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Body corporate manager

A body corporate can engage a body corporate manager to supply administrative services to the body corporate.

At present body corporate managers are not required to be licensed in Queensland. There are no formal training requirements or qualifications needed to be a body corporate manager.

When a body corporate manager is needed

There is no legal obligation for a body corporate to have a manager. A body corporate may choose to engage a manager when:

- there is a committee—to perform some or all of the powers of the executive members of the committee to assist the committee
- there is no committee-to carry out functions in place of the committee.

Duties of a body corporate manager

The duties of a body corporate manager can differ depending on whether the body corporate has a committee or not.

In a body corporate with a committee

If a body corporate has chosen a committee, the body corporate manager is engaged to help the committee. The manager can only do what the body corporate asks them to.

The duties of the manager are contained in the written engagement entered into with the body corporate.

A manager automatically becomes a non-voting member of the body corporate committee. The voting members of the committee can ask a manager not to attend a committee meeting.

Maintenance of common property

The manager is not responsible for the maintenance of the common property, but may organise work if the committee asks them to.

Exercising the executive committee member powers

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Usually the manager is authorised to perform the duties of secretary and treasurer including:

- calling committee and general meetings
- sending out levy notices and by-law contravention notices
- sending out the minutes of meetings and managing the body corporate's money.

A manager authorised to exercise the chairperson's powers can help the elected chairperson but can only chair the meeting if the:

- elected chairperson is not present and the manager is elected to chair the meeting
- role of the chairperson is vacant and the manager is elected to chair the meeting
- manager is the only person forming a quorum at an adjourned meeting.

The committee's powers are not lessened by the authority given to the manager. Executive members of the committee can still act within their authority (e.g. the secretary can still call a committee meeting if asked to do so).

In a body corporate with no committee

A body corporate manager engaged when there is no committee is authorised to carry out all the functions of a committee and to exercise all committee powers. The body corporate manager makes the decisions that a committee would usually make.

See sections 58 to 62 of the <u>Body Corporate and Community Management (Standard Module)</u> <u>Regulation 2008 (https://www.legislation.qld.gov.au/view/html/inforce/2018-07-01/sl-2008-0273#ch.3-pt.5)</u> (and equivalent sections in other regulation modules) for more information on the responsibilities of a manager during and at the end of a contract.

Managing administrative and sinking funds

A manager operating in a body corporate with or without a committee can be asked to manage funds.

When a manager is authorised to look after the body corporate's administrative and sinking funds, the manager must:

- comply with the sections of the regulations relating to the administrative and sinking funds
- prepare a reconciliation statement, within 21 days after the last day of each month for all accounts including:
 - the financial institution statement showing amounts in and out of the account
 - invoices and other documents showing payments in and out of the account during the month.

Code of conduct of a body corporate manager

The body corporate manager must comply with the code of conduct for body corporate managers and caretaking service contractors when performing under their engagement.

The code of conduct is automatically included in the terms of their engagement. If there is a difference between the code of conduct and the manager's engagement, then you should always refer to the code of conduct. Under the code of conduct, a body corporate manager must:

- have a good knowledge and understanding of the <u>Body Corporate and Community</u> <u>Management Act 1997 (https://www.legislation.qld.gov.au/view/html/inforce/current/act-1997-028)</u> and the code that applies to their functions
- act honestly, fairly and professionally in doing their job
- act in the best interests of the body corporate (if lawful to do so)
- not be fraudulent or misleading
- not unfairly influence the outcome of a committee election
- keep records as required by the Act.

Engaging a body corporate manager

When there is a committee

The committee does not have the power to engage a body corporate manager.

The body corporate must pass a motion at a general meeting by ordinary resolution to engage a body corporate manager under a contract. The terms of the contract must be included in the documents sent to members of the body corporate before the general meeting takes place.

The written engagement must list:

- all of the duties the manager is authorised to carry out
- the length of the engagement (must not be longer than 3 years)
- the payment arrangements.

When there is no committee

If a body corporate is unable to elect a committee, it can pass a motion at a general meeting to engage a manager.

The body corporate can hold an extraordinary general meeting if at the annual general meeting the body corporate:

- is not able to fill all executive member positions on the committee, or
- the total number of voting members of the committee is less than 3.

The extraordinary general meeting must be held within 2 months of the annual general meeting. The agenda for this meeting must include a motion to engage a body corporate manager. The motion is to be the last item on the agenda.

The notice for the extraordinary general meeting must include the terms of the contract and an explanatory note.

The explanatory note must outline:

- the circumstances in which a manager can be engaged
- the committee functions the manager will perform
- restrictions applying to the manager's authority
- how the engagement can be terminated.

The motion must be a secret ballot if it is a new engagement and must pass by special resolution. No votes can be made by proxy.

The engagement must:

- be in writing
- state that the manager is required to carry out all the functions of the committee and each executive member of the committee
- state that the manager is authorised to exercise all the powers of the committee and each executive member of the committee
- state the way to work out payment for the manager's services.

The engagement will end either:

- at the end of the body corporate's next annual general meeting held after the general meeting in which the engagement is approved, or
- 12 months after the day the engagement began.

How to terminate a body corporate manager

A manager's engagement can be ended if they:

- agree
- are convicted of an offence involving dishonesty, fraud or assault
- fail to perform their duties, or comply with the Act or code of conduct.

Failing to perform or comply

To end a manager's engagement for failing to perform duties, comply with the Act or code of conduct, the body corporate must issue a remedial action notice. This decision can be made by the committee of the body corporate.

The remedial action notice must state:

- the duties the manager has not performed or the details of claimed breach of the code of conduct
- a notice period (no less than 14 days) during which the manager must fix the issue
- that if the manager does not comply with the notice within the notice period the body corporate can end their engagement.

If the manager does not comply with the notice within the period, the body corporate can terminate the manager's engagement by ordinary resolution at a general meeting.

Serving a remedial action notice when there is no committee

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If the body corporate wants to terminate a manager's engagement when there is no committee, the decision to serve the remedial action notice can by made by the owners of a least one half of the lots included in the scheme.

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C Further questions?

If you have further body corporate questions you can <u>submit an enquiry</u> (<u>https://www.qld.gov.au/law/housing-and-neighbours/body-corporate/legislation-and-</u> <u>bccm/services/enquire</u>) or phone the information service on <u>1800 060 119 (freecall) (tel:1800060119)</u>.

We cannot give legal advice or rulings—we can only give you general information on body corporate legislation.

Contract advice

You should get independent legal advice about your contract.

We cannot interpret or give legal advice about body corporate contracts.

Complex disputes

Complex disputes are generally dealt with by the <u>Queensland Civil and Administrative Tribunal</u> (<u>http://www.qcat.qld.gov.au/</u>).

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