

## EXPLANATION OF STANDARD MOTIONS

### ANNUAL GENERAL MEETING

At each of your annual general meetings, you are likely to find most, if not all, of the below motions in your meeting agenda. Below, we provide an explanation of your standard annual general meeting motions for your information.

#### QUORUM

A quorum for a general meeting is either 25% of the number of *financial* lots or 25% of the aggregate *financial* unit entitlements either being present in person or by duly appointed proxy. A lot is considered financial and entitled to vote if the levies are paid up to date as at the day the agenda was issued.

#### TYPES OF RESOLUTIONS

##### ORDINARY RESOLUTIONS

- *To consider and if thought fit pass the following motions by way of ordinary resolution:*

An ordinary resolution requires a majority vote cast at the meeting be in favour of the motion. Owners have a right to request a poll vote on a motion which will mean votes are calculated in accordance with unit entitlements.

##### SPECIAL RESOLUTIONS

- *To consider and if thought fit pass the following motions by way of special resolution:*

A special resolution requires that no more than 25% of votes cast at the meeting are against the motion. Votes are calculated by unit entitlements.

##### UNANIMOUS RESOLUTIONS

- *To consider and if thought fit pass the following motions by way of unanimous resolution:*

A unanimous resolution requires that 100% of votes cast at the meeting are in favour of the motion. Votes from unfinancial lots are counted.

#### STANDARD MOTIONS

##### CONFIRMATION OF MINUTES

- *That the minutes from the previous general meeting be confirmed (minutes attached).*

The minutes of the previous general meeting are considered and confirmed if they represent a true record of that meeting.

##### ADOPTION OF ACCOUNTS

- *That the last financial statements be adopted.*

The previous financial year's statements are considered and adopted. During this motion, owners do not discuss nor decide on any future expenditure.

Any queries in relation to these accounts must be reported to our office before to the meeting so we are able to prepare a suitable response for the meeting.

##### APPOINTMENT OF AUDITOR

- *That an auditor be appointed for the following year's financial statements.*

The owners consider whether an auditor is appointed for the ensuing financial year's statements. There is no obligation under the Act to carry out and audit however it assists in ensuring peace of mind for owners. The audit is carried out by an independent auditor and is completed after the next financial year end, shortly before the next annual general meeting. Strata schemes with over 100 lots must carry out an audit.

##### CONFIRMATION OF INSURANCES

- *That the insurances effected by the Owners Corporation be confirmed and extended if necessary to incorporate office bearers liability, fidelity guarantee.*

The owners confirm whether the insurances currently in effect are sufficient and the owners voice any concerns or recommendations with the policy.

## **INSURANCE VALUATION**

- *That a valuation for insurance purposes be carried out for the ensuing year.*

The Owners Corporation is required to carry out a valuation at least every five years however, some Owners Corporations choose to do so more regularly. Should you not wish to have a valuation carried out, the insurer may propose an increase based on the Building Price Index which incorporates the increase in building costs, materials and the like over the year.

## **SINKING FUND FORECAST**

- *That a Sinking Fund Forecast referred to under the Act be carried out.*
- *That the Sinking Fund Forecast carried out in 0000 be updated in accordance with the Act.*
- *That the Sinking Fund Forecast carried out in accordance with the Act be considered (report attached).*

A provision of the Strata Schemes Management Act 1996 came into effect in February 2005 that requires the Owners Corporations of all strata schemes to plan for their sinking fund needs for the following ten years.

The forecast will detail the expected expenses to replace the common property items such as painting, fences, gutters, rooves, garage doors, driveways and the like and must be updated every 5 years.

At the next AGM after the forecast is obtained, the owners consider the report. There is no obligation for the Owners Corporation to adopt the recommendations of the report however the Owners Corporation must have a plan.

## **SURPLUS FUNDS**

- *That the surplus amount in the Administration Fund of \$0.00 as at 00/00/0000 be transferred to the Sinking Fund.*

The administrative fund is for your day-to-day costs and is not intended to accrue savings. If your building has a reasonable surplus, it may be proposed to transfer this to the sinking fund which is for long term replacement and savings.

## **BUDGET AND LEVIES**

- *That the budget estimates as tabled at the meeting be adopted and the levies be determined for the following financial year in accordance with the adopted budget. And the levies be paid by equal quarterly instalments, the first such instalment being due and payable on the first day of the said period and that notices be served pursuant to Section 78 of the Strata Schemes Management Act 1996 (attached).*

The 1<sup>st</sup> column is the proposed expenditure for the ensuing year, the 2<sup>nd</sup> column displays the actual expenditure for last year, and the 3<sup>rd</sup> column shows the resolved budget from last year.

In the administrative fund budget we generally are aware of what will be spent on the building, the purpose of the administrative fund is to prepare for the expenses that we know that will be incurred and are recurring ie, water usage, electricity, etc. The only items that are difficult to budget for are repairs and maintenance which is estimated but fluctuates year to year.

## **ELECTION OF EXECUTIVE COMMITTEE**

- *That nominations for the Executive Committee be called, the number of members of the Executive Committee be determined and the Executive Committee be elected.*

At each Annual General Meeting, the Owners Corporation must elect an Executive Committee which is a group of 1 to 9 members who oversee the day to day functions of the Owners Corporation.

### Eligibility and Nominations

A person is not eligible for election as a member of an executive committee unless the person is:

- (a) an individual who is an owner,
- (b) a company nominee of a corporation that is an owner, or
- (c) an individual who is not an owner but who is nominated for election by an owner who is not a candidate for election.

A person who is co-owner of a lot may not be a candidate for election as a member of the executive committee unless the person is nominated for office:

- (a) by an owner who is not a co-owner of the lot, or
- (b) by a co-owner of the lot who is not a candidate for election as a member.

An owner of a lot who is not a co-owner of the lot may nominate himself or herself for election as a member of the executive committee.

### Election Process

- (1) At a meeting of an owners corporation at which its Executive Committee is to be elected, the chairperson must:
  - (a) announce the names of the candidates already nominated in writing for election to the executive committee, and
  - (b) call for any oral nominations of candidates eligible for election to the executive committee.

- (2) A written or oral nomination made for the purposes of such an election is ineffective if it is made by a person other than the nominee unless it is supported by the consent of the nominee given:
  - (a) in writing, if the nominee is not present at the meeting, or
  - (b) orally, if the nominee is present at the meeting.
- (3) After the chairperson declares that nominations have closed, the owners corporation is to decide the number of members of the Executive Committee (between 1 and 9).
- (4) If the number of candidates:
  - (a) is the same as, or fewer than, the number of members of the executive committee decided on — those candidates are to be declared by the chairperson to be, and are taken to have been, elected as the executive committee, or
  - (b) is greater than the number so decided on — a ballot is to be held.

#### Ballots

- (1) If a ballot for membership of the executive committee of an owners corporation is required, the chairperson must:
  - (a) announce to the meeting the name of each candidate and the nominator of the candidate, and
  - (b) provide each person present and entitled to vote at the meeting with a blank ballot-paper for each vote the person is entitled to cast.
- (2) For a vote to be valid, a ballot-paper must be signed by the voter and completed by the voter's writing on it:
  - (a) the names of the candidates (without repeating a name) for whom the voter desires to vote, the number of names written being no more than the number determined by the owners corporation as the number of members of the executive committee, and
  - (b) the capacity in which the voter is exercising a right to vote, whether:
    - (i) as owner, first mortgagee or covenant chargee of a lot (identifying the lot), or
    - (ii) as a company nominee, or
    - (iii) by proxy, and
  - (c) if the vote is being cast by proxy — the name and capacity of the person who gave the proxy.
- (3) The completed ballot-paper must be returned to the chairperson.
- (4) Until all places for membership of the executive committee have been filled, the chairperson is to declare elected successively each candidate who has a greater number of votes than all other candidates who have not been elected.
- (5) If only one place remains to be filled but there are 2 or more eligible candidates with an equal number of votes, the candidate to fill the place is to be decided by a show of hands of those present and entitled to vote.

#### **RESTRICTION OF EXECUTIVE COMMITTEE**

- *That the Executive Committee be restricted in any matter or class of matter for the ensuing 12 months.*

The Owners Corporation can restrict the executive committee from voting on certain matters by resolving that those matters or types of matters nominated are only to be decided by the Owners Corporation at a general meeting.

The Owners Corporation will normally restrict the executive committee if there have been past disputes or conflicts amongst the building or if there are a small number of committee members representing a strata scheme with a large number of owners.

#### **OH&S REPORT**

- *That the Owners Corporation undertake an Occupational Health & Safety Audit report for the common property.*
- *That the Owners Corporation obtain an **updated** Occupational Health & Safety Audit report for the common property.*

Under the OH&S Act and Regulations an Owners Corporation has a responsibility to ensure that the common property is assessed and checked to be a safe environment. Specifically that the common property is free from health and safety risks for people working there including volunteer workers, self-employed contractors, and if there are any, employees.

#### **SPECIAL LEVIES**

- (A) *That a special contribution of \$0.00 be struck in accordance with section 76 (4) of the Strata Schemes Management Act 1996 due and payable in one instalment as per unit entitlement for the purpose of...*
- (B) *That the special contribution be paid due and payable on...*

From time to time it may be proposed to raise additional funds towards proposed works and the like. The amount to be raised and the contribution due dates are indicative and are subject to be change in accordance with the votes cast at the meeting.

# EXPLANATION OF STANDARD MOTIONS

## EXECUTIVE COMMITTEE MEETING

After each annual general meeting, an Executive Committee meeting is held to consider most, if not all, of the below motions. Below, we provide an explanation of your standard executive committee meeting motions for your information.

### **QUORUM**

A quorum for a committee meeting is 50% (not 51%) of the number of committee members resolved at the last annual general meeting either being present in person or having sent their votes in writing. This is important because in some circumstances, a committee member may have sold or resigned throughout the year. If 5 members are initially elected and one leaves, the quorum is not 2 (being 50% of remaining members), it is 3 as 2 members only equates to 40% being present.

### **TYPES OF RESOLUTIONS**

There is only one type of resolution for Executive Committee meetings. All motions require a majority vote in favour (at least 51%) to pass. Whether the committee member is financial or not does not matter for Executive Committee meetings.

### **STANDARD MOTIONS**

#### **CONFIRMATION OF MINUTES**

- *That the minutes from the last Executive Committee meeting be confirmed.*

The minutes of the previous executive committee meeting are considered and confirmed if they represent a true record of that meeting.

#### **APPOINTMENT OF OFFICE BEARERS POSITIONS**

- *That the Chairperson, Secretary & Treasurer of the Executive Committee be appointed.*

The three office bearers positions are appointed. In short, the chairperson chairs the meetings of the Owners Corporation, the secretary issues agendas and minutes of the meetings and is the main point of contact and the treasurer manages the financial statements, invoices and levies. As our office carries out these duties for your Owners Corporation, the positions are mostly ornamental.

#### **APPOINTMENT OF REPRESENTATIVES**

- *That the Authorised Representative & Substitute Representative be appointed.*

The authorised and substitute representatives are appointed. In short, the Owners Corporation's management agreement with Conti Property Group provides that the authorised representative is able to formally give delegations and instruction. This assists in the management of your strata scheme and reduces the need for meetings for trivial matters. The substitute representative is appointed to be an acting authorised representative should the authorised representative be unavailable.

#### **INVESTMENT ACCOUNTS**

- *That Conti Property Group be authorised to open an investment account with Macquarie Bank Limited to deposit surplus monies from the Sinking Fund on instruction from the Executive Committee.*

When an Owners Corporation's savings reach an amount in excess of \$10,000 and does not intend to use it for some time, it is proposed to invest the funds to earn interest. All bank accounts held with Macquarie Bank Limited.