



# ***Building communities –***

*An insight into governing bodies corporate*

## **A formula for harmonious living** in a strata title community

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# The essentials

1. Workable legislation
2. Clear rules
3. Good communications
4. Quality management
5. Community spirit
6. Conflict management
7. Dispute resolution



# Workable legislation

- Well structured projects –
  - function better
  - facilitate good living
- Legislation must provide best title, subdivision and management structures



# Workable legislation (continued)

- Highly prescriptive management procedures –
  - Inhibit efficient management
  - Distract from asset protection
  - Force B/C's into professional management
  - Add to costs
  - Should be avoided



## Workable legislation (continued)

- Should provide dispute resolution “safety net”
- More focus needed on enhancing lifestyle
- “People problems” cannot be solved by legislation alone
- The “*three for one rule*”



# Clear rules

- Applies to both B/C rules and legislation
- Must be written for lay people
- B/C rules must be appropriate to project
- Legislation must address these things



# Good communications

- An essential for harmonious living
- Must start with the Rules
- Legislation must require communications
- B/C must focus on **good** communications
- What is good communication?



# Quality management

- Quality management –
  - Preserves asset value
  - Promotes harmonious living
  - Minimises conflict + disputes
- Cannot legislate good management





# Quality management (continued)

- Legislation can encourage it if –
  - Not complex
  - Spells out procedures
  - Provides approved forms
  - Provides a comprehensive information service
  - Imposes competency + ethical standards
  - Requires continuing education
  - Emphasises asset management
  - Requires reserves budgeting
  - Is enforced



# Community spirit

- The “essence” of the formula
- A cultural thing – needs to be developed
- Requires social interaction among owners + tenants
- Examples – functions; contacts list; web page; newsletters
- Legislation can facilitate by –
  - Recognising lifestyle role
  - Allowing expenditure



# Conflict management

- Conflict –v- dispute
- Community needs –
  - Positive attitude to deal with conflict
  - Community relations person
- Legislation can facilitate both



# Dispute resolution

- Options are –
  - Private mediation
  - Government mediation
  - Government dispute resolution
- Mediation produces the best results
- Needs to be dispute resolution system  
(unresolved disputes cause ongoing problems)



# Dispute resolution essentials

- No jurisdictional boundaries
- Some exclusivity
- Urgent interim relief
- Limited orders for costs
- Enforcement of decisions
- Dedicated adjudicators



# Summary

- Harmonious living cannot be mandated
- Some elements can be mandated
- Harmonious living can be encouraged
- Style and content of legislation is critical



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