



The Standard Module Regulations 2008

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

This regulation module replaces the Standard Module regulation which commenced in 1997.

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

Overview of changes

Eligibility—Section 10

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

Lot owner's right of nomination—Section 17

A lot owner who owns more than one lot can nominate one person for committee membership for each additional lot.

However, if there are less than seven lots in the scheme, the lot owner may not nominate more than two people or if there are seven or more lots in the scheme, the lot owner may not nominate more than three people.

A lot owner cannot nominate a person for committee membership if the lot owner owes a body corporate debt when the nomination is received by the secretary.

Conduct of ballot – scrutiny of votes—Section 25

The person chairing the meeting can delegate a function defined in the section to a person attending the meeting who is not a candidate for the position and who, in the chairperson's opinion, has sufficient independence.

Exceptions to restricted issues for committee—Section 43

Usually a committee is restricted from paying a remuneration, however the body corporate can, by ordinary resolution, authorise the committee to repay expenses to a committee member. Information about the payment must be included in an explanatory schedule with the voting paper.

Calling general meetings—Section 65

A member of the committee, including a non-voting member, can only call a general meeting if they are authorised by a committee resolution.

Transfer fee—Section 126

The service contractor or letting agent must pay a transfer fee to the body corporate when the transfer is within two years (the prescribed period*) of the initial contract date*. Previously, it was optional for the body corporate to request the payment.

The transfer fee will be either:

- three per cent of the fair market value for the transfer if it is approved in the first year after the initial contract date or
- two per cent of the fair market value for the transfer if it is approved after the first year after the initial contract date.

The service contractor or letting agent may ask that the transfer fee be waived because of genuine hardship provided they give the body corporate supporting documentation.

* See section 124 "Definitions".

Committee spending—Section 151

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 152

The relevant limit for major spending by the scheme can be set by ordinary resolution of the body corporate.

If no amount is set, the relevant limit is the lesser of either:

- \$1100 multiplied by the number of lots in the scheme or
- \$10 000

For example, a body corporate with 5 lots would be \$5500 (\$1100 x 5 lots), as this amount is less than \$10 000. In a 15 lot scheme \$10 000 would be used, as it is less than \$16 500 (\$1100 x 15 lots).

Major spending by committee—Section 153

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 the body corporate—Section 163

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 151).	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 a lot owner—Section 164

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.

Valuation for insurance—Section 181

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 188

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 201

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 by visiting:

www.legislation.qld.gov.au/Acts_SLs/Acts_SL.htm

Copies can be purchased online by visiting

www.bookshop.qld.gov.au, or by contacting SDS Customer Service by phoning (07) 3883 8700 or 1800 801 123.

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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