

# Queensland



## Subordinate Legislation 1997 No. 248

### *Body Corporate and Community Management Act 1997*

# BODY CORPORATE AND COMMUNITY MANAGEMENT (ACCOMMODATION MODULE) REGULATION 1997

## TABLE OF PROVISIONS

Section	Page
<b>PART 1—PRELIMINARY</b>	
1 Short title .....	9
2 Commencement .....	9
3 Application of this regulation module—Act, s 22 [SM, s 3] .....	9
4 Dictionary [SM, s 4] .....	11
5 References [SM, s 5] .....	11
6 References to standard module .....	11
<b>PART 2—COMMUNITY MANAGEMENT STATEMENTS</b>	
7 Permitted inclusions—Act, s 57 [SM, s 6] .....	12
<b>PART 3—BODY CORPORATE COMMITTEE</b>	
<i>Division 1—Preliminary</i>	
8 Requirement for committee—Act, s 90 [SM, s 7] .....	12
9 Purpose of pt 3 [SM, s 8] .....	12
<i>Division 2—Composition—Act, s 91</i>	
10 Composition of committee [SM, s 9] .....	13
<i>Division 3—Eligibility—Act, s 91</i>	
11 Eligibility for committee membership [SM, s 10] .....	13
<i>Division 4—Choosing of committee—Act, s 91</i>	
12 Application of div 4 [SM, s 11] .....	14

13	Election of committee [SM, s 12] .....	14
14	Nominations to committee [SM, s 13] .....	15
15	Modified nomination procedures for election of committee at first annual general meeting [SM, s 14] .....	17
16	Modified election procedures for election of committee at first annual general meeting [SM, s 15] .....	17
17	Conduct of elections for committee [SM, s 16] .....	17
18	Election of ordinary members of committee [SM, s 18] .....	18
19	Conduct of ballot—general requirements [SM, s 19] .....	18
20	Conduct of ballot—deciding executive member positions [SM, s 21] ....	19
21	Conduct of ballot—deciding ordinary member positions [SM, s 22] .....	19
22	Conduct of ballot—declaration of voting results [SM, s 23] .....	21
	<b><i>Division 5—Term of appointment of committee—Act, s 91</i></b>	
23	Term of appointment [SM, s 25] .....	21
	<b><i>Division 6—Restricted issues</i></b>	
24	Restricted issues for committee—Act, s 92 [SM, s 26] .....	22
	<b><i>Division 7—Administrative arrangements for committee meetings—Act, s 93</i></b>	
25	Who may call committee meetings [SM, s 27] .....	23
26	Time of committee meetings [SM, s 28] .....	23
27	Place of committee meetings [SM, s 29] .....	24
28	Agenda for committee meetings [SM, s 30] .....	24
29	Chairing committee meetings [SM, s 31] .....	25
30	Quorum at committee meetings [SM, s 32] .....	25
	<b><i>Division 8—Voting at committee meetings—Act, s 93</i></b>	
31	Voting at committee meetings [SM, s 33] .....	25
32	Conflict of interest [SM, s 34] .....	26
33	Voting outside committee meetings [SM, s 35] .....	26
	<b><i>Division 9—General matters for committee meetings—Act, s 93</i></b>	
34	Minutes of committee meetings [SM, s 36] .....	27
35	Minutes and resolutions [SM, s 37] .....	27

## **PART 4—GENERAL MEETINGS**

### ***Division 1—Purpose of part***

36	Purpose of pt 4 [SM, s 38] . . . . .	28
----	--------------------------------------	----

### ***Division 2—Administrative arrangements for general meetings—Act, s 96***

37	Types of general meetings [SM, s 39] . . . . .	28
38	Who may call general meetings [SM, s 40] . . . . .	28
39	Opportunity to submit agenda motions [SM, s 41] . . . . .	29
40	Notice of general meeting [SM, s 42] . . . . .	29
41	Time of general meetings [SM, s 43] . . . . .	30
42	Place of general meetings [SM, s 44] . . . . .	30
43	Agenda for general meeting [SM, s 45] . . . . .	31
44	Chairing general meetings [SM, s 46] . . . . .	32
45	Power of person chairing meeting to rule motion out of order [SM, s 47] . . . . .	33
46	Quorum for general meetings [SM, s 48] . . . . .	33

### ***Division 3—Voting at general meetings—Act, s 96***

47	Meaning of “voter” for general meeting [SM, s 49] . . . . .	34
48	Representation of body corporate [SM, s 50] . . . . .	36
49	Exercise of vote at general meetings [SM, s 51] . . . . .	37
50	Voting at general meeting [SM, s 52] . . . . .	38
51	Secret ballot [SM, s 53] . . . . .	38
52	Appointment of returning officer [SM, s 54] . . . . .	39
53	Secretary to have available for inspection body corporate roll etc. [SM, s 55] . . . . .	39
54	Declaration of voting results on motions [SM, s 56] . . . . .	39

### ***Division 4—Procedures at general meeting—Act, s 96***

55	Amendment of motions at general meetings [SM, s 57] . . . . .	40
56	Amendment or revocation of resolution of general meeting [SM, s 58] . . .	40
57	Minutes of general meetings [SM, s 59] . . . . .	40

### ***Division 5—Other matters for general meetings—Act, s 96***

58	Requirement for annual general meetings [SM, s 60] . . . . .	40
59	Requirement for requested extraordinary general meeting [SM, s 61] . . . .	41

***Division 6—First annual general meeting—Act, s 96***

60	First annual general meeting [SM, s 62] . . . . .	41
61	Documents and materials to be handed over to body corporate at first annual general meeting [SM, s 63] . . . . .	42

**PART 5—PROXIES**

***Division 1—Purpose of part***

62	Purpose of pt 5 [SM, s 64] . . . . .	44
----	--------------------------------------	----

***Division 2—Proxies for committee members—Act, s 94***

63	Purpose of div 2 [SM, s 65] . . . . .	44
64	Appointment [SM, s 66] . . . . .	44
65	Restrictions on appointment [SM, s 67] . . . . .	45
66	Form of proxy [SM, s 68] . . . . .	45
67	Special provisions about proxy use [SM, s 69] . . . . .	45
68	Offence [SM, s 70] . . . . .	46

***Division 3—Proxies for body corporate members—Act, s 95***

69	Purpose of div 3 [SM, s 71] . . . . .	46
70	Appointment [SM, s 72] . . . . .	46
71	Form of proxy [SM, s 73] . . . . .	47
72	Use of proxy [SM, s 74] . . . . .	48
73	Special provisions about proxy use [SM, s 75] . . . . .	48
74	Offence [SM, s 76] . . . . .	49

**PART 6—BODY CORPORATE MANAGERS, SERVICE  
CONTRACTORS AND LETTING AGENTS**

***Division 1—Purpose of part***

75	Purpose of pt 6 [SM, s 77] . . . . .	50
----	--------------------------------------	----

***Division 2—Requirements for engagements and  
authorisations—Act, s 107***

76	Form of engagement [SM, s 78] . . . . .	50
77	Form of authorisation [SM, s 79] . . . . .	51
78	Term of engagement of body corporate manager [SM, s 80] . . . . .	51
79	Term of engagement of service contractor [SM, s 81] . . . . .	51
80	Term of authorisation of letting agent [SM, s 82] . . . . .	52
81	Commencement of term of engagement or authorisation [SM, s 83] . . . . .	52

***Division 3—Transferring engagements and  
authorisations—Act, s 107***

82	Transferring engagements and authorisations [SM, s 84] . . . . .	52
83	Payment of amount on transfer [SM, s 85] . . . . .	53

***Division 4—Termination of engagements and  
authorisations—Act, s 107***

84	Termination [SM, s 86] . . . . .	55
----	----------------------------------	----

***Division 5—Authority for engagements and  
authorisations—Act, s 107***

85	Authority to make engagement or give authorisation [SM, s 87] . . . . .	56
----	---	----

***Division 6—Disclosure requirements—Act, s 107***

86	Associate supplying goods or services [SM, s 88] . . . . .	57
87	Disclosure of associate contract [SM, s 89] . . . . .	57
88	Disclosure of commission or other benefit [SM, s 90] . . . . .	58

***Division 7—Occupation of common property—Act, s 107***

89	Occupation of common property by service contractor or letting agent [SM, s 91] . . . . .	59
----	--	----

***Division 8—Review of remuneration—Act, s 112***

90	Review of remuneration under engagement of service contractor [SM, s 92] . . . . .	61
----	---	----

**PART 7—FINANCIAL MANAGEMENT**

***Division 1—Purpose of part***

91	Purpose of pt 7 [SM, s 93] . . . . .	61
----	--------------------------------------	----

***Division 2—Budgets—Act, s 113***

92	Budgets [SM, s 94] . . . . .	62
----	------------------------------	----

***Division 3—Contributions levied by body corporate—Act, s 113***

93	Contributions to be levied on owners [SM, s 95] . . . . .	63
94	Notice of contribution payable [SM, s 96] . . . . .	65
95	Discounts for timely payment [SM, s 97] . . . . .	65
96	Penalties for late payment [SM, s 98] . . . . .	66
97	Payment and recovery of contributions [SM, s 99] . . . . .	66

***Division 4—Administrative and sinking funds—Act, s 113***

98	Administrative and sinking funds [SM, s 100] . . . . .	67
----	--	----

99	Application of administrative and sinking funds [SM, s 101] .....	68
----	---	----

***Division 5—Borrowing—Act, s 113***

100	Power to borrow [SM, s 102] .....	68
-----	-----------------------------------	----

***Division 6—Control of spending—Act, s 113***

101	Spending by committee [SM, s 103] .....	69
-----	---	----

102	Quotes for major spending decided by body corporate [SM, s 104] .....	70
-----	---	----

103	Quotes for major spending decided by committee .....	71
-----	--	----

***Division 7—Accounts and audit—Act, s 113***

104	Accounts [SM, s 105] .....	71
-----	----------------------------	----

105	Audit [SM, s 106] .....	72
-----	-------------------------	----

106	Auditing qualifications and experience—Act, sch 4 [SM, s 107] .....	74
-----	---	----

**PART 8—PROPERTY MANAGEMENT**

***Division 1—Purpose of part***

107	Purpose of pt 8 [SM, s 108] .....	75
-----	-----------------------------------	----

***Division 2—Common property***

108	Duties of body corporate about common property—Act, s 114 [SM, s 109] .....	75
-----	--	----

109	Mailbox and notice board—Act, s 115 [SM, s 110] .....	77
-----	---	----

110	Disposal of interest in and leasing of common property—Act, s 116 [SM, s 111] .....	77
-----	--	----

111	Easements over common property—Act, s 117 [SM, s 112] .....	78
-----	---	----

112	Improvements to common property by body corporate—Act, s 121 [SM, s 113] .....	79
-----	---	----

113	Improvements to common property by lot owner—Act, s 121 [SM, s 114] .....	80
-----	--	----

***Division 3—Body corporate assets***

114	Duties of body corporate about body corporate assets—Act, s 114 [SM, s 115] .....	81
-----	--	----

115	Acquisition of amenities for benefit of lot owners—Act, s 118 [SM, s 116] .....	81
-----	--	----

116	Dealing with (including disposal of) body corporate assets—Act, s 119 [SM, s 117] .....	82
-----	--	----

***Division 4—Agreement with another body corporate***

117	Sharing facilities [SM, s 118] .....	83
-----	--------------------------------------	----

***Division 5—Services for and obligations of owners and occupiers***

118	Supply of services by body corporate—Act, s 120 [SM, s 119] . . . . .	84
-----	---	----

***Division 6—Condition of lot***

119	Obligations of owners and occupiers—Act, s 122 [SM, s 120] . . . . .	85
-----	--	----

***Division 7—Power to act for owners and occupiers***

120	Body corporate may carry out work required of owners and occupiers—Act, s 123 [SM, s 121] . . . . .	85
121	Body corporate's power to take action to remedy defective building work—Act, s 124 [SM, s 122] . . . . .	86

***Division 8—Exclusive use by-laws***

122	Conditions and obligations under exclusive use by-law—Act, s 136 [SM, s 123] . . . . .	86
123	Improvements—Act, s 136 [SM, s 124] . . . . .	87
124	Recovery of amount owed—Act, s 136 [SM, s 125] . . . . .	87

***Division 9—Insurance—Act, s 147***

125	Definitions for div 9 [SM, s 126] . . . . .	87
126	Insurance of common property and body corporate assets [SM, s 127] . . . .	88
127	Insurance of building including lots [SM, s 128] . . . . .	89
128	Insurance for buildings with common walls [SM, s 129] . . . . .	90
129	Premium [SM, s 130] . . . . .	91
130	Improvements affecting premium [SM, s 131] . . . . .	92
131	Use affecting premium [SM, s 132] . . . . .	92
132	Excess [SM, s 133] . . . . .	93
133	Insurance for buildings with no common walls [SM, s 134] . . . . .	93
134	Combined policy of insurance [SM, s 135] . . . . .	94
135	Public risk insurance [SM, s 136] . . . . .	95
136	Use of insurance money [SM, s 137] . . . . .	95

**PART 9—ADMINISTRATIVE MATTERS**

***Division 1—Purpose of part***

137	Purpose of pt 9 [SM, s 138] . . . . .	96
-----	---------------------------------------	----

***Division 2—Body corporate's seal—Act, s 35***

138	Body corporate's seal [SM, s 139] . . . . .	96
-----	---	----

***Division 3—Notices—Act, s 158***

139	Notices for roll [SM, s 140] . . . . .	97
140	Address for service [SM, s 141] . . . . .	99
141	Change of address [SM, s 142] . . . . .	99

***Division 4—Rolls and registers—Act, s 161***

142	Roll of lots and entitlements [SM, s 143] . . . . .	99
143	Register of assets [SM, s 144] . . . . .	101
144	Register of engagements and authorisations [SM, s 145] . . . . .	101
145	Register of authorisations affecting the common property [SM, s 146] . .	102
146	Register of allocations under exclusive use by-law [SM, s 147] . . . . .	103

***Division 5—Documents and information***

147	Definitions for div 5 [SM, s 148] . . . . .	104
148	Keeping and disposal of records—Act, s 161 [SM, s 149] . . . . .	105
149	Access to records—Act, s 161 [SM, s 150] . . . . .	107
150	Fee for information given to interested persons—Act, s 162 [SM, s 151] . . . . .	107

**PART 10—MISCELLANEOUS**

151	Return of body corporate property—Act, s 268 [SM, s 152] . . . . .	108
152	Documents in custody of body corporate manager—Act, s 268 [SM, s 153] . . . . .	108

<b>SCHEDULE</b>	110
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**DICTIONARY**



## PART 1—PRELIMINARY

### Short title

1. This regulation may be cited as the *Body Corporate and Community Management (Accommodation Module) Regulation 1997*.

### Commencement

2. This regulation commences on 11 August 1997.

### Application of this regulation module—Act, s 22 [SM, s 3]

3.(1) This regulation is a regulation module for the Act.

(2) For this regulation module to apply to a community titles scheme—

- (a) the lots included in the scheme must be predominantly accommodation lots; or
- (b) both of the following must apply for the scheme—
  - (i) the lots included in the scheme are not predominantly accommodation lots;<sup>1</sup>
  - (ii) when the first community management statement (which could be the community management statement recorded for the scheme on its establishment) identifying this regulation module as the regulation module applying to the scheme was recorded, the lots included in the scheme were intended to be predominantly accommodation lots; or
- (c) all of the following must apply for the scheme—
  - (i) the lots included in the scheme have previously been, but are no longer, predominantly accommodation lots;
  - (ii) when the lots included in the scheme last stopped being predominantly accommodation lots, the community

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<sup>1</sup> For example, because although the lots were offered for sale as accommodation lots, the buyers have chosen not to use them as accommodation lots.

management statement for the scheme identified this regulation module as the regulation module applying to the scheme;

- (iii) since the lots included in the scheme last stopped being predominantly accommodation lots, each community management statement (if any) recorded for the scheme has identified this regulation module as the regulation module applying to the scheme.<sup>2</sup>

(3) In this section—

**“accommodation lot”** means a lot that is either or both of the following—

- (a) the subject of a lease or letting for accommodation for long or short term residential purposes, or immediately available to be the subject of a lease or letting for accommodation for long or short term residential purposes;
- (b) part of a hotel.

**“hotel”** means an establishment organised and operated principally for providing accommodation in guest rooms or suites and offering food and drink, whether or not the establishment includes any of the following—

- (a) restaurants;
- (b) function rooms;
- (c) a nightclub or cabaret;
- (d) shops for tourists;
- (e) recreation facilities.

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<sup>2</sup> Accordingly, and having regard also to section 22 (Meaning of “regulation module”) of the Act, this regulation module is the regulation module that applies to a community titles scheme if—

- (a) the community management statement for the scheme states that this regulation module applies to it; and
- (b) the circumstances mentioned in subsection (2)(a), (b) or (c) exist for the scheme.

## **Dictionary [SM, s 4]**

**4.(1)** The dictionary in the schedule defines particular words used in this regulation.<sup>3</sup>

**(2)** Definitions found elsewhere in this regulation are signposted in the dictionary.

## **References [SM, s 5]**

**5.** In a provision of this regulation about a community titles scheme, a reference to—

- (a) the committee, is a reference to the committee for the body corporate for the scheme; and
- (b) the chairperson, is a reference to the chairperson of the body corporate for the scheme; and
- (c) the secretary, is a reference to the secretary of the body corporate for the scheme; and
- (d) the treasurer, is a reference to the treasurer of the body corporate for the scheme.<sup>4</sup>

## **References to standard module**

**6.(1)** The information included in square brackets after a section heading

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<sup>3</sup> In some regulations, definitions are contained in a dictionary that appears as the last schedule and forms part of the regulation—see *Acts Interpretation Act 1954*, section 14(4).

Words defined elsewhere in the regulation are generally signposted by entries in the dictionary. However, if a section has a definition applying only to the section, or a part of the section, it is generally not signposted by an entry in the dictionary and is generally set out in the last subsection of the section.

Signpost definitions in the dictionary alert the reader to the terms defined elsewhere in the Act and tell the reader where the definitions can be found. For example, the definition ‘**“requested extraordinary general meeting”**’ see section 59, tells the reader there is a definition of “requested extraordinary general meeting” in section 59.

<sup>4</sup> See also section 9 (References) of the Act.

is a reference to a comparable section of the standard module.

(2) The brackets and information do not form part of the section.

## **PART 2—COMMUNITY MANAGEMENT STATEMENTS**

**Permitted inclusions—Act, s 57 [SM, s 6]**

7. A community management statement may include the following—

- (a) arrangements for future connections to utility infrastructure necessary to accommodate progressive development;
- (b) provisions adopting and regulating the operation of an architectural and landscape code, including the establishment and operation of an architectural review committee.

## **PART 3—BODY CORPORATE COMMITTEE**

### *Division 1—Preliminary*

**Requirement for committee—Act, s 90 [SM, s 7]**

8. There must be a committee for the body corporate for a community titles scheme.

**Purpose of pt 3 [SM, s 8]**

9. The purpose of this part is to provide for the composition of the committee for the body corporate for a community titles scheme, the choosing of members of the committee and meetings of the committee.

## ***Division 2—Composition—Act, s 91***

### **Composition of committee [SM, s 9]**

**10.(1)** The committee consists of—

- (a) the executive members of the committee; and
- (b) the ordinary members of the committee.

**(2)** The one person may hold the positions of chairperson, secretary and treasurer, or any 2 of the positions, in conjunction.

**(3)** The committee must consist of at least 3, but not more than 7, persons.<sup>5</sup>

**(4)** There must be a chairperson, secretary and treasurer, whether or not there is a body corporate manager who has been delegated the powers of any or all of the executive members of the committee.

## ***Division 3—Eligibility—Act, s 91***

### **Eligibility for committee membership [SM, s 10]**

**11.(1)** A person is eligible to be a member of the committee if the person is an individual and is also—

- (a) a member of the body corporate;<sup>6</sup> or
- (b) a person nominated for membership of the committee by a member of the body corporate.

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<sup>5</sup> However, if there are less than 3 owners of the lots, the committee may consist of 1 or 2 individuals (see section 13 (Election of committee)).

<sup>6</sup> Under section 32 (Membership of body corporate for community titles scheme) of the Act, the members of the body corporate are the owners of all lots included in the scheme. The members could include the bodies corporate for other community titles schemes that are lots included in the scheme as subsidiary schemes. If the body corporate for a subsidiary scheme decided to nominate a person for the committee of the scheme in which the subsidiary scheme is included as a lot, it could nominate its subsidiary scheme representative, or another person.

(2) However, a person who is otherwise eligible under subsection (1) to be a member of the committee is not eligible to be a member of the committee if the person is—

- (a) a body corporate manager; or
- (b) an associate of a body corporate manager.

(3) Despite subsection (2), a person who under subsection (1) is eligible to be a member of the committee, but who is a body corporate manager, is a member of the committee if the person is appointed only as the secretary, treasurer, or secretary and treasurer.

(4) A person who under subsection (3) is a member is a “**non-voting member**” of the committee.

(5) Only 1 co-owner of a lot can be a member of the committee, on the basis of ownership of the lot, at a time.

#### ***Division 4—Choosing of committee—Act, s 91***

##### **Application of div 4 [SM, s 11]**

**12.(1)** The choosing of the members of the committee must be done in the way provided in this division unless the body corporate decides by ordinary resolution that the members are to be chosen in another way.

(2) However, despite subsection (1), the value of the vote able to be cast for a lot included in the scheme in an election is the same as the value of the vote able to be cast for each other lot included in the scheme.

(3) For subsection (2), it is immaterial whether there are 2 or more co-owners of 1 or more of the lots.

(4) A way decided by the body corporate under subsection (1) must be fair and reasonable in the circumstances of the scheme.

##### **Election of committee [SM, s 12]**

**13.(1)** The members of the committee must be chosen by election.

(2) An election of members of the committee must be held at each

annual general meeting of the body corporate unless, when the annual general meeting is held—

- (a) there are only 2 lots included in the scheme, and the 2 lots are in identical ownership; or
- (b) there are only 2 lots included in the scheme, and the 2 lots are in different ownership; or
- (c) there are 3 or more lots included in the scheme, and all of the lots are in identical ownership; or
- (d) there are 3 or more lots included in the scheme, and there are only 2 different owners for all the lots.

(3) If subsection (2)(a) or (c) applies, the committee is a committee of 1 consisting of the individual who is the owner, or the nominee of the owner, of the lots, and the individual holds all the executive positions on the committee.

(4) If subsection (2)(b) or (d) applies, the committee consists of 2 individuals who are owners, or the nominees of owners, of lots, and they must decide between themselves who are to hold the positions of the executive members of the committee (and, if they cannot agree, the positions of the executive members are jointly held by both of them).

(5) If at the first annual general meeting of the body corporate the committee formed at the meeting consists of only 1 individual, the committee may be elected, in the way mentioned in this section, at an extraordinary general meeting held before the next annual general meeting after the first annual general meeting.

(6) This division applies to an extraordinary general meeting mentioned in subsection (5) as if the extraordinary general meeting was the next annual general meeting after the first annual general meeting.

### **Nominations to committee [SM, s 13]**

**14.(1)** This section states how individuals are nominated for election (other than an election held at the first annual general meeting for the scheme) as chairperson, secretary, treasurer or ordinary member of the committee.

(2) The secretary must serve notice on each owner shown on the body corporate's roll, inviting each lot owner—

- (a) if the lot owner is an individual—to nominate the lot owner or another individual for election as a member of the committee; and
- (b) if the lot owner is not an individual—to nominate an individual for election as a member of the committee.

(3) The notice must be given at least 3 weeks before, but not earlier than 6 weeks before, the end of the body corporate's financial year.<sup>7</sup>

(4) Nominations must be given to the secretary by the end of the body corporate's financial year.

(5) A nomination must be given in the form of a written notice and—

- (a) if the nomination is from a lot owner nominating the lot owner—must be signed and dated by the lot owner; or
- (b) if the nomination is from a lot owner nominating an individual other than the lot owner—
  - (i) must be signed and dated by the individual; and
  - (ii) must be countersigned by the lot owner, or a person acting under the authority of the lot owner; and
  - (iii) must state the lot owner's lot number.

(6) A nomination must contain the following—

- (a) the surname and either the first given name or other name or abbreviation by which the nominated person (the “**candidate**”) is generally known
- (b) the position or positions the candidate is nominating for;
- (c) if the nomination is for secretary or treasurer—
  - (i) whether the candidate is the owner of a lot; and
  - (ii) if the candidate is not the owner of a lot but is nominated

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<sup>7</sup> Under section 39 (Opportunity to submit agenda motions), the notice must also invite submission of motions for inclusion on the agenda for the annual general meeting.



because of the candidate's duties as the employee of, or provider of services to, another person—the other person's name.

(7) As soon as practicable after receiving a nomination under this section, the secretary must forward written notice to the candidate acknowledging that the nomination has been received.

**Modified nomination procedures for election of committee at first annual general meeting [SM, s 14]**

**15.(1)** This section states how individuals are nominated for election as an executive or ordinary member of the committee if, under this division, an election must be held at the first annual general meeting for the scheme.

(2) The nominations are to be given at the meeting, and must be given in either of the following ways—

- (a) orally from the floor of the meeting;
- (b) in writing handed to the person chairing the meeting.

**Modified election procedures for election of committee at first annual general meeting [SM, s 15]**

**16.(1)** If, under this division, an election must be held at the first annual general meeting for the scheme the duties imposed on the secretary under this division must be carried out by the original owner.

(2) However, to be entitled to vote in the election, a person must be present at the meeting.

**Conduct of elections for committee [SM, s 16]**

**17.** Except to the extent that procedures for ballots are stated in this division, ballots for the election of executive and ordinary members to the

committee may be conducted in the way decided by the body corporate by ordinary resolution.<sup>8</sup>

### **Election of ordinary members of committee [SM, s 18]**

**18.(1)** A person nominated as an ordinary member of the committee must be appointed to the committee on the basis of the nomination unless it is necessary to have an election.

**(2)** It is necessary to have an election for ordinary members of the committee if the number of persons nominated for ordinary member positions (other than a person who becomes an executive member of the committee), plus the number of executive members of the committee, is more than 7.

### **Conduct of ballot—general requirements [SM, s 19]**

**19.(1)** The ballots for all positions on the committee must be conducted as the last items of business at the annual general meeting.

**(2)** The election of members takes effect immediately after the close of the meeting at which they are elected.

**(3)** The ballots must be conducted in the following order—

- chairperson
- secretary
- treasurer
- ordinary members.

**(4)** Each ballot may proceed to the count only after the person chairing the meeting has allowed enough time for votes to be cast and announced the close of the ballot.

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<sup>8</sup> Nevertheless, the body corporate might decide to conduct a ballot using procedures set out in part 3 (Body corporate committee), division 4 (Choosing of committee—Act, s 91) of the standard module. For example, the body corporate might decide to adopt the procedure set out in section 16 (Conduct of elections for committee by secret ballot) of the standard module.

(5) Each candidate for a ballot, and any scrutineer appointed by the candidate, may watch the count.

**Conduct of ballot—deciding executive member positions [SM, s 21]**

20.(1) If, for a ballot for positions on the committee, only 1 person is nominated for the position of chairperson, secretary or treasurer, the person chairing the meeting must declare the person to have been elected unopposed.

(2) If for the position of chairperson, secretary or treasurer, there has been no nomination, the person chairing the meeting must invite nominations for the position at the meeting, and must accept nominations made in either of the following ways—

- (a) by persons present at the meeting;
- (b) in writing, by persons not present at the meeting, but who are eligible for election to the position.

(3) If more than 1 person has nominated for a position, a ballot is conducted, and the person who receives the highest number of votes is declared elected.

(4) If, on a counting of votes, 2 or more persons each receive an identical number of votes, and no other candidate receives a higher number of votes, the result must be decided between the 2 or more persons by chance in the way the meeting decides.

**Conduct of ballot—deciding ordinary member positions [SM, s 22]**

21.(1) The positions of the ordinary members of the committee are decided only after the executive member positions on the committee are filled.

(2) A person's nomination for a position as an ordinary member has no effect if the person is elected as an executive member of the committee, even if the person's name appears on a ballot for ordinary members forwarded before the meeting.

(3) If the number of candidates nominated for ordinary member positions, plus the number of executive members of the committee, is 7 or

less, the person chairing the meeting must declare the candidates to have been elected as ordinary members.

(4) However, if the number of candidates nominated for ordinary member positions, plus the number of executive members of the committee, is less than 3,<sup>9</sup> the person chairing the meeting must invite nominations at the meeting for the number of ordinary member positions necessary to bring the total number of all committee members to 3.

(5) The person chairing the meeting must invite nominations for the position or positions at the meeting, and must accept nominations made in either of the following ways—

- (a) by persons present at the meeting;
- (b) in writing, by persons not present at the meeting, but who are eligible for election to the position.

(6) If the number of candidates nominated for ordinary member positions, plus the number of executive members of the committee, is more than 7, the person chairing the meeting must proceed with the scrutiny of the ballot-papers relating to the ordinary member positions.

(7) The persons who receive the highest numbers of votes, in descending order until the committee numbers 7 members, must be declared elected as the ordinary members.

(8) If, on a counting of votes, 2 or more persons each receive an identical number of votes and the number of persons to be elected would be exceeded if the 2 or more persons were declared elected, the result of the ballot must be decided between the 2 or more persons by chance in the way the meeting decides.

(9) For the counting of votes for positions of ordinary members of the committee on ballot-papers completed before the annual general meeting, a mark against the name of each person who has already been elected to an executive member position is void.

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<sup>9</sup> Unless there are less than 3 owners, in which case section 13(2) (Election of committee) applies.

### **Conduct of ballot—declaration of voting results [SM, s 23]**

**22.(1)** The person chairing a general meeting must declare the result of voting for ballots at the meeting.

**(2)** When declaring the result of voting for a ballot, the person chairing the meeting must state the number of votes cast for each candidate.

**(3)** The number of votes cast for each candidate must be recorded in the minutes of the general meeting or in a voting tally-sheet kept with the minutes.

### ***Division 5—Term of appointment of committee—Act, s 91***

### **Term of appointment [SM, s 25]**

**23.(1)** The term of appointment of a member of the committee continues until another person is elected to the position.

**(2)** However, a member's position becomes vacant if the member—

- (a) dies; or
- (b) becomes ineligible to hold the position; or
- (c) resigns by written notice given to the chairperson or secretary; or
- (d) is absent from 2 consecutive meetings of the committee without the committee's leave; or
- (e) is convicted (whether or not a conviction is recorded) of an indictable offence; or
- (f) is removed from office by ordinary resolution of the body corporate.

**(3)** The committee must (even though the number of its members may have fallen below a quorum) appoint a person who is eligible to be a member of the committee to fill a vacancy in the position of an executive or ordinary member of the committee, or call a general meeting of the body corporate to fill the vacancy.

**(4)** An order an adjudicator may make under the dispute resolution provisions includes, if the body corporate ceases to have a properly formed

committee—

- (a) authorising a person named in the order to call a general meeting of the body corporate to elect members to the committee; and
- (b) prescribing the notice to be given of the general meeting; and
- (c) giving other directions necessary for, or incidental to, holding the general meeting or reforming the committee.

### ***Division 6—Restricted issues***

#### **Restricted issues for committee—Act, s 92 [SM, s 26]**

**24.** A decision is a decision on a restricted issue for the committee if it is a decision—

- (a) fixing or changing a contribution to be levied by the body corporate; or
- (b) to change rights, privileges or obligations of the owners of lots included in the scheme; or
- (c) on an issue reserved, by ordinary resolution of the body corporate, for decision by ordinary resolution of the body corporate; or
- (d) that may only be made by resolution without dissent, special resolution or ordinary resolution of the body corporate; or
- (e) to bring a proceeding in a court, other than—
  - (i) a proceeding to recover a liquidated debt against the owner of a lot; or
  - (ii) a counterclaim, third-party proceeding or other proceeding in relation to a proceeding to which the body corporate is already a party; or
- (f) to pay remuneration, allowances or expenses to a member of the committee, unless the decision—
  - (i) is made under the authority of an ordinary resolution of the

body corporate; or

- (ii) is for the reimbursement of expenses of not more than \$50.

***Division 7—Administrative arrangements for committee meetings—Act, s 93***

**Who may call committee meetings [SM, s 27]**

**25.(1)** A meeting of the committee may be called by—

- (a) the secretary or, in the secretary's absence, the chairperson; or
- (b) in the absence of both the secretary and the chairperson—another member of the committee acting with the agreement of enough members to form a quorum at a meeting of the committee.

**(2)** The secretary or, in the secretary's absence, the chairperson, must call a meeting if asked, in writing, to call the meeting by enough members of the committee to form a quorum<sup>10</sup> at a meeting of the committee.

**(3)** The meeting must be held within 21 days after the secretary or chairperson receives the request to call it.

**(4)** The secretary and chairperson may both be presumed to be absent if the request for the meeting, addressed to the secretary and chairperson, is given at the address for service of the body corporate, and no reply is received within 7 days.

**Time of committee meetings [SM, s 28]**

**26.(1)** A meeting is called by giving written notice of at least 7 days to all other committee members of when and where the meeting is to be held.

**(2)** Also, advice of the proposed meeting—

- (a) if the body corporate maintains a notice board—must be placed on the notice board; and
- (b) must be given to each lot owner individually, other than a lot

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<sup>10</sup> Section 30 (Quorum at committee meetings)

owner who—

- (i) has instructed the secretary that the lot owner does not wish to be given advice of committee meetings; and
- (ii) has not withdrawn the instruction.

(3) The advice mentioned in subsection (2)—

- (a) must state when and where the meeting is to be held; and
- (b) must be accompanied by the agenda for the meeting; and
- (c) if placed on the notice board—must be placed there at least 24 hours before the meeting is to be held; and
- (d) if given to a lot owner individually—must be given in a way that ensures its delivery to the lot owner's address for service at least 24 hours before the meeting is to be held.

### **Place of committee meetings [SM, s 29]**

**27.(1)** The first meeting of the committee after the committee is formed must be held where the person calling the meeting decides.

**(2)** Subject to subsection (1), a committee meeting must be held where the committee decides.

**(3)** Despite subsections (1) and (2), a committee meeting must not be held more than 15 km (measured in a straight line on a horizontal plane) from scheme land if members making up at least half of the number of committee members needed for a quorum object by written notice given to the secretary.

### **Agenda for committee meetings [SM, s 30]**

**28.(1)** The notice calling a committee meeting must include an agenda stating the substance of issues to be considered at the meeting.

**(2)** However, the committee may also consider other issues raised at the meeting.



### **Chairing committee meetings [SM, s 31]**

**29.(1)** The chairperson must chair all meetings of the committee at which the chairperson is present.

**(2)** If the chairperson is absent from a meeting, the member chosen by the members present (with the member's agreement) must chair the meeting.

### **Quorum at committee meetings [SM, s 32]**

**30.(1)** At a meeting of the committee a quorum is at least half the number of voting members of the committee.

*Examples of subsection (1)—*

1. If there are 6 voting members of the committee, a quorum is 3.
2. If there are 7 voting members of the committee, a quorum is 4.

**(2)** For deciding whether there is a quorum—

- (a) a voting member who is present—
  - (i) is counted as 1; or
  - (ii) if the voting member also has the proxies of 1 or more absent voting members—is counted as 2; and
- (b) a non-voting member who is present is not counted, whether or not the non-voting member also has the proxy of an absent voting member.

### ***Division 8—Voting at committee meetings—Act, s 93***

### **Voting at committee meetings [SM, s 33]**

**31.(1)** At a meeting of the committee—

- (a) a question is decided by a majority of votes of the voting members present (either in person or by proxy) and voting; and
- (b) each voting member has 1 vote on each question to be decided.

**(2)** Without limiting subsection (1), if a quorum is present, a decision

supported by a majority of the votes of the voting members present is a decision of the committee.

(3) To avoid doubt, it is declared that a voting member who is an executive member has only 1 vote, even if the person holds more than 1 of the positions of chairperson, secretary and treasurer.

### **Conflict of interest [SM, s 34]**

**32.(1)** A member of the committee must disclose to a meeting of the committee the member's direct or indirect interest in an issue being considered, or about to be considered, by the committee if the interest could conflict with the appropriate performance of the member's duties about the consideration of the issue.

(2) A member required under subsection (1) to disclose an issue must not, if the member is a voting member, vote on the issue.

(3) A person who holds the proxy of a member of the committee must disclose to a meeting of the committee the proxy holder's direct or indirect interest in an issue being considered, or about to be considered, by the committee if the interest could conflict with the appropriate performance of the proxy holder's duties about the consideration of the issue.

(4) A proxy holder required under subsection (3) to disclose an issue must not vote as the proxy on the issue.

(5) A person who holds the proxy of a member of the committee must disclose to a meeting of the committee the member's direct or indirect interest in an issue being considered, or about to be considered, by the committee if the proxy holder is aware that the member, if present, would be required under subsection (2) not to vote on the issue.

(6) A proxy holder required under subsection (5) to disclose an issue must not vote as the proxy on the issue.

### **Voting outside committee meetings [SM, s 35]**

**33.(1)** A resolution on a motion before the committee is a valid resolution of the committee, even though the motion is not passed at a meeting of the committee, if—

- (a) notice of the motion is given to all committee members or, in an emergency, as many members as it is practicable to contact; and
- (b) a majority of all voting members of the committee agrees to the motion.

(2) The notice must be given in writing, and the members' agreement to the motion must be given in writing but, in an emergency, the notice may be given, and the member's agreement expressed, orally or by another appropriate form of communication.

***Division 9—General matters for committee meetings—Act, s 93***

**Minutes of committee meetings [SM, s 36]**

**34.** The committee must ensure—

- (a) full and accurate minutes of its meetings are taken; and
- (b) a full and accurate record is kept of each motion voted on other than at a meeting.

**Minutes and resolutions [SM, s 37]**

**35.(1)** A copy of all minutes of the committee, and a copy of each resolution of the committee not included in minutes of the committee, must be given individually to each lot owner, other than a lot owner who—

- (a) has instructed the secretary that the lot owner no longer wishes to be given copies of minutes and resolutions; and
- (b) has not withdrawn the instruction.

(2) A copy required to be given under subsection (1) must be given within 21 days after—

- (a) for a copy of minutes—the holding of the meeting to which the minutes relate; or
- (b) for a copy of a resolution not included in the minutes of the committee—the passing of the resolution.

(3) If there is a body corporate manager, and powers of the committee

have been delegated to the manager, a reference in this section to a resolution of the committee extends to a decision of the manager made under the delegated powers, other than a decision to pay an account—

- (a) of a routine, administrative nature; or
- (b) on the basis of an authorisation given by the body corporate in a general meeting.

## **PART 4—GENERAL MEETINGS**

### *Division 1—Purpose of part*

#### **Purpose of pt 4 [SM, s 38]**

**36.** The purpose of this part is to prescribe matters about general meetings of the body corporate for a community titles scheme.

### *Division 2—Administrative arrangements for general meetings—Act, s 96*

#### **Types of general meetings [SM, s 39]**

**37.(1)** All meetings of the body corporate are general meetings.

**(2)** A general meeting is either an annual general meeting or an extraordinary general meeting.

#### **Who may call general meetings [SM, s 40]**

**38.** A general meeting may be called by—

- (a) the secretary; or
- (b) another member of the committee authorised by the committee to call the meeting; or

- (c) a person authorised or required to call a general meeting by an order of an adjudicator acting under the dispute resolution provisions.

### **Opportunity to submit agenda motions [SM, s 41]**

**39.(1)** If notice is forwarded to members of the body corporate inviting nominations for committee member positions to be filled at an annual general meeting of the body corporate, the members must also be invited to submit motions for inclusion on the agenda for the meeting.

**(2)** However, a member of the body corporate may at any time submit a motion for consideration at a general meeting of the body corporate, and if a motion is submitted, it must be included on the next general meeting agenda on which it is practicable to include the motion.

**(3)** Despite subsection (2), a motion may be included on the agenda for an annual general meeting only if the secretary receives the motion before the end of the body corporate's financial year immediately preceding the meeting.

### **Notice of general meeting [SM, s 42]**

**40.(1)** Written notice of a general meeting must be given to the owner of each lot included in the scheme, and if not given personally, must be sent to the owner at the owner's address for service as last notified to the body corporate.

**(2)** The notice must state the time and place of the proposed general meeting.

**(3)** The notice of a proposed general meeting must—

- (a) contain an agenda for the meeting; and
- (b) be accompanied by—
  - (i) a proxy form; and
  - (ii) if the notice is given to the corporate owner of a lot—a form under which the lot owner may advise the body corporate of the corporate owner nominee; and

- (c) be accompanied by a voting paper—
  - (i) stating each motion to be considered at the meeting and, if the motion is not proposed by the committee, stating the name and lot number of the person proposing the motion; and
  - (ii) stating for each motion whether a resolution without dissent, special resolution or ordinary resolution is required; and
  - (iii) enabling a person who is a voter for the general meeting to record a written vote on each motion to be considered at the meeting; and
- (d) contain or be accompanied by explanatory or other materials required under this regulation to be contained in or to accompany the notice.<sup>11</sup>

(4) If all the lots have identical ownership, no notice of a general meeting need be given.

### **Time of general meetings [SM, s 43]**

**41.** A general meeting must be held at least 21 days after notice of the meeting is given to lot owners.<sup>12</sup>

### **Place of general meetings [SM, s 44]**

**42.(1)** A general meeting must be held not more than 15 km (measured

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<sup>11</sup> Materials that could be required to be contained in or accompany the notice of the general meeting include—

- explanatory notes to a motion (section 43 (Agenda for general meeting))
- budgets (section 92 (Budgets))
- quotation documents (section 102 (Quotes for major spending decided by body corporate))
- statement of accounts (section 104 (Accounts))
- auditor's certificate (section 105 (Audit)).

<sup>12</sup> Section 59 (Requirement for requested extraordinary general meeting) provides for the timing of a requested extraordinary general meeting.

in a straight line on a horizontal plane) from scheme land.

(2) However, if the committee notifies the owners of its intention to hold the meeting at a stated place more than 15 km from scheme land, and allows them a reasonable opportunity to object in writing to the proposed place, the meeting may be held at the place unless written objections to the proposed place of meeting are given by or for owners of at least 25% of the lots included in the scheme.

### **Agenda for general meeting [SM, s 45]**

**43.(1)** The committee must prepare an agenda for each general meeting.

**(2)** The agenda must include—

(a) the substance of the following motions—

- (i) motions the committee proposes for consideration at the meeting;
- (ii) if the general meeting is a requested extraordinary general meeting—the motions proposed in the notice asking for the meeting;
- (iii) if an owner of a lot has, by written notice to the secretary, asked for a particular motion to be included on the agenda for the general meeting—the motion;
- (iv) if an adjudicator makes an order under the dispute resolution provisions authorising or requiring the calling of the general meeting to consider motions stated in the order—the motions stated in the order;
- (v) if there has been a previous general meeting—a motion to confirm the minutes of the last meeting; and

(b) if the general meeting is the first annual general meeting for the scheme—the business required to be considered at the first annual general meeting.

**(3)** If the general meeting is an annual general meeting (other than the first annual general meeting), the agenda must also—

(a) provide for the presentation of the accounts for the financial year;

and

- (b) provide for the appointment of an auditor of the body corporate's accounts for the next financial year or for a special resolution that the accounts are not to be audited; and
- (c) provide for the approval of a budget for the financial year; and
- (d) provide for fixing the contributions to be paid by the owners of lots for the financial year; and
- (e) include other things that are, under the Act, required to be included on the agenda for the annual general meeting.

(4) If the lot owner seeking the inclusion of a motion under subsection (2)(a)(iii) supplies an explanatory note about the motion, and the note is not longer than 100 words, the note must accompany the agenda.

### **Chairing general meetings [SM, s 46]**

**44.(1)** The chairperson must chair all general meetings at which the chairperson is present.

(2) A person elected (with the person's consent) by the persons present and having the right to vote at a general meeting must chair the meeting if—

- (a) the chairperson is absent from the meeting; or
- (b) a chairperson has not been appointed; or
- (c) there is a vacancy in the office of chairperson.

(3) A body corporate manager to whom powers of the chairperson have been delegated—

- (a) may advise and help the chairperson when the chairperson is chairing a meeting under subsection (1); but
- (b) must not chair the meeting unless the body corporate manager—
  - (i) is elected under subsection (2); or
  - (ii) is the only person forming a quorum at an adjourned meeting.



**Power of person chairing meeting to rule motion out of order**  
**[SM, s 47]**

**45.(1)** The person chairing a general meeting of the body corporate must rule a motion out of order if—

- (a) the motion, if carried, would conflict with the Act or the by-laws, or would be unlawful or unenforceable for another reason; or
- (b) except for a procedural motion for the conduct of the meeting, or a motion to correct minutes—the substance of the motion was not included in the agenda for the meeting.

**(2)** The person chairing the meeting must give reasons for ruling a motion out of order and the reasons must be recorded in the minutes of the meeting.

**(3)** The persons present and entitled to vote may reverse a ruling given under subsection (1)(a) by passing an ordinary resolution disagreeing with the ruling.

**Quorum for general meetings [SM, s 48]**

**46.(1)** A person is taken to be present at a general meeting if the person is—

- (a) a voter for the general meeting; and
- (b) present at the meeting personally, by proxy, or by written voting paper.

**(2)** A quorum at a general meeting is at least 25% of the number of voters for the meeting, except that—

- (a) if the number of voters for the meeting is 3 or 4, two persons must be present personally; and
- (b) if the number of voters for the meeting is less than 3, there is a quorum if at least 1 voter is present personally.

**(3)** If there is not a quorum within 30 minutes of the time scheduled to start the meeting, the meeting must be adjourned to be held at the same place, on the same day and at the same time, in the next week.

**(4)** If at the adjourned meeting a quorum is again not present within

30 minutes of the time scheduled to start the adjourned meeting, the persons present (whether personally or otherwise) form a quorum if—

- (a) the chairperson is present personally; or
- (b) the chairperson is not present personally, but a body corporate manager, with the delegated powers of the chairperson, is present personally.

(5) Despite subsection (3), if it is not practicable to hold the adjourned meeting at the same place, it may be held at another place if all lot owners are advised personally or in writing of the new location before the adjourned meeting is to start.

(6) For this section, 2 or more co-owners of a lot are counted as 1 voter.

### *Division 3—Voting at general meetings—Act, s 96*

#### **Meaning of “voter” for general meeting [SM, s 49]**

**47.(1)** A “voter” for a general meeting of the body corporate is an individual—

- (a) whose name is entered on the body corporate’s roll as—
  - (i) the owner of a lot;<sup>13</sup> or
  - (ii) the representative of the owner of a lot; or
- (b) who is the nominee of a corporation the name of which is entered on the body corporate’s roll as the representative of the owner of a lot; or
- (c) who is a corporate owner nominee; or
- (d) who is a subsidiary scheme representative.

(2) For subsection (1)(a)(ii) and (b), a person is the representative of the owner of a lot if the person is a guardian, trustee, receiver or other

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<sup>13</sup> It should be noted that “owner” includes by definition a mortgagee in possession of a lot (see schedule 4 (Dictionary) of the Act). A mortgagee in possession may displace the right of the owner of the fee simple to vote (see subsection (10)).

representative of the owner of the lot, and is authorised to act on the owner's behalf.

(3) However, a person may be treated as the owner's representative only if the person—

- (a) gives the secretary a copy of the instrument under which the person derives the representative capacity or otherwise satisfies the secretary of the person's representative capacity; and
- (b) advises the secretary of the person's residential or business address, and address for service (if different from the residential or business address given).

(4) For subsection (1)(b), a person is taken to be the nominee of a corporation only if the corporation gives the secretary written notice of nomination, stating the name of the nominee or the names of 2 nominees, 1 of whom is to act in the absence of the other.

(5) The notice of nomination mentioned in subsection (4) must—

- (a) be given—
  - (i) under the common or official seal of the corporation; or
  - (ii) by a person acting under the authority of a power of attorney from the corporation, a copy of which power of attorney is also given to the body corporate; and
- (b) advise the residential or business address, and address for service (if different from the residential or business address given), of each nominee.

(6) A corporation may change a nomination mentioned in subsection (4) by giving the secretary written notice of a new nomination, in a way mentioned in subsection (5), stating the name and address of the new nominee or the new alternative nominees.

(7) For subsection (1)(c), a person is taken to be a corporate owner nominee only if the corporate owner gives the secretary written notice of nomination, stating the name of the nominee or the names of 2 nominees, 1 of whom is to act in the absence of the other.

(8) The notice of nomination mentioned in subsection (7) must—

- (a) be given—

- (i) under the common or official seal of the corporate owner; or
  - (ii) by a person acting under the authority of a power of attorney from the corporate owner, a copy of which power of attorney is also given to the body corporate; and
- (b) advise the residential or business address and address for service (if different from the residential or business address given), of each nominee.

(9) The corporate owner may change a nomination mentioned in subsection (7) by giving the secretary written notice of a new nomination, in a way mentioned in subsection (8), stating the name and address of the new nominee or the new alternative nominees.

(10) If a mortgagee in possession claims, by written notice to the secretary, the right to vote for a lot, the mortgagee's right to vote displaces the right of the person entitled to the fee simple interest in the lot or a person who derives a right to vote from the person entitled to the fee simple interest in the lot.

(11) A person does not have the right to exercise a vote for a particular lot on a motion (other than a motion for which a resolution without dissent is required) if the owner of the lot has not paid to the body corporate—

- (a) a contribution, or an instalment of a contribution, owing by the owner to the body corporate, if the contribution or instalment is owing at the time of the meeting; or
- (b) a penalty for not paying a contribution or instalment of a contribution by the date for payment, if the penalty is owing at the time of the meeting; or
- (c) any other amount owing to the body corporate, other than an amount owing under a legal relationship between the body corporate and the owner not associated with ownership of the lot.

### **Representation of body corporate [SM, s 50]**

**48.(1)** This section applies if the scheme (“**scheme B**”) is a lot included in another community titles scheme (“**scheme A**”).

(2) The body corporate for scheme B must ensure that at all times there

is a person (the “**subsidiary scheme representative**”) appointed by the committee for scheme B’s body corporate to represent the body corporate for scheme B on scheme A’s body corporate.

(3) The subsidiary scheme representative must be a member of the committee mentioned in subsection (2), and, if the committee does not appoint the representative, is the chairperson of the body corporate for scheme B.

(4) The first person to be appointed under this section must be appointed as soon as practicable after the body corporate for scheme B becomes a member of scheme A’s body corporate.

(5) The appointment of the subsidiary scheme representative has no effect until written notice of the appointment is received by the secretary of the body corporate for scheme A.

(6) The subsidiary scheme representative must represent scheme B’s body corporate—

- (a) in the way scheme B’s body corporate directs; and
- (b) subject to paragraph (a), in a way that is in the best interests of scheme B.

(7) The subsidiary scheme representative’s address for service is the address for service of scheme B’s body corporate.

### **Exercise of vote at general meetings [SM, s 51]**

**49.(1)** A voter for a general meeting may vote on a motion personally, by proxy or by casting a written vote.

(2) A written vote is cast by completing the voting papers as required by the accompanying instructions and giving them to the secretary (personally, by post or by facsimile) before the start of the meeting.

(3) A written vote on a motion may be withdrawn by a voter at any time before the result of the motion is declared, except that an owner’s written vote cannot be withdrawn by a person voting as the proxy of the owner.

### **Voting at general meeting [SM, s 52]**

**50.(1)** Voting at a general meeting must be done in the way provided in this section unless the body corporate decides by special resolution that voting is to be done in another way.

**(2)** Voting by persons present at a general meeting must be by show of hands, or by giving completed voting papers to the person chairing the meeting not later than the start of the meeting, unless—

- (a) a ballot is required by the Act, this regulation or the by-laws; or
- (b) the person chairing the meeting decides a ballot is necessary to ensure an accurate count of votes.

**(3)** If 1 or more, but not all, of the co-owners of a lot are present at the meeting, the co-owner or co-owners present vote as the owner of the lot.

**(4)** No vote may be counted for a lot on a motion if there is a conflict between the votes of the co-owners of the lot.

**(5)** A general meeting may pass a resolution on a motion only if the motion is—

- (a) included as an item of business on the general meeting's agenda; and
- (b) stated in the voting papers accompanying the notice of the meeting.

### **Secret ballot [SM, s 53]**

**51.(1)** This section applies if the committee recommends that a motion be decided by secret ballot.

**(2)** The secret ballot must be conducted in the way decided by the body corporate by ordinary resolution.<sup>14</sup>

**(3)** However, the recommendation of the committee for the secret ballot

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<sup>14</sup> The body corporate might decide to conduct the secret ballot using, to the greatest practicable extent, procedures that are set out in part 3 (Body corporate committee), division 4 (Choosing of committee—Act, s 91) of the standard module, for conducting a secret ballot for the election of executive and ordinary members of the committee.

has no effect unless it is made when there is enough time for the appropriate material for voting by secret ballot to be forwarded to lot owners when the notice for the general meeting is forwarded.

### **Appointment of returning officer [SM, s 54]**

**52.** The body corporate may appoint a returning officer to decide questions about eligibility to vote and voting entitlements, and to count the votes.

### **Secretary to have available for inspection body corporate roll etc. [SM, s 55]**

**53.** The secretary must have available for inspection by voters for the general meeting—

- (a) the body corporate's roll; and
- (b) a list of the persons who have the right to vote at the meeting; and
- (c) all proxy forms and voting papers.

### **Declaration of voting results on motions [SM, s 56]**

**54.(1)** The person chairing a general meeting must declare the result of voting on motions at the meeting.

**(2)** When declaring the result of voting, the person chairing the meeting must state—

- (a) the number of votes cast for the motion; and
- (b) the number of votes cast against the motion; and
- (c) the number of abstentions from voting on the motion.

**(3)** The numbers mentioned in subsection (2) must be recorded in the minutes of the general meeting or in a voting tally-sheet kept with the minutes.

***Division 4—Procedures at general meeting—Act, s 96***

**Amendment of motions at general meetings [SM, s 57]**

**55.(1)** A motion may be amended at a general meeting by the persons present, and having the right to vote, at the meeting.

**(2)** However, an amendment cannot be made that changes the subject matter of the motion.

**(3)** In counting the votes cast for and against a motion to amend a motion, or an amended motion, all persons who are not present personally or by proxy at the meeting, but would, if present, have the right to vote, must be taken to have voted against the motion.

**Amendment or revocation of resolution of general meeting [SM, s 58]**

**56.** If a resolution without dissent, special resolution or ordinary resolution is required for a particular purpose, a resolution passed for the purpose may only be amended or revoked by a resolution of the required type.

**Minutes of general meetings [SM, s 59]**

**57.(1)** The body corporate must ensure that full and accurate minutes are taken of each general meeting.

**(2)** A copy of the minutes of a general meeting must be given to each lot owner as soon as practicable after the meeting.

***Division 5—Other matters for general meetings—Act, s 96***

**Requirement for annual general meetings [SM, s 60]**

**58.** An annual general meeting (other than the first annual general meeting) must be called and held within 3 months after the end of each of the scheme's financial years.



### **Requirement for requested extraordinary general meeting [SM, s 61]**

**59.(1)** An extraordinary general meeting (a “**requested extraordinary general meeting**”) of the body corporate must be called if a notice asking for an extraordinary general meeting to consider and decide motions proposed in the notice is—

- (a) signed by or for the owners of at least 25% of all the lots included in the scheme; and
- (b) given to the secretary or, in the secretary’s absence, the chairperson or, if the committee has not yet been elected, given to the original owner.

**(2)** The secretary may be presumed to be absent if a notice is given to the secretary at the address for service of the body corporate, and no reply is received within 7 days.

**(3)** A requested extraordinary general meeting must be called and held within 6 weeks after the notice asking for the meeting is given.

**(4)** A requested extraordinary general meeting of the body corporate may be called even though the body corporate’s first annual general meeting has not yet been held.

### ***Division 6—First annual general meeting—Act, s 96***

### **First annual general meeting [SM, s 62]**

**60.(1)** The original owner must call and hold the first annual general meeting of the body corporate as required by this section.

Maximum penalty—150 penalty units.

**(2)** The meeting must be called for and held within 1 month after the first of the following to happen—

- (a) more than 50% of the lots included in the scheme are no longer in the ownership of the original owner;
- (b) 6 months elapse after the establishment of the scheme.

**(3)** The agenda for the meeting must include the following items—

- (a) adopting or reviewing budgets, and fixing of the contributions to be levied against the owners of lots, for the body corporate's first financial year;
- (b) reviewing the policies of insurance taken out for the body corporate and, if appropriate, changing the insurance;
- (c) electing the chairperson, secretary, treasurer and the ordinary members of the committee;
- (d) providing for the custody and use of the body corporate's seal;
- (e) deciding what issues are reserved for decision by ordinary resolution;<sup>15</sup>
- (f) deciding whether the by-laws should be amended or repealed;
- (g) appointing an auditor to audit the accounts of the body corporate, or resolving by special resolution not to appoint an auditor;
- (h) if the meeting is called on the order of an adjudicator under the dispute resolution provisions—deciding issues the adjudicator orders to be placed on the agenda for the meeting.

(4) If the original owner does not call and hold the first annual general meeting as required by this section, the order of an adjudicator under the dispute resolution provisions may include an order appointing a person to call the first annual general meeting within a stated time.

(5) The original owner is not relieved of liability for not calling and holding the first annual general meeting because the meeting has been called and held under the order of an adjudicator.

### **Documents and materials to be handed over to body corporate at first annual general meeting [SM, s 63]**

**61.(1)** At the first annual general meeting, the original owner must give the following to the body corporate—

- (a) a register of assets containing an inventory of all body corporate assets;

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<sup>15</sup> See section 24(c) (Restricted issues for committee—Act, s 92).

- (b) all plans, specifications, diagrams and drawings of buildings and improvements forming part of scheme land (as built) showing water pipes, electric wiring, drainage, ventilation ducts, airconditioning systems and other utility infrastructure;
- (c) all policies of insurance taken out by the original owner for the body corporate;
- (d) documents in the original owner's possession or control relevant to the scheme, including, for example, the body corporate's roll, books of account, meeting minutes, registers, any body corporate manager or service contractor engagement or letting agent authorisation, correspondence and tender documentation;
- (e) the body corporate's seal;
- (f) documents in the original owner's possession or control relevant to the buildings or improvements on scheme land, not including certificates of title for individual lots, or documents evidencing rights or obligations of the original owner that are not capable of being used for the benefit of the body corporate or an owner (other than an owner who is the original owner) of a lot, but including—
  - (i) contracts for building work, or other work of a developmental nature, carried out on scheme land; and
  - (ii) certificates of classification for buildings and fire safety certificates;
- (g) a budget showing the body corporate's estimated spending for the first financial year;
- (h) a detailed and comprehensive estimate of the body corporate's sinking fund expenditure for the scheme's first 10 financial years, which must include an estimate for the repainting of common property and of buildings that are body corporate assets.

Maximum penalty—150 penalty units.

(2) If documents of the types mentioned in subsection (1) come into the original owner's possession after the body corporate's first annual general meeting, the original owner must hand them over to the body corporate's

secretary at the earliest practicable opportunity.

Maximum penalty—20 penalty units.

## **PART 5—PROXIES**

### *Division 1—Purpose of part*

#### **Purpose of pt 5 [SM, s 64]**

**62.** The purpose of this part is to prescribe matters about the appointment and use of proxies for meetings of the committee for the body corporate for a community titles scheme, and for meetings of the body corporate.

### *Division 2—Proxies for committee members—Act, s 94*

#### **Purpose of div 2 [SM, s 65]**

**63.** The purpose of this division is to prescribe matters about the appointment and use of proxies to represent committee members at a meeting of the committee.

#### **Appointment [SM, s 66]**

**64.(1)** A member of the committee may appoint a proxy to act for the member at a meeting of the committee.

**(2)** The appointment of a proxy is effective only if a properly completed proxy form is given personally, by post or by facsimile to the secretary before—

- (a) the start of the committee meeting at which the proxy is to be exercised; or
- (b) if the body corporate or the committee has fixed an earlier time by which proxies must be given (which cannot, however, be earlier

than 24 hours before the time fixed for the meeting)—the earlier time.

(3) Unless it sooner expires under its own terms, a proxy under this division ceases to have effect immediately before the next annual general meeting of the body corporate held after the proxy is given.

### **Restrictions on appointment [SM, s 67]**

**65.(1)** A person appointed a proxy must be another committee member, or a person who is eligible to be an ordinary member of the committee.

(2) However—

- (a) the secretary or the treasurer may appoint a proxy only with the committee’s approval; and
- (b) a body corporate manager may not be appointed the proxy of a member of the committee.

### **Form of proxy [SM, s 68]**

**66.** A proxy under this division—

- (a) must be in the approved form; and
- (b) must be in the English language; and
- (c) must be in a document separate from a contract; and
- (d) cannot be irrevocable; and
- (e) cannot be transferred by the holder of the proxy to a third person; and
- (f) must appoint a named individual.

### **Special provisions about proxy use [SM, s 69]**

**67.(1)** A committee member (“**member A**”) who is the proxy for another member (“**member B**”) may, in the absence of member B, vote both in member A’s own right and also as proxy of member B.

(2) A proxy must not be exercised at a meeting of the committee—

- (a) if the committee member who gave the proxy is personally present at the meeting; or
- (b) for a particular motion—if the person who gave the proxy has exercised a written vote on the motion.

(3) A committee member cannot be prevented by contract from exercising a vote at a committee meeting, and cannot be required by contract to make someone else the member's proxy for voting at a committee meeting.

(4) A person may exercise the proxy of only 1 person for voting at a meeting of the committee.

(5) A committee member cannot be represented by proxy at more than 3 meetings of the committee in the year for which the committee is appointed.

### **Offence [SM, s 70]**

**68.** A person must not exercise a proxy at a committee meeting knowing that the person does not have the right to exercise it.

Maximum penalty—100 penalty units.

### ***Division 3—Proxies for body corporate members—Act, s 95***

### **Purpose of div 3 [SM, s 71]**

**69.** The purpose of this division is to prescribe matters about the appointment and use of a proxy to represent a member of the body corporate at a general meeting of the body corporate.

### **Appointment [SM, s 72]**

**70.(1)** A voter for the general meeting may appoint a proxy to act for the person at the general meeting.

(2) However, the body corporate may by special resolution prohibit the use of proxies—

- (a) for particular things described in the special resolution; or
- (b) altogether.

(3) An appointment under subsection (1) has effect subject to the operation of a special resolution under subsection (2).

(4) The appointment of a proxy is effective only if a properly completed proxy form is given personally, by post or by facsimile, to the secretary before—

- (a) the start of the meeting at which the proxy is to be exercised; or
- (b) if the body corporate has fixed an earlier time by which proxies must be given (which cannot, however, be earlier than 24 hours before the time fixed for the meeting)—the earlier time.

### **Form of proxy [SM, s 73]**

**71.(1)** A proxy under this division—

- (a) must be in the approved form; and
- (b) must be in the English language; and
- (c) cannot be irrevocable; and
- (d) cannot be transferred by the holder of the proxy to a third person; and
- (e) lapses at the end of the body corporate's financial year or at the end of a shorter period stated in the proxy; and
- (f) may be given by any person who has the right to vote at a general meeting; and
- (g) subject to the limitations contained in this division, may be given to any person.

(2) A proxy, other than a proxy that, under this division, may be exercised by the original owner, must be in a document separate from a contract.

### **Use of proxy [SM, s 74]**

**72.(1)** A body corporate member (“**member A**”) who is the proxy for another body corporate member (“**member B**”) may, in the absence of member B, vote both in member A’s own right and also as proxy of member B.

**(2)** If at least 1 co-owner of a lot is present at the meeting, a proxy given by another co-owner of the lot is of no effect.

**(3)** A vote by proxy must not be exercised at a general meeting—

- (a) if the member who gave the proxy is personally present at the meeting, unless the member consents at the meeting; or
- (b) on a particular motion, if the person who gave the proxy has exercised a written vote on the motion; or
- (c) for voting for a special resolution prohibiting, wholly or partly, the use of proxies.

### **Special provisions about proxy use [SM, s 75]**

**73.(1)** A body corporate member (other than the owner of a lot for which there is a mortgagee in possession) cannot be prevented by contract (other than a contract mentioned in subsection (3)) from exercising a vote at a general meeting, and cannot be required by contract to make someone else the member’s proxy for voting at a general meeting.

**(2)** Except for a proxy exercised by the original owner under subsection (3), a proxy cannot be exercised for someone else by—

- (a) the original owner or a body corporate manager; or
- (b) an associate of the original owner or a body corporate manager.

**(3)** The original owner may exercise a proxy for a person in accordance with the proxy if—

- (a) a contract under which the original owner sells a lot to the person makes the original owner the person’s proxy for voting on issues stated in the contract for a period stated in the contract (which in any event must end not later than 1 year after the establishment of the scheme); and



- (b) the issues mentioned in paragraph (a) are limited to 1 or more of the following—
- (i) engaging a person as a body corporate manager or service contractor, or authorising a person as a letting agent, if the details of the engagement or authorisation were disclosed to the person before the person entered into the contract to buy the lot;
  - (ii) authorising a service contractor or letting agent to occupy a part of the common property, the details of which authorisation were disclosed to the person before the person entered into the contract to buy the lot;
  - (iii) consenting to the recording of a new community management statement to include a by-law, the details of which by-law inclusion were disclosed to the person before the person entered into the contract to buy the lot.

(4) A person (other than the original owner exercising a proxy under subsection (3)) does not have the right to exercise a proxy on a motion for a resolution for the engagement of a person as a body corporate manager or service contractor or the authorisation of a person as a letting agent, or for the amendment of an engagement or authorisation, if the person exercising the proxy, or an associate (including an associate under subsection (5)) of the person exercising the proxy, stands to gain a financial benefit from the making or amending of the engagement or authorisation.

(5) If a person is solicited to appoint someone else as the person's proxy to allow the proxy to exercise a vote in the interests of a person (the “**other person**”) who stands to gain a financial benefit from the entering into or amending of the engagement of a person as a body corporate manager or service contractor, or the authorisation of a person as a letting agent, the person appointed as proxy is taken to be an associate of the other person.

### **Offence [SM, s 76]**

**74.** A person must not exercise a proxy, or otherwise purport to vote on behalf of another person, at a general meeting knowing that the person does not have the right to exercise the proxy or otherwise vote on behalf of the other person.

Maximum penalty—

- (a) in relation to the exercise of a proxy—100 penalty units; or
- (b) in another case—20 penalty units.

## **PART 6—BODY CORPORATE MANAGERS, SERVICE CONTRACTORS AND LETTING AGENTS**

### *Division 1—Purpose of part*

#### **Purpose of pt 6 [SM, s 77]**

**75.** The purpose of this part is to prescribe matters about the engagement of a person as a body corporate manager or service contractor, or the authorisation of a person as a letting agent, for a community titles scheme, including matters about rights and obligations of the body corporate.

### *Division 2—Requirements for engagements and authorisations—Act, s 107*

#### **Form of engagement [SM, s 78]**

**76.(1)** The engagement of a person as a body corporate manager or service contractor is void if the engagement does not comply with the requirements stated in subsection (2).

**(2)** The engagement must—

- (a) be in writing; and
- (b) state the term of the engagement (including when the term begins and when it ends); and
- (c) state the functions the body corporate manager or service contractor is required or authorised to carry out; and
- (d) state the basis on which payment for the body corporate

manager's or service contractor's services is to be worked out.

*Examples of paragraph (d)—*

1. A body corporate manager's payment could be calculated on the basis of an amount per lot.

2. A body corporate manager's payment could include charges calculated on the basis of a stated amount per telephone inquiry or a stated amount for attendance fees for additional committee or general meetings.

(3) The engagement must not be in the form of a by-law.

### **Form of authorisation [SM, s 79]**

**77.(1)** The authorisation of a person as a letting agent is void if the authorisation does not comply with the requirements stated in subsection (2).

(2) The authorisation must—

- (a) be in writing; and
- (b) state the term of the authorisation (including when the term begins and when it ends).

### **Term of engagement of body corporate manager [SM, s 80]**

**78.(1)** The term of the engagement of a person as a body corporate manager (after allowing for any rights or options of extension or renewal) must not be longer than 3 years.

(2) If the term purports to be longer than 3 years, it is taken to be 3 years.

### **Term of engagement of service contractor [SM, s 81]**

**79.(1)** The term of the engagement of a person as a service contractor (after allowing for any rights or options of extension or renewal) must not be longer than 25 years.

(2) If the term purports to be longer than 25 years, it is taken to be 25 years.

### **Term of authorisation of letting agent [SM, s 82]**

**80.(1)** The term of the authorisation of a person as a letting agent (after allowing for any rights or options of extension or renewal) must not be longer than 25 years.

**(2)** If the term purports to be longer than 25 years, it is taken to be 25 years.

### **Commencement of term of engagement or authorisation [SM, s 83]**

**81.(1)** This section applies if the body corporate passes a resolution approving the engagement of a person as a body corporate manager or service contractor, or the authorisation of a person as a letting agent.

**(2)** The resolution is of no effect if the term of the engagement or authorisation does not start within 12 months after the passing of the resolution.

## ***Division 3—Transferring engagements and authorisations—Act, s 107***

### **Transferring engagements and authorisations [SM, s 84]**

**82.(1)** A person's rights under an engagement as a body corporate manager or service contractor, or under an authorisation as a letting agent, may be transferred only if the body corporate under the engagement or authorisation approves the transfer.

**(2)** To avoid doubt, it is declared that the approval may be given by resolution of the committee (unless the decision on the approval is a decision on a restricted issue for the committee) or by ordinary resolution of the body corporate.

**(3)** In deciding whether to approve a proposed transfer, the body corporate may have regard to—

- (a) the character of the proposed transferee and related persons of the proposed transferee; and
- (b) the financial standing of the proposed transferee; and
- (c) the proposed terms of the transfer; and

- (d) the competence, qualifications and experience of the proposed transferee and any related persons of the proposed transferee, and the extent to which the transferee and any related persons have received or are likely to receive training; and
- (e) matters to which, under the engagement or authorisation, the body corporate may have regard.

(4) The body corporate must decide whether to approve a proposed transfer within 30 days after it receives the information reasonably necessary to decide the application for approval.

(5) The approval may be given on condition that the transferee enters into a deed of covenant to comply with the terms of the engagement or authorisation.

(6) The body corporate must not—

- (a) unreasonably withhold approval to the transfer; or
- (b) require or receive a fee or other consideration for approving the transfer (other than reimbursement for legal expenses reasonably incurred by the body corporate in relation to the application for its approval).

(7) Subsection (6) applies subject to section 83.

(8) In this section—

**“related persons”**, of a proposed transferee, means—

- (a) if the proposed transferee is a corporation—the corporation’s directors, substantial shareholders and principal staff; or
- (b) if the proposed transferee is in partnership—the partners and principal staff of the partnership.

### **Payment of amount on transfer [SM, s 85]**

**83.(1)** This section applies to an engagement of a person as a service contractor, or the authorisation of a person as a letting agent, if—

- (a) section 107(3)<sup>16</sup> of the Act applies to the engagement or authorisation; and
- (b) the engagement or authorisation is not the result of the exercise of an option by the service contractor or letting agent under the terms of the engagement of the person as a service contractor, or the authorisation of the person as a letting agent, contained in a previous engagement or authorisation for the scheme; and
- (c) the approval of the body corporate is sought to the transfer of a person's rights under the engagement or authorisation.

(2) The body corporate may require, as a condition of approving the transfer, that the transferor under the transfer pay the body corporate an amount (the **“relevant amount”**).

(3) The body corporate may require the payment of the relevant amount only if the date (the **“approval date”**) on which the body corporate approves the transfer is not more than 3 years after the date (the **“contract date”**) on which the engagement or authorisation was entered into, or on which the term of the engagement or authorisation was extended.

(4) The relevant amount is the relevant percentage of the amount representing fair market value for the transfer.

(5) The relevant percentage is—

- (a) if the approval date is not more than 1 year after the contract date—3%; or
- (b) if the approval date is more than 1 year, but not more than 2 years, after the contract date—2%; or
- (c) if the approval date is more than 2 years, but not more than 3 years, after the contract date—1%.

(6) The body corporate may not require the payment of the relevant amount if—

- (a) the transferor is a financier under section 109<sup>17</sup> of the Act who is acting under the provisions of the financier's charge over the

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<sup>16</sup> Section 107 (Regulation module)

<sup>17</sup> Section 109 (Meaning of “financier” for div 4)

engagement or authorisation; or

- (b) the transferor is seeking approval to the transfer on the basis of genuine hardship not reasonably foreseeable by the transferor at the contract date.

(7) The relevant amount must be paid into the body corporate's sinking fund.

***Division 4—Termination of engagements and  
authorisations—Act, s 107***

**Termination [SM, s 86]**

**84.(1)** The body corporate may terminate a person's engagement as a body corporate manager or service contractor, or a person's authorisation as a letting agent, if the person (including, if the person is a corporation, a director of the corporation)—

- (a) is convicted (whether or not a conviction is recorded) of an indictable offence involving fraud or dishonesty; or
- (b) is convicted (whether or not a conviction is recorded) on indictment of an assault or an offence involving an assault; or
- (c) engages in misconduct, or is grossly negligent, in carrying out, or failing to carry out—
  - (i) functions required under the engagement; or
  - (ii) obligations (if any) under the authorisation; or
- (d) does not carry out duties under the engagement or authorisation, and persists in not carrying out the duties for 14 days or more after the body corporate, by written notice, requires the person to carry out the duties; or
- (e) carries on a business involving the supply of services to the body corporate, or to owners or occupiers of lots, and the carrying on of the business is contrary to law; or
- (f) transfers an interest in the engagement or authorisation without the body corporate's approval.

(2) Subsection (1) does not prevent the termination of the engagement or authorisation—

- (a) by agreement; or
- (b) under the engagement or authorisation.

***Division 5—Authority for engagements and authorisations—Act, s 107***

**Authority to make engagement or give authorisation [SM, s 87]**

**85.(1)** The body corporate may engage a person as a body corporate manager or service contractor, or authorise a person as a letting agent, only if—

- (a) the engagement or authorisation is approved by ordinary resolution of the body corporate;<sup>18</sup> and
- (b) the terms of the engagement or authorisation are included in the material forwarded to members of the body corporate for the general meeting that considers the motion to approve the engagement or authorisation.

(2) If subsection (1) is not complied with, the engagement or authorisation is void.

(3) A body corporate may agree to the amendment of an engagement or authorisation mentioned in subsection (1) only if the amendment is approved by ordinary resolution of the body corporate.

(4) If subsection (3) is not complied with, the amendment of the engagement or authorisation is void.

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<sup>18</sup> If the cost of the engagement is more than the relevant limit for major spending for the scheme, quotations may be required under section 102 (Quotes for major spending decided by body corporate).



***Division 6—Disclosure requirements—Act, s 107***

**Associate supplying goods or services [SM, s 88]**

**86.(1)** This section applies if—

- (a) the body corporate is considering entering into, or proposes to enter into, a contract; and
- (b) the contract is for the supply of goods or services from a person (the “**provider**”); and
- (c) the provider is an associate of a relevant person; and
- (d) the relevant person is aware of the matters mentioned in paragraphs (a) to (c).

**(2)** Before the body corporate makes its decision to enter into the contract, the relevant person must give written notice to the body corporate disclosing the relationship between the relevant person and the provider.

**(3)** If the relevant person does not comply with subsection (2), the body corporate may terminate—

- (a) if the relevant person is a body corporate manager—the body corporate manager’s engagement as a body corporate manager; or
- (b) if the relevant person is a service contractor—the service contractor’s engagement as a service contractor.

**(4)** In this section—

**“relevant person”** means—

- (a) a body corporate manager; or
- (b) a service contractor who is also a letting agent.

**Disclosure of associate contract [SM, s 89]**

**87.(1)** This section applies if the following circumstances exist—

- (a) the body corporate is a party to a contract;
- (b) the contract is for the supply of goods or services from a person (the “**provider**”);

- (c) the provider is the associate of a relevant person;
- (d) the relevant person is aware of the matters mentioned in paragraphs (a), (b) and (c);
- (e) to the knowledge of the relevant person, the body corporate has never been informed, or otherwise become aware, that the provider is the associate of the relevant person.

(2) The relevant person must, in the shortest practicable time after this section commences to apply, give written notice to the body corporate—

- (a) identifying the contract; and
- (b) disclosing the relationship between the relevant person and the provider.

(3) If the relevant person does not comply with subsection (2), the body corporate may terminate—

- (a) if the relevant person is a body corporate manager—the body corporate manager’s engagement as a body corporate manager; or
- (b) if the relevant person is a service contractor—the service contractor’s engagement as a service contractor.

(4) In this section—

**“relevant person”** means—

- (a) a body corporate manager; or
- (b) a service contractor who is also a letting agent.

### **Disclosure of commission or other benefit [SM, s 90]**

**88.(1)** This section applies if—

- (a) the body corporate is considering entering into, or proposes to enter into, a contract (the **“main contract”**); and
- (b) the main contract is for the supply of goods or services from a person (the **“provider”**); and
- (c) under the main contract, or under another contract or arrangement, a body corporate manager is entitled to receive, other than from the body corporate, a commission, payment or

other benefit that is associated with the main contract, including with entering into the main contract.

(2) Before the body corporate makes its decision to enter into the main contract, the body corporate manager must give written notice to the body corporate disclosing the commission, payment or other benefit.

(3) If the body corporate manager fails to comply with subsection (2), the body corporate may terminate the body corporate manager's engagement as a body corporate manager.

### *Division 7—Occupation of common property—Act, s 107*

#### **Occupation of common property by service contractor or letting agent [SM, s 91]**

**89.(1)** The body corporate may, by ordinary resolution, give a person (a **“property occupier”**) who is a service contractor or letting agent an authority (an **“occupation authority”**) to occupy a particular part of the common property for particular purposes necessary to enable—

- (a) if the property occupier is a service contractor—the property occupier to perform obligations under the property occupier's engagement as a service contractor; or
- (b) if the property occupier is a letting agent—the property occupier to operate as a letting agent.

#### *Example—*

The body corporate might authorise a letting agent to occupy a particular part of the common property as a reception area, or a caretaker to occupy a shed on the common property for storage of tools and garden implements.

(2) The body corporate may include in the terms of the engagement of a person (also a **“property occupier”**) as a service contractor, authority (also an **“occupation authority”**) to occupy a particular part of the common property for particular purposes necessary to enable the property occupier to perform obligations under the property occupier's engagement as a service contractor.

(3) The body corporate may include in the terms of the authorisation of a

person (also a **“property occupier”**) as a letting agent, authority (also an **“occupation authority”**) to occupy a particular part of the common property for particular purposes necessary to enable the property occupier to operate as a letting agent.

(4) The body corporate may give an occupation authority only if the occupation of the part of the common property under the occupation authority would not interfere to an unreasonable extent with the use and enjoyment of a lot or the common property by an occupier of a lot.

(5) An occupation authority—

- (a) may include conditions with which the property occupier must comply; and
- (b) if given under subsection (1)—is taken to be a term of—
  - (i) if the property occupier is a service contractor—the property occupier’s engagement as a service contractor; or
  - (ii) if the property occupier is a letting agent—the property occupier’s authorisation as a letting agent; and
- (c) may give the property occupier a right to exclusive occupation of the part of the common property the occupation authority relates to; and
- (d) must not be amended or terminated without the agreement of the property occupier—
  - (i) if the property occupier is a service contractor—during the term of the engagement of the property occupier as a service contractor; or
  - (ii) if the property occupier is a letting agent—during the term of the authorisation of the property occupier as a letting agent; and
- (e) terminates immediately on—
  - (i) if the property occupier is a service contractor—the engagement of the property occupier as a service contractor coming to an end or being terminated; or
  - (ii) if the property occupier is a letting agent—the authorisation of the property occupier as a letting agent coming to an end

or being terminated.

(6) Despite subsection (5)(c), a right a property occupier may have to exclusive occupation of a part of the common property is subject to the body corporate's right to authorise access to the part of the common property by others if the extent of the access does not unreasonably interfere with the occupation of the part of the common property by the property occupier.

(7) A service contractor or letting agent may acquire rights to occupy part of the common property for the purpose of the service contractor's engagement or letting agent's authorisation, only under this section.

### ***Division 8—Review of remuneration—Act, s 112***

#### **Review of remuneration under engagement of service contractor [SM, s 92]**

**90.** The service contractor remuneration review provisions of the Act apply to the scheme.<sup>19</sup>

## **PART 7—FINANCIAL MANAGEMENT**

### ***Division 1—Purpose of part***

#### **Purpose of pt 7 [SM, s 93]**

**91.** The purpose of this part is to prescribe the financial management

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<sup>19</sup> Under section 112 (Review of remuneration under engagement of service contractor) of the Act, the service contractor remuneration review provisions do not apply to a community titles scheme established under chapter 8 (Savings and transitional provisions and amendments of other Acts), part 1 (Transition from 1980 Act) of the Act.

arrangements that apply to the body corporate for a community titles scheme.

***Division 2—Budgets—Act, s 113***

**Budgets [SM, s 94]**

**92.(1)** The body corporate must, by ordinary resolution, adopt 2 budgets for each financial year—

- the administrative fund budget
- the sinking fund budget.

**(2)** The administrative fund budget must—

- (a) contain estimates for the financial year of necessary and reasonable spending from the administrative fund<sup>20</sup> to cover—
  - (i) the cost of maintaining common property and body corporate assets; and
  - (ii) the cost of insurance; and
  - (iii) other expenditure of a recurrent nature; and
- (b) fix the amount to be raised by way of contribution to cover the estimated recurrent expenditure mentioned in paragraph (a).

**(3)** The sinking fund budget must—

- (a) allow for raising a reasonable capital amount both to provide for necessary and reasonable spending from the sinking fund<sup>21</sup> for the financial year, and also to reserve an appropriate proportional share of amounts necessary to be accumulated to meet anticipated major expenditure over at least the next 9 years after the financial year, having regard to—
  - (i) anticipated expenditure of a capital or non-recurrent nature; and

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<sup>20</sup> See section 98 (Administrative and sinking funds).

<sup>21</sup> See section 98 (Administrative and sinking funds).

- (ii) the periodic replacement of items of a major capital nature;  
and
  - (iii) other expenditure that should reasonably be met from  
capital; and
- (b) fix the amount to be raised by way of contribution to cover the  
capital amount mentioned in paragraph (a).

*Example—*

Painting of the common property is anticipated to be necessary in 3 years time at a cost currently estimated at \$3 000. The contribution amount for the sinking fund in the budget for the financial year must therefore include the annual proportional share for painting of \$1 000. Next year, the estimated cost has increased to \$3 400 and so the second year levy will be \$1 200. The estimated cost in the third year is \$3 500, so with the \$2 200 accumulated, a levy of \$1 300 is necessary to meet the cost. In larger schemes, the sinking fund will have several projects being funded for various future times.

(4) If the scheme is a lot included in another community titles scheme, the administrative fund budget must also include an estimate of the total amount the body corporate may reasonably be expected to be required to contribute to the administrative and sinking funds for the other scheme, and any other fund provided for in the regulation module applying to the other scheme.

(5) The original owner must prepare proposed budgets for adoption by the body corporate at its first annual general meeting, and the committee must prepare proposed budgets for adoption by the body corporate at each later annual general meeting.

(6) Copies of the proposed budgets must accompany the notice of an annual general meeting.

***Division 3—Contributions levied by body corporate—Act, s 113***

**Contributions to be levied on owners [SM, s 95]**

**93.(1)** The body corporate must, by ordinary resolution—

- (a) fix, on the basis of its budgets for a financial year, the  
contributions to be levied on the owner of each lot for the

financial year; and

- (b) decide the number of instalments in which the contributions are to be paid; and
- (c) fix the date on or before which payment of each instalment is required.

(2) If a liability arises for which no provision, or inadequate provision, has been made in the budget, the body corporate must, by ordinary resolution—

- (a) fix a special contribution to be levied on the owner of each lot towards the liability; and
- (b) decide whether the contribution is to be paid in a single amount or in instalments and, if in instalments, the number of instalments; and
- (c) fix the date on or before which payment of the single amount or each instalment is required.

(3) Also, the committee may fix an interim contribution to be levied on the owner of each lot before the owner is levied contributions fixed on the basis of the body corporate's budgets for a financial year.

(4) The amount of a contribution mentioned in subsection (3)—

- (a) must subsequently be set off against the liability to pay contributions mentioned in subsection (1); and
- (b) must be calculated on the basis of the level of contributions applying for the scheme for the previous financial year; and
- (c) must relate, as closely as practicable, to the period from the end of the previous financial year to 30 days after the annual general meeting.

(5) The contributions levied on the owner of each lot (other than contributions payable for insurance and any other matter for which, under the Act, the liability attaching to each lot is calculated other than on the basis of the lot's contribution schedule lot entitlement) must be proportionate to the contribution schedule lot entitlement of the lot.



### **Notice of contribution payable [SM, s 96]**

**94.(1)** At least 30 days before the payment of a contribution, or instalment of a contribution, is required, the body corporate must give the owner of each lot written notice of—

- (a) the total amount of the contribution levied on the owner; and
- (b) the amount of the contribution, or instalment of contribution, of which payment is currently required; and
- (c) the date (the “**date for payment**”) on or before which the contribution, or instalment of contribution, must be paid; and
- (d) any discount to which the owner is entitled for payment of the contribution, or instalment of contribution, by the date for payment; and
- (e) any penalty to which the owner is liable for each month payment is in arrears; and
- (f) if the owner is in arrears in payment of a contribution or penalty—the arrears.

**(2)** The written notice under subsection (1) may also include notice about an amount payable by a lot owner to the body corporate for—

- (a) a specially contracted service enjoyed by the owner; or
- (b) an exclusive use or special right over common property enjoyed by the owner.

**(3)** A written notice under this section may be served on a lot owner at the lot owner’s address for service, or in the way directed by the lot owner.

### **Discounts for timely payment [SM, s 97]**

**95.(1)** The body corporate may, by ordinary resolution, fix a discount to be given to owners of lots if a contribution, or an instalment of a contribution, is received by the body corporate by the date for payment fixed in notices of contribution given to the owners.

**(2)** The discount cannot be more than 20% of the amount to be paid.

*Example—*

Suppose that—

- a contribution of \$100 is payable in 4 instalments of \$25 and the body corporate has fixed a discount of 10% for payment by the date for payment in the notices of contribution given to the owners
- an account requiring payment of an instalment of \$25 by 31 March is given to the owner of a lot
- the instalment is paid on 25 March.

In this case, the owner is entitled to a discount of \$2.50 on the instalment.

### **Penalties for late payment [SM, s 98]**

**96.(1)** The body corporate may, by ordinary resolution, fix a penalty to be paid by owners of lots if a contribution, or instalment of contribution, is not received by the body corporate by the date for payment fixed in notices of contribution given to the owners.

**(2)** The penalty must consist of simple interest at a stated rate (of not more than 2.5%) for each month the contribution or instalment is in arrears.

*Example—*

Suppose that—

- a contribution of \$400 is payable in 4 instalments of \$100 and the body corporate has fixed a penalty interest rate of 2% per month
- an account requiring payment of an instalment of \$100 by 31 March is given to the owner of a lot
- the instalment is not paid until 27 June.

In this case, the instalment has been in arrears for 2 months and a penalty of \$4 is payable.

### **Payment and recovery of contributions [SM, s 99]**

**97.(1)** If a contribution, or instalment, is not paid by the date for payment, the body corporate may recover the amount of the contribution or instalment, together with any penalty, as a debt.

**(2)** A liability to pay a contribution, instalment, penalty or other amount payable to the body corporate in relation to a lot is enforceable jointly and

severally against the person who was the owner of the lot when the contribution, instalment or other amount became payable and a person (including a mortgagee in possession) who becomes an owner of the lot before the contribution, instalment, penalty or other amount is paid.

(3) If there are 2 or more owners of a lot, they are jointly and severally liable to pay a contribution, instalment or penalty under the Act or this regulation, or another amount payable to the body corporate in relation to the lot.

(4) If an owner is liable for a contribution, or an instalment of a contribution, and a penalty, an amount paid by the owner must be paid first towards the penalty and then in reduction of the outstanding contribution or instalment.

(5) If the body corporate is satisfied there are special reasons for allowing a discount of contribution, or waiving a penalty, the body corporate may allow the discount, or waive the penalty in whole or part.

#### ***Division 4—Administrative and sinking funds—Act, s 113***

#### **Administrative and sinking funds [SM, s 100]**

**98.(1)** The body corporate must establish and keep an administrative fund and a sinking fund.

(2) The body corporate must pay into its administrative fund any amount received by the body corporate that is not required under subsection (3) to be paid into its sinking fund.

(3) The body corporate must pay into its sinking fund—

- (a) the amount raised by way of contribution to cover anticipated spending of a capital or non-recurrent nature (including the periodic renewal or replacement of major items of a capital nature and other spending that should be reasonably met from capital); and
- (b) amounts received under policies of insurance for destruction of items of a major capital nature; and
- (c) interest from investment of the sinking fund.

(4) The administrative and sinking funds may be invested in the way a trustee may invest trust funds.

(5) All amounts received by the body corporate for the credit of the administrative or sinking fund must be paid into 1 or more accounts kept solely in the name of the body corporate at a financial institution.<sup>22</sup>

(6) All payments from the administrative or sinking fund must be made from the account.

### **Application of administrative and sinking funds [SM, s 101]**

**99.(1)** The sinking fund may be applied towards—

- (a) spending of a capital or non-recurrent nature; and
- (b) the periodic replacement of major items of a capital nature; and
- (c) other spending that should reasonably be met from capital.

(2) All other spending of the body corporate must be met from the administrative fund.

*Examples—*

1. The cost of repainting the common property or replacing airconditioning plant would be paid from the sinking fund.
2. The cost of insurance would be paid from the administrative fund.

### ***Division 5—Borrowing—Act, s 113***

### **Power to borrow [SM, s 102]**

**100.(1)** The body corporate may, by ordinary resolution, borrow amounts on security agreed between the body corporate and the person

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<sup>22</sup> Financial institution is a bank, building society or credit union—see the *Acts Interpretation Act 1954*, section 36, definition “financial institution”.

from whom the amounts are borrowed.<sup>23</sup>

(2) The body corporate must not at any time, without the authority of a special resolution, be in debt for a borrowed amount greater than an amount worked out by multiplying the number of lots included in the scheme by \$250.

### *Division 6—Control of spending—Act, s 113*

#### **Spending by committee [SM, s 103]**

**101.(1)** The committee may only carry out a proposal involving spending above the relevant limit for committee spending for the scheme if—

- (a) the spending is specifically authorised by ordinary resolution of the body corporate; or
- (b) the owners of all lots included in the scheme have given written consent; or
- (c) an adjudicator is satisfied that the spending is required to meet an emergency and authorises it under an order made under the dispute resolution provisions; or
- (d) the spending is necessary to comply with—
  - (i) a statutory order or notice given to the body corporate; or
  - (ii) the order of an adjudicator; or
  - (iii) the judgment or order of a court.

(2) For this section, if a series of proposals forms a single project, the cost of carrying out any 1 of the proposals is taken to be more than the relevant limit for committee spending if the cost of the project, as a whole, is more than the relevant limit.

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<sup>23</sup> Note, however, that the body corporate may not, unless permitted under this regulation module, mortgage a body corporate asset—see section 43 (Ownership and enjoyment of body corporate assets) of the Act. Also, the fee simple interest in common property cannot be the subject of a mortgage—see *Land Title Act 1994*, section 41C(3) (Application of provisions of Act to common property).

(3) This section has effect subject to the requirements under this division for spending that is above the relevant limit for major spending.

**Quotes for major spending decided by body corporate [SM, s 104]**

**102.(1)** This section applies if—

- (a) a motion to be moved at a general meeting of the body corporate proposes the carrying out of work or the acquisition of personal property or services, including the engagement of a body corporate manager or service contractor, but not including the engagement of a service contractor who also is, or is to be, a letting agent; and
- (b) the cost of carrying the proposal into effect is more than the relevant limit for major spending for the scheme.

(2) The lot owners must be given copies of at least 2 quotations for carrying out the work or supplying the personal property or services.

(3) If the motion is proposed by the committee, the committee must obtain the quotations.

(4) If the motion is not proposed by the committee, the person proposing the motion must obtain the quotations and give them to the secretary.

(5) Copies of the quotations or, if voluminous, summaries of the quotations and advice about where the complete documents may be inspected, must accompany the notice of the meeting at which the motion is to be considered.

(6) If, for exceptional reasons, it is not practicable to obtain 2 quotations, a single quotation must be obtained and must accompany the notice of meeting.

*Example—*

If goods to be acquired by the body corporate are obtainable from only 1 source, a quotation for supplying the goods must be obtained from the source and circulated with the notice of meeting. The fact that the goods with the necessary characteristics are only obtainable from a single source would be an exceptional reason for not obtaining 2 quotations for the supply of the goods.

(7) Each quotation obtained under this section must be retained as an

attachment to the minutes of the meeting at which the quotation is considered.

### **Quotes for major spending decided by committee**

**103.(1)** This section applies if—

- (a) a motion to be moved at a meeting of the committee proposes the carrying out of work or the acquisition of personal property or services; and
- (b) the cost of carrying the proposal into effect is more than the relevant limit for major spending for the scheme.<sup>24</sup>

**(2)** Before the motion is decided, the committee must obtain and consider at least 2 quotations for carrying out the work or supplying the personal property or services.

**(3)** If, for exceptional reasons, it is not practicable to obtain 2 quotations, a single quotation must be obtained and considered.

*Example—*

If goods to be acquired are obtainable from only 1 source, a quotation for supplying the goods must be obtained from the source. The fact that the goods with the necessary characteristics are only obtainable from a single source would be an exceptional reason for not obtaining 2 quotations for the supply of the goods.

**(4)** Each quotation obtained under this section must be retained as an attachment to the minutes of the meeting at which the quotation is considered.

### ***Division 7—Accounts and audit—Act, s 113***

#### **Accounts [SM, s 105]**

**104.(1)** The body corporate must—

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<sup>24</sup> This section would only have application if the body corporate has by special resolution increased the relevant limit for committee spending to an amount that is greater than the relevant limit for major spending.

- (a) keep proper accounting records; and
- (b) prepare for each financial year a statement of accounts showing the income and spending (or receipts and payments) of the body corporate for the financial year.

(2) The statement of accounts may be prepared on a cash or accrual basis.

(3) If the accounts are prepared on a cash basis, they must include disclosure of the following—

- (a) total contributions paid in advance to the administrative and sinking funds;
- (b) total contributions in arrears, and total outstanding penalties;
- (c) balances for all financial institution accounts and investments;
- (d) all outstanding receipts and payments.

(4) If the accounts are prepared on an accrual basis, they must show the assets and liabilities of the body corporate at the end of the financial year.

(5) The statement of accounts must include the corresponding figures for the previous financial year (unless the statement is for the body corporate's first financial year).

(6) A copy of the statement of accounts must accompany the notice of the annual general meeting first happening after the end of the financial year for which the accounts are prepared.

### **Audit [SM, s 106]**

**105.(1)** The body corporate must have its statement of accounts for each financial year audited unless—

- (a) the scheme is a basic scheme; and
- (b) the body corporate resolves by special resolution not to have the statement audited.

(2) If the body corporate is required under subsection (1) to have its statement of accounts audited, the auditor to be appointed must be agreed to by ordinary resolution of the body corporate.



(3) The motion for agreeing to the auditor to be appointed—

- (a) must be included in the agenda for the general meeting at which the motion is to be considered; and
- (b) must include the name of the auditor proposed to be appointed, and the name of the firm or corporation the auditor represents; and
- (c) is not voted on if, under subsection (1), it is resolved not to have the statement of accounts audited.

(4) Even if the body corporate resolves not to have its statement of accounts for a particular financial year audited, the body corporate may, by ordinary resolution, resolve to have its accounting records for a particular period, or for a particular project, audited and appoint an auditor for the purpose.

(5) A member of the committee, a body corporate manager, or an associate of a member of the committee or a body corporate manager, cannot be appointed to audit the accounting records or the statement of accounts of the body corporate.

(6) On finishing an audit of the body corporate's statement of accounts for a financial year, the auditor must give a certificate—

- (a) stating whether the statement of accounts gives a true and fair view of the body corporate's financial affairs; and
- (b) if the statement of accounts does not give a true and fair view of the body corporate's financial affairs—identifying the deficiencies in the statement.

(7) A copy of the auditor's certificate must accompany the notice of the next annual general meeting held after the certificate is given.

(8) The motion for a special resolution under subsection (1) must be—

- (a) in the form 'that the body corporate's statement of accounts for the financial year (*state the financial year concerned*) not be audited'; and
- (b) accompanied by a note 'NOTE: If you want the accounts to be audited, vote 'no'; if you do not want the accounts to be audited, vote 'yes'.'

**Auditing qualifications and experience—Act, sch 4 [SM, s 107]**

**106.(1)** The qualifications and experience mentioned in subsections (2) and (3) are approved for paragraph (b) of the definition “auditor” in schedule 4 of the Act.

**(2)** If the total contributions budgeted to be payable to the body corporate for the financial year (of the body corporate) in which the auditor is appointed are \$75 000 or less, the approved qualifications and experience are—

- (a) a total of 2 years auditing experience (whether or not continuous);  
and
- (b) either of the following—
  - (i) a degree in business or commerce from a tertiary educational body, or another degree with equivalent accounting and auditing components;
  - (ii) membership of 1 or more of the following—
    - (A) Australian Society of Certified Practising Accountants;
    - (B) Institute of Chartered Accountants in Australia;
    - (C) National Institute of Accountants.

**(3)** If the total contributions budgeted to be payable to the body corporate for the financial year (of the body corporate) in which the auditor is appointed are more than \$75 000, the approved qualifications and experience are—

- (a) a total of 2 years auditing experience (whether or not continuous);  
and
- (b) either of the following—
  - (i) a degree in business or commerce from a tertiary educational body, or another degree with equivalent accounting and auditing components;
  - (ii) membership of either or both of the following—
    - (A) Australian Society of Certified Practising Accountants;
    - (B) Institute of Chartered Accountants in Australia.

## **PART 8—PROPERTY MANAGEMENT**

### ***Division 1—Purpose of part***

#### **Purpose of pt 8 [SM, s 108]**

**107.** This part prescribes matters about property management for a community titles scheme, including matters about the rights and obligations of the body corporate.

### ***Division 2—Common property***

#### **Duties of body corporate about common property—Act, s 114 [SM, s 109]**

**108.(1)** The body corporate must maintain common property in good condition, including, to the extent that common property is structural in nature, in a structurally sound condition.

**(2)** To the extent that lots included in the scheme are created under a building format plan of subdivision, the body corporate must—

- (a) maintain in good condition—
  - (i) railings, parapets and balustrades on (whether precisely, or for all practical purposes) the boundary of a lot and common property; and
  - (ii) doors, windows and associated fittings situated in a boundary wall separating a lot from common property; and
  - (iii) roofing membranes that are not common property but that provide protection for lots or common property; and
- (b) maintain the following elements of scheme land that are not common property in a structurally sound condition—
  - (i) foundation structures;
  - (ii) roofing or other covering structures providing protection;

(iii) essential supporting framework, including load-bearing walls.

(3) Despite anything in subsections (1) and (2)—

- (a) the body corporate is not responsible for maintaining fixtures or fittings installed by the occupier of a lot if they were installed for the occupier's own benefit; and
- (b) the owner of the lot is responsible for maintaining utility infrastructure in good order and condition, to the extent that the utility infrastructure—
  - (i) relates only to supplying utility services to a particular lot; and
  - (ii) is 1 of the following types—
    - hot-water systems
    - washing machines
    - clothes dryers
    - another device providing a utility service of a domestic nature to a lot.

*Examples for subsection (3)(b)—*

1. An airconditioning plant is installed on the common property, but relates only to supplying utility services to a particular lot. The owner of the lot would be responsible for maintaining the airconditioning equipment.

2. A hot-water system is installed on the common property, but supplies water only to a particular lot. The owner of the lot would be responsible for maintaining the hot-water system and the associated pipes and wiring.

(4) To avoid doubt, it is declared that, despite an obligation the body corporate may have under subsection (2) to maintain a part of a lot in good condition or in a structurally sound condition, the body corporate is not prevented from recovering an amount of damages from a person (whether or not the owner of the lot) whose actions cause or contribute to damage or deterioration of the part of the lot.

**Mailbox and notice board—Act, s 115 [SM, s 110]**

**109.(1)** The body corporate must—

- (a) maintain a mailbox clearly showing the body corporate's name in a suitable position at or near the street alignment of the scheme land; or
- (b) make suitable alternative arrangements for the receipt of mail.

**(2)** The body corporate may maintain a notice board for the display of notices and other material of interest to the owners or occupiers of lots in a suitable position on the common property.

**Disposal of interest in and leasing of common property—Act, s 116 [SM, s 111]**

**110.(1)** This section sets out the way in which, and the extent to which, the body corporate is authorised—

- (a) to sell or otherwise dispose of common property; and
- (b) to grant or amend a lease over common property.

**(2)** The body corporate may—

- (a) if authorised by resolution without dissent—
  - (i) sell or otherwise dispose of part of the common property; or
  - (ii) grant or amend a lease for more than 10 years over part of the common property; and
- (b) if authorised by special resolution—grant or amend a lease for 10 years or less over part of the common property.

**(3)** Also, the body corporate may grant or amend a lease over the whole of the common property if the body corporate is authorised to lease the land by—

- (a) for a lease for more than 3 years—a resolution without dissent; and
- (b) for a lease of 3 years or less—a special resolution.

**(4)** Despite subsections (2) and (3), the body corporate may grant or amend a lease over part or the whole of the common property without the

authority of a resolution without dissent or special resolution if the community management statement provides for the lease.

(5) The body corporate must not lease common property if—

- (a) the lease would interfere with access to a lot, or to a part of the common property over which exclusive rights have been given under a by-law; or
- (b) the common property leased is land a person has the right to occupy for the person's engagement as a service contractor or authorisation as a letting agent.

(6) An instrument lodged for registration under the *Land Title Act 1994* to give effect to a transaction under this section must be accompanied by—

- (a) a certificate under the body corporate's seal certifying the transaction has been authorised as required by this section; and
- (b) a certificate of the local government certifying the transaction has been approved or noted as required under the Planning Act; and
- (c) if the transaction is associated with a reduction in the common property—a request to record a new community management statement for the scheme in the place of the existing statement for the scheme.

(7) The body corporate may not grant a lease over utility infrastructure that is common property.

### **Easements over common property—Act, s 117 [SM, s 112]**

**111.(1)** This section sets out the way in which, and the extent to which, the body corporate is authorised to grant, accept the grant of, surrender and accept the surrender of easements relating to common property.

(2) The body corporate may, if authorised by a resolution without dissent—

- (a) grant an easement over the common property, or accept the grant of an easement for the benefit of the common property; or
- (b) surrender an easement for the benefit of the common property, or accept the surrender of an easement over the common property.

(3) An instrument lodged for registration under the *Land Title Act 1994* to give effect to the grant or surrender of an easement over or affecting the common property must be accompanied by—

- (a) a copy of the resolution (or resolutions) certified under the seal of the body corporate; and
- (b) other documents required by the registrar (including, if considered appropriate, a request to record a new community management statement in the place of the existing statement for the scheme).

**Improvements to common property by body corporate—Act, s 121**  
**[SM, s 113]**

**112.(1)** The body corporate may make improvements to the common property if—

- (a) the cost of the improvements, or, if the improvements together with associated improvements form a single project for improvement of the common property, the cost of the entire project, is not more than the improvements limit;<sup>25</sup> or
- (b) the improvements are authorised by special resolution;<sup>26</sup> or
- (c) an adjudicator, under an order made under the dispute resolution provisions, decides the improvements are reasonably necessary for the health, safety or security of persons who use the common property and authorises the improvements.

(2) In subsection (1)(a)—

**“improvements limit”** means the amount worked out by multiplying the number of lots included in the scheme by—

- (a) if paragraph (b) does not apply—\$250; or

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<sup>25</sup> If the cost of an improvement is more than the relevant limit for committee spending, an ordinary resolution of the body corporate will be required.

<sup>26</sup> If the cost of an improvement is more than the relevant limit for major spending for the scheme, quotations may be required under section 102 (Quotes for major spending decided by body corporate).

- (b) if the body corporate has by special resolution decided an amount greater than \$250—the amount decided.

**Improvements to common property by lot owner—Act, s 121  
[SM, s 114]**

**113.(1)** The body corporate may, if asked by the owner of a lot, authorise the owner to make an improvement to the common property for the benefit of the owner's lot.

**(2)** The improvement must be authorised by special resolution of the body corporate unless—

- (a) the improvement is a minor improvement; and
- (b) the improvement does not detract from the appearance of any lot included in, or common property for, the scheme; and
- (c) the body corporate is satisfied that use and enjoyment of the authorised improvement is not likely to promote a breach of the owner's duties as an occupier.

**(3)** An authorisation may be given under this section on conditions the body corporate considers appropriate.

**(4)** The owner of a lot who is given an authority under this section<sup>27</sup>—

- (a) must comply with conditions of the authority; and
- (b) must maintain the improvement made under the authority in good condition, unless excused by the body corporate.

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<sup>27</sup> Under the *Acts Interpretation Act 1954*, section 35A (References to person with interest in land includes personal representative etc.), a reference to a person having an interest in land includes a reference to the person's personal representatives, successors and assigns.



### ***Division 3—Body corporate assets***

#### **Duties of body corporate about body corporate assets—Act, s 114 [SM, s 115]**

**114.** The body corporate must maintain body corporate assets in good condition.

#### **Acquisition of amenities for benefit of lot owners—Act, s 118 [SM, s 116]**

**115.(1)** This section states the way in which, and the extent to which, the body corporate may acquire, and enter into agreements about the use of, real and personal property.

**(2)** The body corporate may, in the name of the body corporate—

- (a) acquire freehold land for the use and enjoyment of the owners or occupiers of lots included in the scheme; or
- (b) acquire a leasehold interest in freehold or non-freehold land for the use and enjoyment of the owners or occupiers of lots included in the scheme; or
- (c) acquire a licence or concession related to land for the use and enjoyment of the owners or occupiers of lots included in the scheme, or surrender a licence or concession related to land previously acquired by the body corporate as a body corporate asset; or
- (d) acquire personal property (other than personal property mentioned in paragraph (b) or (c)) for the general use and enjoyment of the owners and occupiers of lots included in the scheme.

*Example—*

The body corporate may under subsection (2)(c) acquire rights to establish or use moorings for vessels.

**(3)** The body corporate may exercise its powers under this section only if authorised by a resolution without dissent if the proposal is—

- (a) to acquire freehold land; or
- (b) to enter into a lease of more than 10 years.

(4) The body corporate may exercise its powers under this section only if authorised by a special resolution if the proposal is—

- (a) to enter into a lease of 10 years or less, or a licence, concession or agreement; or
- (b) to acquire personal property under subsection (2)(d), and the value of the property to be acquired is more than the greater of the following amounts—
  - (i) \$1 000;
  - (ii) the amenities limit.

(5) In subsection (4)(b)(ii)—

**“amenities limit”** means the amount worked out by multiplying the number of lots included in the scheme by—

- (a) if paragraph (b) does not apply—\$200; or
- (b) if the body corporate has by special resolution decided an amount greater than \$200—the amount decided.

**Dealing with (including disposal of) body corporate assets—Act, s 119 [SM, s 117]**

**116.(1)** The body corporate may—

- (a) sell or otherwise dispose of a body corporate asset that is freehold land, or a leasehold interest in freehold land, only if authorised by resolution without dissent; or
- (b) grant or amend a lease over a body corporate asset that is freehold land, or another body corporate asset capable of being leased, only if authorised by—
  - (i) if the term of the lease, as granted or as amended, is more than 10 years—resolution without dissent; or
  - (ii) if subparagraph (i) does not apply—special resolution; or
- (c) sell or otherwise dispose of a body corporate asset that is personal

property (not including personal property mentioned in paragraph (a) or (b), but including a licence or concession related to freehold land) only if authorised by special resolution, if the market value of the asset is more than the greater of the following amounts—

- (i) \$1 000;
- (ii) the asset dealing limit.

(2) In subsection (1)(c)(ii)—

**“asset dealing limit”** means the amount worked out by multiplying the number of lots included in the scheme by—

- (a) if paragraph (b) does not apply—\$200; or
- (b) if the body corporate has by special resolution decided an amount greater than \$200—the amount decided.

#### ***Division 4—Agreement with another body corporate***

#### **Sharing facilities [SM, s 118]**

**117.(1)** This section has effect despite anything else in this part.

(2) The body corporate may, in the name of the body corporate, and if authorised by an ordinary resolution of the body corporate, enter into an agreement with the body corporate of another community titles scheme under which the owners or occupiers of lots included in the scheme and lots included in the other scheme may share the use and enjoyment of—

- (a) facilities forming part of the common property of either scheme;  
or
- (b) body corporate assets for either scheme.

*Example—*

The body corporate may enter into an agreement under subsection (2) with the body corporate for another community titles scheme under which the owners or occupiers of lots included in the scheme may use a tennis court forming part of the common property for the other scheme.

***Division 5—Services for and obligations of owners and occupiers***

**Supply of services by body corporate—Act, s 120 [SM, s 119]**

**118.(1)** The body corporate may supply, or engage another person to supply, utility services and other services for the benefit of owners and occupiers of lots, if the services consist of 1 or more of the following—

- (a) maintenance services, which may include cleaning, repairing, painting, pest prevention or extermination or mowing;
- (b) communication services, which may include the installation and supply of telephone, intercom, computer data or television;
- (c) domestic services, which may include electricity, gas, water, garbage removal, airconditioning or heating.

*Example—*

The body corporate might engage a corporation to supply PABX services for the benefit of the owners and occupiers of lots.

**(2)** The body corporate may, by agreement with a person for whom services are supplied, charge for the services (including for the installation of, and the maintenance and other operating costs associated with, utility infrastructure for the services), but only to the extent necessary for reimbursing the body corporate for supplying the services.<sup>28</sup>

**(3)** In acting under subsections (1) and (2), the body corporate must, to the greatest practicable extent, ensure the total cost to the body corporate (other than body corporate administrative costs) for supplying a service, including the cost of a commercial service, and the cost of purchasing, operating, maintaining and replacing any equipment, is recovered from the users of the service.

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<sup>28</sup> A body corporate is not permitted to carry on a business. (See section 89 (Body corporate must not carry on business) of the Act).

### ***Division 6—Condition of lot***

#### **Obligations of owners and occupiers—Act, s 122 [SM, s 120]**

**119.(1)** An occupier of a lot included in the scheme must keep the parts of the lot readily observable from another lot or common property in a clean and tidy condition.

**(2)** The owner of a lot included in the scheme must maintain the lot in good condition.

**(3)** The owner's obligation under subsection (2) to maintain the lot in good condition does not apply to a part of the lot the body corporate is required under this regulation to maintain in good condition.

**(4)** The owner of a lot included in the scheme must maintain the utility infrastructure within the boundaries of the lot, and not part of common property, in good condition and, if it is in need of replacement, must replace it.

**(5)** This section applies only to a lot that is not a community titles scheme.

### ***Division 7—Power to act for owners and occupiers***

#### **Body corporate may carry out work required of owners and occupiers—Act, s 123 [SM, s 121]**

**120.(1)** This section applies if the owner or occupier of a lot included in the scheme does not carry out work that the owner or occupier has an obligation to carry out under—

- (a) a provision of the Act or this regulation, including a provision requiring an owner or occupier to maintain a lot included in the scheme; or
- (b) a notice given under another Act or a Commonwealth Act; or
- (c) the community management statement, including the by-laws; or
- (d) an adjudicator's order; or

(e) the order of a court.

(2) The body corporate may carry out the work, and may recover the reasonable cost of carrying out work from the owner of the lot as a debt.

**Body corporate's power to take action to remedy defective building work—Act, s 124 [SM, s 122]**

**121.(1)** If building work carried out for the owner of a lot included in the scheme is defective and, because of the defect, the support or shelter of another part of scheme land is, or is likely to be, adversely affected, the body corporate may bring a proceeding under the *Queensland Building Services Authority Act 1991* or another law to have the defect remedied.

(2) If a body corporate brings a proceeding under this section, the body corporate is subrogated to the contractual and other rights of the person for whom the building work was carried out.

***Division 8—Exclusive use by-laws***

**Conditions and obligations under exclusive use by-law—Act, s 136 [SM, s 123]**

**122.(1)** If the owner of a lot included in the scheme to whom rights are in the first instance given under an exclusive use by-law agrees in writing, the by-law may impose conditions (which may include conditions requiring the owner to make a payment or periodic payments to the scheme's body corporate or the owners of lots included in the scheme, or both).

(2) An exclusive use by-law is taken, in the absence of other specific provision in the by-law for maintenance and operating costs, to make the owner of the lot to whom exclusive use or other rights are given responsible for the maintenance of and operating costs for the part of the common property to which the exclusive use by-law applies.

*Examples of operating cost for part of common property—*

Cost of providing lighting to the part of common property.

**Improvements—Act, s 136 [SM, s 124]**

**123.(1)** An exclusive use by-law may authorise the lot owner who has the benefit of the by-law to make stated improvements to the part of the common property to which the by-law applies.

**(2)** Without limiting subsection (1), improvements stated in the by-law may include the installation of fixtures on the common property and the making of changes to the common property.

**(3)** If the exclusive use by-law does not authorise the lot owner to make an improvement, the lot owner may make the improvement only if the body corporate authorises it to be made.

**(4)** However, the making of the improvement mentioned in subsection (3) must be authorised by a special resolution of the body corporate if the value of the improvement is more than \$200.

**Recovery of amount owed—Act, s 136 [SM, s 125]**

**124.(1)** A monetary liability imposed under an exclusive use by-law on the owner of a lot included in the scheme may be recovered as a debt.

**(2)** If the lot is itself another community titles scheme, the liability is enforceable against the body corporate for the other scheme.

**(3)** If subsection (2) does not apply, the liability is enforceable jointly and severally against—

- (a) the person who was the owner of the lot when the liability arose; and
- (b) a successor in title for the lot.

***Division 9—Insurance—Act, s 147***

**Definitions for div 9 [SM, s 126]**

**125.** In this division—

**“building”** includes improvements and fixtures (but not including carpet) forming part of the building, but does not include—

- (a) temporary wall, floor and ceiling coverings; or
- (b) fixtures removable by a lessee or tenant at the end of a lease or tenancy.

**“damage”**, for coverage under insurance required to be put in place under this division, means—

- (a) earthquake, explosion, fire, lightning, storm, tempest and water damage; and
- (b) glass breakage; and
- (c) damage from impact, malicious act, and riot.

### **Insurance of common property and body corporate assets [SM, s 127]**

**126.(1)** The body corporate must insure, to full replacement value—

- (a) the common property; and
- (b) the body corporate assets.

**(2)** Subsection (1)(a) has effect only to the extent that the common property is not required to be insured under another provision of this division.

**(3)** A policy of insurance taken out under this section—

- (a) must cover, to the greatest practicable extent—
  - (i) damage; and
  - (ii) costs incidental to the reinstatement or replacement of insured buildings, including the cost of taking away debris and the fees of architects and other professional advisers; and
- (b) must provide for the reinstatement of property to its condition when new.

**(4)** The owner of each lot that is included in the scheme is liable to reimburse the body corporate for the proportion of the premium for a policy of insurance taken out under this section that reflects the interest schedule lot entitlement of the lot.



### **Insurance of building including lots [SM, s 128]**

**127.(1)** This section applies if 1 or more of the lots included in the scheme are created under a building format plan of subdivision or a volumetric format plan of subdivision.

**(2)** The body corporate must insure, to full replacement value, each building in which is located a lot included in the scheme, to the extent that the building is scheme land.

**(3)** A policy of insurance taken out under this section—

(a) must cover—

(i) damage; and

(ii) costs incidental to the reinstatement or replacement of insured buildings, including the cost of taking away debris and the fees of architects and other professional advisers; and

(b) must provide for the reinstatement of property to its condition when new.

**(4)** If the body corporate cannot comply with subsection (3), the commissioner, on application in writing by the body corporate, may authorise the body corporate to put in place an alternative insurance in a form approved by the commissioner if the commissioner is satisfied that the insurance approved gives cover that is as close as practicable to the cover given by insurance under subsection (3).

*Example of alternative insurance that might be approved by the commissioner—*

Insurance giving cover up to an agreed value.

**(5)** The body corporate is liable to pay any contribution that has to be made to the cost of reinstatement or repair because the reinstatement insurance is not for the full replacement value of the insured property.

**(6)** The body corporate need not insure a building or a part of a building under subsection (2) if—

(a) the scheme is a subsidiary scheme for another community titles scheme (the “**other scheme**”); and

(b) under subsection (2) or an equivalent provision of another

regulation module, the body corporate for the other scheme is required to insure the building or the part of the building.

(7) Also, the body corporate need not insure a building or a part of a building under subsection (2) if—

- (a) the building or the part of the building is scheme land; and
- (b) the whole of the building is the subject of a building management statement registered under the *Land Title Act 1994*; and
- (c) the building management statement provides for insurance for the building to a level comparable with insurance otherwise required under this division; and
- (d) the insurance is in place.

(8) This section applies subject to provisions of this division about insurance of buildings mutually dependent for support on a common wall.

### **Insurance for buildings with common walls [SM, s 129]**

**128.(1)** This section applies if—

- (a) 1 or more of the lots included in the scheme are created under a standard format plan of subdivision; and
- (b) in 1 or more cases, a building on 1 lot has a common wall with a building on an adjoining lot.

(2) The body corporate must insure each building mentioned in subsection (1)(b) to its full replacement value.

(3) A policy of insurance taken out under this section—

- (a) must cover—
  - (i) damage; and
  - (ii) costs incidental to the reinstatement or replacement of the buildings, including the cost of taking away debris and the fees of architects and other professional advisers; and
- (b) must provide for the reinstatement of the buildings to their condition when new; and
- (c) may give effect, in whole or part, to a voluntary insurance

scheme.

(4) The body corporate is liable to pay any contribution that has to be made to the cost of reinstatement or repair because the reinstatement insurance is not for the full replacement value of the insured property.

(5) The body corporate need not insure a building or a part of a building under subsection (2) if—

- (a) the scheme is a subsidiary scheme for another community titles scheme (the “**other scheme**”); and
- (b) under subsection (2) or an equivalent provision of another regulation module, the body corporate for the other scheme is required to insure the building or the part of the building.

### **Premium [SM, s 130]**

**129.(1)** The owner of each lot that is included in the scheme and is covered by reinstatement insurance required to be taken out by the body corporate is liable to reimburse the body corporate for the proportion of the premium for reinstatement insurance that reflects—

- (a) for a lot created under a building or volumetric format plan of subdivision—the interest schedule lot entitlement of the lot; and
- (b) for a lot created under a standard format plan of subdivision—the cost of reinstating the buildings on the lot.

(2) The body corporate may adjust the amount payable by a lot owner under subsection (1) in a way that fairly reflects—

- (a) the extent to which the fixtures and fittings forming part of the lot are of a higher standard than the fixtures and fittings of lots included in the scheme generally; or
- (b) the proportion of the total risks covered by the policy attributable to activities carried on, or proposed to be carried on, on the owner’s lot.

*Example of paragraph (b)—*

In a community titles scheme, the buyer of a lot starts a small manufacturing business requiring the use and storage of flammable chemicals. The insurance premium for the body corporate policy is increased by the insurer because of the

increased risk of damage through fire. The lot owner's reimbursement liability for the insurance premium will include the amount of the increase.

(3) The reimbursement for which the owner of a lot is liable may be recovered by the body corporate as part of the owner's annual contribution to the administrative fund.

### **Improvements affecting premium [SM, s 131]**

**130.(1)** This section applies if—

- (a) improvements are made to a lot included in the scheme; and
- (b) because of the improvements—
  - (i) the fixtures and fittings forming part of the lot are of a higher standard than the fixtures and fittings of lots included in the scheme generally; and
  - (ii) the premium for reinstatement insurance required to be taken out by the body corporate is likely to increase.

(2) The owner of the lot must give the body corporate details of the nature and value of the improvements.

(3) The notification must be given as soon as practicable after the improvements are substantially completed.

(4) If the lot owner does not comply with subsections (2) and (3), the lot owner must reimburse the body corporate for any contribution that has to be made to the cost of reinstatement or repair of the lot, or any other lot or common property, but only to the extent that the necessity to make the contribution can reasonably be attributed to the lot owner's failure to comply with subsections (2) and (3).

### **Use affecting premium [SM, s 132]**

**131.(1)** This section applies if, because of the way in which a lot is used, the premium for reinstatement insurance required to be taken out by the body corporate is likely to increase.

(2) The lot owner must give the body corporate details of the use.

### **Excess [SM, s 133]**

**132.(1)** Despite a requirement under this division to insure for full replacement value, the body corporate is not prevented from insuring on the basis that an excess is payable on the happening of an event for which the insurance gives cover.

**(2)** However, in putting the insurance in place, the body corporate must ensure the arrangements for the liability for an excess under the insurance would not impose an unreasonable burden on the owners of individual lots, having regard to the provisions of subsections (3) and (4).

**(3)** For an event affecting only 1 lot, the lot owner is liable to pay the excess unless the body corporate decides it is unreasonable in all the circumstances for the owner to bear the liability.

*Example for subsection (3)—*

If a shower screen is damaged in a lot and an insurance claim is made under the body corporate's reinstatement insurance, the owner of the lot would be liable under subsection (3) to pay the excess unless the body corporate decides it is unreasonable for the owner to be required to pay it. However, if there is a fire within a lot caused by a short circuit in electrical wiring located in an internal partition, the body corporate might decide it would be unreasonable for the lot owner to be required to pay the excess.

**(4)** For an event affecting 2 or more lots, or 1 or more lots and common property, the body corporate is liable to pay the excess unless the body corporate decides it is reasonable in all the circumstances for the excess to be paid for by the owner of a particular lot, or to be shared between owners of particular lots, or between the owner of a lot and the body corporate, or between owners of particular lots and the body corporate.

### **Insurance for buildings with no common walls [SM, s 134]**

**133.(1)** This section applies if—

- (a) the scheme is a basic scheme; and
- (b) lots included in the scheme were created under a standard format plan of subdivision; and
- (c) on 1 or more of the lots mentioned in paragraph (b), there is a building (a **“stand alone building”**) having no common wall

with a building on another lot.

(2) The body corporate may establish an insurance scheme (a “**voluntary insurance scheme**”) under which it puts in place insurance over stand alone buildings for the owners of the lots on which they are located.

(3) Taking part in the insurance scheme is optional, and the owner of a lot who wants to take part in the insurance scheme must—

- (a) notify the body corporate of the estimated value of the stand alone buildings to be insured; and
- (b) comply with other requirements under—
  - (i) the decision of the body corporate establishing the voluntary insurance scheme; or
  - (ii) the policy of insurance.

(4) The owner of a lot who takes part in the voluntary insurance scheme is liable to reimburse the body corporate for the proportion of the premium fairly reflecting—

- (a) the proportion of the total value of the buildings insured under the voluntary insurance scheme represented by the stand alone buildings on the owner’s lot; and
- (b) the proportion of the total risks covered by the policy attributable to activities carried on, or proposed to be carried on, on the owner’s lot.

(5) The reimbursement for which the owner of a lot is liable may be recovered by the body corporate as part of the owner’s annual contribution to the administrative fund.

### **Combined policy of insurance [SM, s 135]**

**134.(1)** This section applies if the body corporate—

- (a) is required to put in place reinstatement insurance covering lots included in the scheme; and
- (b) elects under this division to put in place insurance under a voluntary insurance scheme covering other lots included in the

scheme.

(2) The body corporate may arrange with an insurer a single policy of insurance for all insurance mentioned in subsection (1).

### **Public risk insurance [SM, s 136]**

**135.(1)** The body corporate must maintain public risk insurance of the common property and relevant assets.

(2) The insurance must provide coverage—

(a) for amounts the body corporate becomes liable to pay for—

(i) compensation for death, illness and bodily injury; and

(ii) damage to property; and

(b) to the extent of—

(i) at least \$10 000 000 for a single event; and

(ii) at least \$10 000 000 in a single period of insurance.

(3) In this section—

**“relevant assets”** means body corporate assets for which it is practicable to maintain public risk insurance.

### **Use of insurance money [SM, s 137]**

**136.(1)** If the body corporate receives an amount of insurance money for damage to property (other than an amount paid under a voluntary insurance scheme), the body corporate must apply the amount as soon as practicable to the repair, reinstatement or replacement of the damaged property.

(2) However, the amount must not be applied to the repair, reinstatement or replacement of the property if the work would, apart from this section, be unlawful.

(3) If, because of the damage, the scheme is to be terminated, and an order of a court under the Act, or a resolution without dissent of the body corporate, requires the application of the amount for a purpose other than the repair, reinstatement or replacement of the damaged property, the amount must be applied as follows—

- (a) first, the amount must be applied towards the discharge of registered mortgages (but the amount applied towards a mortgage over a particular lot cannot be more than the proportion of the total insurance money attributable to the lot);
- (b) the balance of the amount must be applied as required by the order or resolution.

(4) If the body corporate receives an amount of insurance money for damage to property under a voluntary insurance scheme, the amount must be paid, subject to the prior claim of a registered mortgagee, to the owner of the damaged property to which the payment relates.

## **PART 9—ADMINISTRATIVE MATTERS**

### *Division 1—Purpose of part*

#### **Purpose of pt 9 [SM, s 138]**

**137.** The purpose of this part is to prescribe matters about the rights and obligations of the body corporate for a community titles scheme for administrative arrangements and other general matters relating to the scheme.

### *Division 2—Body corporate’s seal—Act, s 35*

#### **Body corporate’s seal [SM, s 139]**

**138.(1)** The body corporate’s seal must be kept in the custody directed by the body corporate by ordinary resolution.

(2) The body corporate’s seal may be used only as directed or authorised by ordinary resolution.

(3) However, if the body corporate has not resolved how the seal is to be used, the seal may, if authorised by the committee, be attached to a



document in the presence of at least 2 committee members, 1 of whom must be the chairperson or secretary.

(4) The committee members present must sign the document as witnesses to the sealing of the document.

### ***Division 3—Notices—Act, s 158***

#### **Notices for roll [SM, s 140]**

**139.(1)** This section applies to a lot included in the scheme if 1 or more of the following events happens—

- (a) a person becomes the owner of the lot by transfer, transmission, or in another way;
- (b) a leasehold interest in the lot is created by lease or sublease for a term of 6 months or more, or a leasehold interest in the lot with 6 months or more to run is transferred or terminated;
- (c) the owner of the lot engages a person to act for the owner in the letting or leasing of the lot;
- (d) the engagement of a person to act for the owner of the lot in the letting or leasing of the lot is terminated;
- (e) the lot is the subject of a registered mortgage, and the mortgagee enters into possession of the lot;
- (f) an interest in the lot is the subject of a registered mortgage, and the mortgagee enters into possession of the lot.

(2) The person identified in subsection (3) as the person who must give a notice to the body corporate must give a written notice, containing the information mentioned in the subsection, to the body corporate within 2 months after the event concerned happens or the person becomes aware of the happening of the event.

Maximum penalty—20 penalty units.

(3) For an event mentioned in—

- (a) subsection (1)(a), the notice must—

- (i) be given by the person who becomes the lot owner; and
  - (ii) advise the person's name and residential or business address; and
  - (iii) unless the person's address for service is the residential or business address given under subparagraph (ii)—advise the person's address for service; and
  - (iv) give brief details about the way the person became the owner of the lot; and
- (b) subsection (1)(b), the notice must—
  - (i) be given by the lot owner; and
  - (ii) for a lease or sublease—advise the name, residential or business address, and address for service (if different from the residential or business address given) of the lessee or sublessee, and must advise the term of the lease or sublease; and
  - (iii) for the transfer of a leasehold interest—advise the name, residential or business address, and address for service (if different from the residential or business address given) of the transferee; and
  - (iv) for the termination of a leasehold interest—advise when the interest was terminated; and
- (c) subsection (1)(c), the notice must—
  - (i) be given by the lot owner; and
  - (ii) advise the name, residential or business address, and address for service (if different from the residential or business address given) of the person appointed; and
- (d) subsection (1)(d), the notice must—
  - (i) be given by the lot owner; and
  - (ii) advise when the engagement of the person was terminated;

and

- (e) subsection (1)(e) or (f), the notice must—
  - (i) be given by the registered mortgagee; and
  - (ii) advise the name, residential or business address, and address for service (if different from the residential or business address given) of the registered mortgagee.

### **Address for service [SM, s 141]**

**140.(1)** If no address for service is notified to the body corporate for a lot owner or another person whose address for service is required to be given to the body corporate, the address for service is the residential or business address as last notified to the body corporate for the lot owner or other person.

**(2)** Even if there are 2 or more co-owners for 1 lot, there must nevertheless be only 1 address for service for the owners.

### **Change of address [SM, s 142]**

**141.** A person may change the person's residential address, business address or address for service from that last notified to the body corporate by another notice given to the body corporate.<sup>29</sup>

## ***Division 4—Rolls and registers—Act, s 161***

### **Roll of lots and entitlements [SM, s 143]**

**142.(1)** The body corporate must prepare and keep a roll containing the

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<sup>29</sup> If a notice of a general meeting (including, for example, a general meeting at which a motion requiring a resolution without dissent is to be moved) is posted to a lot owner, it is posted to the address for service of the lot owner as last notified to the body corporate. Accordingly, it is important for a lot owner to ensure that the lot owner's address for service as last notified to the body corporate is the most appropriate address for ensuring that the lot owner will receive material sent by the body corporate.

information required by this section.

(2) The roll must contain—

- (a) the name and address for service of the original owner; and
- (b) the contribution schedule lot entitlement of each lot included in the scheme; and
- (c) the interest schedule lot entitlement of each lot included in the scheme; and
- (d) the name and address of the current owner of each lot included in the scheme, including, if there are co-owners for a lot, the name and address of each co-owner; and
- (e) if the original owner, or the owner of a lot, is a corporation registered under the Corporations Law—the corporation’s Australian Company Number or Australian Registered Body Number; and
- (f) if there is a mortgagee in possession of a lot—
  - (i) the name, residential or business address and the address for service (if other than the residential or business address) of the mortgagee in possession; and
  - (ii) when the body corporate received notice of the mortgagee’s entering into possession; and
  - (iii) if the mortgagee in possession gives notice of an intention not to enforce the mortgage—when the body corporate received notice of the mortgagee’s intention not to enforce the mortgage, together with brief details of the notice; and
- (g) brief details of all information required to be given to the body corporate in notices given under the Act (including in notices given under sections 47 and 48<sup>30</sup> and under this part), including when the information was given.

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<sup>30</sup> Sections 47 (Meaning of “voter” for general meeting) and 48 (Representation of body corporate)

### **Register of assets [SM, s 144]**

**143.(1)** The body corporate must keep a register of body corporate assets and record in it all body corporate assets of more than \$1 000 in value.

**(2)** The register must show the following details for each asset recorded—

- (a) a brief description of the asset;
- (b) whether the asset was purchased or was a gift;
- (c) when the asset became a body corporate asset;
- (d) if the asset was purchased—
  - (i) its cost; and
  - (ii) the name and address of the person from whom the asset was purchased;
- (e) if the asset was a gift—
  - (i) its estimated value; and
  - (ii) the name and address of the donor.

### **Register of engagements and authorisations [SM, s 145]**

**144.(1)** The body corporate must keep a register of each engagement by the body corporate of a person as a body corporate manager or service contractor, and each authorisation of a person as a letting agent.

**(2)** The register must show the following details for each engagement or authorisation recorded—

- (a) the name and address of the body corporate manager, service contractor or letting agent (the “**contractor**”);
- (b) for an engagement—
  - (i) a statement of the duties the contractor is required to perform; and
  - (ii) a statement of the basis on which the contractor is remunerated;
- (c) when the engagement or authorisation takes effect, and the term

of the engagement or authorisation;

- (d) for an engagement of a person as a body corporate manager—the powers that have been delegated to the contractor.

(3) Also, an original, executed copy of the contract or other arrangement under which the person is engaged as a body corporate manager or service contractor, or authorised as a letting agent, must be kept as part of the register.

(4) The body corporate must note in the register—

- (a) the giving to the body corporate of a written notice that a person is a financier of the contract or other arrangement under which a person is engaged as a service contractor, or authorised as a letting agent; and
- (b) the giving to the body corporate of a written notice withdrawing a written notice mentioned in paragraph (a).

### **Register of authorisations affecting the common property [SM, s 146]**

**145.(1)** The body corporate must keep a register for recording each authorisation for a service contractor or letting agent to occupy a particular part of common property.<sup>31</sup>

(2) The register mentioned in subsection (1) must show the following details about the authorisation—

- (a) when the resolution was passed giving the authorisation;
- (b) a description of the area of common property authorised for occupation;
- (c) any conditions, including conditions as to use of the common property by other persons, stated in the authorisation.

(3) The body corporate must keep a register for recording each authorisation for the owner of a lot included in the scheme to make an

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<sup>31</sup> See section 89 (Occupation of common property by service contractor or letting agent).

improvement to common property for the benefit of the owner's lot.<sup>32</sup>

(4) The register mentioned in subsection (3) must show the following details about the authorisation—

- (a) when the authorisation was given;
- (b) a description of the area of common property authorised for use for the improvement;
- (c) any conditions, including conditions as to use of the common property by other persons, stated in the authorisation;
- (d) if an adjudicator ordered the body corporate to consent to the improvement—when the order was made.

### **Register of allocations under exclusive use by-law [SM, s 147]**

**146.(1)** This section applies if there is an exclusive use by-law, and, under the by-law, a person is authorised to allocate parts of the common property or body corporate assets for the purpose of the by-law.

(2) The body corporate must keep a register of allocations (including an allocation under a reallocation agreement mentioned in chapter 3, part 5, division 2<sup>33</sup> of the Act) made under the exclusive use by-law.

(3) The register must identify the following about each allocation—

- (a) the exclusive use by-law under which the allocation was made;
- (b) the common property or body corporate asset allocated;
- (c) the lot in favour of which the allocation was made.

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<sup>32</sup> See section 113 (Improvements to common property by lot owner—Act, s 121).

<sup>33</sup> Chapter 3 (Management of community titles schemes), part 5 (By-laws), division 2 (Exclusive use by-laws)

***Division 5—Documents and information***

**Definitions for div 5 [SM, s 148]**

**147.** In this division—

**“associated committee meeting material”** means the following material related to meetings of the committee—

- (a) notices of meeting, including agendas and attachments;
- (b) committee member proxy appointment documents;
- (c) notices by members to call a meeting;
- (d) notices for resolutions to be passed other than at a meeting, and the responses of committee members;
- (e) notices of resolutions sent to owners, if the notices are given other than in the minutes of the relevant committee meetings;
- (f) notice of resignation by committee members.

**“associated general meeting material”** means the following material related to general meetings of the body corporate—

- (a) notices calling for nominations for committee positions;
- (b) notices by owners requesting general meetings;
- (c) notices of meetings, including agendas, written voting papers, election ballot-papers, budgets, statements of account, certificates of auditors, tender documents and other attachments accompanying notices;
- (d) notices of motion received, including explanatory notes for motions;
- (e) nominations for election as a committee member;
- (f) proxy appointment documents;
- (g) completed voting papers (including ballot-papers) for motions and election ballots;
- (h) voting tally-sheets or other records showing votes for motions and election ballots;



- (i) notices of objection by lot owners to meeting locations;
- (j) copies of powers of attorney given to the body corporate under section 47.<sup>34</sup>

### **Keeping and disposal of records—Act, s 161 [SM, s 149]**

**148.(1)** The body corporate must keep the following (subject to the operation of subsections (3) and (4) permitting their disposal)—

- (a) the body corporate's accounting records and statements of account for each financial year;
- (b) notices given in relation to the scheme by a public authority, local government or other authority;
- (c) orders made against the body corporate, or in relation to the scheme, by a judicial or administrative authority;
- (d) each policy of insurance it puts in place;
- (e) documents evidencing each engagement of a body corporate manager or service contractor, and each authorisation of a letting agent;
- (f) each agreement between it and the owner of a lot included in the scheme about the giving of rights, or the imposing of conditions, under an exclusive use by-law;
- (g) documents evidencing each authorisation of a service contractor or letting agent to occupy a part of the common property, and each authorisation of access to, or use of, part of the common property by someone else;
- (h) correspondence received by the body corporate, and correspondence sent by the body corporate;
- (i) all minutes of meetings of the committee and all associated committee meeting material;
- (j) all minutes of general meetings of the body corporate, and all associated general meeting material.

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<sup>34</sup> Section 47 (Meaning of "voter" for general meeting)

(2) The following documents may be kept by the body corporate in their original paper form or in photographic or electronic image form—

- (a) minutes of committee meetings and general meetings, including attachments;
- (b) the body corporate roll;
- (c) registers the body corporate is required to maintain.

(3) The following documents may be disposed of 6 years after their creation or receipt—

- (a) statements of account, including certificates of auditors;
- (b) notices of meetings, including agendas and attachments;
- (c) documents evidencing or detailing major repairs or installations carried out on the common property;
- (d) orders made against the body corporate, or in relation to the scheme, by a judicial or administrative authority, and documents relating to those orders;
- (e) notices given in relation to the scheme by a public authority, local government or other authority;
- (f) written agreements to which the body corporate is a party.

(4) The following documents may be disposed of 2 years after their creation or receipt—

- (a) associated committee meeting material and associated general meeting material;
- (b) correspondence of no significance or continuing interest.

(5) Despite subsection (3) and (4), a document may not be disposed of if it is a document having current relevance to the scheme, including, for example, the following—

- (a) a contract that is in force for longer than 6 years;
- (b) a notice required to be given to the body corporate, if the information included in the notice is still current information.

**Access to records—Act, s 161 [SM, s 150]**

**149.(1)** The body corporate must allow all members of its committee reasonable access (without payment of a fee) to the body corporate's records.

**(2)** Also, the body corporate must, if asked by an adjudicator, allow the adjudicator access (without payment of a fee) to the body corporate's records within 24 hours after the request is made.

Maximum penalty—20 penalty units.

**(3)** However, the body corporate is not required to allow a person access to records under this section if a legal proceeding between the body corporate and the person has started or is threatened and the records are privileged from disclosure.

**Fee for information given to interested persons—Act, s 162 [SM, s 151]**

**150.(1)** For section 162(2)<sup>35</sup> of the Act—

- (a) the prescribed fee for inspection of the body corporate's records is—
  - (i) if the person inspecting the records is a lot owner—\$10; or
  - (ii) if the person inspecting the records is not a lot owner—\$20; and
- (b) the prescribed fee for obtaining a copy of a record kept by the body corporate is 50c for each page supplied.

**(2)** For section 162(3) of the Act, the prescribed fee to accompany a request for a body corporate information certificate under the subsection is \$40, plus a priority fee of \$15 if the certificate is required within 24 hours, plus a fee of \$10 if the certificate is to be faxed.

**(3)** The priority fee mentioned in subsection (2) must be refunded if the certificate is not supplied within 24 hours.

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<sup>35</sup> Section 162 (Information to be given to interested persons)

## **PART 10—MISCELLANEOUS**

### **Return of body corporate property—Act, s 268 [SM, s 152]**

**151.(1)** This section applies if—

- (a) a person has possession or control of a body corporate asset for a community titles scheme (other than a body corporate asset in the lawful possession or control of the person under a body corporate manager or service contractor engagement); and
- (b) the person took possession or control of the body corporate asset in the person's capacity, or purportedly in the person's capacity, as—
  - (i) a member, or an associate of a member, of the body corporate or of the committee; or
  - (ii) a body corporate manager or service contractor; and
- (c) the person is served with a notice of a resolution of the committee requiring the person to deliver the body corporate asset to a committee member named in the notice within 7 days after the person is served with the notice.

**(2)** The person must comply with the notice.

Maximum penalty—20 penalty units.

### **Documents in custody of body corporate manager—Act, s 268 [SM, s 153]**

**152.(1)** This section applies if—

- (a) a person (the “**person**”) engaged as a body corporate manager for a community titles scheme has custody of a document of the body corporate; and
- (b) the person holds the document in photographic or electronic image form; and
- (c) the person's engagement as body corporate manager expires and is not renewed, or is otherwise brought to an end.

(2) The body corporate may—

- (a) accept custody of the document in photographic or electronic image form; or
- (b) require the person to reproduce, and give to the body corporate, the document in paper form.

(3) The person must, at the person's cost, comply with a requirement of the body corporate under subsection (2)(b).

Maximum penalty—20 penalty units.

## SCHEDULE

## DICTIONARY

section 4

**“address for service”**, of a person in relation to a community titles scheme, means the person’s address for service as most recently advised to the body corporate under this regulation.

**“corporate owner”**, of a lot included in a community titles scheme (**“scheme A”**), means a corporation that is the owner of the lot, (other than the body corporate for another community titles scheme that is a lot included in scheme A, in its capacity as the body corporate for a subsidiary scheme for scheme A).<sup>36</sup>

**“corporate owner nominee”**, for a lot included in a community titles scheme for which the owner is a corporate owner, means the nominee of the corporate owner for representing the corporate owner on the body corporate.

**“date for payment”** see section 94(1)(c).

**“minor improvement”** means an improvement costing \$200 or less.

**“non-freehold land”** see the *Land Act 1994*, schedule 6.<sup>37</sup>

**“non-recurrent expenditure”** means any expenditure other than recurrent expenditure.

**“non-voting member”**, of the committee for the body corporate for a community titles scheme, see section 11(4).

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<sup>36</sup> Nevertheless, the body corporate for a community titles scheme (**“scheme A”**) could be a corporate owner of a lot included in another community titles scheme (**“scheme B”**) if the lot included in scheme B is not itself a community titles scheme, and the body corporate for scheme A merely holds the lot as a body corporate asset for scheme A.

<sup>37</sup> *Land Act 1994*, schedule 6—

**“non-freehold land”** means all land that is not freehold land.

SCHEDULE (continued)

**“ordinary member”**, of the committee for the body corporate for a community titles scheme, means a member of the committee other than an executive member.

**“recurrent expenditure”** means expenditure normally made annually or more frequently.

**“reinstatement insurance”** means insurance taken out under section 127 or 128.

**“relevant limit for committee spending”**, for a community titles scheme, means an amount worked out by multiplying the number of lots included in the scheme by—

(a) if paragraph (b) does not apply—\$100; or

(b) if the body corporate has by special resolution decided an amount greater than \$100 but not greater than \$400—the amount decided.

**“relevant limit for major spending”**, for a community titles scheme, means an amount worked out by multiplying the number of lots included in the scheme by \$200.

**“requested extraordinary general meeting”** see section 59.

**“roll”**, of a body corporate, means the roll prepared and kept by the body corporate under section 142.

**“standard module”** means the *Body Corporate and Community Management (Standard Module) Regulation 1997*.

**“subsidiary scheme representative”** see section 48.

**“voluntary insurance scheme”** see section 133.

**“voter”**, for a general meeting of a body corporate, see section 47.

**“voting member”**, of the committee for the body corporate for a community titles scheme, means a member of the committee other than a non-voting member.

## ENDNOTES

1. Made by the Governor in Council on 7 August 1997.
2. Notified in the gazette on 8 August 1997.
3. Laid before the Legislative Assembly on . . .
4. The administering agency is the Department of Natural Resources.