

So, what is “governance”?

Well, we say governance is how an enterprise is managed. This is an easy definition without much detail. What we want to establish far and wide are the techniques that promote good governance because good governance is what all stakeholders of an enterprise expect and deserve.

We have seen that even in major corporations (think banking royal commission), their highly experienced board members are not always able to ensure good outcomes for all stakeholders. Even in government, do we really rate our leaders, our politicians, so highly we are satisfied with the resulting good governance?

So in a body corporate committee situation what can we do? We do need to admit that the members of any committee do not know everything, nor can they all be highly experienced committee or governance practitioners. What we can and should expect though, is that they approach their committee (governance) role with a determination to produce efficient, effective, fair and practical outcomes. This can only be achieved by becoming knowledgeable individual committee members and forming a coherent, inclusive and consultative committee dedicated to benefiting their community.

What knowledge are we talking about? Certainly aspects of the Body Corporate and Community Management Act, the Fair Work Act, contractor obligations etc. But there are specific skills of governance related to understanding and applying other inferences.

We like to suggest that lawyers provide the best legal advice but are limited to what legislation says and examples of prior outcomes (precedents). We talk about what the legislation doesn't say and what a lawyer can't tell you.

We promote Body Corporate Managers for their experience gained often over years and with many committees but they are contractors and responsive to their clients' direction and may be reticent in coming forward.

We suggest additional knowledge about what philosophy is behind the legislation, what is it seeking to achieve? How can we achieve our goals without conflict? Why is

the BCCM Act an adversarial system? What advantage does this imply for better governance?

There are many avenues for gaining knowledge. Your body corporate manager, other body corporate managers and their websites, various body corporate legal firms' postings, seminars provided by Smart Strata and the Commissioner's office to name just a few.

No-one knows everything, but a little more knowledge helps everyone.

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Governance Mentors

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