The Office of the Commissioner for Body Corporate and Community Management

#### The new Standard Module Regulation 2020

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**Body Corporate and Community Management** 



## **Regulation changes**

# The BCCM regulations were remade on 29 September 2020 and will come into effect on 1 March 2021



# **Topics**

**Committee membership Committee meetings General meetings Disclosure of benefits** Insurance Administrative matters **Building defect report** 



# **Committee membership**

Co-owners and representatives Deeming committee membership Electronic voting on a ballot Calling from the floor Chapter 3 Part 5 engagement Receiving benefits



#### new

Co-owners can be on the committee depending on how they are nominated Co-owners, family members of owners and a power of attorney given by an owner can only be elected to the committee in 2 situations:

- the minimum
  number of
  committee members
  (3) has not been
  reached
- they own more than one lot



#### new

There is no clarity about committee membership in a scheme of 3 or more lots with only 3 owners. An election would have occurred at the AGM

When there are 3 or more lots in the scheme and only 3 owners, the committee consists of the 3 individuals who decide which of the executive positions they wish to hold. If they can't decide

they are held jointly



#### **NEW** Minor committee

A committee formed under section 13, subsection 4, 5 and 6 (schemes of 3 or less owners)



#### new

No provision to vote electronically for a committee ballot including a secret ballot The body corporate can by ordinary resolution approve electronic voting for a secret ballot and open ballot.

More clarification has been provided on the system for electronic voting



#### **NEW** Maximum number

- if the community titles scheme includes 7 or more lots then the maximum number is 7
- if the community titles scheme includes fewer than 7 lots—the maximum number equals the number of lots
- if the scheme includes 7 or more lots, and it is a principal scheme in a layered arrangement of community title schemes, and the body corporate decides by ordinary resolution that the number of members of the committee must be greater than 7 but not more than 12—the number decided by the body corporate



#### new

There is no compulsion to call from the floor when the committee has reached the 'minimum' number of 3

The chairperson must call from the floor to attempt to make up committee membership to the 'maximum number'



new

A secret ballot is required to engage a body corporate manager under Chapter 3 Part 5 The body corporate may vote by ordinary resolution to have an open ballot to appoint a body corporate manager under Chapter 3 Part 5 instead of a secret ballot



#### new

There is no provision that deals with committee members receiving benefits Committee members are prohibited from receiving a direct or indirect benefit from a caretaking service contractor unless authorised by ordinary resolution or unless the benefit is the supply of, or payment for:

- a letting agent business service conducted by the contractor, or
- a service the body corporate has engaged the contractor to provide or
- a service the owner of a lot has engaged the contractor to provide at market price.



# **Committee meetings**

Submitting motions Making timely decisions Attending in person Attendance by representative Debtor members VOC



new

There is no specific provision for a member of the body corporate to submit a motion for consideration of the committee An owner can submit a motion to the secretary personally, by post or electronically, to be considered by the committee, if they want the body corporate to make a decision



#### new

There is no specific provision about the time frame for considering owners motions The committee has 6 weeks to consider a motion (the **decision period**). If the committee needs more time they must advise the owner in writing, they

must not take longer

than another 6

weeks



#### new

There is no specific provision about how a member of the committee attends a committee meeting 'in person' Makes it more clear that all members of the committee may attend a committee meeting by electronic means with permission of the committee e.g. by videoconference.

This also extends to lot owners and their representatives



#### new

Lot owners can attend committee meetings however there is no provision for lot owners' representatives to attend

Extends the right of attendance at committee meetings to lot owner representatives that are recorded on the body corporate roll or have evidence the lot owner has asked them to attend and in what capacity



#### new

A committee member is eligible to vote at a meeting of the committee even if they owe a body corporate debt A committee member who owes a body corporate debt, or who was nominated by an entity that owes a body corporate debt, is a debtor member and ineligible to vote at a committee meeting, or for a vote outside a committee meeting



#### new

No timeframe is provided for committee members to respond to a vote outside a committee meeting (VOC) Committee members must vote on a VOC within 21 days of the notice being given.

The motion can be deemed as passed at any time within the 21 days if there are a majority of votes received *for* the motion.

If insufficient votes to determine the motion are not received within 21 days the motion is taken to have not been agreed to



# **General meetings**

Submitting motions for first AGM Documents provided for first AGM Group of same-issue motions Explanatory schedule Quorum Power of attorney Electronic voting



#### new

No provision regarding owners submitting motions for the **first** AGM A motion submitted by a member of the body corporate prior to the **first** AGM must be included on the agenda if it is practicable



#### new

Specific documents must be given at the first AGM by the developer Additional documents must now be provided in hard copy and electronic form to ensure they can be easily accessed and archived



new

Motions about the same issue are combined into a 'motion with alternatives' prepared by the committee

2 or more motions submitted proposing different ways of dealing with the same issue must be listed as 'original motions' together on the agenda of the general meeting as a 'group of same-issue motions'.

An explanatory schedule must accompany the motion



#### new

Explanatory material must be provided for a 'motion with alternatives' There must be an explanatory schedule for a 'group of sameissue motions'. The regulation specifies what must be included



new

Quorum is prescribed as 25% of voters present and either 1 or 2 voters personally present depending on the size of the scheme Allows the body corporate to change how a quorum at a general meeting is calculated and the number of voters that must be present personally, by special resolution. Also allows presence electronically



#### new

No restrictions on the number of power of attorneys a person can use A person may only vote as a representative for more than one owner if

- the owner of each lot is the same person
- for each lot the representative is a family member of the lot owner
- power of attorney is given by a buyer (under section 211 or 219 of the Act)



#### new

#### A member of the body corporate can vote electronically

The body corporate can decide by ordinary resolution to allow voters to vote electronically. More clarification has been provided on the system for electronic voting



# **Disclosure of benefits**

### expiring

Before a body corporate makes a decision to enter into a contract, including a contract of insurance, a body corporate manager and a caretaking service contractor for the scheme is required to disclose any associated commission, payment or other benefit

In addition, if the benefit is monetary they must now disclose the amount they are entitled to receive

new



### Insurance

### expiring

Restriction on the committee approving the renewal of the annual building insurance due to committee spending limit

#### new

The committee can spend over its spending limit if it decides the spending is necessary to put in place a relevant policy of insurance, or to renew an existing relevant policy of insurance, unless it is a restricted issue. Must disclose use of a broker at AGM



## **Administrative matters**

Address for service Sending notices Serving documents to secretary Owners providing information for roll Body corporate updating roll



#### new

No provision to provide an email address as an owner's address for service. An owner can now provide an email address as part of their address for service for the body corporate roll



#### new

#### Documents are sent to the owners address for service by post

An owner can enter into an agreement with the body corporate about how particular documents or information may be given to the owner (for example through a file sharing service)



#### new

Documents are served to the secretary e.g. nominations forms, voting papers The requirement of an owner to give a document or information to the secretary is satisfied if it is given to a body corporate manager who is authorised by the body corporate to exercise some or all of the powers of the secretary





An owner or mortgagee of the lot has 2 months to provide the body corporate with certain information

The time for updating details for the body corporate roll is now reduced to 1 month



#### new

There is no time frame for the body corporate to update the roll after it receives the information from a lot owner The body corporate must record information required to be on the body corporate roll within 14 days after receiving the information



# **Building defect report**

### expiring

#### new

There is no requirement to obtain a defect assessment report The second AGM agenda must contain a motion proposing the engagement of an appropriately qualified person to prepare a defect assessment report on the building/s the body corporate is responsible for insuring.

The body corporate for schemes registered under a standard format plan of subdivision with stand alone buildings can set up a voluntary defect assessment plan.



# **Contact us**

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