corporation Network, there is a common perception by owners that the governance and management of their scheme is taken care of by someone else and is not their concern. All they have to do is pay their levies and others will do the rest. That is not necessarily bad as long as there are avenues for getting particular questions or complaints dealt with more reliably and effectively than with ignorant voting or with something much more costly for the owners' corporation or others increasingly embroiled in lengthy debate. If the strata manager lived on site it would help. However, it is clearly not a job for a shrinking violet or anybody who does not have good commercial and industry grasp.

## **5. Should broad principles apply to the making of by-laws?**

### **Q. 27. Should the process for owners wanting to renovate or make changes to their lot be simplified or clarified?**

Risk management is ideally addressed in time, place, activity and environment contexts. It makes sense that if an owner wants to make a structural change to part of the property which is their home, it should be brought to the attention of the owners' corporation executive for discussion and approval as they may have had earlier or related experience. Stay away from lawyers as they usually can only generate more incomprehensible wording, unhappiness and cost. See [www.Carolodonnell.com.au](http://www.Carolodonnell.com.au) for dispute resolution principles outlined in 'A healthier approach to justice and environment development in Australian communities and beyond', *Public Administration Today*, 9, Oct.-Dec. 2006.

On the basis of earlier argument, one assumes individuals should generally be entitled to live the way they want in an owners' corporation, unless their property changes will be likely to interfere with the property of others, which may happen, for example if raising the level of one backyard suddenly starts sending a lot more rain water into another's concrete back yard, which then cannot escape. For this kind of reason, which may be common, changes to property should be discussed by the body corporate. Our owner's corporation is discussing the following motion we wrote and we have also provided the strata manager with a list of the key building changes already made by owners:

- *Even in cases where the owners' corporation has approved changes to owners' corporation property to suit an individual owner's wish, the owners' corporation cannot ever be held accountable for any apparent failure to complete such work effectively for the foreseeable future or for any related maintenance of the upgrade.*

The effect of this ideally appears to be to increase owner autonomy and reduce shared costs, while also providing the capacity to manage shared concerns better. Time may tell. I ask why we need the above registered as a by-law. It is like speaking to the grave.

Our owners corporation executive had perhaps agreed with the strata manager that solicitors should be engaged to draft a by-law regarding alterations to common property for the sum of \$750 plus GST and \$250 plus GST for registration of a by-law if passed. Then somebody (?) dug up a page entitled Change of By-Laws, with the Common seal of our Proprietors-Strata Plan dated 1985. We already have a by-law? God knows. It says:

*Any alteration made to common property or any fixture or fitting attached to common property by any proprietor or occupier of a lot whether made or attached with or without the approval of the body corporate, shall unless otherwise provided by resolution of a General Meeting or of a meeting of the Council be repaired and maintained by the proprietor for the time being on the lot of which the aforesaid proprietor or occupier was such proprietor or occupier PROVIDED that nothing in this By-Law shall be construed so as to relieve any proprietor or occupier from any obligation to obtain the approval of the Body Corporate to any such alteration or attachment and where such approval has not been obtained then the rights of the Body Corporate to seek rectification of the alteration or removal of the attachment shall not be affected.*

You hire lawyers and the above is the kind of crap you get while everybody else clams up. Why should anybody pay for drivel? Follow a Fair Trading or related multiple-occupancy website and judge deviations from the reasonably expected on their merits.

So firstly, open up and explain the types of multiple occupancy residential ownership, property management and related investment structures which exist, in pursuit of fairer treatment, cost containment and better return on investment, in ways which assist quality of life for all those on the plot. We are surrounded by neighbours at our Court in Glebe. They all appear to be managed differently and I can find hardly any decision makers. In an ideal world a website would allow one to contact someone about managing more easily with one's neighbours, not just to deliver a custard pie if the lady next door falls sick.

#### **Q 8. Are reforms needed to address the competing interests of stakeholders?**

One ideally understands the difference between the KEY stakeholders in a scheme and other stakeholders, so as to design, plan and manage any scheme or related place better. In its diagram on p. 5 the Strata and Community Title Law Reform Discussion Paper ignores building trades and other service providers. They are major stakeholders in any scheme and in many related regionally and locally based environments. Neither does the discussion paper distinguish between *key* stakeholders in the scheme and others, in spite of the Minister stating his sole commitment to protecting consumers. We could do with a man like that around here. Does he want to live in my spare room? (Watching 'The Wire' on TV I always wonder how the strata manager in the Baltimore projects copes).

However, one ideally starts with an analysis and related scheme and place management design and expectations with the desire to manage housing stock primarily in the interests of the *key* stakeholders, - *those living in the housing on one hand and those owning or investing in the housing on the other*. They are offered services by a range of other stakeholders, - e.g. those who assist building management or provide services to the owners' corporation and related individuals. Analysis is ideally undertaken to design a management structure which first serves what the *key* stakeholders (relevant householders and investors) primarily want. The stakeholders providing services to the scheme or environment (e.g. strata managers, real estate agents, building trades, brokers, insurance companies, etc) are ideally addressed in this primary context, given the income, lifestyle

preferences, time of life, perceptions of risk, reward and related opportunities and constraints upon all involved. The design and direction of schemes ideally is open.

NSW government has a history of addressing these governance issues in relation to insurance cover and its administration in work and community related health services and support. Yet this is not reflected in any apparent understanding of how insights which have produced more stable business environments and better services in health care and insurance may also be applied to housing, which, like a person or work, is in a place. Lack of understanding of ideal place, product and activity based approaches to managing risk need correction for better understanding to emerge, not just more red tape and cost.

The Strata and Community Title issues paper states the fact that ‘insurance policies can only be taken out with ‘approved’ insurance companies’ is an example of unacceptable regulation (p. 3). This may or may not be so. For the traditional economist there appears no such thing as overcrowded markets but this is wrong. The NSW occupational health and safety act and its rehabilitation, insurance and investment system was established in 1987 after 7 of 43 workers compensation insurers competing on premium price collapsed. As market and underwriting cycles turned the premium funds owned by insurers were insufficient to meet the costs of court awards after workers injury or their other insurance losses. A new risk management system was establish in which industry and government owned the premium fund instead of giving premium money to insurers to invest on the insurers’ own behalf. WorkCover paid twelve insurers to administer services to injured workers, including investing the premium fund on industry and government behalf.

Brokers were banned from the scheme as an unnecessary and unfair expense so one naturally wonders about what value they can add in regard to the many forms of insurance which the owners’ corporation is required to have by law. See more on relationships between work-based health risk management, Medicare, private health insurance, non-profit industry superannuation and other investment funds at [www.Carolodonnell.com.au](http://www.Carolodonnell.com.au) The strata managers gave me the broker’s number. He told me he would email documents.

While the economist’s view of competition is one can never have too much, monopoly is ideally abhorred, unless deemed ‘natural’. This is also the line of the legal monopoly, who will never apply anything to themselves which they apply to anybody else. In this context it should be noted Medicare is a monopoly pricing system designed to ensure insurance companies, hospitals and doctors cannot drive the cost of health care services as high as they would otherwise be driven if the Australian population had no guaranteed access to free or lower cost services under Medicare. In the US people die earlier than in Australia and US health care services are more expensive and less equitably provided than those in Australia. Many with chronic illnesses may be denied treatment on the basis of having ‘pre-existing conditions’ and more than 40 million have no insurance coverage.

We need planned and managed competition in the interests of key stakeholders. Problems were pointed out in regard to legal and economic assumptions about the natural benefits of competition and the horrors of monopoly, in an inquiry into telecommunications competition regulation, initiated by the former Treasurer, Peter Costello. The

Productivity Commission's attitude to its own inquiry into allegations of unfair use of market power in telecommunications was summed up in its quote from the Hilmer Report (1993) on national competition policy when it said:

The central conundrum in addressing the problem of misuse of market power is that the problem is not well defined or apparently amenable to clear definition.... .Even if particular types of conduct can be named, it does not seem possible to define them, or the circumstances in which they should be treated as objectionable, with any great precision.....*Faced with this problem.....the challenge is to provide a system which can distinguish between desirable and undesirable activity while providing an acceptable level of business certainty* (My italics). (PC, 2001, p. 154)

Participants in schemes for strata, community or other title ideally understand and work with related regional communities for their effective management, because it is often hard to tell what caused a particular event, and what to do about it. Going to court under some particular piece of legislation is often a huge waste of money, which often belongs to other people, without gaining a good result for anybody except lawyers. If corporate management schemes are constructed, administered and managed openly and well, the interests of all stakeholders are ideally better protected at every social level, partly through the management capacity to identify opportunities, threats, problems and work processes to address them and their outcomes better. This is necessary for more effective cooperation and competition. Ideally, analysis is undertaken in regard to what the *key* stakeholders and their stakeholder providers want from any scheme, given their income, their lifestyle preferences, their time of life, their perceptions of risk and reward and all related opportunities and constraints. Ideally, design and direction of schemes are open.

- 40. Should notices for AGMs contain more details about proposed levy increases?**
- 46. Should penalty interest rates on outstanding levies be raised? If so, what should the figure be?**
- 54. Should sinking funds remain compulsory? Should schemes be able to carry forward budget surpluses instead?**
- 55. Should the law dictate contributions to sinking funds? If so how?**
- 56. Have the 10 year sinking fund plan reforms been successful? Should they be retained and expanded to the community scheme sector? Are any refinements needs to make them more effective?**

To understand something, you must understand the tops. Explain and design multiple occupancy residential management systems to be more stable to reduce risk and cost rather than to pass it on via contracting chains, silently or not. At St James Court, one asks why the owners' corporation executive should or should not vote in favour of the strata manager's recommendation that our annual levies be raised again. This is a key local question related to attainment of cost effective and equitable management in a global city with some of the most valuable real estate in the world, which ideally also values parklands, heritage and mixed communities greatly. Should our levies rise or not? What should guide the decision – surely not the inflation rate? Related issues are below.

Owners' corporation executives cannot oversee maintenance or fund management functions effectively. We are pawns in their games – which is not to accuse service providers of cheating. They know more than us as they must deal with people like us every day. They want to look down upon us as their collective businesses to be handled in peace as they think best. Researchers are often like that. As we say sotto voce on the path, 'You've got your troubles, I've got mine. They are substantially buffered on top'.

How would you work out if and when you needed a new roof for eighteen town houses and what an acceptable level of risk should be while maintaining any roof? How would you cost it? Has anybody in the past ever had the cash to replace a shared roof before it fell in? How does solar power and insulation change the picture – what about leaves and neighbours? There is a PhD in this but I can't even be bothered to chase the real estate agent for next door about the water that has run down my wall at half yearly intervals since their bathroom renovations. He bats any issue back to the strata manager, although Oli and I can both see the problem. What the service provider wants is more easy money.

**Q 18 Would holding agents directly accountable for their actions help?**

A. How? This cannot and should not be done by the owners' corporation alone.

**Q 19 Do you have other suggestions for how to improve accountability?**

On the owners' corporation, the more one can look after one's own home oneself, the more one may have the cheapest, fairest and best option, depending, however on the situation. For example, the plumbing, electricity, etc. with next door neighbours or all on site may be connected and perhaps your blockage is the cause of a problem which has cropped up for someone else. Many working in property maintenance or management also work in construction. The current Inquiry into Construction Industry Insolvency in NSW can also be understood in terms of potential opportunities or threats its outcomes pose to the management of strata or other title. The potential for more red tape and cost shifting which increases levies and costs rather than managing them should be avoided.

In relation to the strata manager and to the potential for cutting many dysfunctional management costs in expansion of the system ownership, one asks the following exploratory questions of anybody willing to provide some answers and backing. Is there an ideal relationship between rates and owners corporation levies? Do levies ever fall? If they rise, what are the key criteria for deciding how much? How do we contact those managing our neighbours' plots about our joint interests? If we can find out easily about ancestors on a website surely we should be able to contact the managers of the multiple occupancy arrangements of our neighbours. More open and reliable website and other information are necessary to improve knowledge and comparison of performances under various housing situations. The owners' corporation cannot and should not be in control.

The discussion paper addresses commissions and insurance in passing. I rang the strata manager of our owners' corporation to go to her office to look over our insurance policy and conditions. However, she referred me to the broker who suggested I should email

him asking for them. I did this, with no response so far. Insurance is a huge cost for the owners' corporation. Does its partiality and related form encourage bad or ignorant action with many costs borne by others who are trying more reasonably to get on at home or at work under difficult circumstances? I should think so. First conduct operations better at the top by defining schemes more rationally, broadly and clearly to provide better incentives for accepting accountability more openly and honestly, to reduce scheme cost.

The place, activity and person based risk management approach forged in embryo by Australian governments for health care services, and for some work related rehabilitation, disability, pension and insurance funds must be understood to construct fairer and more consistently stable and cost-effective approaches to managing other place, time, activity and person based risks and insurances as shared concerns, for example in maintenance and land management. This is an inclusive UN planning approach in which government and citizens ideally play key parts in assisting direction of newly developing markets. (For example, solar trolleys one sees in China could carry tourists in Broken Hill, etc.)

Discussion attached on the NSW Government Green Paper points out the importance of open strategic planning in the regional environment and that secrecy is no panacea against corruption. In contrast, openness and open justification of action on the grounds of it being conducted in the community interest appear broadly protective of communities in any environments which have a broader conscience and intelligence than brethren and families sticking together against the rest or outsiders. The concept and requirements of council and related shared zones, the implementation of the National Disability Insurance Scheme and of other insurances, are ideally addressed in regional risk management contexts where individuals may or may not share common concerns. Ageing and national health and development goals are ideally addressed in globally related regional contexts. One assumes we learn and develop best as individuals, communities and societies when comparatively open, honest and clear. The current inquiry is nitpicking at the bottom. (Gathering will-nots, as Nixon Apple's mother apparently used to say.)

Our individual needs as citizens, consumers, producers and investors are ideally more openly and reliably identified, discussed, balanced and met throughout the life cycle in places and financial schemes more broadly and stably designed to protect current and future generations. Plain English reports, good websites, TV, radio, newspapers, training videos, etc. are vital. The Strata Laws Online Consultation Final Report is useful in terms of its structure and information about its research process and the common problems in the industry, which many experience. Some suggestions of consultant participants may appear helpful. Lawyers, who always know their own crap best, will never fix it. Open housing systems up to broader knowledge of real world problems and development.

Shared projects, like shared zones, may produce more opportunities for work, exercise and learning in the local, national and related regional or international interest. John Grill, Chairman Elect of Worley Parsons, which donated \$20 million to Sydney Uni recently pointed out on ABC TV on Business Sunday that more people with the capacity to build things are needed. Business Sunday also discussed residential bonds in passing. Identify many projects, jobs and skill needs for development on shared project or related strategic

grounds. People who work in agriculture or construction may also work in maintenance, etc. Theorize and meet individual wants in the broader contexts of all on community plots which vary greatly and which need to be studied better to be better served. Broadening speech is the reverse of 'dumbing down', if people are willing to be more open and honest than may normally be expected in professional and business silos legally driven to silence. This may also happen to be the way they like it as it denies more informed competition.

Jac Nasser, BHP Billiton Chairman, stated in 'BHP demands staged carbon tax':

We happen to be the country with the most options around an energy mix....yet we have the most narrow sources of energy output.....So I think almost anything we do from where we are will be a positive and we should start to make these incremental steps.....

..... We don't want to get in the trap of really believing our policy is going to influence other countries. **We've got to do what is right for us.** (My emphasis) (Australian Financial Review 10.4.2011, p. 4)

One assumes this is also true for many different approaches to home and regional development in areas besides energy production. To protect each other globally and locally we need to conceptualize management more in shared zones, rather than in special economic zones, whether in mining, gardening, fishing etc. We need more small business niche adjuncts to major economies of scale made possible in nationally or regionally planned projects and contexts which work in cooperation with other business and community interests. By-laws, dispute resolution, levies and related matters of business communication and direction are ideally discussed in regional contexts where shared business done better is sought to meet the particular interests of individuals better. In this ideally debt free context, productivity is judged in use value as well as in money.

Universities often engender lots of collegiate modelling and high flown talk, when skills development on greener, safer jobs and basic welfare or other service provision may be most needed in any community. This vital greener direction may well start best in broadening planted zones and enabling many construction and related maintenance jobs and skills, preferably where they are most needed, rather than where they are easiest to push. The quickest and cheapest way to reduce greenhouse gases appears to be better selected, broader planting, which may also have benefits in protecting native heritage.

It is not clear who will hold the budgets for services for any intended clients of the new National Disability Insurance Scheme and the National Training Entitlement. One idly wonders which universities, councils, construction companies, transport and related utilities, etc. are in the 1000 (?) organizations eligible for assistance under the Jobs and Competitiveness Program of the Clean Energy Regulator. Emissions intensive trade-exposed industries can apply for free carbon units. This will provide ongoing assistance to companies that produce a lot of carbon emissions but are constrained in their capacity to pass through costs to global markets. (Is this like Monopoly money for games at home?)

This is one of many contexts where information and accountability for action need to be more broadly, openly and clearly available, especially in regard to the concrete interests we know nothing about. I largely trust Lord Mayor Clover Moore on direction more than most. As one travels the world one sees many countries where people appear very poor and without good lands and employment, but where vast numbers of soldiers and guards with guns are employed. Other nations appear wedded to massive concrete constructions and maybe great numbers of street sweepers to provide jobs by picking up after others who don't care where they drop their butts and rubbish. One needs to nurture the garden state which has respect for the beauty, heritage and effort of the past in order to assist other greener development in future. If it can't be done in Australia, quality of life is shot.

Clear definitions and shared management aims and directions are preferred to rules. We need plain English wording to gain better understanding of the key requirements of managing shared property well in many related shared zones. **Shared** is a much better word than **common** as one sees one's potential obligations to others more clearly in regard to housing and to land. **Management directions** which ideally support land, housing and the related owners corporation, government and other investor **aims**, are better than '**prescribed rules**', in law or not.

Good management is not gained by voting and/or following rules to the letter. It is gained by broadly informed and clear exercise of responsibility to try to achieve a better life by implementation of related activities, carried out in the interests of scheme stakeholders and others more broadly, while planning for future generations. Our strata managers AGM expectations seem reasonable enough. However, this is largely a matter of trust. Should the owners' corporation executive allow quarterly levies to be increased and should the strata manager take notice of whatever way we vote or only if it suits her? Do any besides her look thoroughly at the figures? Judging by my behaviour I guess not.

If we were managing our own houses alone, we would certainly not behave like this. We would study any maintenance matter more thoroughly and much faster, purely from our personal view, or ignore a matter altogether. The City of Sydney Council seems less set up to help us than to shuffle inquiries among bureaucrats with similar sounding titles. The ideal relationships between our trees, roofs and neighbours are mysteries to us. For example, there was a secret complaint from somebody unknown about a tree. We could only protect it by getting an application to the City of Sydney Council made to rip it out, while then waiting for an inspector to come out with the intention of refusing the request, after it was explained why we did not want this done. Talk about psychotic expectations?

On the other hand, the City of Sydney Council has a useful tree policy in cases where any tree may otherwise risk being destroyed by any interest in its being cut down. The next step may be considering cross border maintenance. It is often important to know rules or directions to follow, to reduce one's own ignorance in the interests of good order, or to justify deviation from some norm for apparent good reason. The concepts of **shared** land, goals and directions can be applied more effectively than rules in many highly variable and perhaps highly contested situations of environment, life, home and related activities.

The plumbing and electricity which passes under one home often also passes under many others, so we may need to get into their yard or garage about our collective concerns.

**Q. 22. Should the meaning of common property be changed? A. Call it shared.**

Common property is shared property. This submission, like the UN and the World Health Organization Declaration of Alma-Ata, takes a regionally based, holistic view of development in which primary health care *'involves, in addition to the health sector, all related sectors and aspects of community development, in particular agriculture, animal husbandry, food, industry, education, housing, public works, communications and other sectors; and demands the coordinated efforts of all those sectors'*. Whether we are rural or urban, we need somewhere to live, food and transport. Open planning and related service or product delivery and assessment should be better integrated into regional contexts to gain more sustainable development at reduced cost. Give us shared scrutiny.

One learns more through open and honest communication. See attached discussion of Sydney University strategic planning direction and apply it in land and housing. If not, why not? The attached response to the NSW Government Green Paper (2012), 'A new planning system for NSW' points out a NSW vision which is that strategic planning will become the cornerstone of all planning decisions and that they will be prepared collaboratively with local councils and approved by the whole of government (p. 27). Universities and the state government own many housing projects. More are being built.

According to the Sydney Annual 2011 Report on Achievement and Philanthropy entitled 'Driving New Discoveries: Your Generosity Transforms Lives', Investment Capital Management (ICM) 'is charged with managing' (sic.) the University of Sydney's overall investment portfolio comprising endowment capital, operating funds and commercial real estate investments. Partnerships which may assist the university to achieve these goals more effectively appear good for all if they cut costs, rather than encourage cost shifting.

We are ideally more in step with other states and related regional levels. Lord Mayors may lead the way with business, tertiary institutions, charitable institutions, etc. etc. Ideally, the individual and policy approaches are aligned to drive direction, as the medico-legal family is totally nuts. (Don't let anybody ever tell you retirement is a waste of time. See the attached and 'The Cain Mutiny' for more on behavioural economics). Quantify it.

**Q. 35. Should land be able to be added to a community scheme, precinct scheme and a subsidiary neighbourhood or strata scheme? A. Why not? What are the meanings, purposes and circumstances of these schemes? Open them up for discussion and learning.**

**If so, should land be able to be added only as association or common property or should land also be able to be added as a separate lot? A. That depends on the circumstances related to a situation and whether a proposal is in the community interest.**

**36. Should a mechanism be introduced to enable amalgamation of subsidiary neighbourhood schemes with a community scheme? A. That depends on the**

definitions of ‘subsidiary’ ‘neighbourhood’, ‘community’, ‘scheme’ and the particular circumstances of the situation. I’ve got no idea. Has anyone? Let them step forward.

### **Risk pricing, risk management and some related cost shifting concerns**

One’s childish guiding risk management principles have been that men may be nasty and women may be stupid, or the reverse but less often. Some places, times and activities appear much more risky than others. Some girls do, some girls don’t, etc. etc. Historical studies of government and defence spending, plus later statistical studies of health and education outcomes, as well as my excellent personal experience of life, have tended to confirm the childish rule of thumb. From this perspective, the key question may not be ‘how much’, but how to give everybody better incentives to get on and act better. In the absence of undesired upgrading and/or cost shifting, this should reduce cost.

During the global financial crisis in 2008, rightly or wrongly, I gained the view our owners’ corporation may be over-serviced by some, including on safety grounds, but as our current plumber and I have agreed on occasion, nobody may ever know the true cause of a particular problem. The Discussion and Issues Paper produced by Bruce Collins QC, Chair of the Inquiry into Construction Industry Insolvency in NSW (2012) states:

*The ability to price risk accurately and a commensurate ability to manage that risk, diminishes as one moves down the contracting chain (p. 8).*

Collins is wrong. Risk cannot be priced more accurately at the top, but it can be treated from the perspective of those who value stability rather than return on the risk. Before the beginning of work is the least informed time in any undertaking. The project and risk prices at the head of the contracting chain appear analogous to the scientific hypothesis before a practical experiment has been conducted. One assumes what Collins means is that the **amount of money** in any pool established to meet planned project costs may diminish as a result of many higher costs which may also unexpectedly add themselves to the project contracting chains, especially in the early stages, long before building starts.

Whether one discusses commercial, civil or residential construction and related production, the requirements of the competitive quote may also encourage all in the system to under quote the project to get the work, especially when the construction economy and skill demand is weak. Reality often sounds impolite but it makes a good case for the Craig’s Coastal Landscaping suggestion discussed earlier in regard to a construction project trust, with a percentage amount for variations. Whatever is decided, it should work effectively with all the major current deliberations, to avoid cost shifting.

Collins should have said that the ability to pass on risk, rather than to manage risk, is much greater at the top of contracting chains than it is at the bottom. He points out that a large company, in trouble or not, may pay its debts to subcontractors as slowly as it likes. The need to protect current work arrangements and not damage prospects of securing future work means many subcontractors feel forced to accept this late payment and to take any further work offered to them at prices they may not agree to in other circumstances.

They may go into insolvency through no fault of their own. Collins states the Inquiry is presently of the view that 'subcontractors are not adequately protected' (p. 15). For the financial year 2011-12 the construction industry accounted for 22.1% of more than 10,000 insolvencies in Australia, with retail next, accounting for 10.2%. More than the 'elevation of the subcontractor's position above the ruck of general creditors' (p.20) is required.

In commercial, civil, or residential building and/or maintenance, it appears vital to openly develop more rational fund and project management structures for more broadly and openly related ranges of place based products and services, to reduce the capacity to pass on risk as cost to all those lower down on contracting chains, or somewhere else. This is not so much 'protecting subcontractors' as being openly fair and honest. The necessary direction is somewhat recognized in health and welfare service provision, rehabilitation, insurance and pension support. Key questions now seem to be how to deliver related accommodation, property management, maintenance, business finance and insurance services better in more openly shared, common place based contexts. Whether one discusses a project or a person, questions about whether their end should be considered a risk or inevitable appear important for estimating and managing risk and for pricing. How do the earnings before interest, taxation, depreciation and amortization (EBITDA) fit in?

However, laws and rules fund multiple lawyer driven picnics where any legally privileged information is never revealed. This may make questions, beautification, greening, problems, maintenance issues and disputes harder to know, resolve or settle. For example, where do we find NSW Housing managers, etc. to talk to them about our shared trees and fences? Doing anything is made more costly by requirements for more applications to many more rigidly driving professional services than is warranted by the situation, whenever historically informed knowledge of shared environments is lacking.

The Strata Laws Online Consultation Final Report was good in bringing clearer understanding of many land, housing, building and transport environments normally characterised, as far as I can see, by comparative confusion, ignorance, secrecy and spin. One often wonders why those teaching and studying in Architecture at Sydney Uni. appear so reticent to address the common economic, regulatory, materials based and industrial constraints surrounding any project. Why don't they seem to work with engineers or those in trades, who appear their natural fellows? The system is stuffed.

We need to understand what drives investor tops, to understand our predicaments at these levels so much further down, on which they are now so graciously asking us to comment. The current NSW Review of Home Building Legislation issues paper, 'Reform of the Home Building Act' also addresses home warranty insurance without any consideration of how this ideally should relate to the insurances, living situations and related costs of many other people mainly living under urban strata management or in other situations which currently appear under major expansion in Sydney. Put them together in parks.

**Q. 40 Other suggestions for how the existing law regulating strata and community title could be improved**

Change direction through more open and honest communication in shared regional contexts. The establishment of shared zones ideally allows for many better work and learning opportunities. Students and residents of the City of Sydney could benefit greatly if students assisted the Council in solving many practical problems which exist in our surrounding environments. Related openly managed partnerships appear to be a good idea for rural and urban areas. Ideally, manufacturing often follows community services.

Australians should pursue **shared regions (zones, places, etc.)** and open community and industry planning and related project and risk financing. Ideally, Australian government should not support special economic zones which appear comparatively closed, rapacious or polluting, as this appears also to be support for untraceable cost-shifting. The reverse appears the way forward. Strata managers, real estate agents and construction industry workers can be part of the problem or part of the solution. They naturally try to run multiple occupancy housing in the way that suits them best. The more residents try to involve themselves in management, the more management and housing costs are likely to rise steeply. Design schemes openly, broadly, cooperatively and accountably to direct and manage competition in the individual and community interest, as discussed.

In this context the NSW Office of Fair Trading Home Building Contract seems a clear, informative and helpful product. It must be filled in properly for quality management. Ideally, the people who originally called for the contract must see that it clearly reflects what they wanted most. If additional minutes or other documents have to be signed again and added to the contract to achieve it, this is an extra messy and confusing waste of time. Clause 11 of the contract is the **prime cost items schedule**. When filled in it should clearly display the required inputs and amounts related to the step by step achievement of the key conditions which originally led to the contract agreement and its expected production outcomes. Clause 12 provides the **progress payments schedule** which is also related to the staged and approved completion of the work. This may also relate to the later **schedule for inspections**. This may ideally ensure work quality, the resulting periodic payment and any related accreditation of skills development on the job.

This recommended direction is found mainly in response to questions in the discussion paper, in the light of NSW government and Sydney University strategic planning. The Australian housing direction is also suggested in view of addresses by Nobel Prize winning economist, Amartya Sen and Japanese Prime Minister, Obuchi Keizo, to the Asian Crisis and Human Security Conference in 1999. The Japanese Prime Minister spoke of the vital aim of 'human security' and the related values of creativity and dignity.

Sen argued that 'Human security' is 'the keyword to comprehensively seizing all the menaces that threaten the survival, daily life, and dignity of human beings, and to strengthening the efforts to confront these threats'. This is in contrast with older notions of national security, for centuries based on the state sponsored investment in manufacture and employment in the means to murder and destroy others. The UK White Paper on Development was addressed in the Australian Law and Justice Evaluation Issues Paper. It claims that the UK will treat security and access to justice as a basic service, on a par with education. This is a related analysis of housing as service provision and investment.

The evidence is that Australia should stop following US direction, however many top universities they are supposed to have. US health care costs appear out of any rational control and US housing led the global financial crash. Their huge numbers of TV channels appear to pump out almost nothing but rubbish as if it was the truth. Against the statistical evidence, which is that they kill each other far more often than anywhere else in the OECD, Americans buy guns to keep them safe and eat far too much sugar and fat. The US is hardly a country to be copied by anybody who values stability and hates risk.

Shared Zones and/or common property provide an opportunity to address many related problems to increase quality of life and productivity. In a recent Australian Financial Review article (AFR 23.3.12, p. 1), the NSW Premier's Chair of Public Service Delivery, at the Uni. of New South Wales, Gary Sturgess, quotes Alfred Sloan, long-time chief executive of General Motors, who wrote in the 1950s:

From decentralization we get responsibility, development of personnel, decisions close to the facts, flexibility – in short, all of the qualities necessary for an organization to adapt to new conditions. From co-ordination we get efficiencies and economies. It must be apparent that coordinated decentralisation is not an easy concept to apply.

Planning and development in more shared zones may appear as good opportunities for more openly and competitively related jobs, work and learning. Traditional measures of productivity are based on identification of supposed inputs and outputs of purely market processes, numerically expressed in trading environments in which all are ideally assumed to perform actions driven purely by price. Activities are approached in secret bidding wars. The NSW Office of Fair Trading Consumer Building Guide suggests three quotes be gained for any building operation. This may appear primarily to involve many producers in a lot of unnecessary work while also encouraging those engaged in trade to cut their prices to unrealistic levels to win a contract, while trying to regain financial ground by any other means available. Plan openly to create more jobs and cut costs.

The usual old secret silo approaches may drive many unknown costs further down many opaque contracting chains in all work related directions. The result, as in 2008, may be almost total financial ignorance, followed by financial crash which apparently surprises financial 'experts' and shows their future estimates were wrong. The situation may be fairly different in health care, where the provider's service is often guaranteed by the taxpayer. Home warranty, professional liability and many related insurances require coordinated consideration in regional contexts where people may live in large buildings or free standing homes. Manage openly in shared zones, valuing stability and cost control.

The City of Sydney and the Commonwealth have agreements to roll out City of Sydney planning directions, including installation of a tri-generation network to supply low carbon electricity and zero carbon heating and air-conditioning to council and privately owned buildings in four zones across Central Sydney. Installation of trigeneration in Green Square and related development is being carried out, for example, with Leighton Properties, Mirvac, John Newall and Lancom, as well as Origin and Cogent. Lord Mayor

Clover Moore has stated trigeneration plants will reduce pollution by using natural gas not coal and one day may be converted to renewable gases using waste to energy technology. It would be good to understand more about how waste is ideally managed in the City's illegal dumping hot spots such as where we live and elsewhere, to meet the objects of the Protection of Environment Operations Act 1997, including 'reduction in the use of materials and the re-use, recovery or recycling of materials'. Learn from shared zones.

Health is closely related to the quality of environments. The Protection of the Environment Operations Act aims, among other things, 'to provide increased opportunities for public involvement and participation in environment protection'. The current Strategic Review National Health and Medical Research Terms of Reference point out the burden of disease has shifted in Australia. Chronic diseases, including those associated with ageing and mental illness are now the leading causes of morbidity and mortality. Australian business is commonly lead by the US, including through its product, communications and collegiate associations. However, the globally driving US market experience of health, health care provision and high cost suggests many comparatively narrow and unplanned professional foci may be wrongly equated with supposed benefits of 'free choice', rather than with much more ignorantly confused and costly acquiescence. The US driven TV advertising directions for high sugar, high fat food, drugs, etc. seem likely to produce many more obese, sedentary, disabled people, taking more expensive combinations of college, drugs and surgery, who are likely to die earlier compared with those in more broadly planned, informed and job ready community situations.

Chapter 1 'Future Regulatory Approach' in the Strata and Community Title Law Reform Discussion paper does not explain or effectively analyse any 'big picture' in line with the Government's commitment to carry out a 'root and branch' review 'given that some of the laws are now more than 50 years old'. The strata and community title laws, addressed briefly in Appendix B at the back of the report, are new compared with many charitable, government and/or private sector housing ownership and management schemes on which the report is silent, even though they appear to be all around us as neighbours, old and new. We have tried and failed to find their decision makers to address common concerns such as management of trees, rubbish and insurances. One assumes the council has more information but any positive change is very difficult. For more sustainable development, ideally one should expect increasing management synergies within and across many organizations, communities and lands, to deliver regional services more effectively and fairly through small or large businesses, including those designed to meet the needs of children, the disabled and old, who often are also increasingly disabled before their death.

Thank you for the opportunity to make this submission. Yours truly,  
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