

News about issues that affect your business

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That's not a cyclone...this is a cyclone

Although the effects of Cyclones Debbie, Yasi, Marcia and Larry are generally well known, these are dwarfed by Cyclone Mahina.

Cyclone Mahina is the deadliest cyclone in recorded Australian history, striking Bathurst Bay in Cape York on the 4th March 1899, with its destructive winds and storm surge combining to kill over 400 people. Thankfully, storms like this occur extremely rarely, with research by scientists finding that "on average" super cyclones occur in the region only once every two or three centuries.

A pearling fleet was anchored in or near the bay before the storm, but within an hour the fleet had either been driven ashore, onto the reef, or sunk at their anchorages.

A storm surge, reportedly 13 metres high, swept across Princess Charlotte Bay and then 5 kilometres inland destroying anything left of the fleet and the settlement. Apart from the sailors, around 100 indigenous Australians were killed, but as indigenous people were not counted as part of the population at the time, no accurate numbers are known. Tragically, they had tried to help the shipwrecked survivors, but the back surge caught them and swept them away. Thousands of fish and some sharks and dolphins were found several kilometres inland and on Flinders Island, dolphins were found on the 15.2 metre cliffs.

The cyclone continued southwest over Cape York Peninsula, emerging into the Gulf of Carpentaria before doubling back and dissipating on the 10th March. Measuring cyclones is a complicated task as the biggest or strongest are often not the most



destructive, but one good measure of intensity is pressure.

The lower the pressure, the more air gets sucked into the cyclone and this ultimately results in more power. A study in 2014, found the lowest pressure of around 880 hectopascals for Mahina, based upon modelling of meteorological variables needed to induce the world record setting surge height...by comparison, Cyclone Yasi was 930 hectopascals.

Hopefully, we won't see anything like Cyclone Mahina in 2017/18, but Queensland, and more particularly North Queensland, is facing another nervous cyclone season, with weather forecasters predicting a dozen cyclones could form off the Australian coast this summer. Of those, up to four could cross the Queensland coast, but even tropical cyclones which do not make the coast can still have a significant impact on coastal communities. Heavy rainfall causing major flooding, storm surges causing coastal inundation and destructive winds causing damage to property and infrastructure are a common occurrence.

The State Emergency Service recommend having an Emergency Kit ready for storm season that contains essential items you may need during and after a severe storm. An Emergency Kit contains essential items that you and other members of your household may need during and after a severe storm.

The following basic items should be included in your Home Emergency Kit:

- Your Home Emergency Plan, including emergency contact numbers
- Portable radio (with batteries or wind-up)
- Torch (with batteries or wind-up)
- First Aid kit
- Sturdy gloves
- Important documents and cash in waterproof bags
- Essential medication
- Special items for babies, the disabled, elderly or pets
- Drinking water and non-perishable food for three days

If you live in an area that is prone to storms and/or floods, you may consider adding the following items to your emergency kit:

- Mobile phone, spare battery and charger
- Change of clothing and shoes
- Pillows, sleeping bags and blankets
- Toiletries
- Camping stove or gas burner
- Valuables, photos and mementos in waterproof bags
- Books and games for children

Tips:

Keep your kit in a waterproof box and store it in an easy to access location.

Check your Home Emergency Kit regularly and re-stock any out-of-date items.

Airbnb - Do you have rights to share your home?

Airbnb has become a central player in the sharing economy in the last decade. While its usage has presented opportunities to ease the financial burden of a mortgage, there are legal implications that hosts of strata-titled properties should be aware of.

In a recent case of *Estens v Owners Corporation SP 11825* [2017] NSWCATCD 52, the NSW Civil & Administrative Tribunal (**NCAT**) found that strata by-laws which prohibited short term letting, like Airbnb, were invalid.

In this case, Ms Estens took the owner corporation of her apartment building to NCAT after it passed a by-law which prohibited short term letting as a result of a complaint by one of Ms Estens' neighbours about the conduct of Ms Estens' Airbnb guests.

Ms Estens argued that the by-law was invalid because it prohibited or restricted the dealing of a lot or transfer, lease, mortgage and infringed section 139(2) of the *Strata Schemes Management Act 2015* (NSW) (**SSMA**).

NCAT concluded that an Airbnb letting constituted a tenancy or lease as it had specific commencement and end dates and gave the tenant exclusive use of the property. It found that the by-law prohibited or restricted the dealing of a lease and was therefore invalid by reason of section



139(2) of the SSMA.

This decision seems in conflict with that of the Western Australian Supreme Court in *Byrne v The Owners of Ceresa River Apartments Strata Plan 55597* [2017] WASCA 104, which had considered the WA equivalent of section 139(2) yet upheld a by-law prohibiting short term letting. However, it is consistent with the decision of *Owners Corporation PS 501391P v Balcombe* [2016] VSC 384, in which the Supreme Court of Victoria found that owner corporations did not have authority to ban short term letting.

In Queensland, strata property is governed by the *Body Corporate and Community Management Act 1997*. However, there

have been no cases which deal directly with Airbnb and strata property.

What arises out of the above cases is that there is currently no uniform approach across the country as to whether owners of strata property can rent out their homes on Airbnb, if in contravention of a strata by-law.

It seems that the wording of the by-law might be important in deciding whether it infringes the equivalent section 139(2) provisions in the various state legislations that deal with strata property.

It is suggested that owners of strata property review their Body Corporate by-laws before renting out their homes on Airbnb to ensure that they comply with any legal obligations.

Down payment with a catch

It's getting harder and harder for many to enter the housing market, but a new start-up in America is making it a little easier for those wanting to purchase a home...but it comes with a catch.

A 29-year-old entrepreneur from Seattle, Yifan Zhang has come up with a service, called Loftium, which fronts up the cash for a down payment on a home with a proviso they continuously list their extra bedroom on Airbnb for one to three years and share the income with the company. Zhang told New York Times the concept came about when she and her husband purchased a home in Seattle and looked into renting the spare bedroom to generate extra income. But when she learned the amount could cover her mortgage or sometimes more each month, she decided to start up Loftium.

The company provides prospective home-buyers in Seattle with up to \$50,000 for a down payment as long as the extra bedroom is listed continuously on Airbnb for one to three years and the majority of income is shared with Loftium during this time.

The start-up determines the size of the down payment its willing to put up through an algorithm that predicts how much income a room can generate. The company then collects around two-thirds of the income, leaving the home-owner to take home part of the profit as well.

And if the room doesn't generate the expected income (provided it's not directly the result of the homeowner through bad reviews/lack of availability etc), the homeowner is not out of pocket and there is no



expectation to pay the money back.

The concept is fine if you are willing to open your home to travellers in order to get in the housing market.

While Loftium currently only operates in Seattle, the company has plans to branch out to more cities within a year and it's only a matter of time before a similar operation starts up in Australia.

Tis the season to avoid online scammers



In a bid to avoid Christmas crowds, online shopping during the festive season is very appealing. And while the ease and convenience of shopping from the comfort of home is a positive, it's still important to be aware of simple security measures to ensure it's not the season to be scammed. During heavy shopping periods such as Christmas, the risk of online fraud and scams increases.

Heritage Bank has provided some simple tips to help you stay safe while shopping online during the Christmas period.

- Protect your privacy – When you shop online, only include relevant information and check privacy policy and security of sites you visit.
- Read all the fine print - This includes refund and complaints handling policies. Are there any hidden costs you'll be hit with at the check-out? There could be conversion costs (for international purchases) or hidden fees.

- Don't overshare on social media – Check your social media privacy settings. Do not post personal information that will put you at risk.
- Reject Scam callers – Financial institutions will never make unsolicited calls or emails asking for your personal banking details or card details, so always check with your provider.
- Be alert to 'romance scams' - Over the Christmas and New Year period in particular romance scams cause millions of dollars of loss to Australians.
- Don't send your bank or credit card details via email to pay for purchases - Only pay via a secure web page that has a valid digital certificate. It should have a padlock symbol and an address starting with https://

For more details about reporting and identifying scams and fraud, visit the SCAMWATCH and Australian Cybercrime Online Reporting Network websites.

CHRISTMAS PARTY PLANNING

During the silly season there are plenty of things to think about, including if your office premises are safe and secure in the lead up to and during the holiday closure time. The office Christmas party is always an opportunity to celebrate a successful year, but an important aspect to consider is the wellbeing of staff during Christmas parties. Some things to consider include:

- Health and safety of those attending
- A clear end time
- Do not endorse after parties
- Ensure you have adequate insurance coverage
- Alcohol – ensure there is RSA (Responsible Service of Alcohol) in place, particularly for a private party and ensure there are non-alcoholic options available
- Consider transport options for staff to leave safely
- Have a plan in place for any incidents
- Review your office policies, particularly surrounding bullying, discrimination and adverse action and remind staff of these prior to the event.

Tips for keeping your home safe over Christmas



1. Make your home less attractive to thieves.

Do this by investing in outdoor lighting and other visual deterrents such as alarms and CCTV cameras. If you are away for a period of time over the festive season, make it look like the house is still occupied.

2. Check your alarm is in working order

Make sure your home alarm is in good working order prior to leaving for holidays.

3. Protect your valuables

Never leave valuables in sight and consider investing in a safe for additional protection.

4. Keep your presents safe

Expensive gifts on show under the tree are an invitation for burglars, as is any gift packaging left outside the home advertising any new and expensive items inside.

5. Watch your posts on social media

Avoid publishing your holiday plans on social media.

6. Position Christmas decorations strategically

Be aware of where you position your Christmas decorations, keeping in mind you want to ensure windows or doors are not obstructed.

7. Leaving windows open

It may be warm and it's tempting to keep the home open, but be aware of leaving windows and doors without security screens, open in empty rooms, especially if you are entertaining at the back of the house.

Before you fly check your insurance



It's imperative for travellers to have a full understanding of their Travel Insurance Policies prior to heading off on their adventures.

Certain credit cards that have Travel Insurance Policies included as part of their offering sometimes have many limitations and exclusions that may cause heartache if not understood prior to departure.

There are many insurance products that are attached to credit cards that sometimes don't provide adequate coverage. As travellers, we need to ensure that the coverage matches our expectations.

Some of the limitations of the credit card insurance policies don't provide coverage for:

- Terrorism related events
- Certain international travel destinations

Certain policies are limited to provide coverage for medical expenses only and are often

also priced accordingly.

Also, if you find yourself in a position where you need to make a travel claim here are some "tips" that may assist:

- Get it down on paper – if you're a victim of a flight or hotel cancellation or delay be sure to obtain written proof of such events from your airline and/or provider.
- Keep receipts – Your insurer will require proof of payment/booking in order to settle your claim. Retaining boarding passes, receipts or credit card statements further assist.

As always, contacting us, your broker, to advise of details of any potential claim with proof at your earliest opportunity will ensure prompt settlement of claims.

Further, by allowing us to view your existing coverage, prior to departure, will also allow for any "shortfalls or inadequacies" to be identified and the appropriate coverage obtained.

Be sure. Before you insure!

Ask your CQIB broker about...

Commercial and Retail Insurance

- Business Property
- Business Interruption incl Loss of Rent
- Liability
- Burglary and Money
- Glass Breakage
- Machinery Breakdown
- Computer
- Goods in Transit
- Tax Audit
- Motor
- Contract Works
- Commercial Strata

Liability

- Public and Products Liability
- Professional Indemnity
- Management Liability
- Directors and Officers
- Employment Practices Liability
- Statutory Liability
- Cyber Risk

Premium Funding

Private and Domestic Insurance

- Home and Contents
- Car, Caravan, Boat and Trailer
- Travel
- Residential Strata

Life, Disability and Partnership

- Life/Accident and Illness
- Term Life
- Long Term Disability/Income Protection
- Key Man
- Superannuation

The CQIB represents over 57 Queensland firms employing nearly 400 staff and placing in excess of \$500,000,000 in annual premiums. The CQIB charter is to maintain the level of professionalism of its members by the sharing of knowledge, information and ideas.



For more information visit
www.cqib.org.au

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Bestmark
Insurance Brokers
ABN 27 010 838 043 AFSL No. 238778

16 Milford Street
(PO Box 717)
Redbank Plains QLD 4301

Phone: 07 3814 2484

Fax: 07 3814 3339

Email: insure@bestmark.com.au

Web: www.bestmark.com.au

Wisewords

"It is better to
fail in originality
than to succeed in
imitation."

— Herman Melville

"Success is not final;
failure is not fatal:
It is the courage to
continue that counts."
- Winston Churchill

"I find that the harder
I work, the more luck I
seem to have."
- Thomas Jefferson