

Communicating with Stakeholders

Who are Stakeholders in Strata?

Strata schemes have many stakeholders, who are involved at various times in a scheme's lifetime and involved in various issues.

Stakeholders over the life of a scheme that might hold both formal and informal relationships are:

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| – <u>tenants</u> | – developers |
| – <u>owners as part of the owners corporation</u> | – builders |
| – <u>members of the strata committee</u> | – architects |
| – <u>original owners</u> | – building certifiers |
| – <u>building manager</u> | – insurers |
| – <u>strata managing agent</u> | – lawyers |
| | – local council |
| | – State government |

Stakeholders that hold formal relationships at the construction of the building and the creation of the strata scheme may have ongoing relationships, such as when there are defects, building maintenance or other building issues.

Communicating with Stakeholders

The numerous stakeholders and their often quite diverse interests mean that communication skills are necessary to overcome strata issues and complete projects.

Some of the most important relationships that an owner, resident and strata committee need to maintain are those between strata managing agents, building managers, and other owners and residents. The harmony of the building is very much reliant on owner and resident interactions, and the management and maintenance of the building is guided by the building and strata managers and so the effective day to day running of a building is maintained through these relationships.

SSKB Body Corporate Services provides the following general advice for communication between stakeholders:

In addition to listening, don't be afraid to ask questions. Asking questions says that you are actively listening as well as helping you get up to speed on the subject.

After the conversation, make notes to ensure you remember the details.

Residents and Owners

The owners corporation is made up of all the owners in the strata scheme. Each lot owner is automatically part of the owners corporation and has a right to participate in the decision making. The first owner of a strata scheme may be only the builder or developer, and then members increase as more lots are purchased. The owners corporation manages the scheme's; finances, insurances, records, repair and maintenance and by-laws. Strata managing agents and building managers can also be employed to aid with these responsibilities. The original owner is usually the builder or developer who first registered the strata scheme. The original owner generally does not have a long-term interest in the building, which can affect the ability to identify and rectify defects in the building in a timely manner.

The owners and occupiers of a strata scheme are likely to have diverse interests and opinions on various issues regarding running and maintaining a building. Some owners might be investors or owner-occupiers, and owners will differ in areas such as lifestyle, family composition, age, income levels and work status. Investor owners may be more difficult to contact due to their absence, however they must still be contacted on issues relating to the building as part of the owners corporation, and can join the strata committee.

Tenants do not have the formal rights of owners; however they may participate informally in strata relationships and have other rights and responsibilities. Tenants can be short-term or long-term, and this can affect their involvement in building issues. Tenants generally do not have a long-term interest in the building, and may be less likely to identify and report on defects and get involved with social projects or events. Some buildings are majority tenant occupied, and this can affect the timely identification of defects or other building issues.

Communicating with residents and owners:

If you are about to undertake a big project, such as defect rectification or sustainable retrofits, or starting a social event, setting up an email list, website or Facebook page for the strata scheme is an effective way to contact all owners. These options are also much cheaper than using physical flyers or mailing out information, as there are no printing and distribution costs. If you need to get more residents and owners contacts, you can advertise the email list, website or Facebook page on the front doors or in the lobby of the scheme's buildings. You could also set up a survey with a cash prize to get resident's opinions about certain changes or issues, and to receive their contact information.

Owners and residents need to be equally informed about the changes happening within their home or investment. Greater communication with residents and owners will help the strata committee to get access to apartments to undertake works, and in instances where access to common property is via a private lot. However, with strata projects that have been decided, and that are ongoing and complex, it is best to provide only the information that residents need to know unless there are direct queries. This is so that essential information is not lost among less vital details. For more information, the Owners Corporation Network outlines common ways to keep owners and residents informed of updates in the strata scheme.

Strata Committee

The strata committee acts on behalf of the owners corporation to run and manage the strata scheme. The owners corporation can overrule strata committee decisions or limit what they can make decisions about. The strata committee is made up of a minimum of three and a maximum of nine elected members, elected at an annual general meeting (AGM). You can be elected to the strata committee if you are an owner, nominated by an owner (acting on their behalf), or are a company nominee of a company that owns one or more lots. There are various elected positions:

- Chair
- Secretary
- Treasurer

Communicating with the strata committee:

Ongoing, respectful communication between the committee and the scheme's residents and owners can alleviate disputes and tensions, foster ideas for improving the scheme, and create a better sense of community. Even if communication doesn't resolve an issue, it can help to promote understandings on both sides.

Strata committees that have an issue with an owner or resident should first approach the individual informally, before taking on any formal action. The issue can be solved if the owner is unaware of the issue and the problem is caused by a lack of communication.

Owners with concerns for the committee should consider whether their issue is within the authority of the strata committee, or in fact the owners corporation, local council or other jurisdiction. They should also consider what the strata committee is currently doing regarding the issue, and be able to propose a solution of their own if they have an innovative idea.

Most strata committees will have a relevant email address and must have a mailbox in the scheme to be contactable. The information about how to contact the strata committee should be easily accessible, for example displayed in the noticeboard, given in new resident's information packages with the copy of the by-laws, or the information could be distributed via flyers in mailboxes.

Communicating within the strata committee:

Being a member of the strata committee can be a challenge for residents who are time-poor. However, some schemes have found that they can save discussion time and cut down meeting time by communicating and making informal decisions via email before a committee meeting. That way, in face-to-face meetings the decisions can be formally ratified and only the most contentious issues will be discussed.

Strata Managing Agents

Larger and complex schemes can employ professional assistance for managing their strata scheme. Strata managing agents provide services such as:

- carrying out administrative matters
- calling meetings
- collecting levies
- providing guidance about legislative requirements

Similar to building managers, strata managing agents cannot act as a proxy for an owner if there is a conflict of interest, such as financial benefit to them based on the decision. They cannot delegate their duties to others, make decisions on matters that the owners corporation decided should go to a general meeting or set levies.

Communicating with strata managing agents:

The strata committee and owners corporation will often rely on their strata manager for advice and guidance for their scheme, and so establishing and maintaining trust is important. The strata manager needs to be informed of relevant changes and decisions to properly manage the scheme. Ongoing communication will aid in creating a strong relationship with your strata manager. However, strata managers don't need to be part of every communication with the strata committee. All emails that are sent to the strata manager from the owners corporation will be on record, and so only important correspondence needs to be sent to the strata manager. This can include important updates, queries and status reports.

Building and Property Managers

Larger schemes can employ a building manager. The building manager assists the owners corporation by dealing with the everyday issues concerning the management of common property, which can also include individual residents' needs. The building manager can provide services such as:

- concierge
- managing and controlling use of common property
- maintenance and repair of common property

Building managers cannot act as a proxy for an owner if there is a conflict of interest, such as financial benefit to them based on the decision.

Communicating with building and property managers:

Building managers and owners and residents (including the strata committee and owners corporation) need to communicate to ensure that neither party is dissatisfied. Establishing clear expectations and voicing concerns as they arise will avoid miscommunication.

Developers

Residential property developers can have multiple roles depending on the project size and complexity. Initial roles relate to the acquiring of land, developing design concept and feasibility,

financing the project, obtaining planning approval, marketing and sales of lots and procuring contract documentation. The developer can also act as a builder, contract for construction and employ expert and professional advice on design and engineering.

It is the developer who establishes strata management structures that may have a long-term effect on the running of the scheme. The developer can affect the composition of the owners corporation by transferring lots to individual owners, or retaining assets such as in serviced apartments.

Communicating with developers:

The way you would go about communicating with a developer is similar to how you might communicate with builders and project managers, especially if the issue is regarding defects. For information on how to communicate with builders and project managers, see [Working with building professionals](#).

Builders

The builder is responsible for construction and related contracting and sub-contracting for discrete areas of work. Sometimes the developer is also the builder. The contractual interrelationships between a developer, builder and subcontractors can be complex and liability relating to defects or building issues is not always clear.

Communicating with builders:

For information on how to communicate with builders and project managers, see see [Working with building professionals](#).

Architects

Architects design buildings; selecting materials and finishes and inspecting construction work as it progresses. Architects are employed by the developers in construction stage, and can also be contacted as experts to look over potential defects.

Communicating with architects:

Effective communication with architects is especially important for big projects, such as renovations or implementing sustainable retrofits. Establish the most desirable form of contact and discuss expectations of response time with the architect to avoid frustrations on both sides. To avoid miscommunication and to make sure that expectations are understood, go through a breakdown of the project details early on so that potential problems can be flagged sooner rather than later, and be clear on what you expect of the outcome. This gives the architect a chance to discuss the feasibility of the project, and if it is not feasible, gives the architect a chance to explain why.

Certifiers

Certifiers determine applications for construction certificates and complying development certificates (CDC), and carries out inspections to ensure the building construction is in accordance with the development consent. Builders are responsible for supervision of all aspects of construction, however the certifier will check the adequacy of specific work and material aspects on a building site.

Communicating with certifiers:

There are a few options of certifiers that you can choose from to conduct a CDC, and the entire process can be completed online. These options are discussed in the [Getting Council Approval](#) document.

Insurers

There are various forms of insurance that an owners corporation might consider taking out or that may be bought on their behalf. For example, insurance bought on the owners corporation's behalf is often through builders, tradespeople and specialists under the [Home Building Compensation Scheme](#) (formerly Home Warranty Insurance) when contracting to do work for more than \$20,000. This includes constructing new residential strata building up to three storeys high, or to do renovation work in buildings of any height. The insurance covers building owners against the risk that the contractor cannot for some reason complete the work or rectify defects under statutory warranty (e.g. the contractor disappeared, became insolvent, or died). The [Strataman](#) website has more information on main insurance types, and other optional forms of insurance.

An owners corporation is responsible for the following main insurance types:

- Building insurances
- Public liability
- Workers Compensation
- Voluntary workers cover

Communicating with insurers:

The [NSW State Insurance Regulatory Authority](#) is responsible for regulating the Home Building Compensation and workers compensation schemes. NSW Fair Trading is responsible for administering operation of the Fund. For other insurance claims, there are some general communication tips. See also [United Policyholders tips](#) for extra information on communicating with insurers.

Lawyers

Lawyers are involved in contractual arrangements between various parties, claims against a builder under statutory warranties and litigation. They can help advise the strata manager and strata committee on legal matters regarding the [Strata Schemes Management Act 2015](#), such as issues surrounding defects and short-term letting.

Communicating with lawyers:

Lawyers are guided by the information that you provide them, and so the more details the better. By effectively communicating what you know, they can better establish the relevant legislation, the appropriate legislative requirements and legal arguments to provide better outcomes. You should also be quick to inform them of any changes to the situation, via mode of contact you have both agreed to.

Below are some tips to consider when talking to your lawyer by the [Queensland Legal Services Commission](#):

- If you are unsure or don't understand, say so – seek confirmation, not just information.
- Concentrate on all parts of a conversation or document and don't let your feelings skew your judgement.
- Be careful you relay all the facts and don't assume your lawyer knows what you want.
- Only say "yes" when you agree with your lawyer's advice or suggestions.

For more information, see the Queensland [Legal Services Commission Factsheet](#).

Government Bodies

Local Council

Councils are responsible for residential waste collection services, community and recreational facilities, road maintenance, development application approval and the provision many other local services. Some local councils also [provide information](#) about high-rise and strata living.

State Government

The State defines development control instruments and establishes planning policies. The most relevant of these planning policies to residential development is State Environmental Planning Policy No. 65. The NSW Department of Planning and Environment has a role in development assessment and consent for State Significant Development, which can include larger residential strata developments. NSW Fair Trading provides training for strata committee members, provides advice and information to strata stakeholders, and will assist in resolving strata-related disputes.

Communicating with Government Bodies

For information on development consent, see [Getting Retrofits Approved by Council](#). If you are not satisfied with the response from your local council or government body on any issue, you should try to resolve it with the council or government body first. Make sure your correspondence is clear, and allow for a reasonable response time, which could be a month for smaller issues, and longer for more complex issues. If the issue is not resolved, you can write to the council or body's General Manager, or elected councillors. As a last resort, you can contact the [NSW Ombudsman](#) or the [Independent Commission Against](#)

Corruption if you have received an inadequate response or no reply, or believe that there has been an instance of corruption.

Additional Resources:

- [Strata Stakeholder Mapping, City Futures UNSW](#)
- [Know Thy Neighbours Podcast, Your Strata Property](#)
- [Resolving a Problem with Your Council, Office of Local Government](#)



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