

THE STRATA MANAGER'S

MUST-HAVE GUIDE TO HOLDING ANNUAL GENERAL MEETINGS

BEST PRACTICES FOR
RUNNING A SMOOTH
AND SUCCESSFUL AGM

INTRODUCTION

Your strata annual general meeting (AGM) is generally not a barrel of laughs – for you, or for the property owners. But it is important, both in terms of complying with legal obligations, and allowing owners to have their say on important matters relating to their property.

As the only strata event that most owners are likely to attend for the entire year, it can also have a big impact on how the strata is perceived. A well-run meeting will encourage respect for the process, the committee and the community; a poorly-run meeting, on the other hand, will potentially breed dissatisfaction or outright resentment and hostility.

But running an AGM well is not easy. There's all the legislation to pore over, the mountain of paperwork to collate, and many – perhaps even in the hundreds, depending on the size of the strata – stakeholders that need to be managed. Where do you even start?!

You can start right here. This essential guide will run you through all aspects of the meeting, from preparation to completion, so you can be sure you don't miss a single step. We'll also reveal the best practices for running a super-effective meeting where everyone leaves satisfied – even if they didn't quite get the result they wanted.

The advice in this guide is general only. Higgins Coatings recommends researching your state and territory's strata bodies for the most up-to-date and accurate information.





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CHAPTER 1:

BRUSHING UP ON YOUR STATE'S STRATA LEGISLATION

The owners corporation AGM is a legal requirement, and, as such, has many rules that govern how they should be conducted. It is important, therefore, to be as familiar as possible with these rules, so you can ensure they are being adhered to.

These rules cover things like:

- What must be included on the agenda
- How much notice is required
- What constitutes a quorum

These rules vary slightly from state to state.

The first step in your preparations, therefore, should be to thoroughly brush up on the legislation governing owners corporation AGMs in your state. Even if you've run several AGMs before, it's worth double-checking there haven't been any significant updates made since your last one. This should be done several weeks before the end of the owners corporation's financial year.

Your state's strata legislation can be found on the following websites:

STATE	WEBSITE
ACT	https://www.legislation.act.gov.au/View/a/2011-41/current/html/2011-41.html
NSW	https://www.nsw.gov.au/housing-and-construction/strata
NT	https://nt.gov.au/property/homeowners-and-landlords/dealing-with-a-body-corporate
QLD	https://www.qld.gov.au/law/housing-and-neighbours/body-corporate
SA	http://www.lawhandbook.sa.gov.au/ch23s07s01s06.php
TAS	https://www.legislation.tas.gov.au/view/whole/html/inforce/current/act-1998-017
VIC	https://www.consumer.vic.gov.au/housing/owners-corporations
WA	https://www.landgate.wa.gov.au/strata-and-community-titles/strata-titles/strata-law-and-reform/#:~:text=WA%20strata%20law,-All%20registered%20strata&text=The%20STA%20covers%20the%20following, strata%20councils%20and%20strata%20managers.



CHAPTER 2:

PREPARING THE AGENDA

2.1. Legislative requirements

Now that you're completely on top of your state's strata legislation, you'll know what is legally required to be included in the agenda. These statutory motions typically include things like:

- Confirming the minutes from the previous general meeting
- Presenting and accepting the financial records of the past financial year
- Reviewing all of the insurance policies held
- Reviewing the 10-year sinking/capital works fund
- Election of the strata committee
- Deciding what decisions can be made by the strata committee

Begin to draft an agenda, using the legislation as your guide, and start collating all the relevant documentation in preparation for giving notice.



2.2. Inviting motions from members of the owners corporation

Around this time, you should also be reaching out to the members of the owners corporation, and inviting them to submit their motions for the next AGM, as well as asking them for strata committee nominations. It is important that this be done in plenty of time and with plenty of information. If owners feel empowered to partake in the process, they will be more inclined to get involved and make a valuable contribution. This also decreases the likelihood of the AGM getting derailed simply because people want to air their grievances and feel they were not given a proper opportunity to do so prior to the meeting.

If any owners submit any invalid motions, it is considered ethical to inform them prior to distributing the agenda, citing the reasons why the motion will have to be ruled invalid. For example, it might be invalid because:

- It goes against the legislature or one of the strata's by-laws
- It conflicts with another motion on the agenda
- The motion, if carried, would be unenforceable for some reason
- There are insufficient funds to carry out the motion

If time allows, ask them to correct the motion and resubmit it. This helps to avoid disappointment and arguments at the meeting.

Your letter inviting submissions should highlight the importance of a properly worded motion, with the intentions clearly and concisely laid out. It can be helpful to include these SMART guidelines to ensure the motion is valid:

- Is it Specific? Does the motion relate to a particular thing?
- Is it Measurable? How do you know when the motion has been successfully implemented?
- Is it Action-oriented? Is there a direct call-to-action in the motion, with a timeframe set?
- Is it Realistic? Can the timing and budget be met? Are there any ambiguous terms like 'immediately' or 'in the next few months'? Are the other owners likely to support it?
- Is it Technically correct? Does the proposal have to meet any legislative requirements?

An example of a good motion is: 'That the owners corporation replace the fence by the pool at a cost of \$X, by 30 November, by accepting the quote from ABC, which is the lesser of the two quotes attached.'

Inform the owners that they should add a 200–300-word explanatory note to clarify the motion further, and that they should ideally obtain at least two quotes for any proposed work.





You should also remind them that, according to the legislation, any motion raised at the meeting cannot be voted on at that meeting, and will have to be voted on at the next general meeting.

You may also like to remind owners at this time that those with unpaid levies will be ineligible to vote at the AGM, to encourage anyone who hasn't yet paid to get their account up to date and avoid potential embarrassment at the meeting.

We suggest sending this letter to all lot owners 3–6 weeks before the end of the owners corporation's financial year. In some states, motions from owners have to be received by the secretary before the end of the owners corporation's financial year.

2.3. General meeting with the strata committee

After the end of the owners corporation's financial year, consider what sort of maintenance the strata might require over the following year and prepare a draft administrative budget, as well as a proposal for the capital works fund. Hold a meeting with the strata committee to go over these, and other motions to be included on the agenda.

Note that the committee is able to put motions on the AGM agenda any time before notice has been given.



CHAPTER 3:

PICKING A VENUE

A venue can make a big difference to how the AGM is perceived, so it's important to put some effort into picking one that will be appealing to the members of the corporation. Be sure to provide some refreshments after the meeting, as this is a good way to encourage owners to socialise with each other, thereby strengthening the community. (Not to mention it gives people a little more incentive to attend the meeting.) Pick a venue with a relaxed area for this purpose, whether it's a terrace, a garden, or a room with a lovely view.

It's also important to try to make the meeting as convenient as possible. You could even consider doing virtual AGM meetings as this might be the most convenient and viable option for your committee. Otherwise, try to pick a venue that is reasonably local, so the owners won't have to travel too far to get to the meeting. Consider parking and the availability of public transport to the venue. Be mindful of the time, and try to schedule the meeting outside of working hours, and preferably not on the weekend. If you want to go the extra mile, you could even consider organising a crèche, to encourage owners with children to attend.

<input type="checkbox"/>	Notice of the meeting, specifying the date, time and venue (remind owners to arrive early to complete the registration)
<input type="checkbox"/>	Agenda, including any explanatory material
<input type="checkbox"/>	Proxy form, so owners can nominate someone to attend and vote at the meeting on their behalf
<input type="checkbox"/>	Owners corporation's financial statements
<input type="checkbox"/>	Budgets for the administrative fund and the capital works/sinking fund
<input type="checkbox"/>	Insurance policies held by the owners corporation, including the amount of the premium and the date the cover expires
<input type="checkbox"/>	Auditor's certificates, to report on audits of the accounts if this was required by the owners corporation at the previous general meeting

CHAPTER 4:

GIVING NOTICE

By now, you should have the agenda finalised, your reports and documents collated, and the venue booked. It's time to give notice!

Here's a handy checklist of what you'll likely need to include (though be sure to refer your state's legislature for a more accurate list):

Most states require that notice be given to all lot owners at least 14 days prior to the meeting. However, we would advise sending out the notices at least 3 weeks prior to give owners plenty of time to plan accordingly.

Remind owners to read the agenda carefully so that they are well-versed on the motions for the meeting, and note that the motions will not be read out in full during the meeting, to save time.

CHAPTER 5:

PREPARING FOR THE MEETING

It's important to be well prepared prior to the meeting to save time at registration and ensure that the meeting begins on time. Before the meeting, you should have:

Before the AGM checklist



Completed the voting register (i.e. a list of every person who is entitled to vote, including owners and company nominees, and their financial status)



Completed the proxy list (i.e. the list of people who were nominated to vote on behalf of the owners)



Completed the list of nominees for the strata committee



Directly contacted any members whose levies have not yet been paid, informing them that their vote will be ineligible.



Warned any members who have submitted invalid motions that their motions will be ruled invalid



Anticipated any potential disputes and thought of ways they could potentially be resolved



Prepared those responsible for counting votes ahead of time to avoid wasting time during the meeting



Revisited the state's legislation to remind yourself of:

- The voting rules for a general, special and unanimous resolution
- How to determine if there is a quorum
- What makes a motion invalid



CHAPTER 6:

RUNNING THE MEETING

Once the attendance, apologies, proxies and nominees have been recorded and noted, and you have determined there is a quorum, the meeting can now begin.

Note if there is not a quorum present, no motion can be voted on and the meeting must be adjourned for at least seven days.

Here's a list of dos and don'ts to help you ensure proceedings run smoothly.

Do

- ✓ Start the meeting on time as a show of respect for the attendees
Set some clear ground rules at the beginning. This can include:
 - Limiting speeches for or against a motion to five minutes
 - Asking people to listen and speak respectfully at all times
 - Allowing each person to only speak on each motion once
 - Asking people to raise their hands and wait to be acknowledged by the chair if they wish to speak
- ✓ Run everyone through the voting procedure. This may be a simple show of hands, or by ballot paper
- ✓ Follow the agenda faithfully



- ✓ Ensure the discussion remains centred on the item at hand. If the discussion starts to meander, politely but firmly bring the discussion back to the agenda item, and ask attendees to hold any new business until the end
- ✓ Schedule a time at the end of the meeting for general business
- ✓ Remain calm throughout
- ✓ Use confident body language to help you command the room
- ✓ Finish on time
- ✓ Thank people for their attendance and their contributions
- ✓ Encourage people to stay for refreshments following the meeting, as a way to get to know their neighbours

Don't

- ✗ Read the motions out loud – this wastes time, and is not required by the legislature
- ✗ Call for a proposer and seconder – again, this wastes time and is unnecessary
- ✗ Embarrass those who are ineligible to vote
- ✗ Raise your voice or get angry – your tone will help dictate the tone of the meeting



CHAPTER 7: TAKING MINUTES

The secretary (usually the strata manager) is required to keep full and accurate minutes of every AGM.

These should include:

- The date, time and place of the meeting
- The names of the people who attended the meeting and their capacity
- Details of proxies
- Every motion voted on (use the exact wording of each motion)
- The voting results, including the votes for and against and abstentions
- The number of votes cast for each candidate
- The time the meeting closed
- The secretary's name and contact address.

You may also want to make a note of any discussions that took place, but don't get too caught up in trying to note every little detail – try to summarise and jot down keywords rather than full sentences. The most important things to note is what was decided and who is in charge of making sure that decision is carried out.

CHAPTER 8:

AFTER THE MEETING

Phew! All done! The meeting went well, everyone acted with decorum, important decisions were made and you hopefully have a very happy strata committee on your hands.

All that's left to do now is type up the minutes. It's important that this be done as soon as possible after the meeting, while it is still fresh in your mind. Memory can be unreliable, and you may find you can no longer interpret your rough scrawls a week or two after the meeting has taken place. Always try and send these to the Secretary or Chairperson for validation of the recordings before sending them to the owners. If there is a notice board at the complex ensure these are placed so that occupants are aware of what was actioned at the meeting as well.



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CONCLUSION

A well-run AGM is a great way to start off your owners corporation's new financial year with a bang, and stand the strata in good stead for the months to come.

Just remember:

- The key is 99% preparation, 1% perspiration. Start early to set yourself up for success
- The legislature should be your bible throughout the process – refer to it regularly to make sure you're ticking all the boxes
- Encouraging owners to partake in the process and empowering them with the information to do so effectively will make them more likely to get involved and make a valuable contribution
- Start the meeting on time, follow your agenda to the letter, and encourage a respectful and courteous discourse at all times
- Finish off with some lovely refreshments, and everyone will go home with a smile!

With these helpful tips, your next AGM will be a breeze – and you'll have the owners corporation singing your praises!

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