

# Meetings of the owners corporation

## In a strata scheme

### Annual general meetings

An Annual general meeting (AGM) must be held every year within 11–13 months after the date of the first AGM. An owners corporation, strata managing agent or owner can apply to the Adjudicator for an order varying the time when the AGM must be held.

An Adjudicator can make decisions on disputes or complaints which have not been resolved by mediation. For more information about Adjudicators, refer to the *Strata and community disputes* web page or fact sheet.

### AGM agenda

The agenda for an AGM must have:

- a copy of the financial statement of the owners corporation for that year
- a motion for accepting the financial statements
- information about all insurance policies held by the owners corporation
- a motion to consider appointing an auditor and taking out insurance for executive committee office bearers liability and/or misappropriation of money or property of the owners corporation

- a motion to confirm the minutes of the last general meeting
- any other motion to be considered at the meeting
- a clear indication of any motions needing a special or unanimous resolution for their passage
- a copy of the minutes of the last general meeting attached for owners who have not been given a copy before
- a motion to decide if any matter for the year ahead is only to be decided by the owners corporation and not the executive committee
- a motion for the election of the executive committee
- a motion to decide the number of members of the executive committee
- an item to prepare or review a ten-year sinking fund plan.

### Extraordinary general meetings

Any general meeting of the owners corporation that is not an AGM is called an extraordinary general meeting. These meetings should be held when necessary during the year (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 convene extraordinary general meetings:

- by majority vote of the executive committee
- if owners entitled to vote, and who together hold at least a quarter of the total unit entitlements, give a written notice to the Secretary asking for the meeting to be held.

If the Secretary is away, the notice can be given to another executive committee member.

## How to put a motion on the agenda

Any person entitled to vote at a general meeting can ask for a motion to be put on the agenda for a general meeting. Written notice must be given to the Secretary. The Secretary must put the motion on the agenda for the next general meeting.

## Notice of meetings

Notices for general meetings must:

- have a motion to confirm the minutes of the last general meeting
- have other motions to be considered at the meeting
- clearly show which motions need a special or unanimous resolution

- have a copy of the minutes of the last general meeting attached for owners who have not been given a copy before
- if it is the AGM, have a motion for the election of the executive committee and the number of members of the executive committee.

Notices must be given to each owner of a lot, as shown on the strata roll, at least seven days before the meeting. Notice need only be given to a first mortgagee or covenant chargee if a motion requires a special or unanimous resolution.

## Chairperson to preside

If the Chairperson is present, they must preside at all general meetings. If the Chairperson is away, the people at the meeting must elect someone to chair that meeting only. The person elected must be entitled to vote. The Chairperson does not have a deciding vote.

## Quorum

There must be a quorum at a general meeting before any motion (including election of an executive committee) can be voted on. A quorum is:

- 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 persons, the quorum shall be two persons entitled to vote on the motion.

If a quorum has not assembled within 30 minutes of the scheduled start time, the meeting must be put off for at least seven days. The person presiding sets the date and time for the adjourned meeting. If there is no quorum within 30 minutes of the time fixed for the adjourned meeting, it can go ahead. The quorum is then the owners and proxies present who are entitled to vote.

### **Amending motions**

Only motions on the agenda for a meeting can be voted on but motions on the agenda may be amended at the meeting.

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

### **Motions out of order**

At a general meeting the Chairperson may rule that a motion is out of order if:

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

### **Persons entitled to vote at general meetings**

At general meetings, persons entitled to vote are:

- an owner/mortgagee or covenant chargee of a lot shown on the strata roll
- a company nominee of a corporation shown on the strata roll as the owner
- an appointed proxy.

A mortgagee or covenant chargee has a priority to vote ahead of the lot owner on motions that need a special or unanimous resolution, or motions about insurance, budgeting or levies that have expenditure over \$1,000 multiplied by the number of lots in the scheme. For example, in a ten-lot scheme, a priority vote can only be used on a motion where expenditure exceeds \$10,000. In a 500-lot scheme, it would be \$500,000.

An owner can vote when the mortgagee or covenant chargee refuses or neglects to vote, or does not give the lot owner at least two days written notice of the intention to use the priority vote.

An owner cannot vote if levies are in arrears, except on motions requiring a unanimous resolution.

### **Proxies**

A valid proxy must be on the form prescribed by the regulations. An owner can make any

person their proxy. Proxies must be given to the Secretary before or at the meeting.

In the case of large schemes the proxy must be given to secretary at least 24 hours before the scheduled meeting.

These conditions apply to a proxy:

- it must state whether the proxy can vote on all matters, or only certain matters
- it must state how the proxy should vote on a motion for the appointment or continuation in office of a strata managing agent
- it has no effect if the person who gave the proxy attends the meeting and votes in person
- the most recent proxy is valid
- in a large scheme a proxy must be in the hands of the secretary at least 24 hours before the meeting.

A proxy has effect for the period specified in the proxy (no more than 12 months or for two consecutive AGMs, whichever is the greater). If a proxy form does not state the length of the proxy, it will only be valid for one meeting.

A proxy cannot be used by a caretaker, a strata managing agent or an on-site residential property manager to obtain a financial or material benefit for the proxy holder. Material benefits include the extension of a term of appointment, an increase in remuneration, and a decision not

to proceed with 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 that was obtained by a condition in a contract for the sale of a strata lot, or another related contract or arrangement. In the case of proxy voting appointments or powers of attorney in place before 1 August 2008, these remain in effect. However, if the proxy appointment or power of attorney was obtained by a condition in the sale contract and is renewed or extended on or after 1 August 2008, that appointment or power is invalid.

View or download the prescribed Proxy appointment form in PDF format (size: 8kb) from the Fair Trading website or call 13 32 20 for a copy.

## Counting votes on motions

A motion at a general meeting is decided by the number of votes cast for or against the motion, with each owner having one vote for each lot they own. Most decisions can be made by a simple majority vote but sometimes a special resolution or unanimous resolution is needed.

Even when only a simple majority vote is needed, a poll can be called for. When a poll is demanded, votes have a different value and are worked out by counting the unit entitlements.

Some motions need a special resolution, which is one against which not more than one-quarter in value of votes is cast. The value of the vote is the unit entitlement.

Some motions need a unanimous resolution. This is where no one at the meeting votes against the motion.

## Adjournment of meetings

A general meeting can be adjourned for any reason if a motion is passed at the meeting for the adjournment. A general meeting must be adjourned if there is no quorum.

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

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