



The Small Schemes Module Regulations 2008

A new regulation module, the *Body Corporate and Community Management (Small Schemes Module) Regulation 2008* (the Small Schemes Module) commenced on 30 August 2008.

This regulation module replaces the Small Schemes Module regulation which commenced in 1997.

This factsheet provides an overview of the major changes to this regulation module. It is not an exhaustive guide and the legislation should be the primary reference.

Overview of changes

Eligibility—Section 11

A member of the body corporate or a person nominated by a member of the body corporate is not eligible to be the secretary or treasurer if the member owes a body corporate debt when the voting members of the committee are chosen.

A member of the body corporate cannot nominate a person to be the secretary or the treasurer if the member owes a body corporate debt when the nomination is received by the secretary.

Term of office—Section 15

The position of secretary or treasurer becomes vacant if the person becomes ineligible to hold the position because:

- the person was a body corporate member when elected but ceases to be a member of the body corporate; or
- the person was not a member of the body corporate when elected and was nominated for membership by a member of the body corporate who is no longer a member; or
- the person is engaged as a body corporate manager for the scheme.

Engagement of body corporate manager to carry out the functions of the committee—Section 23

Under Chapter 3 Part 5 engagement, the body corporate may engage a body corporate manager to carry out the functions of the committee. This is different to the usual engagement of a body corporate manager.

There will not be a secretary or treasurer under a Chapter 3 part 5 engagement, and the body corporate manager will be able to make any decisions that could be made by the secretary or treasurer, including decisions about expenditure.

A Chapter 3 Part 5 engagement will end:

- at the end of the body corporate's next annual general meeting held after the general meeting at which the engagement was approved, or
- 12 months after the day the engagement began; whichever is earlier.

Requested extraordinary general meeting—Section 32

An extraordinary general meeting must be called if a notice requesting an extraordinary general meeting is given to the secretary signed by the owners of at least 25 per cent of the lots in the scheme.

Agenda for general meeting—Section 37

The agenda for an annual general meeting must include the statutory motions which include:

- presenting the financial year accounts
- adopting the administrative and sinking fund budgets
- fixing the contributions (levies)
- reviewing insurance policies.

Termination of body corporate manager or service contractor—Section 68

The body corporate can terminate the engagement of a body corporate manager or service contractor who is grossly negligent, fails to carry out their specified duties or contravenes the code of conduct.

The body corporate can approve the termination by ordinary resolution provided it has given the person a remedial action notice and the person has failed to comply.

Committee spending—Section 85

The relevant limit for committee spending can now be set by ordinary resolution of the body corporate. If no amount is set, the amount can be calculated by multiplying the number of lots in the scheme by \$200.

Major spending authorised at general meeting —Section 86

The relevant limit for major spending by the scheme can be set by ordinary resolution of the body corporate. If no amount is set, it is an amount determined by multiplying the number of lots in the scheme by \$1100.

Major spending by the committee—Section 87

If the committee is considering a motion to carry out work that is above the limit for major spending for the scheme, the committee must get at least two quotations.

Improvements to common property by body corporate —Section 97

There are four circumstances where improvements to the common property may be authorised:

Cost of improvements*	Authorised by
Basic improvements limit (\$300 X the number of lots in the scheme subject to section 85).	The committee
Ordinary resolution improvement range (an amount that is more than the basic improvement limit and \$2000 X the number of lots in the scheme).	Ordinary resolution (once per year)
An amount over the ordinary resolution improvement range.	Special resolution
Otherwise	Adjudicator's order

*Cost of the improvements, or, if the improvements together with associated improvements, form a single project, the cost of the entire project.

Improvements to common property by lot owner —Section 98

A lot owner may only make an improvement to the common property if authorised by ordinary resolution of the body corporate.

If the improvement is minor (\$3000 or less), the committee may give approval.

Obligations under exclusive use by-law—Section 107

The changes to this section now provide specific exclusions in relation to maintenance of the exclusive use area where the lot which has the benefit of the exclusive use is created under a building format plan.

For example, the lot owner will not be responsible for maintaining roofing membranes, foundation structures and essential supporting framework that is specifically identified in Section 107.

Valuation for insurance—Section 115

If the body corporate is required to insure one or more buildings, the body corporate must obtain an independent valuation for the full replacement value at least once every five years.

Details about the most recent valuation must be included in the notice of the annual general meeting or any note attached to the administrative fund budget proposed for the annual general meeting.

Use affecting premium—Section 122

The lot owner must give the body corporate details of any use of the lot which may affect the premium for reinstatement insurance or public risk insurance.

Register of reserved issues—Section 133

The body corporate must keep a register of issues that have been reserved for decision by ordinary resolution of the body corporate.

The notice of the annual general meeting must be accompanied by a copy of the register of reserved issues.

The Office of the Commissioner for Body Corporate and Community Management (BCCM Office)

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Copies of the Body Corporate and Community Management Act 1997, the regulation modules, and any amendments can be accessed for free via the Office of the Parliamentary Council at www.legislation.qld.gov.au/Acts_SLs/Acts_SL.htm or can be purchased from SDS, Ground Floor, Mineral House, 41 George Street, Brisbane. SDS Customer Service can be contacted on 07 3118 6900 or 1800 679 778 or at www.publications.qld.gov.au.

Disclaimer

The laws referred to in this guide are complex and various qualifications may apply in different circumstances. The information in this factsheet does not constitute legal advice. You are encouraged to obtain independent legal or financial advice if you are unsure of how these laws apply to your situation.

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