

# Executive committee of the owners corporation

## In a strata scheme

The executive committee of the owners corporation is a group which represents owners or owners' nominees.

It administers the day-to-day running of the strata scheme and is elected at each Annual General Meeting (AGM). The owners corporation decides the number of executive committee members for the coming year at each AGM. It can have from 1–9 members, but in a two-lot scheme both owners must be members.

Once the executive committee is elected, the members of the committee decide who is to hold the office-bearer positions.

The owners corporation has the authority to dismiss some or all of its executive committee. An owners corporation may also employ a strata managing agent and/or caretaker to carry out some or all of the responsibilities of the executive committee.

## Composition

The following are eligible for election to the executive committee:

- an owner
- a company nominee of a corporation that is an owner
- a person who is not an owner but who is nominated by an owner who is not standing for election.

If a vacancy occurs during the term of the executive committee, the owners corporation must appoint a person to fill the vacancy until the next AGM.

Co-owners can only be nominated by:

- an owner who is not a co-owner of that lot, or
- a co-owner of that lot who is not a candidate for the election.

## Disclosure requirements

A person nominated for election to an executive committee must disclose any financial, business or family connections they have with the developer or caretaker. The disclosure will need to be made at the meeting at which the executive committee is to be elected before the election is conducted and the disclosure must be recorded in the minutes of the meeting.

Once elected, members of executive committees will also have to disclose any connection they subsequently develop. The disclosure must be made in writing to the secretary of the executive committee and placed on the agenda for the next general meeting. If the person is the secretary, the disclosure is to be made to the chairperson of the committee. A person being appointed to act in the place of an executive committee member must also disclose any connections they have with the developer or caretaker. This disclosure is to be made in writing to the executive committee before the appointment.

## Meetings

There is no legal requirement for how often executive committee meetings must be held. One-third of the executive committee members may ask the Secretary to call an executive committee meeting and set a time for the meeting to be held.

If the Secretary is away, any other executive committee member may be asked.

## Notice

The Secretary must put a notice about the meeting on the noticeboard at least 72 hours before an executive committee meeting is held. If the owners corporation doesn't have a noticeboard, or the scheme is a large one, the meeting notice must be given to each owner and

executive committee member. The notice must have a detailed agenda.

If the Secretary is away and another executive committee member was asked to hold the meeting, that member must put the notice on the board or give a copy to each owner and executive committee member. In a large scheme, notice may be given by email.

### **Owners' attendance**

An owner or, where the owner is a corporation, the company nominee of the corporation can attend executive committee meetings but they cannot speak at the meeting unless the executive committee agrees by majority vote.

### **Chairperson to preside**

If the Chairperson is present they must preside at all meetings of the executive committee. If the Chairperson is away, the executive committee must appoint another executive committee member to chair that meeting only. The Chairperson does not have a deciding vote.

### **Quorum**

The quorum for an executive committee meeting is at least half of the members.

### **Voting**

Each executive committee member has one vote. The Chairperson does not have a casting vote under any circumstances. A decision on any motion at an executive committee meeting is made by a majority vote.

### **Adjournment of meetings**

An executive committee meeting can be adjourned for any reason if a motion is passed at the meeting for the adjournment. Notice of when and where the adjourned meeting is to take place must be put on the noticeboard. If there is no noticeboard, a written notice must be given to each owner at least one day before the meeting.

### **Non-attendance at meetings**

An executive committee member can appoint another owner or company nominee, whether or not they are a member of the executive committee already, to vote for

them at an executive committee meeting. This must be approved by the executive committee.

### **Voting in writing**

Unlike general meetings, the executive committee can vote in writing even though the meeting was not held. A notice of the meeting and copy of the agenda must be put on the notice board 72 hours before the proposed meeting, or a copy of the notice and agenda given to each owner and executive committee member if there is no notice board.

Where a meeting is to be done in writing a notice and agenda must also be given to each executive committee member. A resolution approved in writing by the majority of executive committee members is valid even though a meeting was not held. These resolutions must be put in the minutes.

### **Objection to motions on agenda**

Owners holding more than one-third of the total unit entitlements for the strata scheme can oppose any motion appearing on the agenda for an executive committee meeting. Written notice of the objection must be given to the Secretary of the executive committee before a decision on the motion is made.

Any decision made by the executive committee on that matter will have no force or effect.

### **Effect of decisions**

Any decision made by the executive committee is treated as a decision of the owners corporation although there are some matters that the executive committee do not have the power to make (eg. fixing levies). No individual executive committee member can make a decision for the owners corporation. In the event of a dispute between the owners corporation and its executive committee, the decision of the owners corporation prevails.

### **Restrictions**

Any owners corporation can limit the powers of its executive committee if it so desires.

## Restrictions of decisions

A decision of the owners corporation is required before the executive committee may commence or obtain legal advice on behalf of the owners corporation, except where the anticipated costs is less than \$1,000 multiplied by the number of lots in the scheme, or \$12,500 (whichever is the lesser).

Unless by resolution of the owners corporation, the executive committee of large schemes can not spend more than 10% above the budgeted item for any item, except in an emergency. Specific emergencies include burst or blocked sewer pipes, serious fire or storm damage, electricity or security failures and serious glass breakages.

## Minutes of meetings

There are two ways the executive committee minutes can be made available:

- a copy can be given to each owner within 7 days of the meeting, or
- a copy can be put on the noticeboard within 7 days and must stay there for at least 14 days (but not if the scheme is a large one).

If there is no noticeboard the executive committee must give a copy of the minutes to each owner within 7 days.

## Powers and duties of the Secretary

The powers and duties of the Secretary of an owners corporation include:

- preparing and giving minutes of meetings and putting a motion to confirm the previous minutes
- giving notices for the owners corporation and its executive committee
- keeping the strata roll
- giving information to a person for the owners corporation under section 108
- answering correspondence addressed to the owners corporation

- convening meetings of the owners corporation and its executive committee (apart from its first AGM)
- doing all administrative and secretarial duties for the owners corporation and the executive committee.

## Powers and duties of the Treasurer

The Treasurer must:

- give owners notice of any levies
- give receipts, do the banking and account for any money paid to the owners corporation
- prepare any certificates under section 109
- keep all accounting records and prepare the financial statements.