

# Meetings of the owners corporation

## In a strata scheme

Getting something done in strata may involve writing to the Secretary about an issue to put to the next meeting.

Meetings allow owners to make decisions in their collective interests. The owners corporation (which all owners automatically belong to) must meet at least once at an annual general meeting (AGM) each year. This meeting deals with matters that the owners must consider (for example, insurance, and considering any building defects before statutory warranty periods end, if they apply).

Meetings other than the AGM are called general meetings. Certain matters can be delegated to the strata committee, which meets more regularly.

Strata schemes can adopt electronic communications, including pre-meeting electronic voting. This can help to make it more convenient to take part in meetings.

All landlords must ensure that their **tenants are registered** on the strata roll. This allows tenants to receive notice and attend meetings of the owners corporation. Certain schemes may be eligible to have a tenant representative. For details, visit the Tenant participation page on the Fair Trading website.

This information explains how strata meetings work and their requirements.

### Key roles

The owners corporation elects the strata committee members. Then the strata committee elects the office bearers of Chairperson, Secretary and Treasurer. If a position on the strata committee needs to be filled, the owners corporation must appoint someone to fill the vacancy until the next AGM.

The **Chairperson** runs meetings and is in charge of procedural matters. The Chairperson does not have a deciding vote.

If the Chairperson is away, the people at the meeting must elect someone to chair that meeting only. That person must be entitled to vote.

The **Secretary** organises meetings by giving advance notice of them, prepares and distributes meeting agendas and minutes, and keeps the strata roll up-to-date.

The owners corporation retains the ultimate power to make all decisions. It may choose to dismiss some or all of the strata committee. For more details, read our Strata committee information.

### Raising a matter for a meeting

Only motions on the agenda for a meeting can be voted on.

Anyone entitled to vote at a general meeting can write to the Secretary with the motion they want a decision on. They must include:

- the motion they are putting forward
- their name
- an explanation of up to 300 words.

The Secretary must then put the motion on the agenda for the next general meeting.

A Chairperson may rule that a motion is **out of order** if:

- proper notice of the motion was not given, or
- it would be unlawful, in conflict with the by-laws or not enforceable if passed.

Tenants who have a tenant representative can raise issues with them to take to the strata committee.

### Amending motions

Motions on the agenda may be amended at the meeting, **except** for:

- the subject matter of the motion
- motions determined wholly by pre-meeting electronic voting.

A person who may vote at the meeting may ask for a motion to be amended.

### What if pre-meeting voting has happened?

Sometimes, pre-voting on a motion has already occurred.

If the motion is amended at the meeting, and the amended motion passed, the minutes of that meeting must reflect this. These minutes must include a note. It must state that:

- the Secretary may call another meeting to again consider the motion
- this requires owners entitled to vote to write, asking the Secretary for this. They must together hold at least a quarter of the total unit entitlements.

### Receiving notice of meetings

The Secretary must give each person on the strata roll at least 7 days' advance notice of a meeting, in writing. The notice can be by post, email or fax.

### Calling for a meeting to be held

General meetings (meetings other than AGMs) should be held when needed (eg. to change, cancel or make by-laws, to appoint or dismiss a strata managing agent). There is no minimum number of these meetings each year.

There are two ways to arrange for a general meeting:

- the secretary or strata committee may call one at any time, or
- if owners entitled to vote, who together hold at least a quarter of the total unit entitlements, ask for a meeting. They would need to give written notice to the Secretary asking for the meeting to be held. If the Secretary is away, the notice can be given to another strata committee member.

### Voting

A motion is decided by the number of votes cast for or against the motion. Each owner has one vote for each lot (property) they own.

The different types of votes are:

- **general resolution:** a one lot/one vote format, which requires a majority passing vote (over 50% of votes).
- **special resolution:** a vote by unit entitlement, with no more than 25% of the votes cast against it.
- **unanimous resolution:** where no vote is cast against the resolution. Everyone votes in favour of the motion.

Most decisions can be made by a simple majority vote (more than 50%). Even when only a simple majority vote is needed, a poll can be called for. In a poll vote, votes are worked out by counting the unit entitlements

### Voting from a remote location

Voting does not have to be done in person. An owners corporation may resolve to vote on a matter or matters by:

- teleconference, video-conferencing, email or other electronic means so people can take part in a meeting from a remote location
- pre-meeting electronic voting. This is a vote by email or other electronic means before the meeting. Both the owners corporation and strata committee may use this method of voting. However, any election cannot involve a pre-meeting electronic vote.

### Who can vote?

Each owner, and each person entitled to a priority vote, may vote at general meetings. The owner or person must be shown on the strata roll. In the case of a corporation, the company nominee is shown on the strata roll in order to vote at a general meeting.

Joint first mortgagees or joint covenant charges may vote by jointly appointing a proxy (who may be one of them).

Other people with voting rights may include:

- co-owners
- first mortgagees
- owners of successive estates in a lot, where owners hold lots as trustees.

If someone has outstanding strata fees still owing they are considered **unfinancial**. They cannot vote unless a unanimous resolution is needed.

People who have not lodged are not entitled to vote on any motion.

### **Proxies - voting on someone's behalf**

Sometimes, an owner may delegate their voting rights to another person, who becomes their proxy.

A proxy has no effect if the person who gave the proxy attends the meeting and votes in person.

### **How to appoint a proxy**

A valid proxy must be on the form prescribed by the Strata Schemes Management Regulations 2016.

An owner can make any person their proxy, including their tenant. Access a form you can use from the Forms page on the Fair Trading website (or call 13 32 20 to ask for a copy).

Proxies must be given to the Secretary before or at the meeting. For large schemes, the proxy must be given to the Secretary at least 24 hours before the scheduled meeting.

The form appointing the proxy must state:

- the date on which the proxy is made
- whether the proxy can vote on all matters, or only certain matters and what those matters are, and
- how the proxy must vote on a motion for the appointment or continuation in office of a strata managing agent.

### **How long is a proxy valid?**

A proxy is valid from:

- the date it is signed until the period specified in the proxy (if any), or
- 12 months from the date of signing or the end of the second AGM held after that date, whichever is the earlier.

### **Proxy limits**

There are limits on the total number of proxies that can be held. The limits held by one person are:

- one proxy vote only for schemes with 20 lots or less, or
- a number that is equal to no more than 5% of the total number of lots if the scheme has more than 20 lots.

### **Proxy votes and material benefits**

A proxy cannot be used by a building manager, strata managing agent or an on-site residential property manager to obtain a financial or material benefit for the proxy holder. Material benefits include:

- extending their term of appointment
- increasing their remuneration
- deciding not to pursue, or to delay, legal proceedings involving the proxy holder.

A developer or a person connected with the developer cannot make use of a proxy voting appointment or power of attorney resulting from:

- a condition in a contract for the sale of a strata lot, or
- another related contract or arrangement.

### **Proxy appointments before 1 August 2008**

Valid proxy voting appointments or powers of attorney in place before 1 August 2008 remain in effect. However, that appointment or power is invalid if obtained through a sale contract, which has been renewed or extended on or after 1 August 2008.

### **Agenda for an AGM**

An AGM must bring certain issues to owners' attention.

The agenda must include:

- a motion to confirm the minutes of the last general meeting
- a copy of the minutes from the last general meeting (for owners not previously given a copy)
- a motion to consider appointing an auditor
- a copy of the last statement of key financial information and any auditor's report (if any)
- a motion for accepting the financial statements

- the details of each insurance policy held by the owners corporation
- a motion to consider insurance policies that have not already been taken out
- an item to consider the annual fire safety statement (if one is required for the building) under the *Environmental Planning and Assessment Act 1979* and arrangements for obtaining the next annual fire safety statements
- an item to consider building defects and rectification. This item is needed until statutory warranties end (those that apply under the *Home Building Act 1989*) for buildings of the strata scheme
- any other motion to be considered at the meeting
- any motions needing a special or unanimous resolution
- a motion to establish matters the owners corporation will decide on instead of the strata committee, for the year ahead
- a motion to elect the strata committee
- a motion to decide the number of strata committee members
- an item to prepare or review a 10-year capital works fund plan.

The law sets out the specific items needed for the agenda of the first AGM.

## What general meeting notices include

Notices for general meetings must include:

- a motion to confirm the minutes of the last general meeting
- a motion to elect the strata committee, if the meeting is for that purpose
- a form of motion for each other motion to be considered at the meeting
- whether a motion needs a special resolution or unanimous resolution to be passed
- a statement that a vote by an owner does not count if a priority vote is cast for the lot for the same matter

- a statement that an unfinancial owner, mortgagee or covenant charge cannot vote at a meeting on a motion (unless the motion needs a unanimous resolution). This is unless, before the meeting, they pay all contributions levied on them, and any other amounts recoverable from them, in relation to their lot
- a statement that voting or other rights may be carried out by the owner on the strata roll, by a company nominee (if the owner on the strata roll is a corporation), or by an appointed proxy
- how a quorum is determined at meetings, according to NSW strata laws. The notice for the next general meeting must:

All notices for general meetings must also include a further statement about **pre-meeting electronic voting**. This warns that: a pre-meeting electronic vote could be 'cancelled out' if the motion voted on is amended at the meeting.

The notice for the next general meeting must:

- include any amended motion that involved a pre-meeting vote, and
- state that it may be put to the upcoming meeting for a vote, under section 19 of the *Strata Schemes Management Act 2015*.

## Quorum

There must be a quorum at a general meeting before any motion (including electing a strata committee) can be voted on. A quorum is:

- no less than one-quarter of the people entitled to vote, or
- owners entitled to vote holding one-quarter or more of the total unit entitlements.

If the quorum calculated is less than two people, the quorum shall be two people entitled to vote on the motion.

If a quorum has not assembled within 30 minutes of the scheduled start time, the Chairperson must either:

- adjourn the meeting for at least 7 days, or
- declare a quorum and go ahead with the meeting.  
The quorum is then the owners and proxies present who are entitled to vote.

### **Quorum for adjourned meetings**

If a quorum is not present within the next half-hour after the time fixed for the adjourned meeting, the people entitled to vote (including proxies) make up a quorum for the motion or business being considered.

### **Adjourning meetings**

A general meeting can be adjourned (delayed and rescheduled) for any reason. A motion must be passed at the meeting to adjourn it.

The person chairing must set the time and place for the adjourned meeting.

A written notice must be sent to each owner at least 1 day before the meeting.

### **First AGM**

The original owner must hold the first AGM within 2 months of the end of the initial period. There can be a fine of up to \$1,100 if this is not done. An AGM is a meeting for all members of the owners corporation.

Notice of the AGM must be given to each owner and each first mortgagee and covenant chargee shown on the strata roll. This must be done at least 14 days before the meeting.

For more information on the first AGM of the owners corporation, read the Starting the owners corporation page on the Fair Trading website.