

Proxy Farming – Or should it be called Proxy Bonsai?

Onsite building managers are often accused of being able to proxy farm and unfairly effect the outcomes of strata meetings. These accusations tend to overlook two key facts. Fact 1 - All owners can proxy farm. Fact 2 - Even if the farming is successful, barely a handful of votes isn't really a farm.

In most jurisdictions across Australia there are limitations on the number of proxies a person can hold for a strata meeting. In New South Wales, Victoria and strata schemes that operate under the Standard Module in Queensland, the maximum number of proxies a person can hold is just 5% of the total number of lots in the strata scheme. For example, that means that in a strata scheme with 58 lots, you can only hold 2 proxies. 2 votes out of 58 isn't really causing any landslide victories or derailing democracy in the strata scheme.

In strata schemes under the Accommodation Module in Queensland, the number of proxies that can be held is higher, but not by much, as the limit goes up to 10%. Again, 5 votes out of 58 is still unlikely to be the cause of any significant upsets when it comes to a vote. It's also worth noting that many building manager related matters that strata schemes vote on are matters where the legislation bans all proxies (in Queensland) or specifically bans the building manager from using proxies (in New South Wales).

So, with so few proxies able to be held, why do owners still worry about proxy farming? 2 votes held by one person is not really a concern. Whereas 10 people holding 2 proxy votes each is a different story. This is the monster under the bed that makes the owners jumpy.

What appears to get overlooked in these scenarios, whether real or imaginary, is that for this to work in the building manager's favour, it still takes 10 people to hold the votes and 20 people to give their votes away. That means first finding 10 people who will willingly attend a strata scheme meeting. Almost an impossible task from the outset. Then it means finding 20 owners (who have paid their levies and won't be attending the meeting) who are willing to give their proxies to another person. Then you need to introduce the first 10 people to the 20 owners and split them up into little groups of 3, so that no one is ending up with more than 2 proxies. And then of course you need to make sure the right paperwork has been completed correctly and returned to the strata manager before the meeting.

And if you have managed to do all that, it also depends on these 30 people actually agreeing with the building manager and agreeing to vote the way the building manager has recommended. Arguably, if you manage all this you deserve an award, let alone a successful vote.

What this highlights is that if anyone were to successfully farm proxies, they have succeeded because they have put in a lot of effort and successfully communicated with a lot of owners. If that effort and communication results in a successful vote, that looks a lot like the system working as intended from my perspective. If a vocal minority isn't willing to put in the same effort and communicate with owners, it shouldn't be a licence to claim it is unfair when someone else does.

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