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Measuring Progress

Series: Effective Governance for Executive Bodies of Strata Communities

Part 11 of 12: Measuring Progress

One of the difficult things about the management of strata communities is the “uneconomic” nature of the activities of the committee of management.

If the committee was a commercial service provider and the owners were the client, then the owners would go elsewhere if the best outcomes of the strata community were not being met.

Due to the voluntary community service nature of the role of a committee of a strata community, the owners might feel they can't speak up about poor performance or if they do, the criticism is often taken very personally.

In these circumstances a committee then has a responsibility to make an additional effort to listen to comments about improving services and should implement some system of reviewing their performance. This should be provided to the owners for review. A logical time to do this is at the annual general meeting of owners. Some states compel this and the others should.

Some of the benefits of monitoring performance include:

- Educating owners about the importance of the work done by the committee;
- Recognising achievement to reward those responsible and to encourage others to serve; and
- Averting major problems by identifying them at an early stage.

What then should the committee of a strata community monitor?

Levies are an obvious one but successful organisations are concerned with more than just money. There are issues relating to the sharing of knowledge, compliance with laws and building internal process to better serve the owners that are equally as important as financial management. We are building our process and systems around these areas and suggest a simple form of monitoring performance as follows:

1. Can the committee identify one piece of communication to owners beyond the statutory requirements that improves the knowledge of owners about their rights and responsibilities as owners within a strata community (e.g. a leaflet, a booklet about living in the community, a website – work your way up to this year by year);



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2. Can the committee demonstrate that it has complied with all of its statutory requirements (e.g. use a simple compliance checklist and attend to any items of non compliance);
3. Can the committee identify the implementation of a process or standard procedure to help owners access services from the strata community or manager in a more satisfactory or timely way (e.g. a web accessed form for changing owners details or a standard way of applying for permission to make an improvement to a lot); and
4. Can the committee demonstrate that it has caused the strata community to have saved the required amount to meet its maintenance fund plan (or sinking fund) for the year. (e.g. measure compliance with a 10 year sinking fund or maintenance plan).

A great truism of business is that "if it can't be measured, then it can't be managed". If this were applied to strata management, then not only would committees need to monitor performance in some way, but also evaluate their own performance in delivering these outcomes. This means taking corrective action if any targets are not met. This might mean outsourcing the task, forming a sub-committee with some new co-opted owners to serve on that committee that are not members of the management committee or changing the way the committee functions.

The enemy of this process is complacency – particularly when there is a strong chairperson who takes care of it all and is resistant to new ideas and methods. This person makes an enormous contribution but if not careful can also place the community in a position of distress when the chairperson can no longer do the work.

Next week: Recruitment and Succession Planning



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