

# Record-keeping and access to corporation records

**Changes to community and strata titles legislation  
To take effect from 28 October 2013**

## Introduction

The *Statutes Amendment (Community and Strata Titles) Act 2012* will change the laws (the *Community Titles Act 1996* and the *Strata Titles Act 1988*) governing community and strata titles in South Australia, to take effect from **28 October 2013**.

The changes to the community and strata titles laws are designed to improve protections for consumers who buy into or own units in strata and community titled developments. In doing so, they introduce further rights for owners and further obligations for body corporate managers as well as, in some cases, further obligations for community and strata corporations.

The following fact sheet is one in a series of fact sheets that have been prepared to explain the effects of these impending law changes and what they mean for owners and community and strata corporations and for body corporate managers.

## Audits

Currently, in the case of community corporations without managers that have more than six lots or collect more than \$3,000 income a year, the corporation is obliged to have its accounts audited annually. There is no corresponding obligation on strata corporations and this will not change.

In the case of community corporations, the changes will increase the audit requirement threshold. The following community corporations will be exempt from the requirement for audits:

- corporations that collect no more than \$20,000 in contributions per year and with administrative and sinking fund balances of no more than \$20,000, respectively, at the start of the financial year;
- groups with no more than six (all residential) lots that resolve not to have their accounts audited; and
- groups where all lots are owned by the same person.

An owner will however be able to apply to the Magistrates Court for an order requiring an audit.

In the case of audits of the body corporate manager's trust account, the manager will be required to send a copy of the audit report to the secretary of the corporation. It will not be sufficient to simply file the report in the manager's office.

## Register of owners

Both community and strata corporations will be required to keep a list of the contact details of the unit owners, including email addresses, and make these available to other unit owners on request. This will help an owner who is trying to convene a general meeting. Corporations must keep a record of the information used to compile the register for 7 years.



## Access to records

The corporation already has a statutory right to require anyone holding its property, including records, to return the property in response to a notice. The changes introduce further rights:

- managers must make corporation records available to an owner to inspect within 10 business days of a request, and managers are required to provide the member with a copy of a record on payment of a fee (max. \$1.20 per page);
- the corporation will be required to send copies of the corporation's bank statements each quarter to any owner who applies, unless a body corporate manager is handling the corporation's money, in which case the manager must send a quarterly financial statement to an owner who requests this;
- managers will have 10 business days after their contract with a corporation ends to return the records and trust money of the corporation. This is in addition to any notice period for termination or non-renewal of the contract.

Currently for community corporations, accounts for the previous financial year must be presented at each annual general meeting. Under the changes, this will apply also to strata corporations.

Time limits are also introduced for the provision of other information. In particular, the corporation will have five business days to provide a statement detailing the financial situation of the corporation and copies of general meeting minutes, most recent statement of accounts and insurance policies. This information is generally sought for prospective purchasers and it is important for the sale process that this information is provided promptly.

## Email communications

Currently the legislation provides for documents to be served by post. Under the changes, service can be by email if the recipient agrees.