

Office of the Commissioner for Body Corporate and Community Management

Information Seminar 2018



Topics

1. Insurance

2. Enforcing body corporate
by-laws

3. Body corporate decision making

Topic 1 - Insurance

- Building insurance
- Public liability
- Insurance premium
- Excess
- Insurance Valuation

What does building insurance cover ?

- Damage to the building from an event
- Other costs to reinstate or replace the insured buildings
- Must be returned to new condition

Definition of building

- Covers the building and any improvements and fixtures – EXCEPT:
- Temporary wall, floor and ceiling covers
- Fixtures that can be removed at the end of a tenancy
- Mobile or fixed air conditioning units for a particular lot
- Window coverings – curtains/blinds
- Mobile dishwashers, clothes dryers or electrical and gas appliances not wired in

What damage is covered

- Earthquake, explosion, fire, lightening, storm, tempest and water damage
- Glass breakage
- Damage from impact, malicious act or riot
- Can take out extra insurance (flood)
- Ordinary resolution

Building insurance in a building format plan of subdivision

- Usually multistorey complexes
- Townhouses with or without common walls
- Can be ground level stand alone villas or houses

Body Corporate must insure all the buildings for the full replacement value

Premiums calculated on interest schedule lot entitlements

Building insurance in a standard format plan of subdivision

- The **body corporate** insures buildings that share a common wall to full replacement value.
- The **lot owner** insures buildings that are free standing and do not share a common wall
- Voluntary insurance scheme
- Premiums based on percentage share of reinstatement cost

Public risk insurance

Body Corporate must have risk insurance for

- the common property
- body corporate assets

It must cover

- Compensation for death, illness or injury
- Damage to property

Public risk insurance

It must be

- \$10 million for a single event
- \$10 million in a single period of insurance

Premium based on contribution schedule lot entitlement

Common property and assets

The body corporate must insure the common property and the body corporate assets for

- Damage
- Extra costs to reinstate or replace insured buildings
- Returning the property to new condition.

Premiums are based on interest schedule lot entitlements.

Premiums

Building format plan – based on interest schedule lot entitlement.

Standard format plan – your share relates to the cost of re-instating your lot.

Can adjust premium based on

- quality of fittings and fixtures
- improvements made by owner
- activities on lot that increase risk

Excess

Owner pays – if event affects their lot only or body corporate decides it is reasonable under the circumstances for the owner of a particular lot to pay

Body corporate pays – if affects more than one lot and/or common property or the body corporate decides it is reasonable for owners to pay under the circumstances

Insurance Valuation

- Minimum of every 5 years
- State full replacement value of the building
- Costs proportionate to owner contribution to building insurance
- Valuation must be done by independent insurance valuer.

Topic 2

Enforcing body corporate bylaws

Validity of bylaws

To be valid a bylaw must not:

- be inconsistent with the BCCM Act or any other Act.
- discriminate between types of occupiers
- impose a monetary liability
- be oppressive or unreasonable

Enforceable

- To be enforceable a bylaw must be registered on the community management statement for the community titles scheme.
- If a by-law is suspected of being invalid it does not prevent the body corporate from carrying out initial steps to enforce them.

Enforcement - Owners

- BCCM Form 1 Notice to body corporate of a contravention of a body corporate by-law
 - Body corporate details
 - Complainant details – you
 - Respondent details – person breaching
 - Number and text of bylaw/s being breached
 - How it is being breached
 - Your signature

Body Corporate

It is a Committee decision to enforce the bylaws

- Verbal reminder
- Written reminder
- BCCM Form 10 Notice of continuing contravention of a body corporate by-law
- BCCM Form 11 Notice regarding likely future contravention of a body corporate by-law

When to use the BCCM Form 10

BCCM Form 10 is used in situations where the contravention is continuing such as

- Pergola built without approval
- Pet without approval
- Lot painted purple

When to use the BCCM Form 11

BCCM Form 11 is used in situations where a breach has occurred and is likely to occur again in the future

- Parties
- Parking
- Approved pet causing a nuisance - barking

What if offending owner does not comply with notice?

The body corporate may consider two options:

- Action in the Magistrates Court
- Apply for Conciliation

What if body corporate does not respond to BCCM Form 1?

Owner can lodge a conciliation application against:

- The body corporate for not enforcing the bylaws
- The offending owner provided they have taken step to resolve the issues directly with offending owner

Topic 3

Body Corporate decision making

Body Corporate decisions

Committee

- Committee meeting
- Vote outside committee meeting (VOC)

Body Corporate

- Annual general meeting (AGM)
- Extraordinary general meeting (EGM)

Committee decisions (meeting)

- Committee meetings
 - 7 days notice
 - 21 days for minutes to be sent
 - Quorum of at least half of voting committee members required
 - Decision made by majority of voting members agreeing to the motion who are entitled to vote on the motion, who are voting

Committee decisions (VOC)

- Vote outside a committee meeting
 - Decision made in writing
 - No timeframe in legislation
 - 21 days for record of decision to be sent
 - Decision made by majority of voting members of the committee

What can committees decide

- Bylaw issues
- Maintenance
- Improvements
- Start certain legal proceedings

Limitations

- Restricted issues
- Reserved issues
- Spending limit
- Budget

General meetings

- **Annual general meeting**
 - Must be held every year
 - Within 3 months of end of BC financial year
 - 21 days notice given
 - Statutory motions to be included on agenda
 - Committee elected

General meetings

- **Extraordinary general meeting**
 - 21 days notice
 - Committee to decide to call
 - 25% of lot owner request to call

Spending Limits

- Major spending limit
- Motion with alternatives
- Improvement limit

Resolution types

- Ordinary resolution
- Special resolution
- Resolution without dissent

Body Corporate Managers

Do not have any decision making capacity for the body corporate and must take direction from the committee and the body corporate.

Questions



Contact us

Contact us

Phone: 1800 060 119 (free call back service)

Online enquiry:

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Survey

We will be emailing you a link to complete a survey regarding today's seminar based on the email that was used to register. If you do not think we have your email address please feel free to email us at bccm@justice.qld.gov.au requesting the link to our survey.