
Topic 10: Improvements to common property by the body corporate

The ways in which a body corporate and its committee may authorise maintenance were addressed in 'Topic 5: Authorising Maintenance'. Improvements to the common property, however, are dealt with differently.

An “**improvement**” includes:-

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

(A. Schedule 6 Dictionary)

The body corporate may authorise improvements to the common property. There are four circumstances where improvements to the common property may be authorised. The following table explains each:

Cost of improvements*	Authorised by
Within 'Basic improvements limit' (\$300 X the number of lots in the scheme subject to SM s151).	The committee
Within 'Ordinary resolution improvement range' (An amount that is more than the 'basic improvement limit' but not more than \$2000 X the number of lots in the scheme).	Ordinary resolution of the body corporate
An amount over the 'ordinary resolution improvement range' (see above).	Special resolution
Otherwise	Adjudicator's order

*Cost of the improvements, or, if the improvements together with associated improvements, form a single project, the cost of the entire project. (SM s163)

Improvements v Maintenance

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

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

A particular case that was adjudicated involved rendering, as opposed to replacing cracked bricks and replacing mortar. It was held that rendering was a finish applied over brick walls and would provide something new (an improvement) for the benefit of the owners, rather than replacing something existing with its modern equivalent (maintenance). (**Paloma - Order. 0161-2000**)