

Body Corporate and Community Management and Other Legislation Amendment Act 2011

Act No. 9 of 2011



Queensland

Body Corporate and Community Management and Other Legislation Amendment Act 2011

Contents

			Page	
Part 1	Prelimina	ry	Ü	
1	Short title	-	8	
2	Commenc	ement	8	
Part 2		ent of Body Corporate and Community ent Act 1997		
3	Act amend	led in pt 2 and schedule	9	
4	Amendme	nt of s 46 (Lot entitlements)	9	
5	Insertion o	f new ss 46A and 46B	9	
	46A	Principles for deciding contribution schedule lot entitlements	10	
	46B	Principle for deciding interest schedule lot entitlements	10	
6	Amendme	nt of s 47 (Application of lot entitlements)	11	
7	Insertion o	f new ss 47A and 47B	11	
	47A	Adjustment of contribution schedule by resolution without dissent	11	
	47B	Adjustment of contribution schedule for particular schemes by order of specialist adjudicator or QCAT.	13	
8	Amendme	nt of s 48 (Adjustment of lot entitlement schedule)	15	
9	Insertion of new s 48A			
	48A	Criteria for deciding whether contribution schedule lot entitlements consistent with deciding principle	16	
10	Amendment of s 49 (Criteria for deciding just and equitable circumstances)			
11	Amendment of s 51 (Limited adjustment of lot entitlement schedule—after formal acquisition of part of scheme land)			
12		f new ss 51A–51C	18	

Contents

	51A	spec	ed adjustment of lot entitlement schedule for ified two-lot scheme—after formal acquisition of of scheme land	18
	51B		ed adjustment of lot entitlement schedule—after ivision of lot.	19
	51C		ed adjustment of lot entitlement schedule—after gamation of lots	20
13		nendment of s 55 (Requirements for motion to change mmunity management statement)		
14		Amendment of s 63 (Responsibility for preparing, and for costs of preparing, new statement)		
15	Amendment of s 66 (Requirements for community management statement)			22
16	Amendme	nt of s	94 (Body corporate's general functions)	24
17	Insertion o	of new	ch 3, pt 1, div 5	25
	Division 5		Special management arrangements for specified two-lot schemes	
	Subdivisio	n 1	Preliminary	
	111B	Purp	ose of div 5	25
	111C	Mear	ning of specified two-lot scheme	25
	111D	Divis sche	ions 2 to 4 do not apply to specified two-lot me	27
	Subdivisio	n 2	Decision making for specified two-lot schemes	
	111E	Mear	ning and effect of lot owner agreement	27
	111F	Regu	lation of lot owner agreement	28
	111G	-	corporate may only make decision by lot owner ement	28
	111H	Requ	uest to enter into lot owner agreement	29
	1111	Ame	nding or revoking decision of body corporate	29
	Subdivisio		Representatives of owners of lots	
	111J	Repr	esentative of owner of lot	30
18			120 (Schemes for which there is no committee porate)	30
19	Amendment of s 151 (Body corporate's financial institution accounts)		30	
20	Insertion o	of new	ch 3, pt 5, div 4, sdiv 1, hdg and s 181A	31
	Subdivisio		Contravention notices for schemes other than specified two-lot schemes	
	181A	Appli	cation of sdiv 1	31
21	Insertion of	of new	ch 3, pt 5, div 4, sdiv 2	31

Page 2 2011 Act No. 9

	Subdivisi	on 2	Contravention notices for specified two-lot schemes	
	183B	App	lication of sdiv 2	31
	183C	Con	tinuing contravention notice	31
	183D	Futu	re contravention notice	33
22	Insertion	of nev	ch 3, pt 5, div 4, sdiv 3, hdg	34
23			s 185 (Preliminary procedure for application by upier for resolution of dispute)	35
24			location and renumbering of s 187 (Copy of otice to be given to owner)	36
25	Replacen	nent o	f s 188 (Who may start proceeding)	36
	188	Who	may start proceeding	36
26	Amendmore persons)		s 205 (Information to be given to interested	36
27	Amendm	ent of	s 206 (Information to be given by seller to buyer)	37
28	Insertion	of nev	<i>ı</i> s 206B	38
	206B	•	y of new community management statement to iven	38
29			s 209 (Terminating contract for inaccuracy of ement)	39
30	Insertion	of nev	s 209A	40
	209A	entit	ninating contract if contribution schedule lot lements inconsistent with contribution schedule ciple	40
31	Amendm	ent of	s 213 (Information to be given by seller to buyer)	40
32	Amendme statemen		s 217 (Terminating contract for inaccuracy of	41
33	Insertion	of nev	vs 217A	42
	217A		ninating contract if lot entitlements inconsistent deciding principle	42
34	Amendmo application		s 242 (Time limit on certain adjudication	43
35	Amendm	ent of	s 264 (Specialist adjudication by agreement)	44
36	Amendm	ent of	s 284 (Ancillary provisions)	44
37	Amendm	ent of	s 301 (Appointment of administrator)	44
38	Amendm	ent of	s 312 (Proceedings)	45
39	Amendm	ent of	s 315 (Service of notices etc.)	46
40	Amendm	ent of	s 322 (Regulation-making power)	46
41	Insertion	of nev	<i>t</i> ch 8, pt 9	46

Part 9	C	ransitional provisions for Body Corporate and Community Management and Other Legislation Amendment Act 2011	
Division 1	F	Preliminary	
374	Definiti	on for pt 9	47
Division 2	lı	nterest schedules for particular schemes	
375	Interes	t schedules for particular schemes	47
Division 3		Effect of particular actions relating to contribution schedule lot entitlements	
376	Applica	ation of div 3	48
377	Pre-coi have et	mmencement adjustment actions cease to ffect	50
Division 4	e	Adjustment of contribution schedule for existing scheme to which adjustment order applies	
Subdivisio	n 1 🛭	Definitions	
378	Definiti	ons for div 4	50
Subdivisio	n 2 N	Notion for adjustment of contribution schedule	
379	Motion	proposing adjustment of contribution schedule	52
Subdivisio		Dealing with motion for adjustment of contribution schedule	
380	Purpos	se of sdiv 3	52
381	Adjustr subdivi	ment if a lot in existing scheme has been ded	53
382		ment if 2 or more lots in existing scheme have malgamated	53
383		ment if the boundary for a lot included in g scheme has changed	54
384		nent if material change since contribution lle lot entitlements decided	54
385		orporate committee to deal with motion if submitted to it	54
386	Body c	orporate to call general meeting etc. if motion ted to it	57
387		on at general meeting for motion submitted to orporate	58
388	QCAT (or specialist adjudicator deciding adjustment .	60
389		on about new community management ent required under this division	62
390	Body c under t	orporate responsible for particular costs this division.	63

Page 4 2011 Act No. 9

Contents

	Division 5	Other provisions		
	391	Other adjustments of lot entitlement schedules for schemes	63	
	392	Continuing contravention notice given by body corporate before scheme becomes a specified two-lot scheme	63	
	393	Future contravention notice given by body corporate before scheme becomes a specified two-lot scheme.	64	
	394	Application of s 206	64	
	395	Application of s 213	65	
	396	Amendment of QCAT legislation	66	
42	Amendme	ent of sch 5 (Adjudicator's orders)	66	
43	Amendme	Amendment of sch 6 (Dictionary)		
Part 3		Amendment of Queensland Civil and Administrative Tribunal Regulation 2009		
44	Regulation	Regulation amended		
45	Amendme	Amendment of sch 1 (Enabling Acts and provisions)		
Part 4		Amendment of Queensland Civil and Administrative Tribunal Rules 2009		
46	Rules ame	Rules amended		
47		Amendment of r 44 (General requirement for responses other than minor debt claim)		
Schedule		d consequential amendments of Body Corporate munity Management Act 1997	71	



Queensland

Body Corporate and Community Management and Other Legislation Amendment Act 2011

Act No. 9 of 2011

An Act to amend the Body Corporate and Community Management Act 1997, the Queensland Civil and Administrative Tribunal Regulation 2009 and the Queensland Civil and Administrative Tribunal Rules 2009 for particular purposes

[Assented to 14 April 2011]

The Parliament of Queensland enacts—

Part 1 Preliminary

1 Short title

This Act may be cited as the *Body Corporate and Community Management and Other Legislation Amendment Act 2011*.

2 Commencement

The following provisions of this Act commence on a day to be fixed by proclamation—

- (a) sections 6 and 11(1) and (2);
- (b) section 12 to the extent it inserts section 51A;
- (c) sections 13, 14, 16 to 25, 26, 27(1), (4) and (6), 34 and 36 to 40;
- (d) section 41 to the extent it inserts sections 392 and 393;
- (e) sections 42 and 43(1);
- (f) section 43(2) to the extent it inserts the following definitions—
 - continuing contravention notice
 - contravention notice
 - future contravention notice
 - lot owner agreement
 - specified two-lot scheme
 - specified two-lot schemes module;
- (g) the schedule, amendments 12 and 14.

Page 8 2011 Act No. 9

Part 2 Amendment of Body Corporate and Community Management Act 1997

3 Act amended in pt 2 and schedule

This part and the schedule amend the *Body Corporate and Community Management Act 1997*.

4 Amendment of s 46 (Lot entitlements)

- (1) Section 46(7)
 - omit, insert—
- '(7) For the contribution schedule for a community titles scheme established after the commencement of this subsection, the respective lot entitlements must be consistent with either—
 - (a) the equality principle; or
 - (b) the relativity principle.
- '(7A) For the interest schedule for a community titles scheme established after the commencement of this subsection, the respective lot entitlements must be consistent with the market value principle.'.
 - (2) Section 46(8), from 'In deciding' to 'subsection (7)'—

omit, insert—

'In deciding the contribution schedule lot entitlements for a community titles scheme under subsection (7)(a), or the interest schedule lot entitlements for a community titles scheme under subsection (8)'.

(3) Section 46(7A) to (9) renumber as section 46(8) to (10).

5 Insertion of new ss 46A and 46B

After section 46—

insert—

'46A Principles for deciding contribution schedule lot entitlements

'(1) The *equality principle* for deciding contribution schedule lot entitlements for the lots included in a community titles scheme is the principle that the lot entitlements must be equal, except to the extent to which it is just and equitable in the circumstances for them not to be equal.

Examples of circumstances in which it may be just and equitable for lot entitlements not to be equal—

- a layered arrangement of community titles schemes, the lots of which have different uses (including, for example, car parking, commercial, hotel and residential uses) and different requirements for public access or maintenance
- a commercial community titles scheme in which the owner of 1 lot uses a larger volume of water or conducts a more dangerous or higher risk activity than the owners of the other lots
- '(2) The *relativity principle* for deciding contribution schedule lot entitlements for the lots included in a community titles scheme is the principle that the lot entitlements must clearly demonstrate the relationship between the lots by reference to 1 or more particular relevant factors.
- '(3) A relevant factor for subsection (2) may, and may only, be any of the following—
 - (a) how the community titles scheme is structured;
 - (b) the nature, features and characteristics of the lots;
 - (c) the purposes for which the lots are used;
 - (d) the impact the lots may have on the costs of maintaining the common property;
 - (e) the market values of the lots.

'46B Principle for deciding interest schedule lot entitlements

'(1) The *market value principle* for deciding interest schedule lot entitlements for the lots included in a community titles

Page 10 2011 Act No. 9

scheme is the principle that the lot entitlements must reflect the respective market values of the lots, except to the extent to which it is just and equitable in the circumstances for the individual lot entitlements not to reflect the respective market values of the lots.

- '(2) The following apply for working out the market values of lots included in a community titles scheme—
 - (a) if a lot included in the scheme is a subsidiary scheme, the market value of the lot is the market value of the scheme land for the subsidiary scheme;
 - (b) for establishing the market value of a lot created under a standard format plan of subdivision or volumetric format plan of subdivision, buildings and improvements on the lot are to be disregarded.'.

6 Amendment of s 47 (Application of lot entitlements)

Section 47(2)(b)—

omit, insert—

'(b) other than for the owner of a lot included in a specified two-lot scheme, the value of the lot owner's vote for voting on an ordinary resolution if a poll is conducted for voting on the resolution.'.

7 Insertion of new ss 47A and 47B

After section 47—

insert—

'47A Adjustment of contribution schedule by resolution without dissent

- '(1) The body corporate for a community titles scheme, by resolution without dissent, may change the contribution schedule lot entitlements for the lots included in the scheme.
- '(2) The notice of the meeting at which the resolution is proposed to be passed must state, or be accompanied by a written notice stating—

- (a) the proposed changes to the contribution schedule lot entitlements; and
- (b) the reasons for the proposed changes to the contribution schedule lot entitlements.
- '(3) The changed contribution schedule lot entitlements must be consistent with either—
 - (a) the deciding principle for the existing contribution schedule lot entitlements; or
 - (b) another principle, if it is a contribution schedule principle.
- '(4) For subsection (3), if the deciding principle for the existing contribution schedule lot entitlements is the relativity principle based on 1 or more particular relevant factors (the *original factors*), the changed contribution schedule lot entitlements may—
 - (a) under subsection (3)(a), be consistent with the relativity principle based on the same particular relevant factors; or
 - (b) under subsection (3)(b), be consistent with—
 - (i) the relativity principle based on 1 or more particular relevant factors that, when considered as a whole, are different to the original factors considered as a whole; or
 - (ii) another contribution schedule principle.
- '(5) The body corporate must, as quickly as practicable, lodge a request to record a new community management statement incorporating the change.

Maximum penalty—100 penalty units.

Note-

Under section 46(10), a change to a lot entitlement takes effect on the recording of the new community management statement incorporating the change.

'(6) The new community management statement must be prepared and recorded at the expense of the body corporate.

Page 12 2011 Act No. 9

'47B Adjustment of contribution schedule for particular schemes by order of specialist adjudicator or QCAT

- '(1) This section applies if—
 - (a) a community titles scheme is affected by a material change that has happened since the last time the contribution schedule lot entitlements for the lots included in the scheme were decided; and
 - (b) the owner of a lot included in the scheme believes an adjustment of the contribution schedule for the scheme is necessary because of the material change.
- '(2) This section also applies if—
 - (a) a community titles scheme is established after the commencement of this section; and
 - (b) the owner of a lot included in the scheme believes the contribution schedule lot entitlements for the lots included in the scheme are not consistent with the deciding principle for the lot entitlements.
- '(3) The owner of the lot may apply—
 - (a) under chapter 6, for an order of a specialist adjudicator for an adjustment of the contribution schedule for the community titles scheme; or
 - (b) as provided under the QCAT Act, for an order of QCAT, exercising the tribunal's original jurisdiction, for an adjustment of the contribution schedule for the scheme.
- '(4) Despite any other law or statutory instrument, the respondent to an application mentioned in subsection (3) is the body corporate.

Note-

The body corporate must be given notice of the application under—

- (a) for an application to a specialist adjudicator under chapter 6—section 243; or
- (b) for an application to QCAT as provided under the QCAT Act—the QCAT Act, section 37.

- '(5) If the owner applies under chapter 6 for an order of a specialist adjudicator—
 - (a) at the election of another owner of a lot in the community titles scheme, the other owner may be joined as a respondent to the application; and
 - (b) each party to the application is responsible for the party's own costs of the application.
- '(6) An owner of a lot in the community titles scheme who elects, under subsection (5)(a), to become a respondent to the application must give written notice of the election to the body corporate.
- '(7) If the specialist adjudicator or QCAT orders an adjustment of the contribution schedule, the adjusted contribution schedule lot entitlements for the lots included in the community titles scheme must—
 - (a) be consistent with the deciding principle for the existing contribution schedule lot entitlements, and be just and equitable to the extent the deciding principle allows; or
 - (b) if there is no apparent deciding principle for the existing contribution schedule lot entitlements, be just and equitable.
- '(8) If the specialist adjudicator or QCAT orders an adjustment of the contribution schedule, the body corporate must, as quickly as practicable, lodge a request to record a new community management statement incorporating the adjustment ordered.

Maximum penalty—100 penalty units.

Note—

Under section 46(10), a change to a lot entitlement takes effect on the recording of the new community management statement incorporating the change.

'(9) To remove any doubt, it is declared that, if there is a deciding principle for the existing contribution schedule lot entitlements, the specialist adjudicator or QCAT can not change the deciding principle for the lot entitlements.'.

Page 14 2011 Act No. 9

8 Amendment of s 48 (Adjustment of lot entitlement schedule)

(1) Section 48, heading, 'lot entitlement'—

omit, insert—

'interest'.

(2) Section 48(1), 'a lot entitlement'—

omit, insert—

'an interest'.

(3) Section 48(2)—

insert—

'Note-

The body corporate must be given notice of the application under—

- (a) for an application to a specialist adjudicator under chapter 6—section 243; or
- (b) for an application to QCAT as provided under the QCAT Act—the QCAT Act, section 37.'.
- (4) Section 48(5) to (10)—

omit, insert—

- '(5) The order of the specialist adjudicator or QCAT must be consistent with the market value principle, as applied in relation to the respective market values of the lots included in the scheme when the order is made.
- '(6) If the specialist adjudicator or QCAT orders an adjustment of the interest schedule, the body corporate must, as quickly as practicable, lodge a request to record a new community management statement incorporating the adjustment ordered.

Maximum penalty for subsection (6)—100 penalty units.

Note—

Under section 46(10), a change to a lot entitlement takes effect on the recording of the new community management statement incorporating the change.'.

[s 9]

9 Insertion of new s 48A

After section 48—

insert—

'48A Criteria for deciding whether contribution schedule lot entitlements consistent with deciding principle

- This section applies if an application is made under section 47B(3) for an order of a specialist adjudicator or QCAT for an adjustment of the contribution schedule for a community titles scheme.
- '(2) This section sets out the only matters to which the specialist adjudicator or QCAT may have regard for deciding whether the contribution schedule lot entitlements are consistent with the deciding principle for the lot entitlements.
- '(3) The specialist adjudicator or QCAT may have regard to only—
 - (a) the deciding principle for the contribution schedule lot entitlements; and
 - (b) the information about the application of the deciding principle to the lots included in the scheme that is included in the community management statement; and
 - (c) if the contribution schedule lot entitlements were decided on the equality principle, the matters to which the specialist adjudicator or QCAT may have regard under section 49; and
 - (d) the matters raised by the applicant to support the assertion that the contribution schedule lot entitlements are not consistent with the deciding principle for the lot entitlements; and
 - (e) the matters (if any) raised by each respondent to support the assertion that the contribution schedule lot entitlements are consistent with the deciding principle for the lot entitlements.'

Page 16 2011 Act No. 9

10 Amendment of s 49 (Criteria for deciding just and equitable circumstances)

(1) Section 49(1), after 'schedule'—

insert—

', decided on the equality principle or market value principle'.

(2) Section 49(2)(b), 'to reflect other than'—

omit, insert—

'not to reflect'.

11 Amendment of s 51 (Limited adjustment of lot entitlement schedule—after formal acquisition of part of scheme land)

(1) Section 51(1), after 'scheme', first mention—

insert—

', other than the body corporate for a specified two-lot scheme,'.

(2) Section 51(1)—

insert—

'Note-

For the adjustment of the lot entitlement schedules for a specified two-lot scheme in similar circumstances, see section 51A.'.

(3) Section 51(2)(a), 'just and equitable changes'—

omit, insert—

'changes, subject to subsection (3),'.

(4) Section 51—

insert—

- '(2A) Any required changes set out in the lot entitlement adjustment advice must—
 - (a) be consistent with the deciding principle for the lot entitlements, and be just and equitable to the extent the deciding principle allows; or

- (b) if there is no apparent deciding principle for the lot entitlements—
 - (i) for contribution schedule lot entitlements—be just and equitable; or
 - (ii) for interest schedule lot entitlements—be consistent with the market value principle.'.
- (5) Section 51(2A) to (5)—

 renumber as section 51(3) to (6).

12 Insertion of new ss 51A-51C

Part 5, after section 51—
insert—

'51A Limited adjustment of lot entitlement schedule for specified two-lot scheme—after formal acquisition of part of scheme land

- '(1) This section applies if a constructing authority advises the body corporate for a specified two-lot scheme that it proposes to lodge—
 - (a) a new plan of subdivision for the scheme as required under the *Acquisition of Land Act 1967*, section 12A; and
 - (b) a request to record a new community management statement for the scheme as required under section 56(1).
- '(2) Within 4 months after receiving the constructing authority's advice and before consenting to the new community management statement, the body corporate must—
 - (a) obtain, from an appropriate person, independent professional advice (the *lot entitlement adjustment advice*) about any changes, subject to subsection (3), required to the lot entitlement schedules for the scheme to take account of the boundary change shown in the new plan of subdivision; and

Example of appropriate person for paragraph (a)—

a lawyer or registered valuer

Page 18 2011 Act No. 9

- (b) decide by a lot owner agreement to either—
 - (i) change the lot entitlement schedules to take account of the boundary change; or
 - (ii) not change the lot entitlement schedules.
- '(3) Any required changes set out in the lot entitlement adjustment advice must—
 - (a) be consistent with the deciding principle for the lot entitlements, and be just and equitable to the extent the deciding principle allows; or
 - (b) if there is no apparent deciding principle for the lot entitlements—
 - (i) for contribution schedule lot entitlements—be just and equitable; or
 - (ii) for interest schedule lot entitlements—be consistent with the market value principle.
- '(4) The body corporate must give a copy of the lot entitlement adjustment advice to the owner of each lot included in the scheme as soon as practicable after obtaining the advice.
- (5) Within 30 days after the decision mentioned in subsection (2)(b) is made, the body corporate must give the constructing authority written notice of the decision.
- '(6) The constructing authority is responsible for the costs of obtaining the lot entitlement adjustment advice.

'51B Limited adjustment of lot entitlement schedule—after subdivision of lot

- '(1) This section applies if a lot in a community titles scheme (the *pre-subdivision lot*) is subdivided into 2 or more lots (the *post-subdivision lots*).
- '(2) However, this section does not apply to—
 - (a) the subdivision of a lot in a community titles scheme intended to be developed progressively if the circumstances mentioned in section 57(2) or (3) apply to the scheme in relation to the subdivision; or

- (b) a lot in a community titles scheme subdivided into 2 or more lots, one of which is a subsidiary scheme.
- '(3) The owners of the post-subdivision lots must—
 - (a) decide the lot entitlements for the post-subdivision lots by apportioning the lot entitlement for the pre-subdivision lot to the post-subdivision lots—
 - (i) consistently with the deciding principle for the lot entitlement; or
 - (ii) if there is no apparent deciding principle for the lot entitlement—according to the respective market values of the lots, except to the extent to which it is just and equitable in the circumstances for the individual lot entitlements not to reflect the respective market values of the lots; and
 - (b) give the body corporate written notice of the lot entitlements for the post-subdivision lots.
- '(4) If the body corporate is given written notice under subsection (3)(b), the body corporate must, as quickly as practicable, lodge a request to record a new community management statement incorporating the change.
 - Maximum penalty—100 penalty units.
- '(5) The new community management statement must be prepared and recorded at the expense of the owners of the post-subdivision lots.

'51C Limited adjustment of lot entitlement schedule—after amalgamation of lots

- '(1) This section applies if 2 or more lots in a community titles scheme (the *pre-amalgamation lots*) are amalgamated into 1 lot (the *post-amalgamation lot*).
- '(2) The lot entitlement for the post-amalgamation lot is the total of the lot entitlements for the pre-amalgamation lots.

Page 20 2011 Act No. 9

- '(3) The owner of the post-amalgamation lot must give the body corporate written notice of the lot entitlement for the post-amalgamation lot.
- '(4) If the body corporate is given written notice under subsection (3), the body corporate must, as quickly as practicable, lodge a request to record a new community management statement incorporating the change.

Maximum penalty—100 penalty units.

'(5) The new community management statement must be prepared and recorded at the expense of the owners of the pre-amalgamation lots.'.

13 Amendment of s 55 (Requirements for motion to change community management statement)

Section 55—

insert—

'(3) This section does not apply to a specified two-lot scheme.

Note-

See chapter 3, part 1, division 5, subdivision 2 about decision making for specified two-lot schemes.'.

14 Amendment of s 63 (Responsibility for preparing, and for costs of preparing, new statement)

Section 63(2)(b)—

omit, insert-

- '(b) if paragraph (a) does not apply to the scheme—
 - (i) for a specified two-lot scheme—
 - (A) an owner of a lot; or
 - (B) a person authorised by the body corporate by a lot owner agreement to prepare the statement; or

(ii) for a scheme other than a specified two-lot scheme—the committee for the body corporate.'.

15 Amendment of s 66 (Requirements for community management statement)

- (1) Section 66(1)(d)(i)— *omit.*
- (2) Section 66(1)(d)(ii) and (iii)—
 renumber as section 66(1)(d)(i) and (ii).
- (3) Section 66(1)—

insert—

- '(da) for a scheme (other than a scheme created under chapter 2, part 11) for which development approval is given after the commencement of paragraph (d) and to which paragraph (db) does not apply—if the contribution schedule lot entitlements for each lot included in the scheme are not equal, explain why they are not equal; and
- '(db) for a scheme established after the commencement of this paragraph or an adjusted scheme, in relation to contribution schedule lot entitlements for the lots included in the scheme—
 - (i) state the contribution schedule principle under section 46(7) on which the contribution schedule lot entitlements have been decided; and
 - (ii) if the contribution schedule lot entitlements have been decided in accordance with the equality principle and are not equal—explain why they are not equal; and
 - (iii) if the contribution schedule lot entitlements have been decided in accordance with the relativity principle—include sufficient details about the principle to show how individual contribution

Page 22 2011 Act No. 9

schedule lot entitlements for the lots were decided by using it; and

- (dc) for a scheme established after the commencement of this paragraph or an adjusted scheme, in relation to interest schedule lot entitlements for the lots included in the scheme—
 - (i) if the interest schedule lot entitlements reflect the respective market values of the lots—state that the interest schedule lot entitlements reflect the respective market values of the lots; or
 - (ii) if the interest schedule lot entitlements do not reflect the respective market values of the lots—explain why the interest schedule lot entitlements do not reflect the respective market values of the lots; and'.
- (4) Section 66—

insert—

- '(1A) An explanation or details included in the community management statement under subsection (1)(db) or (dc) must be—
 - (a) written in plain English; and
 - (b) simple enough, and only as detailed as is necessary, for an ordinary person to understand the explanation or details.'.
 - (5) Section 66(4) and (5), '(1)(d)(ii)'—

omit, insert—

'(1)(d)(i)'.

(6) Section 66(6)—

insert—

'adjusted scheme—

(a) for subsection (1)(db), means a scheme established before the commencement of subsection (1)(db) if—

- (i) the contribution schedule for the scheme is adjusted after that commencement; and
- (ii) after the adjustment, the deciding principle for the contribution schedule lot entitlements for the lots included in the scheme is a contribution schedule principle (whether or not the deciding principle for the contribution schedule lot entitlements before the adjustment was a contribution schedule principle); or
- (b) for subsection (1)(dc), means a scheme established before the commencement of subsection (1)(dc) if the interest schedule for the scheme is adjusted after that commencement.'

16 Amendment of s 94 (Body corporate's general functions)

(1) Section 94(1)(b), from 'any' to 'scheme'—

omit, insert—

'enforcing any by-laws for the scheme in the way provided under this Act'.

(2) Section 94(2)—

insert—

'Examples for subsection (2) of a body corporate making a decision—

- passing a motion by resolution at a general meeting or a committee meeting
- not passing a motion after a vote at a general meeting or a committee meeting
- owners of lots included in a specified two-lot scheme entering into a lot owner agreement for the scheme (see section 111E(2))
- owners of lots included in a specified two-lot scheme failing to enter into a lot owner agreement following a request made by one of the owners (see section 111H(3))'.

Page 24 2011 Act No. 9

17 Insertion of new ch 3, pt 1, div 5

Chapter 3, part 1—

insert—

'Division 5 Special management arrangements for specified two-lot schemes

'Subdivision 1 Preliminary

'111B Purpose of div 5

'This division provides—

- (a) that particular provisions of this chapter about management structures and arrangements for a community titles scheme do not apply to a specified two-lot scheme; and
- (b) for a simplified decision-making process by which the body corporate for a specified two-lot scheme may make a decision or may be taken to have made a decision; and
- (c) for a person to act as the representative of an owner of a lot included in a specified two-lot scheme.

'111C Meaning of specified two-lot scheme

- '(1) A *specified two-lot scheme* means a community titles scheme to which all of the following apply—
 - (a) there are only 2 lots included in the scheme;
 - (b) the scheme is not part of a layered arrangement of community titles schemes;
 - (c) there is no letting agent for the scheme;
 - (d) the lots included in the scheme are residential lots.
- '(2) A community titles scheme is also a *specified two-lot scheme* if subsection (1)(a) to (c) apply to the scheme and either—

- (a) all of the following apply to the scheme—
 - (i) the lots included in the scheme are not residential lots;
 - (ii) the first community management statement (which could be the community management statement recorded for the scheme on its establishment) identified the specified two-lot schemes module as the regulation module applying to the scheme;
 - (iii) when that community management statement was recorded, the lots included in the scheme were intended to be residential lots; or

Example of circumstances in which paragraph (a) may apply—

Lots included in a community titles scheme were offered for sale as residential lots, but the buyers chose not to use them as residential lots.

- (b) all of the following apply for the scheme—
 - (i) the lots included in the scheme have previously been, but are no longer, residential lots;
 - (ii) when the lots included in the scheme last stopped being residential lots, the community management statement for the scheme identified the specified two-lot schemes module as the regulation module applying to the scheme;
 - (iii) since the lots included in the scheme last stopped being residential lots, each community management statement (if any) recorded for the scheme has identified the specified two-lot schemes module as the regulation module applying to the scheme.
- '(3) In this Act, a reference to a specified two-lot scheme is a reference to a community titles scheme—
 - (a) that is a specified two-lot scheme within the meaning of subsection (1) or (2); and

Page 26 2011 Act No. 9

(b) whose community management statement identifies the specified two-lot schemes module as the regulation module applying to the scheme.

'(4) In this section—

residential lot means a lot that is used for residential purposes, and includes a lot that is—

- (a) the subject of a lease or letting for accommodation for long or short term residential purposes; or
- (b) immediately available to be the subject of a lease or letting for accommodation for long or short term residential purposes.

'111D Divisions 2 to 4 do not apply to specified two-lot scheme

'Divisions 2 to 4 do not apply to a specified two-lot scheme.

'Subdivision 2 Decision making for specified two-lot schemes

'111E Meaning and effect of lot owner agreement

- A *lot owner agreement* for a specified two-lot scheme is an agreement between the owners of the lots included in the scheme about a matter—
 - (a) related to the carrying out of the functions given to the body corporate under this Act and the community management statement; and
 - (b) for which the body corporate is required or permitted to make a decision under this Act or the community management statement.
- '(2) A lot owner agreement for a specified two-lot scheme is a decision of the body corporate.

'111F Regulation of lot owner agreement

- '(1) A lot owner agreement for a specified two-lot scheme must be entered into in the way prescribed under the specified two-lot schemes module.
- '(2) Without limiting subsection (1), the regulation module may include provisions about the following—
 - (a) a representative for an owner of a lot included in the scheme entering into a lot owner agreement on behalf of the owner;
 - (b) circumstances in which, if there is more than 1 owner of a lot included in the scheme, the owners of the lot are taken to have entered into a lot owner agreement.

'111G Body corporate may only make decision by lot owner agreement

- '(1) This section applies if a provision of this Act or the community management statement requires or permits the body corporate for a community titles scheme to make a decision about a matter related to the carrying out of the functions given to the body corporate under this Act and the community management statement—
 - (a) in any of the following ways—
 - (i) by resolution without dissent;
 - (ii) by special resolution;
 - (iii) by majority resolution;
 - (iv) by ordinary resolution; or
 - (b) without stating the way in which the decision is to be made.
- '(2) The body corporate may only make the decision by a lot owner agreement.

Page 28 2011 Act No. 9

'111H Request to enter into lot owner agreement

- '(1) The owner of a lot included in a specified two-lot scheme may ask the owner of the other lot included in the scheme to enter into a lot owner agreement about a proposed decision.
- '(2) A request under subsection (1) must—
 - (a) be made in the way prescribed under the specified two-lot schemes module; and
 - (b) state a reasonable period for the owner of the lot to whom the request is made to enter into a lot owner agreement about the proposed decision.
- '(3) If the owner of the lot to whom the request is made does not enter into a lot owner agreement about the proposed decision within the period stated, the body corporate is taken to have decided against making the proposed decision contained in the request.
- '(4) Subsection (3) applies despite section 111G(2).
- '(5) In this section—

proposed decision means a proposed decision—

- (a) about a matter related to the carrying out of the functions given to the body corporate under this Act and the community management statement; and
- (b) that the body corporate is required or permitted to make under this Act or the community management statement.

'1111 Amending or revoking decision of body corporate

'A decision of the body corporate for a specified two-lot scheme made by a lot owner agreement may be amended or revoked by another lot owner agreement.

'Subdivision 3 Representatives of owners of lots

'111J Representative of owner of lot

- '(1) A person may act as a representative for an owner of a lot included in a specified two-lot scheme in the circumstances prescribed under the specified two-lot schemes module.
- '(2) Without limiting subsection (1), the regulation module may include provisions about the following—
 - (a) authorisation of a representative to act for an owner of a lot included in the scheme, and amendment and revocation of that authorisation;
 - (b) functions and powers of a representative authorised to act for an owner of a lot included in the scheme.'.

18 Amendment of s 120 (Schemes for which there is no committee for the body corporate)

(1)	Section 120—
	insert—

- '(1A) However, this section does not apply to a specified two-lot scheme.'.
 - (2) Section 120(1A) to (3)—

 renumber as section 120(2) to (4).

19 Amendment of s 151 (Body corporate's financial institution accounts)

(1) Section 151(6), definition *authorised members*, paragraph (b), after 'small scheme'—

insert—

'or a specified two-lot scheme'.

(2) Section 151(6), definition *authorised members— insert—*

Page 30 2011 Act No. 9

'(d) for a specified two-lot scheme—at least 1 person, other than a body corporate manager for the scheme or an associate of the manager, who is authorised by the body corporate, by a lot owner agreement, to operate the account.'

20 Insertion of new ch 3, pt 5, div 4, sdiv 1, hdg and s 181A

Chapter 3, part 5, division 4, before section 182—

insert—

'Subdivision 1 Contravention notices for schemes other than specified two-lot schemes

'181A Application of sdiv 1

'This subdivision applies to a community titles scheme other than a specified two-lot scheme.'.

21 Insertion of new ch 3, pt 5, div 4, sdiv 2

Chapter 3, part 5, division 4—

insert—

Subdivision 2 Contravention notices for specified two-lot schemes

'183B Application of sdiv 2

'This subdivision applies to a specified two-lot scheme.

'183C Continuing contravention notice

This section applies to a specified two-lot scheme if an owner of a lot included in the scheme (the *complainant*) reasonably believes that—

- (a) a person (the *person*) who is the owner or occupier of a lot included in the scheme is contravening a provision of the by-laws for the scheme; and
- (b) the circumstances of the contravention make it likely that the contravention will continue.
- '(2) The complainant may, by notice (a *continuing contravention notice*) given to the person, require the person to remedy the contravention.
- '(3) A complainant who gives a continuing contravention notice under subsection (2) must when, or as soon as practicable after, the notice is given to the person, also—
 - (a) give a copy of the notice to the body corporate; and
 - (b) if the notice is given to a person who is not the owner of a lot included in the scheme, give a copy of the notice to the owner of the lot.
- '(4) If the continuing contravention notice is given following a request under section 185(3)(b)(i), the complainant must, within 14 days after receiving the request, advise the person who made the request that the continuing contravention notice has been given.
- '(5) The continuing contravention notice must state—
 - (a) that the complainant believes the person is contravening a provision of the by-laws; and
 - (b) the provision the complainant believes is being contravened; and
 - (c) details sufficient to identify the contravention; and
 - (d) the period (which must be reasonable in the circumstances) within which the person must remedy the contravention; and
 - (e) that if the person does not comply with the notice the complainant may, without further notice—
 - (i) start proceedings in the Magistrates Court for the failure to comply with the notice; or

Page 32 2011 Act No. 9

- (ii) make an application under chapter 6 for resolution of the dispute.
- '(6) The person must comply with the continuing contravention notice.
 - Maximum penalty—20 penalty units.
- '(7) However, the person does not commit an offence under subsection (6) if, when the continuing contravention notice is given to the person, the person is not contravening the provision mentioned in subsection (1)(a) in the way detailed for subsection (5)(c).

'183D Future contravention notice

- '(1) This section applies to a specified two-lot scheme if an owner of a lot included in the scheme (the *complainant*) reasonably believes that—
 - (a) a person (the *person*) who is the owner or occupier of a lot included in the scheme has contravened a provision of the by-laws for the scheme; and
 - (b) the circumstances of the contravention make it likely that the contravention will be repeated.
- '(2) The complainant may, by notice (a *future contravention notice*) given to the person, require the person not to repeat the contravention.
- '(3) A complainant who gives a future contravention notice under subsection (2) must when, or as soon as practicable after, the notice is given to the person, also—
 - (a) give a copy of the notice to the body corporate; and
 - (b) if the notice is given to a person who is not the owner of a lot included in the scheme, give a copy of the notice to the owner of the lot.
- '(4) If the future contravention notice is given following a request under section 185(3)(b)(i), the complainant must, within 14 days after receiving the request, advise the person who made the request that the future contravention notice has been given.

- '(5) The future contravention notice must state—
 - (a) that the complainant believes the person has contravened a provision of the by-laws; and
 - (b) the provision the complainant believes has been contravened; and
 - (c) details sufficient to identify the contravention; and
 - (d) that the person must not repeat the contravention; and
 - (e) that if the person does not comply with the notice the complainant may, without further notice—
 - (i) start proceedings in the Magistrates Court for the failure to comply with the notice; or
 - (ii) make an application under chapter 6 for resolution of the dispute.
- '(6) The future contravention notice has effect for—
 - (a) 3 months after it is given to the person; or
 - (b) a shorter period mentioned in the notice.
- '(7) The person must comply with the future contravention notice.

 Maximum penalty—20 penalty units.
- '(8) However, the person does not commit an offence under subsection (7) if, when the future contravention notice is given to the person, the person has not contravened the provision mentioned in subsection (1)(a) in the way detailed for subsection (5)(c).'.

22 Insertion of new ch 3, pt 5, div 4, sdiv 3, hdg

Chapter 3, part 5, division 4, before section 184—

insert—

'Subdivision 3 Other provisions'.

Page 34 2011 Act No. 9

23 Amendment of s 185 (Preliminary procedure for application by owner and occupier for resolution of dispute)

(1) Section 185(2), 'The'—

omit, insert—

'For a complainant who is the owner or occupier of a lot included in a community titles scheme other than a specified two-lot scheme, the'.

(2) Section 185—

insert—

- '(2A) For a complainant who is the owner or occupier of a lot included in a specified two-lot scheme, the complainant may make an application under chapter 6 for resolution of the dispute only if—
 - (a) if the complainant is an owner of a lot included in the scheme—the complainant has given the accused person a contravention notice for the contravention the subject of the dispute; or
 - (b) if the complainant is an occupier of a lot included in the scheme—
 - (i) the complainant has, in the approved form, asked the owner of the lot they occupy to give the accused person a contravention notice for the contravention the subject of the dispute; and
 - (ii) the lot owner does not advise the complainant, as required under section 183C(4) or 183D(4), that the contravention notice has been given to the accused person.'.
 - (3) Section 185(2A) and (3)—

renumber as section 185(3) and (4).

[s 24]

24 Amendment, relocation and renumbering of s 187 (Copy of contravention notice to be given to owner)

(1) Section 187(1), 'this division'—

omit, insert—

'this subdivision'.

(2) Section 187—

relocate to chapter 3, part 5, division 4, subdivision 1 and renumber as section 183A.

25 Replacement of s 188 (Who may start proceeding)

Section 188—

omit, insert—

'188 Who may start proceeding

'A proceeding for an offence under this division may be started only by—

- (a) for an offence under subdivision 1—the body corporate that gave the continuing contravention notice or future contravention notice the subject of the proceeding; or
- (b) for an offence under subdivision 2—the owner that gave the continuing contravention notice or future contravention notice.'.

Amendment of s 205 (Information to be given to interested persons)

Section 205(4), after 'form'—

insert-

'applying to the scheme'.

Page 36 2011 Act No. 9

27 Amendment of s 206 (Information to be given by seller to buyer)

(1) Section 206(2)(a)(i)—

omit, insert—

- '(i) the following—
 - (A) if the scheme is a specified two-lot scheme—each person who is responsible for keeping body corporate records under the specified two-lot schemes module;
 - (B) otherwise—the secretary of the body corporate; or'.
- (2) Section 206(2)(b)—

omit, insert—

- '(b) state—
 - (i) the amount of annual contributions currently fixed by the body corporate as payable by the owner of the lot; and
 - (ii) the extent to which the amount mentioned in subparagraph (i) is based on the contribution schedule lot entitlements for the lots included in the scheme; and
 - (iii) the extent to which the amount mentioned in subparagraph (i) is based on the interest schedule lot entitlements for the lots included in the scheme; and
 - (iv) that the contribution schedule lot entitlements, and interest schedule lot entitlements, for the lots included in the scheme are set out in the community management statement for the scheme; and'.
- (3) Section 206(2)(c) and (f)— *omit.*

(4) Section 206(2)(e)—

omit, insert—

- '(e) list the following—
 - (i) if the scheme is a specified two-lot scheme—the body corporate assets of more than \$1000 in value;
 - (ii) otherwise—the body corporate assets required to be recorded on a register the body corporate keeps; and'.
- (5) Section 206(2)—

insert—

- '(i) be accompanied by a copy of the community management statement for the scheme.'.
- (6) Section 206(2)(d) to (i)—

 renumber as section 206(2)(c) to (g).

28 Insertion of new s 206B

After section 206A—

insert—

'206B Copy of new community management statement to be given

- '(1) This section applies if, after the contract is entered into but before it settles, a new community management statement for the community titles scheme is recorded.
- '(2) The seller must, within 14 days (or a longer period agreed between the buyer and seller) after subsection (1) starts to apply, give the buyer a copy of the new community management statement.
- '(3) The buyer may cancel the contract if—
 - (a) it has not already been settled; and
 - (b) the buyer would be materially prejudiced if compelled to complete the contract, given the extent to which the

Page 38 2011 Act No. 9

- new community management statement is different from the community management statement last advised to the buyer; and
- (c) the cancellation is effected by written notice given to the seller within 14 days, or a longer period agreed between the buyer and seller, after the seller gives the buyer the further statement.
- '(4) Subsections (1) to (3) apply each time a new community management statement for the community titles scheme is recorded before the contract settles.'.

29 Amendment of s 209 (Terminating contract for inaccuracy of disclosure statement)

- (1) Section 209(1)(b)(ii)—

 renumber as section 209(1)(b)(iii).
- (2) Section 209(1)(b)— *insert*
 - '(ii) the copy of the community management statement that was attached to the contract when it was entered into is different from the community management statement most recently advised to the buyer, and the buyer would be materially prejudiced if compelled to complete the contract, given the difference;'.
- (3) Section 209(1)(c)(ii), 'paragraph (b)(ii)'—

 omit, insert—

 'paragraph (b)(iii)'.
- (4) Section 209(3), 'subsection (1)(b)(ii)'—

 omit, insert—

 'subsection (1)(b)(iii)'.

30 Insertion of new s 209A

After section 209—

insert—

'209A Terminating contract if contribution schedule lot entitlements inconsistent with contribution schedule principle

- '(1) This section applies if—
 - (a) the seller is the original owner for the community titles scheme; and
 - (b) the buyer reasonably believes—
 - (i) the contribution schedule lot entitlements for the lots included in the scheme are inconsistent with the contribution schedule principle on which they were decided; and
 - (ii) the buyer would be materially prejudiced if compelled to complete the contract.
- '(2) Subject to subsection (3), the buyer may terminate the contract at any time before it settles by giving signed, dated notice of termination to the seller.
- '(3) The termination must happen not later than 30 days, or a longer period agreed between the buyer and seller, after the buyer's copy of the contract is received by the buyer or a person acting for the buyer.
- '(4) The notice of termination must state that the contract is terminated under this section.'

Amendment of s 213 (Information to be given by seller to buyer)

Section 213(2)(a)—

omit, insert—

'(a) must state—

Page 40 2011 Act No. 9

- (i) the amount of annual contributions reasonably expected to be payable to the body corporate by the owner of the proposed lot; and
- (ii) the extent to which the amount mentioned in subparagraph (i) is based on the contribution schedule lot entitlements for the lots included in the scheme; and
- (iii) the extent to which the amount mentioned in subparagraph (i) is based on the interest schedule lot entitlements for the lots included in the scheme; and
- (iv) that the contribution schedule lot entitlements, and interest schedule lot entitlements, for the lots included in the scheme are set out in the proposed community management statement for the scheme; and'.

32 Amendment of s 217 (Terminating contract for inaccuracy of statement)

- (1) Section 217(b)(iii), '66(1)(d)'—

 omit, insert—
 '66(1)(da)'.
- (2) Section 217(b)(iv)—

 renumber as section 217(b)(viii).
- (3) Section 217(b)—
 insert—
 - '(iv) the community management statement most recently advised to the buyer is required under section 66(1)(db)(i) to state the contribution schedule principle on which the contribution schedule lot entitlements have been decided and does not include the statement:
 - (v) the community management statement most recently advised to the buyer is required under

- section 66(1)(db)(ii) to explain why the contribution schedule lot entitlements are not equal and does not contain the explanation;
- (vi) the community management statement most recently advised to the buyer is required under section 66(1)(db)(iii) to include sufficient details about the relativity principle to show how individual contribution schedule lot entitlements were decided by using it (the *details*) and does not include the details;
- (vii) the community management statement most recently advised to the buyer is required under section 66(1)(dc)(ii) to explain why the interest schedule lot entitlements do not reflect the respective market values of the lots included in the scheme and does not contain the explanation;'.

33 Insertion of new s 217A

After section 217—

insert—

'217A Terminating contract if lot entitlements inconsistent with deciding principle

- '(1) This section applies if—
 - (a) the seller is intended to be the original owner for the scheme when it is established; and
 - (b) the buyer reasonably believes either—
 - (i) the proposed contribution schedule lot entitlements for the lots proposed to be included in the scheme are inconsistent with the contribution schedule principle on which they are proposed to be decided; or
 - (ii) the proposed interest schedule lot entitlements for the lots proposed to be included in the scheme are inconsistent with the market value principle; and

Page 42 2011 Act No. 9

- (c) the buyer reasonably believes the buyer would be materially prejudiced if compelled to complete the contract.
- '(2) Subject to subsection (3), the buyer may terminate the contract at any time before it settles by giving signed, dated notice of termination to the seller.
- '(3) The termination must happen not later than 30 days, or a longer period agreed between the buyer and seller, after the buyer's copy of the contract is received by the buyer or a person acting for the buyer.
- '(4) The notice of termination must state that the contract is terminated under this section.'.

Amendment of s 242 (Time limit on certain adjudication applications)

(1) Section 242(1)—

insert-

- '(ba) a decision of the body corporate for a specified two-lot scheme made by a lot owner agreement; or'.
- (2) Section 242(1)(ba) and (c)—

 renumber as section 242(1)(c) and (d).
- (3) Section 242(2)—

insert—

- '(ba) if subsection (1)(c) applies—the day when the lot owner agreement was made; or'.
- (4) Section 242(2)(c), '(1)(c)'— *omit, insert*—

(1)(d).

(5) Section 242(2)(ba) and (c)—

renumber as section 242(2)(c) and (d).

Amendment of s 264 (Specialist adjudication by agreement)

Section 264(3), definition *joined respondent*, 'section 48(3)(a)'—

omit, insert—

'section 47B(5)(a), 48(3)(a) or 388(3)(a)'.

36 Amendment of s 284 (Ancillary provisions)

Section 284(4), 'or ordinary resolution'—

omit, insert—

', ordinary resolution or lot owner agreement'.

37 Amendment of s 301 (Appointment of administrator)

- (1) Section 301(3)—
 omit, insert—
- '(3) Without limiting subsection (2), the power may include—
 - (a) for a specified two-lot scheme—power to authorise an item of expenditure for the body corporate to meet the cost of complying with obligations to which the order relates and the costs of the administration; or
 - (b) for a scheme other than a specified two-lot scheme—power to levy a special contribution against the owners of lots included in the scheme to meet the cost of complying with obligations to which the order relates and the costs of the administration.'.
- (2) Section 301(5)— *omit, insert*—
- '(5) The administrator's remuneration must be paid by the body corporate.'.

Page 44 2011 Act No. 9

38 Amendment of s 312 (Proceedings)

(1) Section 312(1), from 'by'—

omit, insert—

'by—

- (a) if the scheme is a specified two-lot scheme—a lot owner agreement for the scheme; or
- (b) otherwise—special resolution by the body corporate.'.
- (2) Section 312(2)—

omit, insert—

- '(2) However, an owner of a lot included in a specified two-lot scheme may bring or start a prescribed proceeding on behalf of the body corporate even though the body corporate has not decided, by a lot owner agreement, to bring or start the proceeding.
- '(3) Also, the body corporate for a community titles scheme other than a specified two-lot scheme does not need a special resolution to bring to start a prescribed proceeding.
- '(4) In this section—

prescribed proceeding, for a community titles scheme, means—

- (a) a proceeding for the recovery of a liquidated debt against the owner of a lot included in the scheme; or
- (b) a counterclaim, third-party proceeding or other proceeding, in a proceeding to which the body corporate is already a party; or
- (c) a proceeding for an offence under chapter 3, part 5, division 4; or
- (d) a proceeding, including a proceeding for the enforcement of an adjudicator's order or an appeal against an adjudicator's order, under chapter 6.'.

39 Amendment of s 315 (Service of notices etc.)

Section 315(1)—
omit, insert—

- '(1) A notice, legal process or other document is served personally on the body corporate for a community titles scheme if served personally on—
 - (a) for the body corporate for a specified two-lot scheme—1 or more of the owners of the lots included in the scheme; or
 - (b) for the body corporate for another community titles scheme—the secretary or, in the absence of the secretary, another member of the committee for the body corporate.'.

40 Amendment of s 322 (Regulation-making power)

Section 322(3)—

insert—

'(c) failure of an original owner for a specified two-lot scheme to comply with obligations relating to handing over documents and materials to the body corporate after the original owner stops being an owner of a lot included in the scheme.'

41 Insertion of new ch 8, pt 9

Chapter 8—

insert—

Page 46 2011 Act No. 9

'Part 9

Transitional provisions for Body Corporate and Community Management and Other Legislation Amendment Act 2011

'Division 1 Preliminary

'374 Definition for pt 9

'In this part—

commencement means commencement of this section.

'Division 2 Interest schedules for particular schemes

'375 Interest schedules for particular schemes

- '(1) This section applies to a community titles scheme established after the commencement if a contract for the sale of a lot intended to come into existence as a lot included in the scheme was entered into before the commencement.
- '(2) Section 46(8) does not apply in relation to the interest schedule for the community titles scheme.
- '(3) In deciding the interest schedule lot entitlements for the community titles scheme, regard must be had to—
 - (a) how the scheme is structured; and
 - (b) the nature, features and characteristics of the lots included in the scheme; and
 - (c) the purposes for which the lots are used.

'(4) Despite subsection (2), section 48(5) applies to an order of a specialist adjudicator or QCAT to adjust the interest schedule for the community titles scheme.

'Division 3 Effect of particular actions relating to contribution schedule lot entitlements

'376 Application of div 3

- (1) This division applies to each of the following (each a *pre-commencement adjustment action*)—
 - (a) a motion, other than a motion mentioned in subsection (2), submitted to the body corporate for a community titles scheme proposing an adjustment of the contribution schedule for the scheme that—
 - (i) was made before the commencement; and
 - (ii) has not been passed by the body corporate at the commencement;
 - (b) a resolution, other than a resolution without dissent, of the body corporate for a community titles scheme to adjust the contribution schedule for the scheme that—
 - (i) was made before the commencement; and
 - (ii) has not been given effect at the commencement;
 - (c) an application under section 48, as in force from time to time before the commencement, for an order of a specialist adjudicator or QCAT for the adjustment of the contribution schedule for a community titles scheme that has not been decided at the commencement:
 - (d) a decision of a specialist adjudicator or QCAT to adjust the contribution schedule for a community titles scheme that—
 - (i) was made before the commencement; and
 - (ii) has not been given effect at the commencement;

Page 48 2011 Act No. 9

- (e) an appeal against a decision of a specialist adjudicator or QCAT to adjust the contribution schedule for a community titles scheme that has not been decided at the commencement;
- (f) a decision of an appeal entity to adjust the contribution schedule for a community titles scheme that—
 - (i) was made before the commencement; and
 - (ii) has not been given effect at the commencement.
- '(2) For subsection (1)(a), a motion submitted to the body corporate for a community titles scheme proposing an adjustment of the contribution schedule for the scheme on the basis of either of the following is not a pre-commencement adjustment action—
 - (a) the deciding principle for the contribution schedule lot entitlements for the lots included in the scheme:
 - (b) another principle for deciding the contribution schedule lot entitlements for the lots included in the scheme, if it is a contribution schedule principle.

Note-

See section 47A for the adjustments of contribution schedule lot entitlements for the lots included in a community titles scheme that may be made by the body corporate by resolution without dissent.

- '(3) For subsection (1)(b), (d) and (f), a body corporate's resolution, or a specialist adjudicator's, QCAT's or appeal entity's decision, to adjust the contribution schedule for a community titles scheme has not been given effect if a new community management statement incorporating the adjustment has not been recorded.
- '(4) In this section—

appeal entity means a court or tribunal having jurisdiction to hear and decide an appeal against a decision of a specialist adjudicator or QCAT to adjust the contribution schedule for a community titles scheme.

'377 Pre-commencement adjustment actions cease to have effect

- '(1) Each pre-commencement adjustment action ceases to have effect at the commencement.
- '(2) Without limiting subsection (1)—
 - (a) the pre-commencement adjustment action is taken to have never been made; and
 - (b) no further action may be taken in relation to the pre-commencement adjustment action.

'Division 4 Adjustment of contribution schedule for existing scheme to which adjustment order applies

'Subdivision 1 Definitions

'378 Definitions for div 4

'In this division—

adjustment order—

- (a) means an order of a court, tribunal or specialist adjudicator, made before the commencement, providing for an adjustment of the contribution schedule for an existing scheme; but
- (b) does not include an order of a court or tribunal giving effect to a decision that is not made by the court or tribunal or another court or tribunal (including a decision that is not, but is taken to have been, made by a court or tribunal).

Examples for paragraph (b)—

 an order of a court or tribunal giving effect to the terms of the settlement of a dispute between an owner of a lot included in an existing scheme and the body corporate, if

Page 50 2011 Act No. 9

the terms provide for the adjustment of the contribution schedule for the scheme

- a written agreement that—
 - (a) is between an owner of a lot included in an existing scheme and the body corporate; and
 - (b) provides for the adjustment of the contribution schedule for the scheme; and
 - (c) is filed in the registry of a court or tribunal and is enforceable as an order of the court or tribunal

changed entitlements, for an existing scheme, means the contribution schedule lot entitlements for the scheme after a new community management statement is recorded for the scheme because a relevant decision is made in relation to the scheme.

existing scheme means a community titles scheme established before the commencement.

pre-adjustment order entitlements, for an existing scheme to which an adjustment order applies, means—

- (a) if the adjustment order is the only adjustment order applying to the scheme—the contribution schedule lot entitlements for the lots included in the scheme as they were immediately before the order was made; or
- (b) otherwise—the contribution schedule lot entitlements for the lots included in the scheme as they were immediately before the first adjustment order applying to the scheme was made.

relevant decision means—

- (a) a decision of the committee for the body corporate for an existing scheme under section 385(4); or
- (b) a decision of the body corporate for an existing scheme under section 387(2); or
- (c) an order of a specialist adjudicator or QCAT under section 388.

'Subdivision 2 Motion for adjustment of contribution schedule

'379 Motion proposing adjustment of contribution schedule

- (1) Subsection (2) applies if—
 - (a) an adjustment order increased the proportion of the total contribution schedule lot entitlements for all the lots included in an existing scheme that are attributable to a lot included in the scheme; and
 - (b) before the commencement, a new community management statement reflecting the increase has been recorded.
- '(2) The owner of the lot may submit a motion proposing the adjustment of the contribution schedule for the existing scheme to reflect the pre-adjustment order entitlements for the scheme, subject to sections 381 to 384, to—
 - (a) if there is a committee for the body corporate—the committee; or
 - (b) otherwise—the body corporate.
- '(3) Subsection (2) does not apply to a person who—
 - (a) became an owner of the lot after the adjustment order was made; or
 - (b) becomes an owner of the lot after the commencement.
- '(4) Subsection (2) ceases to apply 3 years after the commencement.

Subdivision 3 Dealing with motion for adjustment of contribution schedule

'380 Purpose of sdiv 3

'This subdivision provides for how a motion under section 379 must be dealt with, including providing for the

Page 52 2011 Act No. 9

adjustment of the pre-adjustment order entitlements for an existing scheme in circumstances to which sections 381 to 384 apply.

'381 Adjustment if a lot in existing scheme has been subdivided

- This section applies if a lot (the *pre-subdivision lot*) in an existing scheme as it was when the pre-adjustment order entitlements for the scheme were decided comprises 2 or more lots (the *post-subdivision lots*) when a relevant decision is made in relation to the scheme.
- '(2) The changed entitlements for the existing scheme must apportion the pre-adjustment order entitlement for the pre-subdivision lot between the post-subdivision lots according to the respective market values of the post-subdivision lots, except to the extent to which it is just and equitable in the circumstances for the individual contribution schedule lot entitlements for the post-subdivision lots not to reflect the respective market values of the lots.

'(3) In this section—

pre-adjustment order entitlement, for the pre-subdivision lot, means the proportion of the pre-adjustment order entitlements for the existing scheme attributable to the pre-subdivision lot.

'382 Adjustment if 2 or more lots in existing scheme have been amalgamated

- '(1) This section applies if 2 or more lots (the *pre-amalgamation lots*) in an existing scheme as it was when the pre-adjustment order entitlements for the scheme were decided comprises only 1 lot (the *post-amalgamation lot*) when a relevant decision is made in relation to the scheme.
- '(2) The changed entitlements for the existing scheme must provide for the contribution schedule lot entitlement for the post-amalgamation lot to be the total of the pre-adjustment order contribution schedule lot entitlements for the scheme attributable to the pre-amalgamation lots.

4383 Adjustment if the boundary for a lot included in existing scheme has changed

- This section applies if a constructing authority has given advice mentioned in section 51(1) to the body corporate for an existing scheme in relation to a boundary change for the lots included in the scheme that happened after the pre-adjustment order entitlements for the scheme were decided.
- '(2) The changed entitlements for the existing scheme must take account of the boundary change, having regard to the lot entitlement adjustment advice obtained by the body corporate under section 51(2)(a) in relation to the boundary change.

'384 Adjustment if material change since contribution schedule lot entitlements decided

- '(1) This section applies if an existing scheme has been affected by a material change that happened after the pre-adjustment order entitlements for the scheme were decided.
- '(2) The changed entitlements for the existing scheme must take account of the material change.
- '(3) However, any adjustments of the pre-adjustment order entitlements for the existing scheme to take account of the material change must—
 - (a) be consistent with the deciding principle for the pre-adjustment order entitlements, and just and equitable to the extent the deciding principle allows; or
 - (b) if there is no apparent deciding principle for the pre-adjustment order entitlements, be just and equitable.

'385 Body corporate committee to deal with motion if motion submitted to it

'(1) This section applies if a motion under section 379 is submitted to the committee for the body corporate for an existing scheme.

Page 54 2011 Act No. 9

- '(2) The committee must, within 2 months after receiving the motion—
 - (a) identify the pre-adjustment order entitlements for the existing scheme; and
 - (b) give written notice to each owner of a lot included in the scheme—
 - (i) stating that a motion has been submitted to the committee under section 379 proposing the adjustment of the contribution schedule for the scheme to reflect the pre-adjustment order entitlements for the scheme, subject to sections 381 to 384; and
 - (ii) stating the committee's proposed adjustment of the contribution schedule for the scheme; and
 - (iii) inviting the owner to make submissions in relation to what (if any) changes to the pre-adjustment order entitlements for the scheme should be made under sections 381 to 384, within a stated period (the *submission period*) of at least 28 days after receiving the notice.
- '(3) If section 381 applies to the existing scheme, the committee must obtain a valuation by a registered valuer stating the respective market values of the lots, and attach a copy of the valuation to each notice given under subsection (2)(b).
- '(4) The committee must, after having regard to any submissions made by an owner of a lot within the submission period, decide what (if any) changes to the pre-adjustment order entitlements for the existing scheme should be made under sections 381 to 384.
- '(5) The committee must, within 7 days after it makes its decision under subsection (4), give each owner of a lot included in the existing scheme written notice of the committee's decision.
- '(6) The body corporate must, within 3 months after the committee makes its decision under subsection (4), lodge a request to record a new community management statement

incorporating a change to the contribution schedule lot entitlements for the lots included in the existing scheme to—

- (a) if the committee decides that no changes to the pre-adjustment order entitlements for the scheme should be made under sections 381 to 384 (including because none of sections 381 to 384 apply)—the pre-adjustment order entitlements; or
- (b) if the committee decides the changes to the pre-adjustment order entitlements for the scheme that should be made under sections 381 to 384—the pre-adjustment order entitlements subject to the changes under sections 381 to 384 decided by the committee.

Maximum penalty—100 penalty units.

Note-

Under section 46(10), a change to a lot entitlement takes effect on the recording of the new community management statement incorporating the change.

- '(7) Subsection (6)—
 - (a) applies despite section 47A; but
 - (b) does not apply if—
 - (i) an owner of a lot included in the existing scheme applies for an order of a specialist adjudicator or QCAT under subsection (8); and
 - (ii) a specialist adjudicator or QCAT makes an order for an adjustment of the contribution schedule for the scheme before the end of the 3-month period mentioned in subsection (6); and
 - (iii) the order provides for a change to the contribution schedule lot entitlements for the lots included in the scheme that is different to the change mentioned in subsection (6).
- '(8) An owner of a lot included in the existing scheme may, within 28 days after receiving notice of the committee's decision under subsection (5), apply—

Page 56 2011 Act No. 9

- (a) under chapter 6, for an order of a specialist adjudicator for an adjustment of the contribution schedule for the scheme to reflect the pre-adjustment order entitlements for the scheme, subject to changes under sections 381 to 384; or
- (b) as provided under the QCAT Act, for an order of QCAT, exercising the tribunal's original jurisdiction, for an adjustment of the contribution schedule for the scheme to reflect the pre-adjustment order entitlements for the scheme, subject to changes under sections 381 to 384.

'386 Body corporate to call general meeting etc. if motion submitted to it

- '(1) This section applies if a motion under section 379 is submitted to the body corporate for an existing scheme.
- '(2) Within 2 months after receiving the motion, the body corporate must—
 - (a) identify the pre-adjustment order entitlements for the existing scheme; and
 - (b) if section 381 applies to the scheme, obtain a valuation by a registered valuer stating the respective market values of lots included in the scheme; and
 - (c) call a general meeting of its members to decide what (if any) changes to the pre-adjustment order entitlements for the scheme should be made under sections 381 to 384.
- '(3) The notice of the general meeting must be accompanied by written evidence of the pre-adjustment order entitlements for the existing scheme and, if a valuation is obtained under subsection (2)(b), the valuation.
- '(4) The general meeting must be held within 28 days after it is called.

'387 Decision at general meeting for motion submitted to body corporate

- '(1) This section applies in relation to a general meeting of the body corporate for an existing scheme called under section 386.
- '(2) At the general meeting, the body corporate must decide what (if any) changes to the pre-adjustment order entitlements for the existing scheme should be made under sections 381 to 384.
- '(3) The body corporate must, within 7 days after the general meeting, give each owner of a lot included in the existing scheme written notice of the body corporate's decision under subsection (2).

Note—

The applicable regulation module also provides for a copy of the minutes of a general meeting of a community titles scheme to be given to each owner of a lot included in the scheme.

- '(4) The body corporate must, within 3 months after the general meeting, lodge a request to record a new community management statement incorporating a change to the contribution schedule lot entitlements for the lots included in the existing scheme to—
 - (a) if the body corporate decides that no changes to the pre-adjustment order entitlements for the scheme should be made under sections 381 to 384 (including because none of sections 381 to 384 apply)—the pre-adjustment order entitlements; or
 - (b) if the body corporate decides the changes to the pre-adjustment order entitlements for the scheme that should be made under sections 381 to 384—the pre-adjustment order entitlements, subject to the changes under sections 381 to 384 decided by the body corporate.

Maximum penalty—100 penalty units.

Page 58 2011 Act No. 9

Note-

Under section 46(10), a change to a lot entitlement takes effect on the recording of the new community management statement incorporating the change.

- (5) Subsection (4)—
 - (a) applies despite section 47A; but
 - (b) does not apply if—
 - (i) an owner of a lot included in the existing scheme applies for an order of a specialist adjudicator or QCAT under subsection (6); and
 - (ii) a specialist adjudicator or QCAT makes an order for an adjustment of the contribution schedule for the scheme before the end of the 3-month period mentioned in subsection (4); and
 - (iii) the order provides for a change to the contribution schedule lot entitlements for the lots included in the scheme that is different to the change mentioned in subsection (4).
- '(6) An owner of a lot included in the existing scheme may, within 28 days after receiving notice of the body corporate's decision under subsection (3), apply—
 - (a) under chapter 6, for an order of a specialist adjudicator for an adjustment of the contribution schedule for the scheme to reflect the pre-adjustment order entitlements for the scheme, subject to changes under sections 381 to 384; or
 - (b) as provided under the QCAT Act, for an order of QCAT, exercising the tribunal's original jurisdiction, for an adjustment of the contribution schedule lot for the scheme to reflect the pre-adjustment order entitlements for the scheme, subject to changes under sections 381 to 384.

'388 QCAT or specialist adjudicator deciding adjustment

- '(1) This section applies in relation to an application under section 385(8) or 387(6) for an order of a specialist adjudicator or QCAT made by an owner of a lot included in an existing scheme.
- '(2) Despite any other law or statutory instrument, the respondent to the application is the body corporate.

Note-

The body corporate must be given notice of the application under—

- (a) for an application to a specialist adjudicator under chapter 6—section 243; or
- (b) for an application to QCAT as provided under the QCAT Act—the QCAT Act, section 37.
- '(3) If the owner applies under chapter 6 for an order of a specialist adjudicator—
 - (a) at the election of another owner of a lot in the existing scheme, the other owner may be joined as a respondent to the application; and
 - (b) each party to the application is responsible for the party's own costs of the application.
- '(4) An owner of a lot included in the existing scheme who elects, under subsection (3)(a), to become a respondent to the application must give written notice of the election to the body corporate.
- '(5) If the specialist adjudicator or QCAT orders an adjustment of the contribution schedule for the existing scheme, the adjusted contribution schedule lot entitlements for the lots included in the scheme must—
 - (a) be consistent with the deciding principle for the pre-adjustment order entitlements for the scheme, and be just and equitable to the extent the deciding principle allows; or
 - (b) if there is no apparent deciding principle for the pre-adjustment order entitlements for the scheme, be just and equitable.

Page 60 2011 Act No. 9

- '(6) To remove any doubt, it is declared that, if there is a deciding principle for the pre-adjustment order entitlements for the existing scheme, the specialist adjudicator or QCAT can not change the deciding principle for the lot entitlements.
- '(7) The only matters to which the specialist adjudicator or QCAT may have regard for deciding the application are—
 - (a) if the pre-adjustment order entitlements for the existing scheme were decided on the equality principle, the matters to which the specialist adjudicator or QCAT may have regard under section 49; and
 - (b) whether any of sections 381 to 384 apply to the scheme and, if so, what adjustments should be made to the pre-adjustment order entitlements for the scheme under those sections.
- '(8) If the specialist adjudicator or QCAT orders an adjustment of the contribution schedule for the existing scheme, the body corporate must, within 3 months after the order is made, lodge a request to record a new community management statement incorporating the adjustment.

Maximum penalty—100 penalty units.

Note-

Under section 46(10), a change to a lot entitlement takes effect on the recording of the new community management statement incorporating the change.

- '(9) Subsection (8) does not apply if—
 - (a) the specialist adjudicator's or QCAT's order provides for a change to the contribution schedule lot entitlements for the lots included in the existing scheme that is the same as the change mentioned in section 385(6) or 387(4) (the *change*); and
 - (b) the body corporate lodges a request to record a new community management statement incorporating the change under section 385(6) or 387(4).

1389 Provision about new community management statement required under this division

- f(1) This section applies if, under this division, the body corporate for an existing scheme is required to lodge a request to record a new community management statement incorporating a change to the contribution schedule lot entitlements for the lots included in the scheme.
- '(2) If the difference between the new community management statement and existing community management statement for the existing scheme is limited to changes incorporating the changed contribution schedule lot entitlements—
 - (a) section 54(2) does not apply to the new community management statement; and
 - (b) despite section 60(1), the new community management statement may be recorded for the scheme without the endorsement on the statement of a community management statement notation of each relevant planning body for the scheme.
- '(3) If subsection (2)(b) applies, the body corporate must, within 14 days after the new community management statement is recorded, give a copy of the statement to each relevant planning body for the existing scheme.
- '(4) If the body corporate does not lodge a request as required under this division, an owner of a lot included in the existing scheme may apply to QCAT for an order requiring the body corporate to lodge the request within a stated period.

Note—

The QCAT Act provides for the consequences of contravening an order of QCAT. See the following provisions of that Act—

- section 132 (which provides for enforcing non-monetary decisions of QCAT in a court)
- section 213 (which creates an offence for contravening a decision of QCAT)
- section 218 (which provides that contravening a decision of QCAT may constitute contempt of the tribunal).

Page 62 2011 Act No. 9

'390 Body corporate responsible for particular costs under this division

- '(1) The body corporate for an existing scheme is responsible for the costs associated with dealing with a motion under section 379, including—
 - (a) the costs of obtaining a valuation under section 385(3) or 386(2)(b); and
 - (b) the costs of preparing and recording the new community management statement under 385(6) or 387(4).
- '(2) However, subsection (1) does not apply to costs associated with an application under section 385(8) or 387(6) for an order of a specialist adjudicator or QCAT made by an owner of a lot included in the existing scheme.

'Division 5 Other provisions

'391 Other adjustments of lot entitlement schedules for schemes

'To remove any doubt, it is declared that sections 47A to 48 also apply in relation to a community titles scheme established before the commencement.

'392 Continuing contravention notice given by body corporate before scheme becomes a specified two-lot scheme

- '(1) This section applies if—
 - (a) before the commencement, the body corporate for a community titles scheme gave a continuing contravention notice under section 182 to a person; and
 - (b) after the commencement, the community titles scheme becomes a specified two-lot scheme.
- '(2) The continuing contravention notice continues in effect, and this Act continues to apply in relation to it, despite section 181A.

'(3) In this section—

commencement means the commencement of this section.

Future contravention notice given by body corporate before scheme becomes a specified two-lot scheme

- '(1) This section applies if—
 - (a) before the commencement, the body corporate for a community titles scheme gave a future contravention notice under section 183 to a person; and
 - (b) after the commencement, the community titles scheme becomes a specified two-lot scheme.
- '(2) The future contravention notice continues in effect, and this Act continues to apply in relation to it, despite section 181A.
- '(3) In this section—

commencement means the commencement of this section.

'394 Application of s 206

- This section applies in relation to the sale of a lot included in a community titles scheme—
 - (a) if a contract for the sale of the lot to the person who proposes to buy the lot (the *buyer*) has not been entered into before the commencement; and
 - (b) whether or not the person who proposes to sell the lot (the *seller*) to the buyer has complied with previous section 206 in relation to the sale.
- '(2) The seller must give the buyer a disclosure statement complying with current section 206 before the buyer enters into a contract to buy the lot.
- '(3) If the seller has, before the commencement, given the buyer a disclosure statement under previous section 206, the seller complies with current section 206 in relation to the buyer if—

Page 64 2011 Act No. 9

- (a) the seller gives the buyer a new disclosure statement that complies with current section 206; or
- (b) the seller gives the buyer a written notice that—
 - (i) states the matters mentioned in current section 206(2)(b); and
 - (ii) is accompanied by a copy of the community management statement for the community titles scheme.

'(4) In this section—

current section 206 means section 206 as in force immediately after the commencement.

previous section 206 means section 206 as in force from time to time before the commencement.

'395 Application of s 213

- This section applies in relation to the sale of a lot intended to come into existence as a lot included in a community titles scheme when the scheme is established—
 - (a) if a contract for the sale of the lot to the person who proposes to buy the lot (the *buyer*) has not been entered into before the commencement; and
 - (b) whether or not the person who proposes to sell the lot (the *seller*) to the buyer has complied with previous section 213 in relation to the sale.
- '(2) The seller must give the buyer a disclosure statement complying with current section 213 before the buyer enters into a contract to buy the lot.
- '(3) If the seller has, before the commencement, given the buyer a disclosure statement under previous section 213, the seller complies with current section 213 in relation to the buyer if—
 - (a) the seller gives the buyer a new disclosure statement that complies with current section 213; or

- (b) the seller gives the buyer a written notice that states the matters mentioned in current section 213(2)(a).
- '(4) In this section—

current section 213 means section 213 as in force immediately after the commencement.

previous section 213 means section 213 as in force from time to time before the commencement.

'396 Amendment of QCAT legislation

- The amendment of QCAT legislation by the *Body Corporate* and Community Management and Other Legislation Amendment Act 2011 does not affect the power of the Governor in Council to further amend the legislation or to repeal it.
- '(2) In this section—

QCAT legislation means—

- (a) the Queensland Civil and Administrative Tribunal Regulation 2009; or
- (b) the Queensland Civil and Administrative Tribunal Rules 2009.'.

42 Amendment of sch 5 (Adjudicator's orders)

Schedule 5—

insert—

- '8A An order declaring that a decision purportedly made by a lot owner agreement was at all times void.
- 9A An order declaring that a decision purportedly made by a lot owner agreement is a valid decision of the body corporate.
- 24 If satisfied a decision to pass or not pass a motion at a general meeting of the body corporate was unreasonable—an order declaring that a motion was invalid or giving effect to the motion as proposed, or a variation of the motion as proposed.

Page 66 2011 Act No. 9

- 25 If satisfied that a decision made by a lot owner agreement was unreasonable—an order—
 - (a) declaring that the decision was at all times void; or
 - (b) giving effect to a variation of the lot owner agreement.
- 26 If satisfied that an owner of a lot included in a specified two-lot scheme was unreasonable in not entering into a lot owner agreement following a request from the owner of the other lot—an order—
 - (a) giving effect to the decision proposed by the owner of the other lot; or
 - (b) giving effect to a variation of the decision proposed by the owner of the other lot.'.

43 Amendment of sch 6 (Dictionary)

- (1) Schedule 6, definitions continuing contravention notice, contravention notice and future contravention notice—

 omit.
- (2) Schedule 6—

insert—

'adjustment order, for chapter 8, part 9, division 4, see section 378.

changed entitlements, for chapter 8, part 9, division 4, see section 378.

continuing contravention notice means a continuing contravention notice under section 182 or 183C.

contravention notice means a continuing contravention notice or a future contravention notice.

contribution schedule principle means a principle under section 46 applicable to deciding the contribution schedule lot entitlements for the lots included in a community titles scheme.

deciding principle, for lot entitlements, means the principle on which the lot entitlements were decided, whether or not the principle is or has been identified as an applicable principle for deciding the lot entitlements under this Act as in force from time to time.

equality principle, in relation to contribution schedule lot entitlements, see section 46A(1).

existing scheme, for chapter 8, part 9, division 4, see section 378.

future contravention notice means a future contravention notice under section 183 or 183D.

lot owner agreement see section 111E.

market value principle, in relation to interest schedule lot entitlements, see section 46B(1).

material change—

- A *material change*, for a community titles scheme, is a change that has, or may have, a significant effect on the contribution schedule lot entitlements for the lots included in the scheme, including, for example—
 - (a) the addition of 1 or more lots, other than by a subdivision not involving the addition of a subsidiary scheme; or
 - (b) the removal of 1 or more lots, other than by an amalgamation.
- 2 However, if a community titles scheme is intended to be developed progressively, a change arising from development proposed in the community management statement for the scheme is not a *material change* for the scheme.

pre-adjustment order entitlements, for chapter 8, part 9, division 4, see section 378.

pre-commencement adjustment action see section 376(1).

relativity principle, in relation to contribution schedule lot entitlements, see section 46A(2) and (3).

Page 68 2011 Act No. 9

relevant decision, for chapter 8, part 9, division 4, see section 378.

specified two-lot scheme see section 111C.

specified two-lot schemes module means a regulation module under this Act that may apply to only specified two-lot schemes within the meaning of section 111C(1) or (2).'.

- (3) Schedule 6, definition *commencement— insert—*
 - '(c) for chapter 8, part 9, see section 374.'.
- (4) Schedule 6, definition *complex dispute*, paragraph (a), '48'— *omit, insert*—
 '47B(3)(a), 48(1)(a), 385(8)(a) or 387(6)(a)'.
- (5) Schedule 6, definition *respondent*, paragraph (a)— *omit*, *insert*
 - '(a) for an application for an order mentioned in section 47B(3)(a), 48(1)(a), 385(8)(a) or 387(6)(a)—
 - (i) the body corporate for the community titles scheme to which the application relates; and
 - (ii) each owner of a lot who is joined as a respondent to the application under section 47B(5)(a), 48(3)(a) or 388(3)(a); or'.

Part 3 Amendment of Queensland Civil and Administrative Tribunal Regulation 2009

44 Regulation amended

This part amends the Queensland Civil and Administrative Tribunal Regulation 2009.

[s 45]

45 Amendment of sch 1 (Enabling Acts and provisions)

Schedule 1, part 1, entry for *Body Corporate and Community Management Act 1997*, from 'section'—

omit, insert—

'section 47B(3)(b), 48(1)(b), 133(2)(b), 149A(b), 149B(2)(b), 178(2)(b), 304, 385(8)(b), 387(6)(b) or 389(4)'.

Part 4 Amendment of Queensland Civil and Administrative Tribunal Rules 2009

46 Rules amended

This part amends the *Queensland Civil and Administrative Tribunal Rules* 2009.

47 Amendment of r 44 (General requirement for responses other than minor debt claim)

Rule 44(6), definition *prescribed application*, paragraph (d), from 'section'—

omit, insert—

'section 47B, 48, 133, 149A, 149B, 178, 304, 385, 387 or 389.'

Page 70 2011 Act No. 9

Schedule

Minor and consequential amendments of Body Corporate and Community Management Act 1997

section 3

1 Section 10(2), editor's note—

omit, insert—

'Note—

Common property for a community titles scheme is, effectively, freehold land forming part of the scheme land but not forming part of a lot included in the scheme.'.

2 Section 10(6), editor's note—

omit, insert—

'Note—

Schedule 1 contains examples of possible structures of community titles schemes.'.

3 Section 26(2), editor's note—

omit, insert—

'Note—

Schedule 1, part 5 gives an example of progressive subdivision to create subsidiary schemes.'.

4 Section 27(3), editor's note—

omit, insert—

'Note-

Schedule 1, part 6 gives an example of the operation of this section.'.

5 Section 28, editor's note—

omit, insert—

'Note-

Schedule 1, part 4 gives an example of the operation of this section.'.

6 Section 31, editor's notes—

omit, insert—

'Notes—

- 1 If a lot included in the community titles scheme is itself a community titles scheme, the owner of the lot is the body corporate for the other scheme—see section 19.
- 2 Schedule 1, parts 7 and 8 illustrate body corporate memberships.'.

7 Section 47(2)(a), editor's note—

omit, insert—

'Note-

The regulation module applying to a community titles scheme might provide that a lot owner's contribution to some or all of the insurance required to be put in place by the body corporate is to be calculated on the basis of the lot's interest schedule lot entitlement.'

8 Section 63(3), editor's note—

omit, insert—

'Note-

For example, in addition to subsection (4), see section 50.'.

9 Section 68(1), editor's note—

omit, insert—

'Note-

For other provisions about statutory easements, see the Land Title Act, part 6A, division 5.'.

Page 72 2011 Act No. 9

10 Section 97, editor's note—

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omit, insert—
'Note—
But see part 2, division 2.'.
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11 Section 158, editor's note—

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omit, insert—
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'Note-

A body corporate is not permitted to carry on a business—see section 96.'.

12 Section 186(2), after 'section 185(2)'—

insert—

'or (3)'.

13 Section 205B, heading, after 'Act'—

insert—

'2001'.

14 Section 238(2), '184 to 187'—

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omit, insert—
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'183A and 184 to 186'.

15 Section 315(4), editor's note—

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omit, insert—
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'Note-

The Acts Interpretation Act 1954, section 39 also makes provision for service.'.

16 Section 362A, heading, 'affect'—

omit, insert—
'effect'.

17 Schedule 6, definition improvement, editor's note—

omit, insert—

'Note—

Change includes addition—see the *Acts Interpretation Act 1954*, section 36, definition *change*.'.

18 Schedule 6, definition *small scheme*, paragraph (d), '1997'—

omit, insert— '2008'.

19 Schedule 6, definition *small scheme*, paragraph (d), editor's note—

omit.

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Page 74 2011 Act No. 9