



What does a good  
**owners corporation**  
committee do?

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## WHAT DOES A GOOD OWNERS CORPORATION COMMITTEE DO? THE MILLION-DOLLAR QUESTION

What makes a great Owners Corporation committee? That is literally the million-dollar question. Your Owners Corporation is responsible for insuring, maintaining, and repairing all common property at your building, as well as budgeting for, the collection of and expenditure of hundreds of thousands of dollars.

In doing so, the Owners Corporation should be protecting and/or improving the value of a multi-million-dollar asset. It is amazing then, that so often the Owners Corporation – or Body Corporate as once known in Melbourne – is seen as an afterthought or distraction for lot owners.

It is a crucial vehicle in securing and improving the value of your asset, and your Owners Corporation committee is that vehicle's driver. Appointed by their fellow owners at every general meeting of your Owners Corporation, your committee will look at a wide range of reports and take a wide range of advice to make a number of important decisions over the course of the year.

Taking up a seat on your Owners Corporation's committee is an important role and one with great responsibility. Yes, it is a volunteer role, but that does not mean it should be treated as an afterthought. You won't be paid a wage for your efforts, but your efforts will help to decide whether your property investment thrives.

So, what do the best committees do?

The best committees will liaise with service providers, and contractors and work with their Strata managers to drive positive outcomes for their properties and the communities within them. It is not always an easy job, but it's an important one. Here are four things the best committees do:

### **Have a plan**

A good plan goes a long way to the management of your property. If you are a new owner at a property or you have never been a part of your Owners Corporation committee, you and your fellow committee members should meet up in the weeks following your election to discuss your collective goals for the year to come and beyond.

But remember, this is bigger than just you and your committee members. It's about all your owners. If you were elected at your Annual General Meeting, then you will have an idea of what issues are the most important to your fellow owners who attended the meeting.

In electing you to the committee, your fellow owners have entrusted you with acting in their best interests. This is another reason why attending Annual General Meetings is so important. Without attending, either in person or via proxy, it's impossible to make clear what issues are important to you, even if you don't have the time to commit to being on the committee.

Once elected, committee members should organize a date to catch up and set some priorities. Perhaps energy efficiency is something you would like to focus on, or perhaps you would like to prepare a maintenance plan for consideration by all owners. You could even use this catch up to schedule your committee meetings over the rest of the year. This exercise will give you and your committee members some goals to focus on and will help to ensure that you have a bigger picture in mind, instead of simply micromanaging issues reactively on a week-to-week basis.

Once you've set your goals, communicate them to owners via your Strata Manager. If you are a member of an existing committee, then this is definitely an exercise you should do with your current committee ahead of the next AGM. This will give you and your Strata Manager to consider any goals you may have for the coming year and prepare to present them to owners at the meeting.

### **Stick to the budget**

You and your fellow owners agreed on and set a budget for the financial year at every Annual General Meeting.

- It's imperative you stick to that budget - Your Strata Manager will raise money for your Owners Corporation from all lot owners in accordance with the budget set and as dictated per lot liability – which tells your Owners Corporation what percentage of the budget to raise from each owner.
- Fees come in on a quarterly basis- Strata Plan will always provide you a proposed budget to consider at every Annual General Meeting, prepared by our specialist Accounts Team. We will always recommend a healthy contingency as part of our proposed budgets.

These amounts are good to help cover lot owners who fail to pay on time or any unexpected repairs that are needed. Cutting down the budget to lower fees might win you some brownie points with your fellow owners in the short term, but you can't use those to pay for cleaning or electricity when the money runs out.

If there is a project you and your committee are passionate about, such as greater security for the building, making the building more energy efficient or starting a maintenance fund, then you should consider the impact on your current

budget. If you are going to need more funds, then your best course of action is to prepare to present your plans at the next AGM.

Do this by raising your goals with your Strata Manager and your next committee meeting (which your Strata Manager should be invited to) and asking them to organize some quotes for the works required. This way, the costs can be included in your next proposed budget and your fellow owners can make a decision on whether or not to go ahead with all the facts in front of them

### **Meet regularly**

Your committee simply needs to meet regularly. Regular may depend on how big your building is, how many lots it comprises, the size of your committee and the issues at hand. As a general guide, Owners Corporations with 10-15 lots should be having at least two committee meetings in between AGMs. Owners Corporations with between 15 and 50 lots should be having committee meetings quarterly and as required. Larger Owners Corporations may want to consider monthly meetings.

However big your Owners Corporation, if you aren't seeing your fellow committee members any time other than the AGM, then you're doing it wrong. Our Strata Managers see firsthand that committees that rely on email and phone calls take much longer to get things done and there is far greater potential for mixed messages to be conveyed and breakdowns in the communication chain.

Meetings are a very important part of your Owners Corporation's ecosystem and a committee that plans for and has regular committee meetings will work much more efficiently and diligently to achieve their goals. Of course, regular meetings make prioritizing your Owners Corporation's workload easier as well.

### **Manage requisitions**

Not every item of business for your Owners Corporation committee is going to be urgent. Some things, like an update on overdue levies, or an update on a non-urgent quote can wait for the next committee meeting. Meetings are an open forum and allow for important discussions to be had with all stakeholders, instead of just one or two people via email who then need to go back to the rest for their input. If your Owners Corporation Committee has made a plan or a schedule of meetings, you will have ample discuss the nitty gritty in this forum.

Save telephone and email correspondence for matters of urgency – such as repairs – that cannot wait until the next committee meeting.

If you have any questions about your Owners Corporation committee, feel free to get in touch with Strata Plan today!