

Meetings and Voting

Overview

The important decisions of Owners Corporations are made at General Meetings and take the form of resolutions. Decisions are also made by the Executive Committee at Executive Committee Meetings. New requirements governing decision making will bring the strata laws up to date with modern ways of doing business.

Voting – Resolutions

Decisions at general meetings will continue to be made by way of General, Special, Unopposed and Unanimous Resolutions. However, from 1 November 2020 the requirement for achieving a Special Resolution has changed.

For an Owners Corporation with more than three members, the new definition for a Special Resolution will require that not more than one quarter of votes cast on the resolution (including proxy votes and absentee votes) are against the resolution, and that more votes have been cast in favour of the motion than against it.

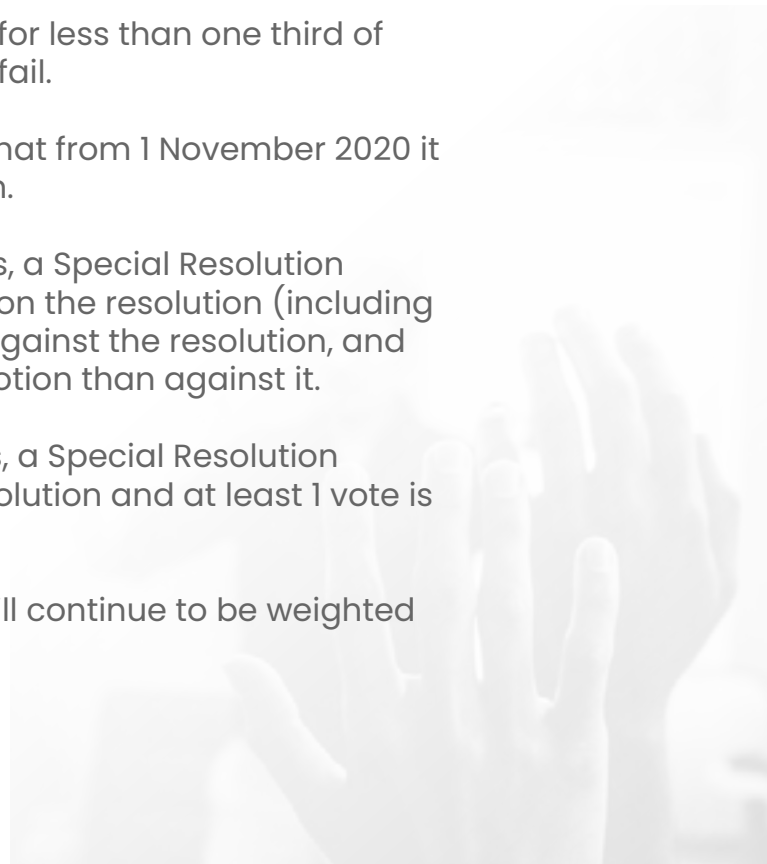
Prior to 1 November 2020 the requirement was for less than one third of votes to be cast against the resolution for it to fail.

This is a subtle change, however, the effect is that from 1 November 2020 it is more difficult to achieve a Special Resolution.

For an owners corporation with three members, a Special Resolution requires that less than one-third of votes cast on the resolution (including proxy votes and absentee votes) have voted against the resolution, and more votes have been cast in favour of the motion than against it.

For an owners corporation with 1 or 2 members, a Special Resolution requires that no votes are cast against the resolution and at least 1 vote is cast in favour of the resolution.

Where a poll is taken, the value of each vote will continue to be weighted by unit entitlement.



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Voting – Resolutions cont.

Some decisions that required an Unopposed Resolution before 1 November 2020 will now require a Special Resolution, while some new provisions will be available to Owners Corporations which will also require a Special Resolution. Notably, the requirement for granting Special Privileges over common property, including arrangements for allocation of associated costs, will require a Special Resolution from 1 November 2020, with the Special Privilege being in the form of a Rule which is then enshrined and registered on title.

Voting – Absentee and proxy votes

In a move that follows similar laws adopted in NSW, the November 2020 amendments will place restrictions on the use of proxies at general meetings. These changes are designed to prevent any one owner exerting too great an influence on outcomes by way of “proxy farming”.

If a Units Plan has more than 20 units, a person cannot exercise a number of proxy votes that is more than 5% of the total number of units. If there are less than 20 units in the units plan, they can only exercise one proxy vote. These restrictions do not apply to the chairperson.

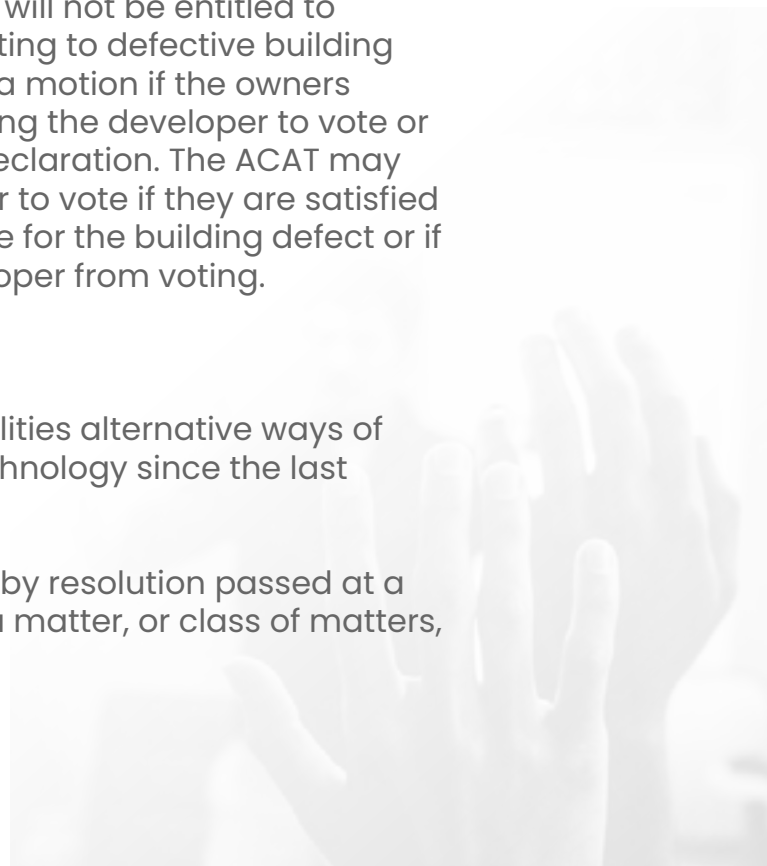
Voting – Developers

Developers who retain units within a Units Plan will not be entitled to vote, or exercise a proxy vote, on a motion relating to defective building work. However, a developer may vote on such a motion if the owners corporation passes a Special Resolution allowing the developer to vote or the developer applies to the ACAT seeking a declaration. The ACAT may only issue a declaration allowing the developer to vote if they are satisfied that the developer is not likely to be responsible for the building defect or if it would be unreasonable to prevent the developer from voting.

Alternative Meeting Attendance and Voting

Owners Corporation will have the ability to facilities alternative ways of voting at meetings in line with advances in technology since the last major strata reforms were considered in 2009.

From 1 November an owners corporation may, by resolution passed at a general meeting, agree to a way of voting on a matter, or class of matters, to be decided by the Owners Corporation.



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Alternative Meeting Attendance and Voting

This means that an Owners Corporation may resolve to allow electronic voting, e.g. by teleconference, videoconference, email or other electronic means. The owners corporation may also allow electronic voting before the meeting at which the matter (other than an election) is to be decided.

This will provide much greater flexibility for interstate owners to attend meetings, while also creating a streamlined pathway to facilitate a vote on a single matter that might not be of significant importance.

For example, if an owner is seeking permission to make an alteration to their unit (i.e. to install an air conditioner) and the request is singular and fairly straight forward, the decision could be made via an “online” meeting where votes are cast in advance up to a certain cut off deadline.

Naturally the outcome is important to the owner seeking permission, but it may not be important enough to other to encourage them to attend a meeting in person. An online meeting with pre voting will enable these matters to be considered without having to wait until the Annual General Meeting or calling a special General Meeting.

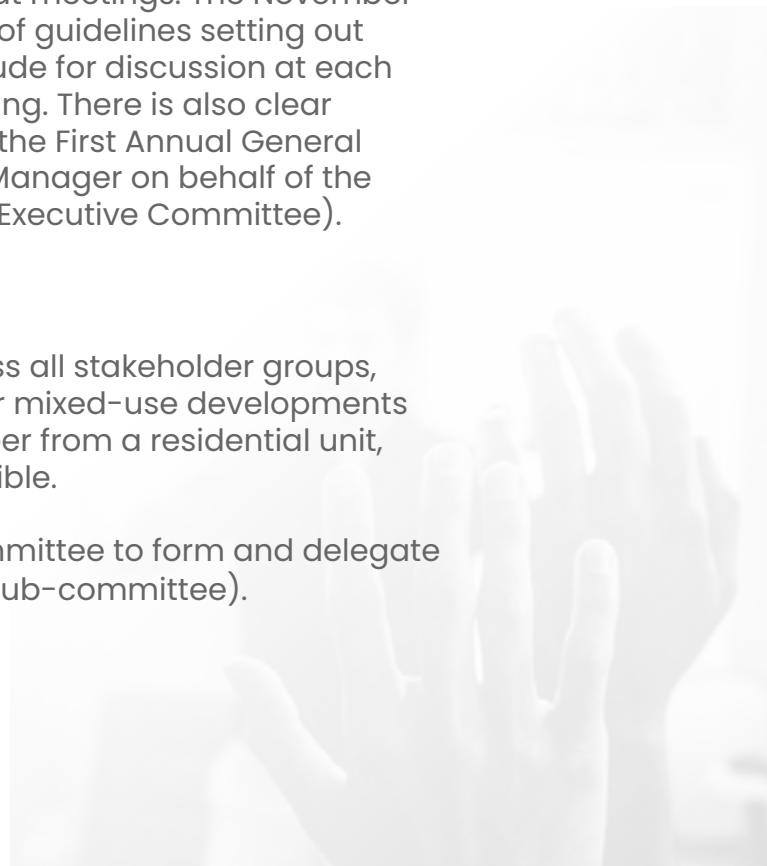
Meeting Agenda Guidelines

In the past there has been little direction within the unit titles legislation regarding the matters that must be considered at meetings. The November 1 amendments resolve this with the introduction of guidelines setting out matters that the Executive Committee must include for discussion at each General Meeting and each Annual General Meeting. There is also clear direction regarding matters to be considered at the First Annual General Meeting, which is generally called by the Strata Manager on behalf of the original owner (prior to the establishment of the Executive Committee).

Distribution of Executive Committee Minutes

In order to promote greater representation across all stakeholder groups, from 1 November 2020 it will be a requirement for mixed-use developments that the committee consist of at least one member from a residential unit, and one member from a commercial unit if feasible.

A new provision will also allow the Executive Committee to form and delegate functions to sub-committees (e.g. a gardening sub-committee).



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References

Unit Titles (Management) Act 2011 (as amended) (www.legislation.act.gov.au)

- 3.16 [Special resolutions](#)
- 3.26 [Proxy votes](#)
- 3.21A [General meeting—decisions about defective building work](#)
- 3.31A [Alternative voting mechanism](#)

