



# CITY FUTURES RESEARCH CENTRE COMMUNICATING WITH STAKEHOLDERS

## WHO ARE FORMAL STAKEHOLDERS IN STRATA?

Strata has numerous stakeholders, who are involved in various issues at various times in a scheme's lifecycle.

Stakeholders with formal relationships at the time of 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 is required when overcoming strata issues and completing projects.

Some of the most important relationships that an owner, resident and strata committee need to maintain are those between their strata managing agents, their building manager, 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. This means the effective day to day running of a building is maintained through these relationships.

Listening and asking questions helps to make sure that you understand what the other person is trying to communicate. Keep detailed notes of conversations or clarify points via email as a written record. These notes will help you to remember specific details,

Stakeholders over the life of a scheme who involve both formal and informal relationships are:

- [tenants](#)
- [owners as part of the owners corporation](#)
- [members of the strata committee](#)
- [original owners](#)
- [building manager](#)
- [strata managing agent](#)
- developers
- builders
- architects
- building certifiers
- insurers
- lawyers
- local council
- state government

timeframes and what is expected of each stakeholder, and can come in handy should evidence be required in the event of mediation or a court case.

## 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 normally has a right to participate in decision making. The original owner of a strata scheme is usually the developer (and potentially also the builder), and then the number of owners increase as more lots are purchased. The owners corporation manages the scheme's finances, insurances, records, repair, maintenance and by-laws. Strata managing agents and building managers can also be employed to aid with these responsibilities.

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. 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 matters relating to the building as they are 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. They 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 would like to start up a social event, setting up an email list, website, building portal or social-media 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. However, when using digital media platforms be aware of the possibility for comments and conversations to go public, and monitor regularly. If you need to get more residents' and owners' contacts, you can advertise the email list, website or social-media page on the front doors or in the lobby of the scheme's buildings. You could also set up a survey to get residents' 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. However, with strata projects that have been decided, and that are ongoing and complex, it is best to provide only the key information that residents need 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 scheme.

## THE 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 consists of up to nine members (a minimum of three members for large strata schemes), elected via a motion 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 if a company owns one or more lots. There are various elected positions, including:

- Chair;
- Secretary; and
- Treasurer;

or you can be a Member.

### 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 sometimes be solved if the owner is aware of the issue.

Owners with concerns for the committee should consider whether their issue is with the authority of the strata committee, 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 a copy of the by-laws, or 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. Decisions can then be formally ratified in meetings, and only the most contentious issues need be discussed.

## **STRATA MANAGING AGENTS**

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

- carrying out administrative matters;
- calling meetings;
- collecting levies; and
- advice and 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 a financial benefit resulting from 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, 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, 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 usually 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; and
- 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 also affect the composition of the owners corporation by transferring lots to individual owners, or retaining assets

such as serviced apartments. In new four+ storey strata buildings the developer also lodges a building bond in case rectification is needed in the first three years (see [Who Pays](#)).

### **Communicating with Developers**

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 Builders and Project Managers](#).

## **BUILDER**

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 [Working with Builders and Project Managers](#).

## **ARCHITECT**

Architects design buildings; selecting materials and finishes and inspecting construction work as it progresses. Architects are employed by the developers in the 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 ensure 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 carry 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. The Building Professionals Board hosts a [list of all disciplinary actions](#) against certifiers which you may check before engaging a specific certifier.

### **Communicating with Certifiers**

For information on the role of certifiers and how to communicate with them effectively, visit NSW Fair Trading [What Certifiers Do](#) page. There are a few options of certifiers that you can choose from to conduct a CDC, and the entire process can be completed online.

## **INSURERS**

Insurers will insure your building against unfortunate and unforeseen events. Insurers will take into account [many different aspects](#) of your building when determining premiums and whether to cover your building, such as the age of the building, status of legal disputes, known defects, and if the owners corporation are proactive in rectifying defects and maintaining the building. There are various forms of insurance that an owners corporation might consider taking out, such as:

- Building insurances;
- Public liability;
- Fidelity;
- Legal liability;
- Office bearers liability;
- Machinery breakdown;
- Workers compensation; and
- Voluntary workers cover.

### **Communicating with Insurers**

Keep all correspondence with insurers in writing so that there is a paper trail and remain courteous, polite and professional. You

should be proactive about notifying your insurer about [relevant changes in the building](#). For example, insurers of your building need to be made aware of any defects and defects works when they are identified in the building as soon as possible, as you have a duty of disclosure and existing defects may affect your premiums and future claims.

## 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, such as issues surrounding defects, by-laws 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 legislative requirements and legal arguments to provide better outcomes. You should also be quick to inform them of any changes to the situation, as this may change the advice they provide you.



Below are some tips to consider when talking to your lawyer:

- 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](#) and the [Law Society of New South Wales](#).

## GOVERNMENT BODIES

### LOCAL COUNCIL

Councils are responsible for residential waste collection services, community and recreational facilities, public road maintenance, development application approval and the provision of 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 the [State Environmental Planning Policy No. 65](#). The NSW Department of Planning, Industry 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 advice and information to strata stakeholders, and will assist in resolving strata-related disputes.

### Communicating with Government Bodies

For information on development consents, see [Getting Retrofits Approved by Council](#) from the Sustainability Retrofits Guide. 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:

- [Dealing with Defects – City Futures UNSW](#)
- [Strata Stakeholder Mapping – City Futures UNSW](#)
- [Strata Management – Strataman](#)
- [Clear Communication is the Key to a Healthy Strata Community – SSKB Body Corporate Services](#)
- [Know Thy Neighbours Podcast – Your Strata Property](#)
- [Resolving a Problem with Your Council – Office of Local Government](#)
- [Building Defects and Insurance – CHU Underwriting Agencies](#)
- [What Do We Need to Tell Our Insurer? – Bannermans Lawyers](#)
- [Strata Owner's Factsheet – Insurance Council of Australia](#)

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Strata Community Association (NSW) is the peak industry body for Strata and Community Title Management in New South Wales. Membership includes strata managers, support staff, committee members and suppliers of products and services to the industry. SCA (NSW) has in excess of 3,000 members who represent over 75% of strata lots in NSW by way of helping to oversee, advise or manage a combined property portfolio with an estimated replacement value of over \$400 Billion. SCA (NSW) proudly fulfils the dual roles of a professional institute and consumer advocate. Contact: (02) 9492 8200 | [enquiries.nsw@strata.community](mailto:enquiries.nsw@strata.community) | <https://nsw.strata.community/>