

STP-05 Strata Company

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1 Strata Company (formerly section 14.1 of the Practice Manual)

After the completion of the registration process, there are various obligations under the STA that require implementation by the original proprietor. The following paragraphs briefly outline some of these requirements, but Part IV of the STA sets out the management obligations in detail.

On registration of the Strata/Survey-Strata Plan, the strata company comes into existence. Within 3 months of registration the original proprietor of the parcel is required to call the first annual general meeting of the strata company. At this meeting the strata council is elected, levies raised if needed, insurance decisions resolved, and other matters associated with the scheme agreed.

The original proprietor must deliver all plans, specifications, certificates, books of account and other documents relating to the scheme.

In two lot schemes there is no statutory requirement for annual general meetings (AGM). However, the first AGM must be held. In 3 to 5 lot schemes, a by-law may be passed and registered on the plan exempting the strata company from having to conduct further AGMs. In all other scheme's AGMs must be held and on occasions extraordinary meetings may be necessary.

Every scheme of whatever size should keep minuted records of all decisions affecting the scheme. These records may be required for disclosure to prospective purchasers under section 69 of the STA. They may be kept by all proprietors in small schemes or, by the secretary of the strata company in larger schemes or, if more convenient, retained by the management agents, if any.

Strata Companies in large schemes may find it advisable to have office bearers' liability insurance, as decisions made by the strata council are subject to legal liability.

1.1 Strata Company as an Entity Deals with Common Property (formerly section 1.2.2 of the Practice Manual)

The strata company is the entity which deals with the common property. This entity may acquire or dispose of common property or create and surrender easements or leases.

1.2 Supply of Information by Strata Company (formerly section 14.4 of the Practice Manual)

The records of a strata company are not a public record.

An application under section 43 of the STA, made in writing by any proprietor or mortgagee of a lot, or any person authorised by them, requires the strata company to do one or more of the following:

- Inform the applicant of certain details of the members of the strata council.
- Make available for inspection certain records of the strata company.
- Certify as to certain financial matters, details of any insurance policies maintained by the strata company, and certain transactions or by-laws affecting the common property.

The fees payable for such an application are detailed in the STGR (Schedule 1 section 4).

1.3 A Title Can Not be issued in the Name of the Strata Title (formerly section 1.2.8 of the Practice Manual)

The Act does not permit a title to be issued in the name of the strata company; rather it is issued in the name of all of the registered proprietors as tenants in common. However, in most cases the Strata Company can act as the transferor or as the party to a specific action.