

THE FUNCTION OF THE COUNCIL IN A STRATA COMPANY

What does the Council of a Strata Company do?

- The Council acts for and on behalf of the strata company and is charged to carry out the duties and responsibilities of the strata company
- The Council actions or oversees all the works agreed at the Annual General Meeting, and ensures the well being of the strata scheme is properly attended to

What decisions can the Council make?

- It implements the decisions made at General Meetings
- It coordinates the work to maintain and protect common property and to effect the statutory requirements of the *Strata Titles Act 1985*. This includes ensuring adherence to by-laws by all occupiers.
- The Council has the authority to employ outside contractors to complete maintenance and other works, provided funding has been agreed at an AGM or such expenditure meets the requirements of section 47 of the Act.
- If a Strata Manager is engaged, that strata manager acts as *agent* for the strata company at the direction of the Council.

Councils have the power under the standard schedule 1 by-law 8 to meet as often as its members consider necessary, but in any event should meet after the annual general meeting to elect office bearers.

Who can be elected to Council?

- Any proprietor or co-proprietor can be elected to the Council. Where the lot is in the ownership of a corporation, it is the *corporation* which is elected, not the director or officer. The corporation then appoints an individual to act on its behalf at meetings.
- A Council is a democracy. Decisions are made by majority decision. A chairman or other office bearer has no more voting power than another council member.
- More nominations than positions available? Study carefully, the ballot procedure.

Initiating expenditure

It is important to realise that the council only has *limited powers* to initiate expenditure not first approved by a majority of owners at a general meeting. **Refer to section 47 of the Act** for the grounds of authority to expend funds outside of that approved at general meeting.

Council Checklist:

1. For a strata complex with three or more proprietors of all the lots, there will be a minimum of three and a maximum of seven Council Members
2. In schemes that compose two and three lots, the council shall compose all proprietors.
3. If a unit or lot has two owners, only one owner can be nominated and elected to council

No elected council – the pitfalls

Without an elected council, the operation of the strata company is ineffective and certainly, inefficient. All decisions, even expenditure commitments, must be referred to a general meeting and no individual owners or block of owners can make decisions on behalf of others or the strata company.

Strata managers, if appointed, may be unable to make decisions because they would lack the direct authority to do so.

Treat your strata company seriously. Be prepared to work together. Share the load.

Acknowledgement:

This information has been created by SCA WA based on the content of 'Understanding Strata Titles' by John H Angus.

