

INFORMATION FOR A NEW OWNER



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The information contained in this document is a guide only and is not legal advice. Should there be any inconsistency between the information in this document and the content of the Strata Titles Act 1985, then the Act shall prevail.

INTRODUCTION

OWNER INFORMATION DETAILS

- ▶ Please fill out this form and return to our office at your earliest convenience

ESSENTIAL INFORMATION

- ▶ How do Strata Companies Work?
- ▶ Who Are the Council of Owners?
- ▶ Strata Company By-laws
- ▶ Renovations/ Structural Alterations to Lots & Common Property
- ▶ Visual Appearance of Your Lot/ Common Property
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- ▶ Australia Post

ROLE OF THE COUNCIL OF OWNERS

- ▶ Appointment of Office Bearers
- ▶ Communication with the Strata Manager
- ▶ Calling Meetings
- ▶ Managing the Common Property
- ▶ Restrictions on Powers of Expenditure
- ▶ Enforcement of the By-laws

SCHEDULE 1 & 2 STANDARD BY-LAWS

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ESSENTIAL INFORMATION

FOR STRATA LOT OWNERS / RESIDENTS



HOW DO STRATA COMPANIES WORK?

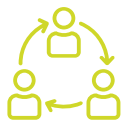
The Strata Company is the legal entity responsible for the management of a Strata Scheme. All of the owners within a Strata Scheme are essentially 'shareholders' of the Strata Company.

The Strata Company is run by the Council of Owners who are essentially the 'board of directors'.

In particular, they are responsible for managing and maintaining the 'Common Property' as defined within the boundaries laid out on the Strata Plan.

In some cases, this may only relate to a common driveway or gardens outside of your lot. However, in many cases this will include exterior surfaces of the building, the roof, lobby areas and even the floor, ceiling and walls of your unit.

Every year, the Strata Company is obliged to hold an annual general meeting (AGM), to which every owner within the Strata Scheme is invited to attend. At this meeting, the Strata Company will elect the Council of Owners for the forthcoming financial year, and the Strata Company as a whole will decide on the budget for the next financial year, and how much money is to be raised accordingly.



WHO ARE THE COUNCIL OF OWNERS?

The Council of Owners are elected by the Strata Company at an AGM, to act and make decisions on behalf of all of the owners within the Strata Company.

In a Strata Scheme comprising of three lots or less, all of the owners are automatically appointed to the Council of Owners.

They may at their discretion engage the services of a Strata Manager to perform certain functions of management as delegated under a Strata Management Agreement.

The Council of Owners will communicate as required throughout the year, and liaise with the Strata Manager to notify them of any maintenance issues or breaches of by-laws, and to coordinate ongoing projects and oversee the accounts.

If you are considering joining the Council, please contact our office and we will provide you with further guides and information on the role of the Council of Owners.



STRATA COMPANY BY-LAWS

The Strata Company is governed by the by-laws registered on the Strata Plan.

We strongly advise all owners and occupiers of strata lots to read and abide by these by-laws to avoid any future conflicts, including potential eviction or legal action.

These by-laws relate to the governance of the Strata Company and the acceptable conduct of owners and occupiers. The Strata Titles Act prescribes a series of default Governance and Conduct by-laws under Schedules 1 and 2, which are automatically enforceable from the point of registration of a Strata Scheme.

However, at any time, the Strata Company may amend, insert or repeal any by-law by application to Landgate. Any changes will appear by notification on the Strata Plan.



RENOVATIONS/ STRUCTURAL ALTERATIONS TO LOTS & COMMON PROPERTY

Pursuant to your Strata Company by-laws, any planned improvements to your lot - including, but not limited to re-tiling, paving, bathroom renovations; or the installation of new floorboards, cupboards, hot water systems, sail shades, spa baths, air-conditioners, garage doors, power or light sockets, or Foxtel receivers – may require written notification to the Strata Company for approval before commencement of any work.

Under Section 87 of the Strata Titles Act, the erection of any structures within your lot, or any structural alterations which may include the removal or part removal of walls of the building, or the construction of patios or pergolas, also require the written approval of the Strata Company. Such alterations are also likely to require written approval from the local authority.

In the event that you fail to obtain proper authorisation, the Strata Company may be able to seek an order from the State Administrative Tribunal requiring you to undo any alterations and restore the lot back to its original state. Furthermore, the Strata Company's insurance may be compromised should any alterations affect the replacement value and/or liability attached to the Strata Scheme.

If you are planning on commencing any renovations or structural alterations, please contact our office and we will provide you with the necessary forms and information for you to make a formal application to the strata company.



VISUAL APPEARANCE OF YOUR LOT & COMMON PROPERTY

Your Strata Company by-laws also require you to ensure that anything within your lot, which is visible from the outside of your lot - is in keeping with the rest of the building.

This may include any materials or colours used for external renovations or window treatments; or the keeping / hanging of any items on balconies or external walls.

The Strata Company may however grant an exemption if you first notify them of any planned works.



EMERGENCY AFTER HOURS NUMBER

As your Strata Manager, we provide an after-hours telephone number to use only in the event of an emergency.

What do we consider an emergency?

- ▶ Burst water services and flooding
- ▶ Security gates – when access to and from the property is obstructed
- ▶ Blocked sewerage
- ▶ Electrical faults causing damage or endangering lives
- ▶ Lift faults (for apartment buildings)
- ▶ Damage caused by storms, fire or flood
- ▶ Smashed glass caused by accident or vandalism

The following may not be considered an emergency and will be attended to during office hours:

- ▶ Leaking taps
- ▶ Faulty TV reception
- ▶ Faulty security gate where access is not impeded
- ▶ Loss of internet connection
- ▶ Antisocial behaviour, vandalism, theft or trespassing – please contact your local police station
- ▶ Reticulation not coming on

To obtain this number, please call our office on 9335 5877 after office hours and wait for the notice on our answering machine.

IN THE EVENT OF A FIRE, PLEASE CALL 000 AND LEAVE PROPERTY IMMEDIATELY

HOW TO PAY YOUR LEVIES



BPAY

Payments from your cheque or savings account can be made via BPAY.

BPAY payments are made through your financial institution's phone or internet banking service. This service can be used for paying most bills including utilities, council rates and insurance - not just your strata levies.

The Biller Code and DEFT Reference Number for your BPay payment can be found on your levy notice.

You may also setup an automatic reoccurring BPAY payment if you choose via your online banking or in person at your local bank branch.



CREDIT CARD - DEFT ONLINE / DEFT PHONEPAY

Pay online at www.deft.com.au or via DEFT Phonepay on 1300 30 10 90 and follow the prompts.

Once payment has been made, you will be given a transaction confirmation number, which you should record as proof of your payment.

A surcharge for credit card payments does apply.

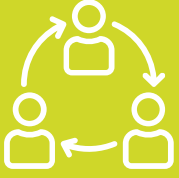


CHEQUE / MONEY ORDER & AUSTRALIA POST

Simply make out a cheque and write your DEFT reference number on the back. Mail it with the remittance advice at the bottom of the levy notice to the address indicated on your levy notice.

You can pay in person at any Australia Post outlet. Simply present your cheque or money order together with the remittance advice at the bottom of the levy notice. You can also pay via EFTPOS at Australia Post outlets.

Should you require a **FINANCIAL YEAR STATEMENT OF YOUR ACCOUNT**, we will be happy to provide this upon request.




ROLE OF THE COUNCIL OF OWNERS

The Council of Owners, usually referred to as the 'Council', are elected by the Strata Company at an annual general meeting, to act and make decisions on behalf of all of the owners within the Strata scheme.

They can be likened to a 'board of directors' of any company, and must always act in their role for the benefit of all lot proprietors.

The Council are bound to carry out certain duties as prescribed under the Strata Titles Act, including but not limited to monitoring the Strata Company's financial affairs, managing the common property and undertaking maintenance as required, and enforcing the by-laws of the Strata Company.



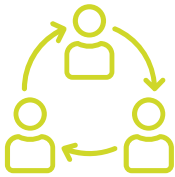
Under the Strata Reforms which came into effect in May 2020, a number of changes have been made relating to the obligations of Council members.

The Strata Titles Act now requires Council members to declare conflicts of interest, and not make improper use of their position for their own personal gain, or that of any other person; or to cause detriment to the Strata Company.

They are now also protected from any civil liability relating the performance of functions under the Strata Titles Act or scheme by-laws.

Instead, any such liability will attach to the Strata Company as a whole.

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APPOINTMENT OF OFFICE BEARERS

At your first Council meeting one of your first tasks will be to elect office bearers if this was not done at your AGM.

If there is more than one nomination for each position then this decision is a simple majority resolution.

You will need to elect someone to fill each of the following roles:

▶ **Chairperson**

The chairperson is responsible for the conduct of meetings and to ensure decisions made at meetings are carried out.

▶ **Secretary**

The secretary is responsible for issuing notices of meetings, agendas, and taking minutes of meetings – on occasions where the Strata Manager is not present, or has not been asked to do so.

▶ **Treasurer**

The treasurer will receive a copy of the Strata Company's monthly financial statement, and will be expected to review any expenses against the agreed budget and check for anomalies.

The treasurer should also monitor arrears and issue instructions to the Strata Manager where debt collection services may be required.



COMMUNICATION WITH THE STRATA MANAGER

As you can imagine we receive hundreds of calls and emails every day.

To help facilitate prompt service we have found that communication works best where one member of the Council is tasked with communicating with the Strata Manager on behalf of Council.

We designate this person as the 'Strata Company Representative'.

This may be the secretary or the chairperson, or any other Council member.

The Council may instruct us to send emails only to this one person who will then forward any communication on to the rest of the Council. This representative will then collate any replies or questions and issue instructions back to the Strata Manager.

Alternatively, the Council may instruct the Strata Manager to email all Council members but rather than 'reply-all', the Council will communicate amongst themselves and instruct the designated representative to communicate back to the Strata Manager on their behalf.

This will improve efficiency and ultimately save your Strata Company money on our time-related management fees.



CALLING MEETINGS

The Council must meet when any member of the Council gives not less than 7 days' notice to other members, specifying the reason for calling the meeting.

If the matter is urgent it is possible for the Council to waive notice of meeting or notice of a particular agenda item where all Council members are present in person or by proxy.

The meeting must be quorate. This means at least 50% of Council members must be present either in person or by proxy in order to conduct business.

Decisions at Council meetings are made by simple majority resolution. If voting is tied the status quo remains. The chairperson does not have the casting vote.

Minutes must be taken and must clearly detail any person tasked with undertaking an action item.

Ask your Strata Manager for templates of Council meeting notices, agendas, minutes and proxy forms.



MANAGING THE COMMON PROPERTY

The Council should nominate a Council member to be responsible for maintenance matters. This may be a builder or someone with a good understanding of building issues.

From time to time the Council should collectively inspect the common property and list any maintenance matters ranging from possible trip and fall hazards to longer term building projects.

The Strata Titles Act now requires all Strata Companies over 10 lots, or those with a building replacement cost valued over \$5,000,000 – to coordinate and maintain a 10-year plan for anticipated maintenance of the common property. Depending on the boundaries of your strata scheme as defined on the strata plan, the common property may include all of the buildings or it may only include common areas such as the driveway and utility services.

This will need to be reviewed at least once every 5-years, and the Strata Company will be obliged to retain a reserve fund to cover the cost of such anticipated maintenance as outlined.

The Council would be wise to engage competent and qualified professionals to provide written building reports in order to guide them in prioritising maintenance and budgeting accordingly.



RESTRICTIONS ON POWERS OF EXPENDITURE

The Council of Owners can spend whatever money has been allocated for a budget item at the AGM. In addition, the Council may authorise additional expenditure up to \$500 per lot, per annum for any items not allocated in the budget. Note, this amount can be amended by special resolution at a general meeting.

For example, if you budget \$500 for plumbing maintenance – that is what the Council may spend. However, if plumbing maintenance was not budgeted for at the last AGM or further expenditure is required, in a 4-lot Strata Scheme the Council may authorise an additional amount up to \$2,000 to be spent on plumbing maintenance for the year, providing funds are available.

Alternatively, if the proposed expenditure exceeds this amount, the Council may instruct the Strata Manager to write to all owners and give notice of the proposed expenditure accompanied by two quotes. Such expenditure would be deemed approved if within 14 days, less than 25% of owners (or those representing 25% of unit-entitlement) object in writing to the proposed expenditure.

The Council may also convene an extraordinary general meeting to consider the proposed expenditure and amend the budget.



ENFORCEMENT OF THE BY-LAWS

All members of the Council should familiarise themselves with the by-laws of the Strata Company, including the standard Schedule 1 & 2 by-laws, and any other by-laws registered on the Strata Plan.

From time to time we will receive complaints regarding alleged breaches of the by-laws. We will forward details of that complaint to the Council for instruction and draft a notice of breach letter for the Council to consider.

The Council need to confirm the facts as they understand them to be. The Council is not the “judge or jury” and must understand that everyone has a right of reply.

It is important the Council take enforcement of the by-laws seriously, however no Council member should ever take matters into their own hands or place themselves at risk in trying to enforce the by-laws.

Where an owner or tenant repeatedly breaches the by-laws of the Strata Company, the Council of Owners may need to take the matter to the State Administrative Tribunal seeking an order of compliance.

Neither the Council or the Strata Manager can evict a tenant, only an owner or their engaged property manager in accordance with the Residential Tenancies Act. The Strata Manager has no business relationship with a tenant and must communicate only with the owner and/or managing agent of the lot. The owner of the lot is responsible for their tenant’s compliance with the by-laws.