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**YSP Podcast Transcript: Episode 326. The committee meeting: an underused forum
for efficient decision making**

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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.

Amanda Farmer: Hello and welcome. I'm Amanda Farmer, and I have with me today Reena Van Aalst from Strata Central. How you doing there, Reena?

Reena Van Aalst: Hi, Amanda. How are you?

Amanda Farmer: I am great. I am raring to go with our wins and our challenges this week. Kick us off with your challenge.

Reena Van Aalst: Many owners, when they buy into strata schemes, they want to renovate their apartment, they want to put a new bathroom in, new kitchen, other renovations, potentially, that are a bit larger than just perhaps the ones I've just mentioned. But the most difficult ones that we're finding, and I've got one at the moment where this lady's moved in, she wants to move in, she's bought an apartment, and she wants to change her timber floors. Luckily, they do have a minor renovations by-law, but then she wants to put in a new bathroom. Unfortunately, the bathroom requires a by-law, so, I gave her a number of lawyers, and first of all, she didn't understand what I was asking, and I gave her the example, and I gave her some lawyers, and then she chose one, and now it's gone to the committee, then the committee just don't answer. I'm following up and following up, and one person said "no but I don't like when the committee said no, you know, I'm getting confused." So, again, I give them the section of the act that says minor renovations. I said, "This is the by-law. This is what you can approve. This is what needs general meeting approval." The building manager, she's following, the building manager, he's following me up. I'm saying I've got it in hand, I'm still waiting for the committee.

Again, you need to have majority responses. You can't just have one or two people out of an eight-member committee just saying this or that. It just really becomes so time-consuming for the strata manager, and also it becomes really difficult for the owner trying to get an outcome. Now, what I try and articulate is that these committee members are volunteers, I can't really say I need an answer by this date. So, I don't know I suppose, Amanda, I'm not sure of what your experience is in relation to this, but as people are buying more and more into apartments, and there's been a lot of activity in recent times, I mean, sometimes I've got four or five meetings going on all at the same time just to approve renovations.

Yes but I think for the strata managers, it's just really becoming quite a challenge in terms of being able to get responses and then being able to then schedule a time 17 days for a general meeting as well in terms of the passage of a by-law by special resolution.

Amanda Farmer: Well, yes, I have definitely experienced this, including in my own building where I am a committee member. Often, we are asked as a committee to approve minor renovation works, and we do have that delegated authority. Hard flooring is a good example. I'm thinking of one application in particular very recently, and applications to keep pets as well. These are the types of requests where people are perhaps emotionally connected to that request, a new family member, a new pet in the family, or can't move into their new apartment until they have this work done. So, there's a lot of pressure there on that owner to get things moving, and therefore on the committee. My question for you with this particular building where there's a lot of back and forth, it sounds like happening on email, some discussions, some confusion, is this a committee that has regular committee meetings?

Reena Van Aalst: Every three months, yes. But, I mean, the meeting's not coming up. They've got a meeting coming up shortly, but since the time that I got the application, it'll be a month before the meeting is going to be held.

Amanda Farmer: Yes. I often feel, and I take this approach in my own building, that if a committee is meeting regularly, it has the opportunity to batch its decision making, so its committee members, volunteers, as you say, are not distracted by having to make decisions on a day to day basis over email and having to try to understand an issue by communicating to the strata manager with many emails and communicating amongst each other. If an owner needs an approval and that owner can be told, "Well, in three weeks time, there's a strata committee meeting and your application will be considered and determined at that meeting," then there

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is a timeframe set for everybody who's involved in that, the owner who needs approval, the strata manager, and the committee, who has to make the decision.

I appreciate that, as you say, some buildings don't have regular committee meetings or they meet once every three months, and usually that's enough, because it's a small building and there's not a lot that needs to be done in between. But if there is a decision that has to be made about one of these types of applications, my suggestion would be that a committee meeting date is set and a committee meeting is convened. We're all very comfortable doing that online these days, and there is then a forum for this application to be discussed, a place for the owner to go and answer questions about the application, a place for the committee members to discuss amongst themselves what further information they might need. But you're right, when it's left to just debate over email and the poor strata manager is trying to wrangle or mediate that debate, it's hard to get a decision made. Sometimes we need to focus on a fixed point in time, which I really believe that a committee meeting date certainly helps me focus.

Reena Van Aalst: Yes. Well, I think in this case, they've got the meeting now being in two weeks time, so it'll have to wait till then. I think I'm just going to let the owner, because with the timber flooring as well, her husband's on a wheelchair and this is again more pressure because it's not just a matter of aesthetics. It's more of a need because the owner can't, with the wheelchair on a carpet, it makes it more difficult to navigate. The other issue I find too, Amanda, is that, I mean, obviously committee members are just people, and sometimes people don't really understand even when you give them a by-law or an application, and you're trying to say the criteria has been met, sometimes people don't even understand what that means.

Even the by-law itself is difficult to understand, which makes the committee approval also more difficult to achieve. Yes, but I think I'm just finding... another lady we had that wanted to renovate a bathroom and saying, "I'm paying more interest because I can't move into my apartment." It's sort of like, you know, issue.

Amanda Farmer: Well, this is another aspect to this situation, isn't it? Where you have purchasers who come into strata, perhaps for the first time, and don't understand and are not prepared that this is the process and that they may need to wait a few months for a decision to be made on their renovation. They may not be able to move in and they may be paying interest, and that all needs to be factored in.

That's why I'm quite passionate about delivering education to conveyancers, to the professionals who are advising on these purchasers, in the hope that there may be some key information delivered to purchasers before they hit the desk of the strata manager or the inbox of the committee, that, "Hey, if you're wanting to do this kind of work, there is a process to be followed, and this is what it says in the by-laws. If it's not clear in the by-laws, just be aware that you're not going to be able to just roll right in and start ripping out the bathroom." I think with those expectations set, our jobs as managers, as committee members, even as lawyers might be a little bit easier.

Reena Van Aalst: Yes. Definitely, Amanda.

Amanda Farmer: I do think that the committee meeting is an underused forum for our committee members, for our communities. I'm often reminding my fellow committee members, "Hey, we're not going to discuss this over email," or, "I'm not going to discuss this over email." I don't have the time. I don't have the hours in the day to be going back and forth on email, unless it's urgent. I accept that there are sometimes urgent decisions that need to be made.

But having a date set in the future, whether it's a regular recurring monthly or every two months, every three months, or whether there's a meeting that has to be convened to consider a specific application at a point in time, I just think that is so helpful, can be such a relief for our committee members and add some certainty for owners who are waiting for decisions to be made about their applications to say, "Hey, there's a meeting on this date. You're welcome to come and tune in if you like, and a decision will be made about your application on that date." Then all those questions about, "What does this clause of the by-law mean?" "What more do we have to do?" "Have all the conditions been met?" That can all be addressed at the meeting, hopefully with the strata manager's assistance.

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Reena Van Aalst: Yes. That's a very good option too. And I think if for those that don't have regular meetings, where if you can see that this is no traction by email, or even if they have a quick informal meeting, I suppose, that would even help, if people don't have time, if no one has a set time on a set evening, it could be a quick set of 20-minute Zoom call, like you said, rather than email, Amanda, as a different forum just to try and nut out the issues and then formalise it at the next meeting.

Amanda Farmer: Yes. We do forget that there are other options other than email. We can go old school here. We can pick up the phone. We can have a teleconference, or the modern version of the teleconference, being the Zoom conference, because it is so much easier, I know, to have a discussion when everybody is there at the one time in the one place being able to ask and answer questions. There's no guessing about what an email might mean or what tone there might be in an email, or whether somebody's said something offensive when they didn't mean to. I do find communications flow a lot more smoothly face to face.

Reena Van Aalst: Exactly.

Amanda Farmer: Okay. Thanks for bringing that one to the table, Reena. My challenge for this week comes from a listener. Great question here that I am thinking may assist others who are tuning in, especially in New South Wales. This is a question from Adam, and Adam asks, "Have you ever heard or experienced this? At an AGM, there's only one owner present. It's an online AGM, there's only one owner present, even though we have 20 owners in the building. There is another proxy that has been directed to the strata manager, and the strata manager is there to chair the meeting. The meeting goes ahead because the strata manager, as chair, has determined that the meeting should go ahead even in the absence of quorum," which is permitted in New South Wales. "When it gets to the election of the committee, nobody nominates for the committee." The question from Adam, "Amanda, have you ever seen this before? We have ended up resolving all the necessary motions at the meeting, but we have not elected a strata committee at our AGM." Reena, have you ever seen this?

Reena Van Aalst: I have had only one owner at a meeting at a building that had 130 apartment sections.

Amanda Farmer: Whoa.

Reena Van Aalst: There is a lot of apathy in some buildings, definitely, Amanda.

Amanda Farmer: Yes. In terms of getting to that motion to elect a strata committee, call for nominations, elect a committee, have you ever been in a situation where no one has nominated for the committee?

Reena Van Aalst: Oh, no. I haven't had that, and I always sit there and say... I think I've had sometimes where people don't want to be certain office bearers, and that's happened to me where no one wants to be the chair, secretary or treasurer, and I insist, I'll say, "Well, we're going to sit here online until one of you nominates for these positions. Even though we can be delegated the functions of doing them, we just need to have someone that's recorded." They said, "Can't it be you?" And I said, "No, it can't be me." I said, "We can be delegated those functions, but we can't be secretary treasurer or chairperson." But, no, I haven't actually had that, what your listener has mentioned.

Amanda Farmer: Yes. When nobody wants to be on. Well, what's happened in this case is that the strata manager who was chairing the meeting has said, "Well, that's fine if you don't elect a strata committee." What happens in that situation is that the strata scheme is administered by the owners corporation. This is actually set out in our legislation. It's in Section 29 of the Strata Schemes Management Act in New South Wales. Section 29, subsection 4, "If there is no strata committee, the strata scheme must be administered by the owners corporation, and the strata managing agent may exercise any functions that are conferred on that agent." So generally, you'd find that your agency agreement probably gives you enough delegated authority to be able to administer the strata scheme on behalf of the owners corporation, but there is no strata committee, and our legislation acknowledges that perhaps that may be the case for some buildings.

Reena Van Aalst: I mean, if that was me, I think I would've adjourned the meeting and had another meeting after that, not adopted

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a quorum, because I think maybe sometimes you sort of wonder, did everyone get the agenda? Did something happen as to why no ones turned up? But I think as an agent, it would be more prudent just to adjourn the meeting, even though you don't have to, could have just, obviously, this agent waited half an hour and then declared a quorum to be present. But I think it would be good practice for a strata manager to adjourn the meeting perhaps to another time or date that... I don't know what time the meeting was held. Was it held in the evening or was it held during the day when no one could attend?

Or maybe write to the owners and try and canvas what times would be suitable for most owners, and perhaps what medium. I mean, maybe having an in-person meeting would've been perhaps easier on site. I don't know. I think if you've got issues such as repairs and certain important motions that are perhaps not your average statutory AGM motions that need to be passed, I think it's better to try and have another meeting, adjourn that meeting and try and work out another date that you would think you would get a few more people attending.

Amanda Farmer: Yes. Good tip. I wonder Reena, are we going to see more of these types of situations where in New South Wales we now have mandatory annual reporting where the strata committee members, specifically the chairperson and the secretary, their contact details must be reported to New South Wales Fair Trading, their details, go onto our strata hub, which is an accessible online database, and their details being their phone number, their email address, their name, of course, may be accessible to other owners and tenants in the building.

We have heard, there's been a little bit of media about this, we have heard that some strata managers are experiencing some pushback, some concerns from current committee members about this new process, and are expecting that in the future, as they're convening their AGMs now, they will be faced with situations where no one will want to stand for the committee because they don't want their personal details being so easily available to others.

Reena Van Aalst: Yes. I have heard that Amanda, and I think what we were trying to do when we emailed our owners was to say that we could set up a generic email address. I think some buildings are going to use if they have a building management software, if they're large enough to have a building manager., that can also generate a generic email address. I've heard that Amanda, they're not going to insist on telephone numbers. Have you heard that too, that they're going to remove that requirement.?

Amanda Farmer: Reena, I think you're right. Yes. I think that was a change a number of weeks ago, maybe a month or so ago, where phone numbers were no longer required. I haven't gone back to check the amendment to the legislation because the legislation as passed and commenced had that requirement. But I did hear that too. Yes. It was only going to be email addresses now, so thanks for that correction.

Reena Van Aalst: Yes. I think you're right, Amanda. I think people are getting concerned about having... and even if it's generic email address, one of the members said to me, "Reena, I have a full-time job, and for me then to have to be available, even through a generic email address, is also going to be inflicting on my personal life," and I think that's true. I mean, as we said earlier before, we were talking about application approvals and things like that. I mean, people have jobs, they're busy. They obviously do come on a committee to try and help run the building, but then when you've got this extra-statutory requirement where people are having to then have their details available to one much larger group, even through a generic way, not their personal email, it's still going to be, I think, interesting to see how many people do want to stay on strata committees moving forward once legislation is actually in force and people actually have their details uploaded to the portal.

Who knows what might come out of it, actually? If there's any adverse consequences of any attacks by particular owners against a strata committee member. At the moment, the strata managing agent is a bit of a conduit between lot owners and the strata committee, so once people want to bypass it, thinking that they can get a quicker response from a strata committee member because they've got an email address, I wonder how committee members will start to feel then when they're getting bombarded.

Amanda Farmer: Yes. It is a tough position to put committee members in. From my perspective, I do get contacted by owners. I'm

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the secretary on my committee and I do get contacted by owners who happen to have my email address or have seen it in the records, so that's an important point to make. These details have always been available on the strata roll, and the strata roll has always been accessible by owners and anyone authorised by owners. I appreciate that making these details accessible via the hub is making it easier, perhaps, to simply log into a website and get those details rather than book an appointment and try and get your hands on the strata roll. But I do get emailed directly by owners, by tenants from time to time as the secretary in my committee, and I have to make a point of saying, "Got it, thank you, and it has been directed to the strata manager. That is something that the strata manager will now assist you with or assist me with, or it will be on the agenda of our next committee meeting."

But I am a person who deals with conflict all the time, communicates with difficult people all the time as part of my job. I'm quite comfortable doing that. Not everybody is. Not everybody is able to set those boundaries and direct behaviour and direct communication in the method that best suits you. It is a learned skill that you can hone over time. So, yes, look, I'll be watching with interest as well. Sometimes I think we can get a little bit anxious about things we don't need to, and we get worried in this strata world about to change and progress, and there's a lot of good as well that is certainly, I think, coming out of collecting this data in relation to some other things that are going on to the hub and making that accessible. So, I'm reserving my opinion at this point in time, I think. Let's see how this rolls out.

Reena Van Aalst: I think the building is where there is conflict, Amanda, and there is issues even when the strata manager is not able to deal with, where the committee don't feel comfortable that even the strata manager is keeping owners at bay. I think that will become an issue for those owners, where you have one or two people that have had problems or perhaps have been litigious or vexatious, I think. I've got a few buildings where we do have a number of vexatious people where sometimes it's gone to compulsory management, it's come out of compulsory management, but again, that person has sparred it up again.

I think that having access to people's emails can then... and obviously, the committee would have to, again, have the skills, as you've said, to redirect them back to the managing agent. But on the whole, I think it could be okay generally, but I think there will be instances for those in the minority that I think will find perhaps the system of having a generic email or an email problematic.

Amanda Farmer: Yes, indeed. Well, there you go. I think we've just packed two challenges into one there, or three challenges into our usual challenges chat. Let's shift gears and head over to your win for this week, Reena.

Reena Van Aalst: Yes. There's a building that we've had some problems where there's just been some water penetration from a garden bed in the garden waterproofing into an apartment that's adjacent to the garden bed on the ground floor, and finally, we got it repaired. And one of the members on the committee actually was the affected party, and he wants the carpet replaced as a result of the consequential damage that occurred in his apartment over this time. Of course, this committee member saw I was on another committee, and the carpet's not covered, and why are we responsible? And this and that. And not sort of asking, more like telling everyone, "This is wrong."

So I had to direct him to the section of the act. Obviously, we don't want that owner to go into the Tribunal to get this sorted out, and he's been suffering for more than two years, but it took two years for us to actually fix the problem. So, I wrote to her, I gave her the information, and then she didn't say anything. Just ignored me. Then later on she asked the strata manager, which is not me in this particular case, but one of my colleagues, to actually approve one of the quotes that had been submitted for carpet replacement. So, it was a good outcome at the end of it all but it was just good to know that the poor committee member who's been suffering for years now with all this water ingress and damaged carpet and mould, et cetera, has now finally had one of the quotes approved to replace the carpet.

Amanda Farmer: Yes. What Reena is talking about there is Section 106 in our Strata Schemes Management Act. That is where we find the legal duty of an owners corporation to properly maintain and keep in a state of good and serviceable repair the common property. It is Section 106 subsection 5 that provides for an owner to claim from an owners corporation any reasonably foreseeable

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loss that they have suffered as a result of the owners corporation breaching its obligation to repair and maintain the common property. Damaged carpet is a common one, as you'll know, Reena, where there is water penetration.

The carpet is often treated as lot property, as contents of an owner. It's often not covered by building insurance, however, where that carpet is damaged because of water penetration, and where that water penetration has happened because the owners corporation hasn't properly repaired or maintained the common property, then yes, the owners corporation is responsible should an owner make a claim for replacing that carpet for meeting that loss of an owner. It's a sensible approach, I think, as you advise there, Reena, that the owners corporation simply stumps up the cost to replace the carpet or pays for the replacement and doesn't wait for that owner to make a claim through the Tribunal. So, good to hear that you are able to relay that, and perhaps grudgingly the committee was able to accept that and resolve that one promptly.

Reena Van Aalst: Definitely. I think in this particular one, there's a new committee member, and it's funny how sometimes one person can have so much sway, I think, over others. I think in this case, it was because perhaps she was saying what they wanted to hear because they didn't want to have to pay the carpet. So, sometimes it's easy to get people to agree with you when it's what you want to hear rather than what the actual law is. Yes. So, that was a good outcome, Amanda.

Amanda Farmer: My win for this week is this. I would like to make sure that all of our listeners who are living in or managing buildings in the City of Sydney local government area are aware that the Smart Green Apartments program is open for applications. The City of Sydney is welcoming new owners corporations into their program, which has been running for a number of years now. This is an opportunity to improve your building and connect with others who are also making impressive upgrades to their communities in the context of sustainability infrastructure.

Now, if you do apply to be part of the program and you are successful, your building will get an energy and water assessment, which will result in a NABERS rating, an energy action plan with recommended improvements, tailored advice on how to improve waste management and recycling, a water fix program by Sydney Water if your building meets certain criteria, and access to webinars, resources, opportunities to connect with people in other buildings through the City of Sydney's leadership network.

Now, I do have the link for you to apply. I will put that in the show notes for this episode. You can find it over at yourstrataproperty.com.au/podcasts. Just find this podcast episode number 326. In terms of eligibility, you do have to be a building in the City of Sydney local government area, with a minimum of 70 residential apartments. Strata titled, company titled, whether you're part of a building management committee, a community association, a precinct association, you would also be eligible as well. Reena, I know you've been involved in the past with buildings that have been part of the Smart Green Apartments program, quite successfully so.

Reena Van Aalst: Very successfully so, actually, Amanda, and I think I've got the email, I think, last week. Is it submissions closed on the 5th of September, is it?

Amanda Farmer: They do. Yes. Thanks for that. Deadline is Monday the 5th of September to apply for the program.

Reena Van Aalst: Yes. We'll get that out to our buildings that have not been, or I'm not aware that they have participated previously, because obviously we've taken on some new schemes in the last 12 months, so make sure that we get that link out to our schemes that are more than 70 lots and see if they want to... yes. I mean, people have saved so much money in our schemes being part of this program, and I do commend the City of Sydney for this great initiative, which I think is being taken up more and more each year as it is rolled out.

Amanda Farmer: Yes. There's some great case studies over on the website, including Windsor on Kent, which is a 32-storey apartment building with 192 apartments. They were able to reduce their common area energy use by 34% in six months. There's a quote on the website from the building manager, Darson, who says that, "All of the Smart Green Apartments tools helped me to reduce energy use without impacting the comfort of the people who live here." So, I do encourage you, if you are in the city of

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Sydney local government area, to go and check out that program. Apply, and I wish you all the best for your successful application, and I'd love to hear from you if you have been or are going to be part of that program, and if you'd like to share your wins here with us on the podcast. We always love those good news stories. Sometimes, Reena, we do struggle to find them, but we always come up with some good news stories a few times a month, at least.

Reena Van Aalst: Exactly. Yes. I think the challenges usually outweigh the wins, but it'd be great to hear from any of our listeners if they had a successful application and outcomes from undertaking these initiatives.

Amanda Farmer: Excellent. Well, I have enjoyed chatting with you today, Reena. Another jam-packed wins and challenges episode that I know will help many of our listeners. Enjoy the rest of your week in strata, and I'll catch up with you next time.

Reena Van Aalst: You too, Amanda. See you next time. Bye.

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