

Annual General Meeting

This compulsory meeting must be called annually for the purpose of review and administration of the strata scheme.

It must be held one month before or after the anniversary date of the first AGM (Schedule 2, Part 2, Clause 31 (1)(a)). In the event that the scheme was registered prior to 1st July 1974 (commencement of the Strata Titles Act 1973) the relevant date for the first annual general meeting is the annual general meeting held after 1st July 1974.

If there is a reason this cannot be complied with, an owners corporation, Strata Managing Agent, or owner can apply for the Adjudicator to make an order varying the time when the AGM must be held.

AGM Agenda The agenda for an AGM must include the following prescribed items:

- a motion to confirm the minutes of the last general meeting (schedule 2 part 2 div 3 cl 35)
- a motion for accepting the financial statements (schedule 2 part 2 div 3 cl 34)
- a motion to adopt the prepared estimates of the Administration and Sinking Funds (Budget) and determine contributions for administration & sinking funds (chapter 3 part 3 div 2 sec 75)
- a motion to consider appointing an auditor (schedule 2 part 2 div 3 cl 34)
- a motion to consider taking out insurance for Executive office bearers liability and/or misappropriation of money or property of the owners corporation (part 4 div 3 sec 88)
- to decide whether any matter shall be a restricted matter in accordance with Schedule 2, Part 2, Clause 34g
- a motion to decide the number of the members for the Executive Committee and election of these (schedule 2 part 2 div 3 cl 34).
- any other motion requested in writing by an owner prior to sending out notices of the General Meeting or any requested by the Executive Committee (schedule 2 part 2 div 3 cl 34)
- Details of all insurance policies held by the owners corporation (schedule 2 part 2 div 3 cl 34).

Also to be included with the Notice of AGM mailed to all owners are:

- a copy of the minutes of the last general meeting, (if not previously circulated)
- a copy of the financial statement of the owners corporation for that year
- auditors report (if any)
- proposed budget
- a proxy form
- statutory information (important information about voting at the AGM)
- any other document necessary to fully inform owner in regards to motions on the agenda.

Notice period - seven clear days notice

Extraordinary General Meeting

Any general meeting of the owners corporation that is not an AGM is called an Extraordinary General Meeting. Such a meeting is usually called if the pending issue cannot wait for the AGM. These meetings are held as necessary during the year (eg. to raise a special levy, to change, cancel or make by laws, to appoint or dismiss a Strata Managing Agent).

The only compulsory agenda item on an Extraordinary General Meeting is to confirm previous minutes; otherwise there are no prescribed agenda items for this meeting.

There are three ways in which an Extraordinary General Meetings can be convened:

- by majority vote of the Executive
- if owners entitled to vote, and who together hold at least one quarter of the aggregate unit entitlement, give a written notice to the Secretary asking for the meeting to be held
- by order of the Consumer Trader and Tenancy Tribunal. Notice period - seven clear days notice

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Service of Notices: Clear days notice

When sending out an agenda for an AGM or EGM by mail then consideration must be given to “service by post” under the Interpretation Act 1987.

Agenda sent by mail to an address in Australia as required in the SSMA:

- Cannot count the day the letter was sent
- Must allow four working days for the letter to be delivered.

On the day after delivery the first clear day notice begins. Note: clear days include weekends and public holidays.

Service by post

In the case study below, if a meeting was held on the 20 June, then the notice would need to be posted on the 6 June in order to ensure that the required period of notice is given.

June	Activity	Comment
6	Date of Posting	
7		Working Day 1
8		Working Day 2
Saturday 9		
Sunday 10		
11		Working Day 3
12	Date of Delivery	Working Day 4
13		Clear Day 1
14		Clear Day 2
15		Clear Day 3
Saturday 16		Clear Day 4
Sunday 17		Clear Day 5
18		Clear Day 6
19		Clear Day 7
20	Date of Meeting	

Service by hand

Note: Where services can be affected by giving it personally to the lot owner and anyone else who is entitled to receive it, the following may apply.

June	Activity	Comment
12	Date of Delivery	
13		Clear Day 1
14		Clear Day 2
15		Clear Day 3
16		Clear Day 4
17		Clear Day 5
18		Clear Day 6
19		Clear Day 7
20	Date of Meeting	

Service by email

An owners corporation may distribute notice by email if one of the following has occurred:

- The scheme was registered after the 1st September 2010 and adopted the model by-laws as shown in the Strata Schemes Management Regulations 2010
- Service on the owner of a lot in a manner authorised by the by-laws (sec 236 (4)(c) of the Strata Schemes Management Act 1996).

Motions/Resolutions

Resolutions are reached via motions at a general meeting. Any financial owner entitled to vote at a general meeting can request a motion to be placed on the agenda of a general meeting. Written notice must be given to the secretary. The secretary must place the motion on the agenda for the next general meeting (Schedule 2, Part 2, Clause 36).

Motions should start with the word “that”.

Motion

- A motion is a proposal put to the owners corporation at a meeting for consideration and determination
- Before the motion is put it can be amended. If an amendment is moved, seconded and adopted by majority vote it becomes the motion for resolution
- It is then voted upon and a resolution is reached
- Once a motion has been included on the notice of meeting, it need not be formally moved and seconded at the meeting
- Only motions on the agenda at a general meeting can be considered at the meeting
- Motions on the agenda must be specific and can only be amended as above. Any amendment must specifically relate to the motion and cannot be a negative to the motion
- A motion requiring a special or unanimous resolution needs to be clearly indicated as a special or unanimous resolution on the notice paper. (Explanation on voting requirements should be detailed in the notice of the meeting).

GENERAL BUSINESS OR OTHER MATTERS ARE NOT LEGAL MOTIONS AND CANNOT APPEAR ON AN AGENDA OR IN THE MINUTES OF OWNERS CORPORATIONS MEETINGS

Types of Motions

A resolution is the process of determining the outcome of a motion.

There are three types of resolutions:

- **Ordinary** – simple majority is owners entitled to vote in favour of the motion eg over 50%
- **Special** – against which not more than 25% of the votes cast & entitled to vote, are votes cast against the motion.
- **Unanimous** – all owners are entitled to vote and not one vote is cast against the motion.

Entitled to vote – for ordinary and special resolutions an owner must be **financial at the time of CALLING the meeting.**

Unanimous resolutions do not require a person to be financial to vote.

Example – Ordinary resolution

Thirty people vote on a motion. Twenty of those people (whose unit entitlements total 150) vote in favour of the motion while the remaining 10 people (whose unit entitlements total 180) vote against the motion. Based on the numbers voting for and against, the motion would be passed. However, if someone demanded a poll, the vote would be determined on the basis of unit entitlements (150 for and 180 against) and the motion would be lost.

Example - Special Resolution

Strata Plan 1234 is comprised of the following:

Lot	Entitlement
1	10
2	15
3	15
4	20
5	20
6	25
7	25

Aggregate = 130

1/4 Aggregate = 32

1. If the original owners no longer owns any lots and a motion is proposed for a special resolution, then (assuming the owners of all lots vote) the sum of the unit entitlements of all lots voting against the motion must not exceed 32, fractions excluded. Therefore, if lots 2 and 5 (total 35 unit entitlements) vote against the motion it will be lost.

2. If lots 1 and 7 do not cast a vote, the total unit entitlement reduces to 95 (130 less 35 UE's). The motion would then be defeated if more than 23 ($\frac{1}{4}$ of 95 = 23 (fractions excluded) vote against the motion.

3. If the original owner owns lots 5, 6 and 7 (total 70 unit entitlements), then the original owner's vote would be reduced to one-third ($\frac{1}{3} \times 70 = 23$). It would be counted as 23. If all lots voted there would be a total of 83 unit entitlements voting. In order to pass the motion as a special resolution there must not be more than 20 unit entitlements against the motion. Therefore, if lots 1 and 2 (total 25 unit entitlements) vote against the motion it will be lost.

Example - Unanimous Resolution

Scenario: A 1963 building located by the beach which was built on a sandstone table has shifted. The building is riddled with concrete cancer due to sea salt over many years. The aluminum windows, balcony rails, and stair rails need replacing. Plus there is a fire order on the building. The Strata Managing Agent has obtained an engineer's report and a building diagnostic report. The quotes relevant to these works bring the cost over \$1.7 million to rectify. There are seven owners in the scheme and the owner's contribution is based on Unit Entitlement. A developer owns lots 6 and 7. The developer wants to terminate the strata scheme with the intention of pulling it down and rebuilding 14 strata units on the same block. The developer is offering each lot owner 150% of their unit's current market value. This is a substantial sum considering the cost involved in rectifying the building's current faults. Mrs. Smith from lot 1 has lived in this Strata Scheme all her life. She inherited the unit from her late parents. The unit holds much sentimental value for her. She is however financially strapped and would struggle to afford her portion of the rectification work. The developer's proposal is very tempting. An extraordinary general meeting is held and the motion to terminate the strata scheme is added to the agenda. Ms Smith has not paid her levies for the last quarter and is unfinancial. However she is entitled to vote as this is a unanimous resolution. This resolution does not require the owners to be financial. When the strata manager calls for all those against the motion, Mrs. Smith raises her hand. She cannot bear to see the strata scheme torn down and previous memories lost. Hence the motion is lost.

Proxies

A valid proxy must be on the form (or like) prescribed by the regulations (Form 2). It must be given to the Secretary before the meeting commences. In the case of large schemes, it must be received at least 24 hours before the commencement of the meeting. The commencement time is the time as detailed in the notice of meeting. A proxy can be given to any person.

The following conditions apply for completing a proxy:

1. Insert the date you sign the proxy, the full address of the lot and the Strata Plan number (this may already be inserted into the form)
2. Delete either “I” or “We” and then insert the names of all owners of the lot
3. Insert the name and address of the person who you want to act as your proxy at the meeting
4. Delete either “my” or “our”
5. You need to decide how long you want this particular proxy to be valid for. You have examples of 1 meeting or you insert the number of meetings or 1 month or you insert the number of months or 12 months or 2 consecutive annual general meetings. Read the note attached to this segment regarding non completion of this section
6. Delete either paragraph 1 or 2. If you decide to delete paragraph 1, then you need to insert details as to the motions listed on the agenda that you restrict the proxy to vote on
7. If you do not want the person to vote on your behalf on this motion you need to delete. If you want the person to vote on your behalf you need to insert whether you want them to vote for or against the motion
8. ALL owners need to sign. If the owner is a company, then the company’s authorised representative such as the director or secretary need to sign.

Note 1: A proxy for an owner which is a corporation must be issued by the company not by the Company Nominee.

Note 2: A Strata Manager or Caretaker must not use a proxy on any motion where the company may receive a financial or other benefit.

Note 3: A proxy can direct the holder on how to vote, it is not a direction to the chairman on how to record a vote

Quorum/Adjournment

A quorum is the minimum amount of lots represented at the time of the meeting, to be able to deal with items on the agenda of a meeting. A quorum must be present for every motion before a motion can be put.

A quorum for a general meeting is determined by:

One quarter or more of the persons entitled to vote or represented by unit of entitlement in person or by proxy. In the event that the number results in a number that is less than two people then the number for the quorum is determined as 2. Schedule 2 Cl.12 (3). The quorum for a two lot scheme is 2.

To be entitled to vote you must be financial that is, all levies must be paid up till the date of the notice on the agenda. The only exception to this is a unanimous vote as you do not need to be financial to vote.

If there is no quorum present after 30 minutes from the scheduled start of the meeting (time on the agenda) or there is no quorum present after the meeting has started (i.e. people leave) the following must take place:

- The meeting must be adjourned for at least 7 days from the date of the meeting
- The Chairperson must decide a time, date and venue to hold the reconvened meeting
- Notice of the reconvened meeting must be served at least one day before the rescheduled meeting on each owner
- There is no requirement to resend out all agenda and business papers again. At the reconvened meeting, if no quorum is present after 30 minutes then those present in person or by proxy constitute a quorum (even if there is only one person with a proxy).

Note: after a quorum has been established at a general meeting the owners corporation can decide to adjourn the meeting in order to obtain more information on a particular matter. Any financial owner can request adjournment at any time during the meeting. Such adjournment is subject to passing the motion at the meeting. The adjourned meeting and reconvened meeting procedures as above apply.

No additional proxies can be received or owners make payment of outstanding levies during the adjourned period.

THE RECONVENED MEETING IS NOT A NEW MEETING IT IS THE SAME MEETING.

Voting

You are entitled to vote at a general meeting in person if you are:

- An owner or co-owner, mortgagee or covenant chargee of a lot shown on the strata roll. (An owner can vote when the mortgagee or covenant chargee refuses or neglects to vote)
- In person, if you are a company nominee of a corporation recorded on the strata roll
- The appointed proxy or priority interest holder in relation to that lot does not register a vote. An owner cannot vote an ordinary or special resolutions if levies have not been paid to the date of calling the meeting. Any outstanding levies up to the date of calling the meeting must be paid by commencement of the meeting.

Poll Vote

A poll vote is a vote cast using the value of unit entitlements allocated to each specific lot. This method of vote is used for passing a special resolution or can be called for passing a resolution other than a special resolution when the result of a vote cast by one vote person does not satisfy an owner present at a general meeting or if the vote is tied. It can be called for on any motion and at any time during a general meeting. If the original owner at the time of a general meeting owns one half or more of the lots at the time then the original owners vote is reduced to one third ignoring any fraction.

Lot	Entitlement
1	100
2	100
3	120
4	120
5	250

The original owner owns lots 4 & 5 = 370 UE

The owners of lots 1, 2 & 3 vote against the motion = 320 UE against The original owner who owns lots 4 & 5 vote for the motion = 370 UE. But the original owner must have his/her UE reduced to 1/3 ($1/3 \times 370 = 123.33$ i.e. 123) it would be counted as 123 UE. Clearly 320 UE against beats 123 UE in favour of the motion. Therefore then votes cast by lots 1, 2 & 3 defeated the motion.

Minute Book

An owners corporation must keep minutes of its meetings and these have to include particulars of motions or decisions that are passed at those meetings. (Refer Section 102).

The Act does not specify in what manner these minutes must be kept and therefore can be kept either in hard or soft copy form.

This responsibility is usually exercised by the secretary of the owners corporation (refer Section 22) or the Strata Managing Agent if so delegated.

The provision of information about a strata scheme is made easier if the minutes of meetings of the owners corporation are prepared and distributed promptly in accordance with the requirements of the Act and a copy inserted into the next page of the Minute Book. Pages are usually numbered to assist in quick reference and also to ensure segments have not been removed. It is preferable that each page of a Minute Book have only one page of minutes pasted on it and not multiple pages stapled together.

Although not specifically stated it is recommended that relevant supporting documentation accompany the minutes such as annual financial statements, copies of quotations for major works if considered at the meeting etc. be pasted into the minute book with the agenda. Loose leaf minutes books are not advisable as documentation can be misplaced.

Whilst the Strata Schemes Management Act 1996 requires minutes of meeting to be kept for at least five (5) years (sec 102 and 104) we would suggest that the minutes be kept for an indefinite period as they are the history of the scheme.