

Meetings, voting and decision-making

Meetings

Voting and minutes



Meetings

► General meetings

An annual general meeting (AGM) is the meeting of the general membership of a strata company that is held to conduct business on behalf of the strata company. A strata company (except a two lot scheme) must hold an AGM once every 12 months and no later than 15 months after its previous AGM.

The first statutory meeting of a strata company is an AGM and must be held within three months of the registration of the scheme. This meeting is typically convened by the scheme developer (that is, the person registered under the *Transfer of Land Act 1893* as the proprietor of an estate in fee simple in the parcel immediately before it is subdivided by a strata titles scheme) but can also be convened by any other member of the strata company.

The *Strata Titles Act 1985* (STA) sets out certain business items that must be included on the agenda of a strata company's AGM. These agenda items are the:

- election of council members
- consideration of accounts
- presentation of copies of certificates and schedules for the required insurance for the scheme.

The strata company can of course conduct business at an AGM other than what is required by law. Any additional business items are taken to be special business.

General meetings of a strata company other than an AGM are called extraordinary general meetings (EGMs). Strata councils may hold an EGM if they think it is appropriate. An EGM may also be requested in writing by lot owners holding 25% or more of the scheme's unit entitlement. If the Council fails to hold an EGM within 21 days of this request, the owners making the request, or any one of them holding more than 50% of the unit entitlement, can take steps to convene the meeting.

There are no statutory requirements for what business must be conducted at an EGM. All business items for an EGM are taken to be special business.

► Notice for meetings

All lot owners of a strata titles scheme and the first mortgagees of these lots, who have notified the strata company in writing of the mortgage, must be given at least 14 days' notice of every general meeting.

This notice must include the agenda items to be discussed at the meeting, specifically:

- the date, time, and venue of the meeting
- for an AGM, the following items of business as required by the STA:
 - election of council members
 - consideration of accounts
 - presentation of copies of certificates and schedules for the required insurance for the scheme

- for special business, a notice of the general nature of that business
- notice of each voting method that is acceptable to the strata company (that is, through electronic communications or otherwise).

► Raising a matter at a meeting

Strata titles schemes are self-governing and there are provisions for owners or occupants who want to raise an issue at a meeting. Whether it is a maintenance issue, the intention to seek permission for renovations, or raising concerns regarding potential breaches of by-laws, the process to follow is generally the same.

The STA sets out notification requirements that must be followed for an item to be considered as special business at a general meeting. Lot owners can't raise a matter as special business at a general meeting.

For an item to be included on the agenda for a general meeting, a lot owner must provide a written notice to a member of the strata council to add the item to the meeting agenda. This notice must include the general nature of the item and be received more than 14 days prior to the general meeting. Any items of special business that do not meet these notification requirements will need to wait until the next meeting.

A member of the strata council that receives this notice must ensure that the item is included on the agenda and in the notice for the general meeting (as special business). This notification must include the general nature of the item to be discussed.

What is a quorum and how does it apply to general meetings

A quorum is the minimum number of people who need to attend a meeting to achieve a legitimate vote. A quorum is required for a strata company to officially engage in business and make decisions at a general meeting.

The quorum requirements for a general meeting are set out as follows:

- Two lot scheme

For each lot in the scheme, a person is present that is entitled to cast the vote attached to the lot. That is, there is a person present for each lot (two people total), who is entitled to cast a vote for that lot (either the owner of the lot or their proxy).
- Other than a two lot scheme

The people present entitled to cast votes represent 50% of the lots in the scheme. That is, there must be present a person that is entitled to cast the vote attached to the lot for 50% of the lots in the scheme.

For schemes that are larger than two lots, if a quorum is not present at the meeting 30 minutes after the scheduled start time of the meeting, then all those present form the quorum for that meeting.



► Attending a meeting remotely

Subject to any requirements of the scheme by-laws, a person may attend a meeting of a strata company remotely and be taken to be present at the meeting. A person may attend and vote at a meeting remotely via telephone, video link, internet connection or a similar form of remote communication if this does not place an unreasonable imposition on the strata company.

Voting and minutes

► Voting

The voting system used by a strata company, whether it is electronic or by other means, must enable votes to be cast in a way that protects the integrity of the voting system.

The owner of each lot in a strata titles scheme is entitled to one vote on a proposed resolution of the strata company. Where a lot has more than one owner, the co-owners may only cast one vote though jointly appointing a single proxy (who maybe one of the co-owners).

Typically, the only circumstance where a lot owner will not be entitled to vote is if they have an outstanding amount owed to the strata company (that is, they are unfinancial). However, unfinancial lot owners are still able to vote on:

- unanimous resolutions or resolutions without dissent
- a resolution postponing the expiry day for a leasehold scheme
- a termination resolution for a scheme.

Resolutions can be put to members of a strata company either at a general meeting or outside of a general meeting. However, only a member of the strata company who is entitled to vote on the resolution can put forward a resolution.

Resolutions passed at a general meeting may be ordinary resolutions unless the STA requires otherwise.

The resolutions of a strata company that are allowed for under the STA are:

- A unanimous resolution - where 100% of the votes attached to lots are in favour of the proposed resolution.
- A resolution without dissent - where there are no votes against the proposed resolution. For a two lot scheme the resolution without dissent is passed if the vote attached to each lot is in favour of the resolution.
- An ordinary resolution – where a simple majority vote in favour of the resolution either by the number of votes or by sum of the unit entitlements in the scheme.
- A special resolution – these resolutions have slightly different provisions for voting depending on the scheme's size. In schemes of more than five lots, a special resolution is where the votes in favour, when counted by number, equal not less than 50% of the lots in the scheme and when counted by unit entitlement, equal not less than 50% of the unit entitlement of lots in the scheme. The votes against the resolution, when counted by number, equal less than 25% of the lots in the scheme and when counted by unit entitlement, equal less than 25% of the unit entitlements of lots in the scheme.

For two lot schemes a special resolution is passed if it is a unanimous resolution. Special rules apply for three to five lot schemes.

14 days' notice of the terms of a resolution must be given to lot owners before voting opens on the resolution. This requirement applies for special resolutions, unanimous resolutions, resolutions without dissent, or ordinary resolutions passed other than at a general meeting,

Voting outside a meeting

Voting does not have to take place at a meeting and a strata company can arrange for a vote to occur at another time. Where a vote is taken outside of a general meeting, the notice of the proposed resolution must specify:

- how the vote will be conducted
- how a vote may be submitted
- the closing date for submitting a vote
- how the owner of a lot will know their vote has been cast
- how the results of the vote will be published.

Voting by proxy

Proxy voting, where someone nominates another person to vote on their behalf, is allowed for all general meetings of a strata company and for all purposes.

A proxy can be a member of the strata company, a strata manager, or another person.

For a proxy to be able to vote on behalf of a lot owner or a first mortgagee, they must be appointed through an instrument of appointment, that:

- is in writing
- is executed by the person appointing the proxy or their attorney and
- sets out any limitations the proxy is subject to.

There are circumstances that will disqualify a person from voting as a proxy or impose additional requirements on proxy or resolution being voted on.

These disqualifications and additional requirements are set out below:

| Proxy | Disqualification and/or additional requirements |
|---|---|
| A member of a strata company who is: <ul style="list-style-type: none"> • an individual and • a sole owner of a lot and • is present at a general meeting. | This person must cast the vote for the lot in person rather than by proxy. |
| A person with any financial or other interest in the provision of goods, amenities, or services to the strata company. | This person must not vote as a proxy on a resolution relating to the provision of the goods, amenities, or services to the strata company that the proxy has an interest in. There is an exception to this disqualification if the instrument of appointment expressly authorises the proxy to vote on the resolution and specifies how the proxy will vote. |
| A strata manager who has a strata management contract with the strata company. | This person must not vote as a proxy on a resolution relating to the making, varying or extending a strata management contract. There is an exception to this disqualification if the instrument of appointment expressly authorises the proxy to vote on the resolution and specifies how the proxy will vote. In addition, the notice of the resolution must specify: <ul style="list-style-type: none"> • the name of the strata manager • when the proposed contract, or the contract variation or extension is to start and end • each proposed contract variation, if applicable • the remuneration payable under the contract or the way the remuneration is to be calculated. |

► Minutes

Under the STA, strata companies must keep minutes of their general meetings and minutes of the meetings of their council. The exception to this requirement is two lot schemes that exempt from keeping meeting minutes and three to five lot schemes that may pass a by-law opting out of this requirement.

Records must also be kept of the strata company's resolutions, and the decisions of

its council. It is the duty of the secretary of the strata company to take and distribute the minutes of any meeting of the strata company and to ensure that the minutes are confirmed at the next meeting.

A member of a strata company can request to inspect previous minutes of general meetings and meetings of its council, as well as records of the strata company's resolutions, and the decisions of its council.