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YSP Podcast Transcript: Episode 089. How to effectively chair a strata meeting

Listen to this podcast episode here: <https://www.yourstrataproperty.com.au/089-how-to-effectively-chair-a-strata-meeting>

Intro: Welcome to Your Strata Property. The podcast for property owners looking for reliable, accurate, and bite-sized information from an experienced and authoritative source. To access previous episodes and useful strata tips, go to www.yourstrataproperty.com.au.

Amanda Farmer: Hello and welcome. I'm Amanda Farmer, and this is Your Strata Property. Special episode for you today; you have me flying solo. I do like to do this every once in a while. I want to have a chat about chairing of strata meetings. Now, at this time of year, lots of general meetings happening, and I've been invited to attend a few in recent weeks, attending as the owners' corporation's lawyer or attending as a lawyer engaged by a lot owner, and assisting them with a motion that they might have on the agenda.

And in the process of attending those meetings, I've noticed that sometimes when it's not the Strata manager chairing the meeting but the actual chairperson who has been elected to be on the strata committee and nominated to the office of chairperson, the chairperson can struggle a little bit with meeting procedure, the right things to say; the right words to use, how to put a motion to the meeting, how to make sure the motion is correctly resolved; and I thought it might be a good opportunity for me to share some hints, some types, some strategies that you might like to use, if you're a chairperson who may not be used to chairing a meeting and happens to find themselves in that situation.

Now be sure to stay tuned right to the end of this episode, because I've got some really exciting news for members who are part of the YSP online community, or those who might be thinking about becoming a member. I've got something new inside the membership, and I want to tell you a little bit about it, so I'm going to get to that at the end of this episode.

But for now, let's have a quick chat about chairing strata meetings. Now I'm talking about general meetings, whether that is an annual general meeting or an extraordinary general meeting. And those of you who have strata managers engaged, you probably usually have your strata manager chair the meeting. They generally have that delegated authority under their agency agreement to do that. But there are some occasions where the actual elected, nominated chairperson wants to or should be chairing the meeting. And this is something that I often recommend when I'm acting for a lot owner. And if that lot owner happens to be the chairperson, and they want to get a particular message across in the meeting, they want to make sure that they can campaign very strongly for a particular motion to be resolved, I say to them, "Well, you're in a great position. You're the chairperson; why don't you chair the meeting, rather than the strata manager chairing the meeting?" Or it could be a building that has been unhappy with its strata manager; they think maybe the strata manager is not providing the best level of service, and they want to do a little bit more hands-on work for their building, and I say, "Well, your strata manager doesn't have to chair the meeting; your chairperson is technically the person who should be doing that. Why don't you jump in and go ahead?"

The chair is sometimes very experienced and has been doing this for many, many years, chair strata meetings and I have a couple of buildings in mind where I see that done really well by very experienced chairs. And then there are others where the chair might be a little bit reluctant or unsure, and bit nervous, a bit anxious about this role with standing up before their fellow residents, owners, sometimes a very large room, and taking on that role. So, I want to give you today a few tips to ease that burden a little bit. Now, I do recommend that where a chair thinks that he or she might be facing a difficult meeting, perhaps with some opposition, maybe some unfriendly or unwelcome views, and I think generally owners know when that's going to be that kind of a meeting, just as strata managers and lawyers know as well. I always suggest that they come prepared with a list of housekeeping notes and that they share this list with the attendees at the meeting when the attendees are coming to the door. You have a printed list, and the list has a few points on it.

And the points go to things like, "Who's going to be chairing the meeting? The meeting will be chaired by Joanna Smith, your elected chairperson," for example. "After each motion is put, those who are present and entitled to vote will be given the opportunity to speak to the motion. The time to speak to the motion will be limited; we have a lot to get through at the meeting

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tonight and each person will have," for example, "one minute to put forward their view on the motion." Your housekeeping notes might also set up that the chair's declaration of the result of the motion is binding and final. Your housekeeping notes might also set out that everybody should speak politely and respectfully. Everybody should speak to the motion, so what they say needs to be relevant to the motion that's being considered at that time. And the chair's direction should be followed at all times.

Something like that, that's what my general housekeeping notes contain, and I'm going to make sure that there is a list of these housekeeping notes available to YSP members inside our forum. Those are the kinds of things that you might want to set out in some housekeeping notes, which should be printed and made available for those who are coming in the door and signing their attendance.

Now, I mentioned the signing attendance. This is something that even if your strata manager is not chairing the meeting, you can get your strata manager to assist with that process. If they're there and present at the meeting and you're probably paying for them to be there, why not put them to some good work. Generally, they will have a form that they use for their meetings, which is an attendance record. It's important to make sure that we're clear on who it is who is at the meeting, and everybody should sign that record as they come in the door. Some people will be lot owners who are present and voting in their own right. Other people will be, maybe not lot owners; they're just proxy holders. And then you might also have some owners who are voting as owners and also voting as proxy holders. And it's important that that's recorded on the attendance record.

Now you can also ask your strata manager to advise you when a quorum is present. So they will be looking at who is in the room and how many proxies have been sent in and they'll be able to tell you once a quorum has been established. They also need to be able to tell you who is financial, so who has paid their levies up to the start of the meeting. And a good strata manager will bring an up-to-date record of payments with them to the meeting so they can work out who is financial and who is not, and if there is anyone who has turned up to vote or is holding a proxy, and the owner is not financial, hasn't paid their levies up to the time the meeting starts, then they won't be financial and their vote won't count. So it's important that your strata manager helps you to establish that; they will be the person with the access to the relevant records.

Now, remember, as a chairperson you now have the discretion, if there is no quorum, you can decide to wait 30 minutes and then proceed with the meeting in the absence of a quorum. So that's your call as a chairperson; don't forget that you do have that power under the new law here in New South Wales.

Now you should take note of the time that the meeting opens. It may be a little bit after the time that's stated in the meeting notice. So you might start at 6:40 p.m. when your meeting notice said 6:30 p.m.; that's perfectly normal and just make a note of that. You might want to say, "The meeting is now open, and it is 6:40 p.m. We have a quorum, and I have been advised that Lot 17, while present, is not financial and therefore their vote will not count tonight."

So I'd recommend that kind of an announcement to make sure that everybody's on the same page and aware what their rights are. You might also establish at this point who is going to take the minutes, and if you're chairing the meeting but your strata manager is there, then it might be a good idea to say, "May I invite our strata manager to take the minutes tonight," unless the secretary is also present and wants to take the minutes, which would fall within their usual duties. And if there have been any apologies, so people haven't sent in proxies and are not in attendance but they have sent an apology to say that they're sorry they can't attend; it's good form to note those apologies as well.

So then you proceed to Motion One. Motion One is usually to approve the minutes of the last general meeting. Some motions are going to be short and it might be easy just to read those out. For example, "Motion One, that the minutes of the last general meeting be approved." That's nice and short, easy to say. If the motions are a little bit longer, we don't want to take up too much time, that's the reason we have a notice of meeting so that owners have had the opportunity to consider motions beforehand and to read the agenda. You might say something like, "Motion Seven," for example, "I will not read the entire motion; I will take it as read. Is there any discussion on the motion?" So you're not actually reading out the words that are written on the agenda for everyone there to see; they've generally got agendas in front of them. But you're taking it as read.

Now, it's good procedure, to once you have noted the motion you're up to and read it if it's a short one, then call for any discussion

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on the motion. And this is something that I should have added should be in your housekeeping notes; you'll say, "If you'd like to speak to the motion please raise your hand." So this will be in your housekeeping notes. And you might even want to briefly cover off those housekeeping notes before you open the meeting, just run through them quickly with those who are present, or at least ask if those who are present have read and understood them.

So you'll ask if there is any discussion on the motion, please raise your hand. And you'll then call on particular people to speak to the motion. It's always nice if you know who the person is to say to them, "Hi Jenny; yes, please stand up and speak to the motion." If you're not sure who it is, you might say, "Yes, can I ask the lady in the red shirt to stand up and speak to the motion?" That's important in a big room where there are lots of hands; people don't necessarily know that you're pointing them out, and someone might be sitting behind someone else, both with their hands up. So it's important to be clear who it is that you as chair are calling on to speak to the motion.

Now remember your own rule, that you've said everyone has one minute to speak to the motion. You might want to have your watch or your phone or a stopwatch timer next to you, just to remind you when that one minute is up. And when that one minute is up, to politely say, "Thank you very much, Jenny," or "Thank you very much, madame. That's one minute; I'll now invite you to sit down, and I'll call on somebody else to speak to the motion." You might have to be a little bit forceful in that respect for some people who may not be finished, but the message will soon be received by the meeting that you're intending to run a tight, efficient meeting and you are going to stick to your own rules. So you have to have that little bit of confidence at the beginning to speak loudly and make it very clear that the one-minute rule is here to stay.

If you do get some pushback and the meeting starts to become a little bit disrupted; perhaps there are other people who are saying, "No, let Jenny speak," or "That's not a very fair rule," or, "You just don't want to hear about it," you know, we all know these things happen in strata meetings. What you're going to say as a chair is the word "order." And you're going to say loudly; you're going to say, "Order." And what you're attempting to do is bring order to the meeting. And I've seen this done really effectively by experienced and confident chairs. There is something in the word "order," and particularly the way that it is said, which will bring a meeting back under control and will quieten down those who are present.

And remind people that we're here to engage in a democratic process; everybody has the right to have a say, that right shouldn't infringe on anybody else's right to be heard and also to feel comfortable and safe in the course of the meeting, and not to be denigrated or abused, and that includes yourself as the chair. There is no reason for there to be any abuse of you or any disrespect. So, using that word "order" and repeating what it is you'd like the meeting to do, "I'm asking Jenny to sit down, and I'm calling on this lady in the front row to now speak to the motion." Be very clear, very calm, about what it is you're asking the meeting to do.

Now, once there has been discussion on the motion, and the discussion may be exhausted; there may be no one else who wants to speak to the motion. Or you might have to say, if it's a very hot topic, "Time is getting away from us. We will only have two more people to speak on the motion." And you then determine in the discretion of the chair who those two people will be. Once you've had that discussion, you then put the motion to the vote. And you say those words, "I am putting the motion to the vote." That's another good way to bring a meeting back to order. "I am now putting the motion to the vote. All those in favour, please raise your hands. All those against, please raise your hands."

Now that's the process if we have a motion that's to be resolved by way of an ordinary resolution, that's on a show of hands and majority rules. Most of the meetings that I've been involved in, it's pretty clear once you've called all those in favor, all those against, what the result is, and the chair can quite comfortably say, "motion carried" or "motion defeated," depending on how many in favor and of course how many against. And it's very important that the chair actually does declare the result of the motion. And that's because the Strata Schemes Management Act says that the chair's declaration of the vote is final and binding, so it must be declared to the meeting whether the motion is carried or the motion is defeated.

Now, remember that if a motion requires a special resolution, then a special resolution will fail if more than 25% of the votes are against the motion. And that 25% is calculated on a unit entitlement basis, not on a show of hands. So what I often recommend where a special resolution is being put, the chair says, "I will now put the motion," and actually immediately calls for all those

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against. "All those against," and you can ask those present to raise their hands. If nobody raises their hands, which is often the case when we're passing by-laws, which do require special resolutions, if there's nobody against, then you can confidently say that the special resolution has passed. So that's a quick, efficient way to put special resolutions.

If you are putting a special resolution and you call all those against and you have a few hands in the air, then it's going to be important, and once again this is where you can refer to your Strata Manager to help you out, it's going to be important for the strata manager to record the lot numbers of those who have their hands raised. Also being aware of who has a proxy, and how the proxy vote is being put, so that the unit entitlements can be calculated and we can see if there are more than 25% on a unit-entitlement basis against that motion. So, just be a bit careful with special resolutions and definitely ask your strata manager to assist in that process. They're going to have to refer to the strata roll to be able to make sure they've recorded down the correct unit entitlements for each lot that's voting against.

Now I'm not going to get into strata committee nominations and elections in this episode. That is a whole other episode in itself. And please do reach out and let me know if you'd like an episode of how to properly conduct the election of a strata committee. It's become a little bit more complex under our new law here in New South Wales. Limits on who can nominate who, and how that election is to be conducted. So I'd love to go through that in an episode, but do let me know if that's what you want, and I'll tack that one onto the list.

Now it's really important for the chair to remember that you do have the power to rule a motion out of order. And this power lies in the Strata Schemes Management Act; it is in Clause 19 of Schedule One to the Act. And that section says that "a chairperson at a meeting may rule a motion out of order if the chairperson considers that the motion if carried would conflict with the act, or the by-laws, of the strata scheme, or would otherwise be unlawful or unenforceable. Chairperson can also rule a motion out of order if any requirement of the act to include in the form of the motion, in the notice of the meeting has not been complied with." So, normal language there, if you've haven't done what you're supposed to do when putting the notice of meeting together and met the requirements for explanatory notes, for example, then the motion may be ruled out of order.

And it is entirely up to the chair whether or not to rule a motion out of order. And I have seen this power used quite effectively by chairpeople dealing with motions that if resolved would result in a breach of the law or a conflict with the by-laws, and the motion may have been put by an uninformed owner and it is an effective way to deal with what could otherwise be a very controversial issue and open up a lot of unnecessary discussion from the floor. If it's quite clear to you that if the motion was resolved it would conflict with the Act or the by-laws or otherwise be unlawful or unenforceable, then go ahead and rule that motion out of order. And you say, "As chair, I am ruling this motion out of order." And it will be marked as such in the minutes.

So once you've run through all the motions on the agenda, it's time to close the meeting. Don't forget to note the time, so, "It's 7:30 p.m., and I now declare the meeting closed." Breathe a sigh of relief, go and have a glass of wine; you've done a fabulous job. And good on you for taking up the baton and fulfilling your role as chairperson.

If you are putting a special resolution and you call all those against and you have a few hands in the air, then it's going to be important, and once again this is where you can refer to your Strata Manager to help you out, it's going to be important for the strata manager to record the lot numbers of those who have their hands raised. Also being aware of who has a proxy, and how the proxy vote is being put so that the unit entitlements can be calculated and we can see if there are more than 25% on a unit-entitlement basis against that motion. So, just be a bit careful with special resolutions and definitely ask your strata manager to assist in that process. They're going to have to refer to the strata roll to be able to make sure they've recorded down the correct unit entitlements for each lot that's voting against.

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Now I'd love for you to reach out to me, and do share your experiences acting as chair at general meetings or perhaps putting into practice some of these procedures and these tips. Perhaps using the housekeeping notes method, and how that's helped, perhaps. And how that's impacted the running of your meeting. And your own ideas; I learn so much from experienced and effective chairs, some who are strata managers and some who are not, and it's only from attending meetings for many years and seeing both the well run and the not so well run that I am able to talk through this process. So, I'm always wanting to learn and when you reach out to me with your stories, that's a fabulous way for me to learn. So, never hesitate; send an email to amanda@yourstrataproerty.com.au. I would love to hear from you.

Now, here's the exciting news from the YSP online membership community. If you're not sure what that is, head over to www.yourstrataproerty.com.au/membership. You can become a member of the community for as little as \$29 a month. And once you're in, you have access to a Q&A forum where I answer your strata questions, solve your strata problems, give you the guidance and information that you need to live happily in your strata building. Lots of strata managers inside that membership as well, who ask some wonderful questions that really keep me on my toes and help out our other members.

So, if you haven't yet, go and check out the benefits that membership has to offer. But what I really want to announce today, and our members already know about this. We now have a searchable case database inside our membership. Now, you may remember I conducted some pretty in-depth surveys earlier this year; you might have got one from me in your inbox. And I asked you what you would like to see from an information provider like myself, providing information about legal issues in strata; what is it that frustrates you, challenges you when you're looking for information about strata legal issues. And so many of you said we really want access to strata cases so that we can search for our problem, for example, repairs and maintenance, strata managers' duties, building defect. We can search our problem and we can read reported cases, whether it's in the tribunal, the Supreme Court, the court of appeal, maybe even the High Court, and see how these issues have been resolved by the courts and the tribunal in other similar cases.

Well, I heard you, and I have put that database together for you. Along with a Q&A forum and the free by-law templates and the free e-books and legal updates that our members get, our members can now browse through and search using keywords, a case database that is hand selected by myself and my team, important community and strata title cases, particularly from New South Wales but also some seminal cases from other jurisdictions, all in an easy to access, easy to digest database.

Now, the database will continue to expand over time, and the beauty of it is that if you do search for a particular topic, for example, "building defects," then because of the way that myself and my team have tagged the database, you'll get a number of cases there that deal with building defects. So you can have a read-through and see what some of the buildings have experienced and

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particularly how the courts and the tribunal have dealt with their claims. So, that's going to help those of you who are trying to run some litigation yourselves, perhaps, or help out your strata manager who might be briefing a strata lawyer and certainly to help out your strata lawyer. I am always very appreciative, as I think I've said before, when I have owners, committee members, strata managers, who are able to do a bit of research and say, "Hey Amanda did you come across this case; this sounds like it's up our alley." So, that case database, as I said, something that many, many of you asked for during that survey process, and happy to deliver it for you.

So head over to www.yourstrataproperty.com.au/membership if you're not yet a member. The minute you join up you have access to all of the member-only resources including that case database, and I do offer a 100% money-back guarantee, so if you are not happy with what you get inside the membership, then absolutely you'll have your money back. But I have to say, there are many very happy members in there, and it's a service that I am thrilled to be able to provide.

Enjoy the rest of your week. I shall catch you next time.

Outro: Thank you for listening to Your Strata Property, the podcast which consistently delivers to property owners reliable and accurate information about their strata property. You can access all the information below this episode via the show notes at www.yourstrataproperty.com.au. You can also ask questions in the comments section, which Amanda will answer in her upcoming episodes. How can Amanda help you today?

