



## Body Corporate and Community Management

### Online Training – Unit 4 – Maintenance

#### Topic 10 – Improvements to common property by the body corporate

The ways in which a body corporate and its committee may authorise maintenance were addressed in [Topic 05: Authorising maintenance](#). Improvements to the common property, however, are dealt with differently.

An “**improvement**” includes”

- the erection of a building;
- a structural change;
- a non-structural change, such as the installation of air-conditioning.

([A Schedule 6 Dictionary](#)):

#### Authorising improvements

The body corporate may authorise improvements to the common property. The type of authorisation required depends on the cost ([SM s186](#)). The “cost” means the cost of the improvement, or, if multiple improvements form a single project, the cost of the entire project.

Cost:	Can be authorised by:
Within the “ <i>basic improvements limit</i> ” being: Up to \$300 x the number of lots in the scheme, subject to <a href="#">SM s172</a> .	The committee.
Within the “ <i>ordinary resolution improvement range</i> ” being: More than the basic improvements limit but not more than \$2000 x the number of lots in the scheme.	Ordinary resolution, <b>however</b> , there can only be 1 such approval each financial year.
More than the ordinary resolution improvement range, or Within the ordinary resolution improvement range but the single approval permitted has already been granted during the financial year.	Special resolution.

An adjudicator can also authorise an improvement if, following the normal dispute resolution procedures, they decide the improvements are reasonably necessary for the health, safety or security of persons who use the common property.

#### Improvements v maintenance

In any proposal to carry out work on the common property the body corporate must decide whether a proposed project is a maintenance issue or an improvement to common property. An adjudicator referred to a passage from Lord Justice Denning’s judgement in *Morcom v Campbell-Johnson & Ors (1955)*, which helps to differentiate between maintenance and improvements and states:

*“It seems to me that the test, so far as one can give any test in these matters, is this: if the work which is done is the provision of something new for the benefit of the occupier, that is, properly speaking, an improvement; but if it is only the replacement of something already there, which has become dilapidated or worn out, then, albeit that it is a replacement by its modern equivalent, it comes within the category of repairs and not improvements.”*

A particular case that was adjudicated involved rendering, as opposed to replacing cracked bricks and replacing mortar. It was held that rendering was a finish applied over brick walls and would provide something new (an improvement) for the benefit of the owners, rather than replacing something existing with its modern equivalent (maintenance) ([Paloma \[2000\] QBCCMCmr 186](#)).