
Council of Owners General Information

The information in this document is a guide only, and is derived from the relevant Strata Titles Act 1985 (as amended). Should there be any inconsistency between the information in this document and the content of the Strata Titles Act 1985, then the content of the Act shall apply in preference to this document.

What is the Council of Owners of a Strata Company?

The strata Council of Owners can be likened to the 'board of directors' of the strata company. Members of the Council of Owners are elected at each Annual General meeting.

Strata companies have a range of duties and discretionary powers that are there to protect and promote the interests of all owners. An active Council of Owners is the best way of ensuring that those duties are performed and those powers handled correctly.

Section 137 details the general duties of the Council of Owners as follows:

- (1) This section applies to a person who is —
 - (a) a member of the council of a strata company (including when acting as an officer of the strata company); or
 - (b) an individual authorised under section 136(2) by a corporation to perform the corporation's functions as a member of the council, or an officer, of a strata company.
- (2) A person to whom this section applies —
 - (a) must at all times act honestly, with loyalty and in good faith in the performance of functions as a member of the council or an officer of the strata company; and
 - (b) must at all times exercise the degree of care and diligence in the performance of those functions that a reasonable person in the person's position and the circumstances of the strata company would reasonably be expected to exercise; and
 - (c) must not make improper use of the person's position —
 - i. to gain, directly or indirectly, an advantage for the person or any other person; or
 - ii. to cause detriment to the strata company.
- (3) A person to whom this section applies —
 - (a) must inform the council in writing of any direct or indirect pecuniary or other interest that the person has that conflicts or may conflict with the performance of a function as a member of the council or, if applicable, as an officer of the strata company; and
 - (b) must do so as soon as is practicable after the person becomes aware of the relevant facts; and
 - (c) in the case of a member of the council, must not vote on a matter in which the member has an interest required to be disclosed under paragraph (a).
- (4) Subsection (3) does not apply to an interest arising solely from the fact that the member is the owner of a lot in the scheme.

Any owner can become a member of the Council of Owners, including an individual person or a corporation (that is represented by a nominated & authorised person) .

The size of a council can be between 3 and 7 members. Council meetings may be held if and when required, and as long as a quorum is achieved those present can exercise all council functions.

What does the Council of a Strata Company do, and what decisions can it make?

- The Council acts for and on behalf of the strata company and is responsible for carrying out the duties and responsibilities of the strata company.
- The Council oversees or actions all the decisions and works agreed at each Annual General Meeting, within the provisions of the Strata Titles Act.
- The Strata Manager acts as *agent* for the strata company at the direction of the Council to achieve many of the functions and roles of the Council of Owners.

Functions & Role of the Council of Owners

***Note*:** *Many of the functions listed in this document are delegated to the Strata Manager, but always under the direction and instruction of the Council of Owners.*

- The functions of a Strata Company are performed by the Council of the Strata Company, subject to the Strata Titles Act 1985 and to any restriction imposed or direction given at the general meeting of the Strata Company.
- The main functions of a Strata Company are control and manage the common property for the benefit of all the proprietors; including keeping in good and serviceable repair & properly maintaining (and, where necessary, renewing and replacing) common property, including fittings and fixtures used in connection with the common property; and to do so whether damage or deterioration arises from fair wear and tear or any other cause.

Duties of the Chairman of the Council of Owners

- To instruct and assist the Strata Manager in achieving the objectives set out at each Annual General Meeting.
- To instruct and assist the Strata Manager in obtaining quotes or reports for common property maintenance.
- To co-ordinate the planning and obtaining quotes for any proposed upgrades or improvements (that is, anything not considered repair and / or maintenance of existing common property structures and facilities), including obtaining specialist advice if required (for example, project management, etc)
- To instruct the Strata Manager in making decisions on Strata Company expenditure within the budget (as adopted at each Annual General Meeting) and within the specifications of the Strata Titles Act, and authorising payment of any invoices that may be outside the budget.

Duties of the Members of the Council of Owners

- To instruct and assist the Chairman in achieving the objectives set out at each Annual General Meeting.
- Inspection of maintenance works carried out by contractors on the common property.
- Regular inspection of the common property, and reporting of any maintenance issues or breaches of Strata Titles Act by-laws to the Chairman (who then notifies the Strata Manager).
- To direct and assist the Chairman in setting out the agenda for general meetings.
- To liaise with other owners on any decisions made by the Council of Owners that have not been detailed at a general meeting.

Office bearers of the Council of Owners

- The members of a Council are required to appoint a Chairman, a Secretary and a Treasurer of the Council at the first meeting of the Council after they are elected as members.
- A person cannot be appointed to be an office bearer unless that person is a member of the council; and any Council member may be appointed to one or more of those offices.
- The Council of Owners may employ on behalf of the strata company such agents as it thinks fit in connection with the control and management of the common property, and the exercise and performance of the powers and duties of the strata company (for example, a Strata Manager).
- The Council may delegate to one or more of its members its powers and duties as it thinks fit, (subject to any restriction imposed or direction given at a general meeting of the strata company) and at any time revoke the delegation.

Office bearers of the Council of Owners - definitions

Note: *Many (and sometimes all) of the functions of the office bearers are delegated to the Strata Manager.*

- **Chairman –**

The chairman presides at all meetings of the council at which they are present and, if they are absent from any meeting, the members of the council present at that meeting can appoint one of their number to preside at that meeting during the absence of the chairman.

A strata company may at a general meeting authorise a person who is not a proprietor to act as the chairman of the Strata Company for the purposes of that meeting.

- **Secretary** - *Typically, most of the duties of the Secretary are performed by a Strata Manager*

- (a) the preparation and distribution of minutes of meetings of the strata company;
- (b) the giving of the notices required to be given by the Act;
- (c) the supply of information in accordance with section 107 of the Act.
- (d) the answering of communications addressed to the strata company;
- (e) the calling of nominations of candidates for election as members of the council;
- (f) the convening of meetings of the Strata Company and Council.

- **Treasurer** - *Typically, most of the duties of the Treasurer are performed by a Strata Manager*

- (a) the notifying of owners of any contributions levied (sections 100 to 102 of the Act);
- (b) the receipt, banking of and the accounting for monies paid to the strata company;
- (c) the preparation of any certificate applied for under section 110 of the Act;
- (d) the keeping of the books of account & preparation of the statement of accounts.

Meetings of the Council of Owners

- Quorum for a meeting is one half of the members of the Council (in person or represented by proxy). For example, if there are 7 members of the Council, 4 present constitutes quorum.
- At meetings of the council, all matters are determined by a simple majority vote.
- The Council may meet together for the conduct of business and regulate or adjourn its meetings as it thinks fit, but the Council must meet when any member of the council gives to the other members not less than 7 days' notice of a meeting, specifying in the notice the reason for calling the meeting.
- The council must keep minutes of its proceedings.

Proxy representation at Council of Owners meetings

- A Councilor may appoint another owner to act in their place at a Council of Owners meeting.

Attendance at Council of Owners meetings

- The Council of Owners meetings are for Council members only.
- Non-Councilors or other persons may only attend a Council of Owners meeting by invitation of the Chairman of the meeting.
- A person who has been invited to attend who is not a Council member is unable to participate in the transaction of business of the meeting (moving motions, voting, etc.), but may be given leave to provide input, information or opinion on matters to be considered.

The relevant sections of the Act in relation to the Council of Owners are:

- Sections 135, 136, 137, 138 & 141
- Schedule 1 By-laws 4, 5, 6, 7, 8, 9 & 10.

The relevant sections of the Act in relation to Strata Managers are:

- Sections 143, 146, 148, 149, 150