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GENERAL INFORMATION GUIDE

NSW STRATA SCHEME – EXECUTIVE COMMITTEES

1	<i>What is meant by the Executive Committee?</i>	The Executive Committee is a small elected representative group of the Owners Corporation whose role is to attend to the daily operations of the Owners Corporation – addressing such issues as correspondence, strata searches, collecting levies, receipts, paying service provides, monitoring by-laws etc.
2	<i>What is the size of an Executive Committee?</i>	Executive committees vary in size for each scheme and are determined each year by the Owners Corporation at the AGM. The Act allows for up to a maximum of nine (9) members.
3	<i>How often are Executive Committee elections conducted?</i>	<p>The Strata Management Act requires elections for the executive committee to be conducted every year as an agenda item of the AGM. This is done in conjunction with determining the executive committee size each year.</p> <p>All positions are declared vacant and new nominations are called. Every member is subject to re-election each year.</p>
4	<i>What positions are identified on the Executive Committee?</i>	<p>The Executive committee is made up of Four (4) different positions There are three (3) office bearers position and up to six (6) ordinary positions</p> <p>The office bearer positions are:</p> <ul style="list-style-type: none"> • Chairperson • Secretary • Treasurer
5	<i>What is the role of the various positions on the executive committee?</i>	<p><u>Chairperson</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> Conduct & preside at meetings <input type="checkbox"/> Rule on voting & proxy issues <input type="checkbox"/> Rule on quorum <input type="checkbox"/> Rule on procedures & points of order <p><u>Secretary</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> Convenes meetings <input type="checkbox"/> Prepare/distribute meeting notices <input type="checkbox"/> Prepare/distribute meeting agendas <input type="checkbox"/> Record & distribute minutes <input type="checkbox"/> Attend to correspondence <input type="checkbox"/> Maintain records & files <input type="checkbox"/> Maintain Strata Roll <p><u>Treasurer</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> Issue & receipt levies <input type="checkbox"/> Receive and bank monies <input type="checkbox"/> Prepare/maintain financial records <input type="checkbox"/> Maintain accounts <input type="checkbox"/> Prepare section 109 certificates <input type="checkbox"/> Advise of financial status of owners re meetings <p><u>Committee Member</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> Assist Executive Officers in their duties <input type="checkbox"/> Undertake Treasurer delegation as resolved by Executive Committee

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6	<i>Can one person hold more than one office bearer position?</i>	Yes. Often in very small plans one person takes on the role of all three (3) positions. Alternatively some people wish to be an active part of the executive committee but feel they do not have the time or experience to undertake an office bearers role however wish to have an active role on the committee participating as an ordinary member.
7	<i>Does the person filling more than one office bearer position have multiple votes?</i>	No. Executive Committee voting is on the basis of 'one person one vote' E.g. if an Executive Committee is made of three (3) people one of which holds all three office bearer positions, the total number of votes is three (3). The number of office bearer positions is not considered in the vote.
8	<i>What role does Unit Entitlement have on executive committee voting?</i>	Unit Entitlement is not considered for any executive committee vote. Executive committee voting is on the basis of 'One person one vote'.
9	<i>Does the Chairperson have a casting vote?</i>	No. As stated above voting is on the basis of 'one person one vote'. The only time a person has more than one vote at an executive committee meeting is if they have also been appointed as a substitute for another executive committee member.
10	<i>What is a substitute member?</i>	A substitute member is a person who has been nominated by an appointed executive committee member to represent them in their absence. A substitute must be either another owner or company nominee within that strata scheme. They may already be an executive committee member. A substitution must first be approved by passing a resolution at an executive committee meeting. The resolution needs to have been included on the agenda. If the nominated person does not meet this criteria the motion is lost. If they do meet this criterion the meeting is obliged to accept their nomination.
11	<i>If a member is appointed as a substitute, how many votes do they have?</i>	An executive committee member who has been appointed as a substitute has their own vote plus one for each substitute they represent. e.g. If the person has been appointed as substitute for one person then they will carry two votes. If they have been appointed substitute for two people they will carry three votes. This does not mean that they will cast their votes on each motion in the same manner. This will be dependent on any direction the substituted member may have provided.
12	<i>Do you have to be an owner to be an executive committee member?</i>	No, anyone may be elected as a member to an executive committee.
13	<i>How does a non-owner become an executive committee member?</i>	The person must first be nominated by an owner who is not standing for election. If they accept the nomination they are then part of the standard election process. If the nominating owner loses confidence in the performance of the non-owner, that owner may withdraw their nomination by writing to the Secretary

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14	<i>Why would an owner nominate a non-owner to be an executive committee member?</i>	<p>There are many reasons. The person may have particular skills that would assist the executive committee, such as a qualified accountant, legal expert or engineering knowledge.</p> <p>The person may be the owner’s property manager and they are wishing to have some active representation in the running of their Owners Corporation.</p> <p>The owner may live interstate or overseas and again wish to have their interest represented</p>
15	<i>What requirements are there regarding notices of executive committee meetings?</i>	<p>Executive committee meetings require a minimum 72 hours clear notice in writing indentifying date, time and location of the meeting along with a copy of the Agenda with proposed motions.</p> <p>This notice must be provided not only for executive committee members but all owners. It is important that owners receive notice of the executive committee agenda to enable them to know what is proposed for discussion and decision.</p> <p>Decisions of the executive committee are binding on the Owners Corporation so it is essential that all owners are aware of the proposed decisions of the executive committee.</p>
16	<i>Can an owner stop the executive committee from making certain decisions?</i>	<p>Yes is the short answer. There are two ways this can be done.</p> <p>If there is an item on the executive committee agenda that owners do not wish the executive committee to discuss or decide upon, they must lodge a written notice with the Secretary prior to the commencement of the meeting identifying the agenda item. This must be signed by owners whose Unit Entitlement is more than 1/3 of the aggregate U.E. A reason does not have to be provided.</p> <p>However the notice must be handed to the Secretary in person and not left in a box or under a door.</p> <p>The alternative is to have those matters declared as restricted matters at either an EGM or an EGM so that the executive committee cannot consider them.</p>
17	<i>Is the Executive Committee required to meet a quorum for a meeting to commence?</i>	<p>All executive committees must meet a quorum.</p> <ul style="list-style-type: none"> ▪ If the executive committee is one person; the quorum is one ▪ If the committee consists of two or three people; the quorum is two. ▪ The quorum for executive committees of four to nine members is 50%
18	<i>What happens if a quorum is not attained?</i>	<p>If a quorum is not present within 30 minutes of the prescribed starting time, that meeting is abandoned and a new meeting is called with not less than 72 hours clear notice.</p>
19	<i>What happens if a quorum is not present at the proposed new meeting?</i>	<p>The same situation applies as above.</p> <p>The standard quorum requirements apply and there is no provision within the Act for a reduction.</p>

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20	<i>Once a quorum has been attained to start an executive committee meeting, does it get ignored from then on through the meeting?</i>	<p>No. As for any other meeting of the Owners Corporation (FAGM.AGM, EGM) a quorum must be present for the whole of the meeting. A meeting cannot continue if a quorum is not present in the room to participate in the decision making process. Any decisions made without a quorum present are not enforceable.</p> <p>A meeting lapses if the number falls below the quorum requirement.</p>
21	<i>In the situation where only one person makes up the executive committee, is there any need for notices and agenda to be sent out?</i>	<p>The legislation does not make any distinction related to size as to whether notices and agendas are distributed.</p> <p>If the executive committee fails to apply the requirements of the Act, then any decisions can be challenged and deemed out of order. Although other owners may not be part of the executive they have a right to be notified of proposed decisions. Therefore a single person executive must apply the same standard as to a nine person executive committee.</p>
22	<i>Are other people entitled to be involved in executive meetings?</i>	<p>Other owners and company nominees are entitled to observe the executive committee meeting discussions and deliberation. They can observe but are not entitled to participate unless invited to by the executive committee.</p> <p>The Act requires the members to take a procedural vote on inviting a non member to participate in discussion. The person does not have any voting rights if invited to speak.</p>
23	<i>Can an original owner be a member of the executive committee?</i>	<p>Yes, if they are still an owner they can nominate themselves or be nominated. Otherwise another owner may wish to nominate them if they are no longer an owner.</p>
24	<i>Who is provided with a copy of executive committee meeting minutes?</i>	<p>All owners are entitled to be provided with a copy of executive committee minutes. The decisions made by the executive committee are binding on the owners corporation and all owners are responsible. It is therefore essential that every owner is aware of the decisions.</p> <p>A copy of the minutes must also be included in the owners corporation minute book.</p>
25	<i>Can an Executive Committee consider and make decisions without actually meeting?</i>	<p>Yes, but there are requirements that must be followed otherwise any decision will be unenforceable.</p> <ul style="list-style-type: none"> ▪ An agenda & notice must be provide as per standard procedure for any meeting ▪ There must be precisely worded motions for each item which require a <i>Yes/No</i> or <i>For/Against</i> response and applying to the whole of the agenda. ▪ All Executive Committee members are required to respond ▪ There must be a physical record of how each member voted <p>This option is recommended for minor issues only. Major issues require debate & discussion. This is not an option available to a member who may miss a meeting. They are required to appoint a substitute.</p> <p>A copy must still be provided to all lot owners.</p>
26	<i>How often are Executive Committees required to meet?</i>	<p>There are no requirements on the frequency and timing of executive committee meetings. Each executive committee will determine its own needs. Influencing factors include the size of the plan; requirements set by the Owners Corporation; issues confronting the strata scheme.</p>

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*Can any owner
request an
executive
committee be
held?*

No. There are four ways an Executive Committee meeting can be called.

- Executive Committee Resolution
- Owners Corporation Resolution
- A request by 1/3 of the executive committee members
- An order from the Adjudicator

Generally meetings are called by the consensus of members.

If an owner(s) believes there is a need for an executive committee meeting they need to convince executive committee members of their concerns.
