

# How strata works in WA

## Strata company responsibilities



### ► Management responsibilities

#### Strata roll

A strata company must prepare and keep a strata roll. There is no requirement for how the strata roll is to be kept, it could be in written or electronic form. To serve notices, the roll must include:

- the name of the strata company
- each lot owner's name and address
- each council member's or officer of the strata company's name and address
- each tenant's name and address (where the landowner has notified the strata company)
- each mortgagee of a lot (where notified to the strata company)
- the strata manager of the strata company's name and address.

#### Record keeping

A strata company has a responsibility to keep a copy of various types of records. For example, it must keep a copy of the current scheme documents in force for its scheme, and any proposed amendments to the scheme documents that it is aware of.

A strata company is also required to make and retain specific records, such as minutes of its general meetings and records of its resolutions and decisions of its council.

There are certain records that a strata company is required to keep in a manner that facilitates access to the information, particularly for use by members of the strata council and officers of the strata company.

These requirements are outlined in the *Strata Titles Act 1985 (STA)* and include the following types of records:

- The terms of any current resolution about the use of the common seal of the strata company or authorising persons to execute documents on its behalf.
- The current balance of the administrative fund and if applicable, the reserve fund of the strata company.
- The current budget (showing estimated income and expenditure) of the strata company.
- The terms of the most recent resolution determining contributions including the period for which they are determined, the basis on which the contributions are apportioned amongst the members of the strata company, and the date on which they fall due.
- The most recent 10-year plan, if applicable.
- Any current termination proposal submitted to the strata company.

#### Financial records

A strata company must keep accounting records and prepare a statement of accounts for each financial year which shows:

- the assets and liabilities of the strata company at the end of the financial year
- the income and expenditure of the strata company for the financial year.

Strata schemes may decide to maintain electronic records rather than keeping paper-based ones.

## How long records must be kept

In most instances, a strata company must keep their records for a period of seven years, including records such as:

- minutes of general meetings and strata council meetings
- resolutions and decisions of the strata council
- financial statements and accounting records
- notices of general meetings and strata council meetings
- notices of proposed resolutions and materials submitted to lot owners in connection with the proposed resolutions.

A longer period applies for specific types of records as set out in the Strata Titles (General) Regulations 2019. Refer to Regulation 83 for further information.

## Arranging for records to be inspected

An owner or mortgagee of a lot in the scheme (or their authorised person) or a buyer of a lot in the scheme or a person specified in the Regulations can write to the strata company to ask to inspect the records. They must pay the relevant fee prescribed in the Regulations for this.

Both parties can agree on a time for the inspection. If there is no agreement within three days after the strata company receives the application, the strata company can respond in writing with the time and date of when the inspection can take place. The inspection date cannot be later than 10 days from the date of the strata company receiving the initial request.

Documents can be inspected in person, through electronic access to the documents or by another agreed means. The person inspecting the documents can make copies but must not remove any documents from the premises without permission.

## ► Exemptions for small schemes

Strata companies of small schemes, comprised of between two to five lots, may be exempt from some of the management requirements under the STA.

## Two lot schemes

Two lot schemes are automatically exempt from the requirements to:

- hold annual general meetings (AGMs), after the first one has been called by the original scheme developer
- keep accounting records and statement of accounts
- keep minutes of general meetings, meetings and decisions of council and records of resolutions
- have a separate letter box displaying the name of the strata company
- keep a roll of lot owners, but each lot owner must notify the other owner of his or her address for the service of notices
- establish an administrative fund for administrative expenses that is sufficient in the opinion of the strata company for the control and management of the common property, payment of any premiums of insurance, and discharge of any other obligation of the strata company.

Owners of two lot schemes may decide to comply with any of these requirements by making scheme by-laws to that effect. These schemes can also apply to the State Administrative Tribunal for the performance of any of the exempted functions.

## Three, four or five lot schemes

Except for the requirement to hold AGMs, the exemptions that apply to two lot schemes can be applied to three, four or five lot schemes.

For these exemptions to apply, the strata company must pass and register a governance by-law to that effect. By-laws made to adopt the exemptions can be set aside by a new governance by-law.

In addition, an owner of a lot in a two to five lot scheme can apply to the State Administrative Tribunal for the strata company to perform any of the exempted functions.