

From: [Andy Doves](#)
To: [Glover, Kaye](#); [Jeff Revell \(jkrevell@bigpond.com\)](mailto:jkrevell@bigpond.com); [Lane, Marianne](#); [Mandile, Barbara](#); [McKnight, Ron](#); [Newlyn, Lorraine](#)
Cc: [Stansure Strata](#)
Bcc: [REDACTED]

Subject: QUESTIONS FOR THE COMMITTEE AND STANSURE
Date: Monday, 22 April 2024 16:31:00
Attachments: [600S 600T 600U Binder.pdf](#)

Dear Owners

I am sending the below questions to the Committee and Stansure for consideration in respect to the management of The Quays this immediate past financial year (2023/24) and to prevent levy calculation errors for the current financial year (2024/25).

Perhaps they are of interest to you given the budget committee meeting set for 30/4/2024 at 6pm and the AGM scheduled for 11/6/2024 at 6pm.

Regards Andy Doves

OPEN QUESTIONS TO THE QUAYS COMMITTEE

1. MEETINGS

Why does the Quays have so many VOCMs i/o Committee Meetings?

I note that to date there has been only 1 committee meeting (31/10/23) since the AGM on 28/6/23. By contrast there has been 3 EGMs (15/8/23, 22/8/23 & 5/12/23; and 4 VOCMs (11/9/23, 23/10/23, 29/1/24 & 20/3/24).

While there is no regulatory obligation to have a certain number of Committee Meetings, we and most other bodies corporate, have normally always had 4 such meetings between AGMs. This provides an opportunity for input from Owners and committee members. Having VOCMs instead of committee meetings is unhealthy and unproductive. Moreover, voting at these VOCMs is being conducted electronically and/or by voting paper excluding further the opportunity for input and discussion by committee members, and hence Owners.

Hynes Legal's view, in part, is as follows:

"However, our view is that the legislature intended that a committee should preferably hold formal committee meetings, and only use flying minutes and the like in limited circumstances.

This is because the rules under which committees operate are intended to bring transparency and accountability to their operations. Flying minutes do not necessarily rule out compliance with these requirements, but there is little doubt that it means the actions of the committee become less accountable and transparent.

When a committee becomes more opaque, there is an increased risk of criticism from owners. Owners have rights to attend every committee meeting. It is not good for a committee to duck hard issues by using flying minutes to make contentious decisions. Decisions that can cause division

are generally best made at a formal committee meeting to remove the ability for others to criticise the reasoning process.

Accordingly the committee should take care to reserve the use of flying minutes for issues where there is a genuine emergency or urgency or where there is little need for deliberation and a simple yes/no vote will suffice.”

Please see Doc-Ref 600S in the attachment for the complete Hynes Legal article on VOCMs & Claytons committee meetings.

2. BODY CORPORATE MANAGEMENT FEES

Have the fees paid to Stansure increased because of the extraordinary number of EGMs & VOCMs held since June 2023?

Can the committee please advise Owners of the total fees paid to our BC Manager, Stansure Strata, in the FYE 31/3/2024, noting that fees paid may well be spread over multiple expense categories?

[Categories used in the past for various BCM fees have been: Additional Disbursements, Additional Services, BAS/IAS Fees, BC Admin, BCM Fees, Disbursements, Management Fees, Meeting Expenses, Miscellaneous, Software Fees, & Sundries]

3. MINUTES OF THE VOCM HELD ON 29/1/2024

The minutes of this VOCM were first issued on 9/2/24 and subsequent to my email advice to the committee on 12/2/24 that “2” votes were not a majority vote on Motions 2 & 8, the minutes were re-issued on 22/2/24 with substantial and material changes – **none of which were indicated as changes.**

and none of which were explained to Owners. This was not helpful, informative, professional or respectful.

Only by comparing the two sets of minutes line-by-line was anyone able to ascertain the changes made, which were:

- a) the deletion of the unique statement: *“The Owner of Lot 3100 chose not to vote on Motions 2, 4, 6 & 8.”*
- b) the “Yes” vote on Motions 2 & 8 was changed from 2 to 3.
- c) the “Yes” vote on Motions 4 & 6 was changed from 3 to 4.

As there was no indication of the changes made or any explanation for the changes made, could the committee please advise Owners, in an open and forthright manner, why such a unique statement made by our Treasurer was deleted; and why the previously minuted Treasurer’s voting on Motions, 2, 4, 6 & 8 was changed?

4. LEVIES

a) Why did the Quays have a very small and unnecessary Admin Fund Special Levy?

In December 2023 we were invoiced for a Special Administrative Fund Levy of \$105.60 per lot on the basis that the funds, a mere \$11,932.80 in total, were required to fund cash flow. Our financials at the time did not indicate a cash flow problem – in fact, our Cash at Bank exceeded the combined book balances of our Administrative and Sinkings Funds. Even if there was such a cash flow problem, to annoy Owners with such a small, frivolous levy was both unnecessary and irregular. Normally any such small deficit would be corrected in the next budget.

b) Why will the Quays have a Sinking Fund shortfall of \$227,168 as at 31/3/2024?

Meanwhile while Stansure was collecting the Special Administrative Levy of \$11,932.80 they were **not** bringing to the committee/owners attention the record deficit in the Sinking Fund v. the Sinking Fund Forecast (SFF). If the actual spending in 23/24 is in line with the budget, as it appears to be, then our Sinking Fund will end the financial year with the same balance it began with; viz., \$653,219. **This amount is \$227,168 short of the SFF required year-end balance of \$880,387.** This is a record deficit of 25.8% with the previous year being short by 8.4%.

Please see Doc-Ref 600T in the attachment for details of SF balances for the years ending 31/3/18 thru 31/3/24.

c) So, why were our 23/24 annual budget levies calculated incorrectly by Stansure?

There are a couple of serious flaws in the way Stansure calculated our levies in that they neglected to include certain components. For example:

Admin Fund Levies should be calculated as - Opening Balance + Budget Expenses less

Any Additional Revenue[#] + Planned Surplus* + Discount + GST = Budget Levy.

Stansure do not include the Opening Balance or a discretionary Planned Surplus.

Sinking Fund Levies should be calculated as - Opening Balance + Budget Expenses as per the SFF & any extraordinary known expenses less Any Additional Revenue[#] + Planned Surplus as per the SFF + Discount + GST = Budget Levy.

Stansure do not include the SF Opening Balance or, a Planned YE Closing Surplus as recommended in the Sinking Fund Forecast. Hence the huge shortfall this FYE 31/3/2024.

[#] Additional Revenue could include income from insurance claims, refunds, recoveries, etc.

^{*} Usually, a contingency amount of \$5,000 to \$10,000.

Please see Doc-Ref 600U in the attachment for details of Incorrect and Correct Budget Levy calculations.

Given the above, can the Committee please assure Owners that our levies will be calculated correctly going forward?

Best regards
Andy Doves
Owner Lot 3006