Response to an invitation to make a submission re dispute 0735-2026 "Cathedral Place" from John Gilliland the nominee representing the Cathedral Village BUP 106957, a subsidiary member of Cathedral Place CBC MCP 106902.

SUMMARY OF THE ARGUMENTS ADVANCED IN THIS RESPONSE

1. **It is submitted that the Office of the Commissioner for Body Corporate and Community Management has no jurisdiction to deal with this application.**
2. Firstly, the application is made by a proprietor of a lot in a subsidiary body corporate member of the Cathedral Place Community Body Corporate MCP 106902 and not by a subsidiary body corporate that is a lot in that community body corporate as required in the legislation (s77(1) BUGTA, s94(f) BUGTA).
    a. It is submitted that this is contrary to the Mixed Use Development Act 1993 (MUDA) and many decisions by referees. Reference is made to Cathedral Place [2006] QBCCMCmr 360 (5 July 2006) (dispute 0089-2025)[1] where there was an application by the owner of a lot in Notre Dame BUP and also a lot in Oxford & Cambridge BUP, and the referee stated that, *"... in interpreting the applicability of section 77(1) of BUGTA, I must adopt the definition in that act of "body corporate". This definition restricts the "body corporate" against whom an order of a Referee might be made to the body corporate created by registration of the specific building unit plan, and not, the community body corporate for Cathedral Place. Consequently, the orders sought by the applicants against Cathedral Place body corporate cannot be made as BUGTA simply does not contemplate and create jurisdiction for such a dispute."*
3. Secondly, the proper basis for an application to enliven s94 Building Units & Group Titles Act 1980 (BUGTA) is that there must be a dispute pursuant to s214A MUDA.
    a. It is submitted that it follows from this that the appointment of an "administrator" (being a manager pursuant to s192 MUDA) must be within the confines of a resolution of any dispute. A perusal of the application does not reveal the existence of any dispute. The matters set out in section 7 of the application relating to "self-resolution" appear to purport to set out grounds to establish a dispute, but do not in fact reveal any such dispute – there are just allegations of dysfunction.
4. Thirdly, an attempt at self-resolution of any dispute is a necessary first step to enable an application to proceed before a referee (s214D MUDA).
    a. It is submitted that there is no evidence of a genuine attempt at self-resolution in any material included with the application. No meeting of all six members to discuss solutions; indeed, no solutions other than a bald statement that the chairperson proposed to appoint an "administrator" to stand in the place of the executive committee and members in general meeting.
5. Fourth, the body corporate is not incapable of operating in compliance with Part 9 MUDA and is continuing to do so in spite of poor leadership from the executive committee.
6. Finally, CV submits that at least two effective alternatives are available to resolve the alleged dysfunction presented herein that ought to be pursued before this extreme solution is proposed (see paragraph 148 herein and Appendix A).

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EXPANDED DETAILED SUBMISSIONS

PART 1 – INTRODUCTION

6. This submission is made by John Gilliland (an affected party) in my capacity as the nominee appointed by Cathedral Village BUP 106957 (herein referred to as CV) pursuant to s169 MUDA on behalf of that body corporate and is made in **opposition** to the application by Ms Maria Johnson a proprietor of lot g40 in another subsidiary body corporate (Kensington & Sandringham BUP) seeking the appointment of an administrator to the Cathedral Place Community Body Corporate (herein called CBC), dispute number 0735-2026.
7. **The affected party and CV submit that the application should be dismissed because:**
   - pursuant to s77(1) BUGTA, **the referee lacks jurisdiction** to determine the dispute and must strike out the application pursuant to s78(c) BUGTA;
   - the statutory governance framework under **Part 9 of the MUDA continues to operate,** there is no dispute that the framework is not operating;
   - there is **no established contravention or incapacity in the administration of the CBC's affairs** demonstrated in the application to warrant such an extreme solution;
   - the orders sought are **disproportionate, prohibitively expensive and not "just and equitable" among the CBC's members**;
   - proprietors and subsidiary members will be **denied natural justice** (s73A(a) BUGTA), and
   - **less intrusive remedies are available**.
8. This submission in reply is extensive as necessary to rebut in fine detail the applicant's broad submissions that the CBC is so dysfunctional as to warrant the extreme expense and lengthy appointment of a manager and its team to "right the ship" because in the opinion of the applicant, who is also the casual appointee to the role of CBC chairperson, the present CBC executive committee of two persons is incapable of doing so. The applicant refers to the proposed manager as an "administrator". The MUDA contains no reference to such a person or role.
9. Proceedings cited:

   Orders of a Referee: 0755-2005; 0089-2006; 0419-2006; 0246-2007; 1218-2009; 0699-2017; 0833-2021; 0310-2025; 0374-2025; 0370-2026A.

   Court Proceedings:
   - D2754-2010: Cathedral Place Community Body Corporate v The Proprietors Cathedral Village [2018] QDC 275 (delivered 21 December 2018)
   - D2754-2010: Cathedral Place CBC v The Proprietors Cathedral Village BUP 106957 (no 2) [2019] QDC 210 (delivered 29 October 2019)
   - D2754-2010: Cathedral Place CBC v The Proprietors Cathedral Village BUP 106957 (No 3) [2019] QDC 238 (delivered 29 November 2019)
   - Appeal No 14271-2019: Cathedral Place CBC v The Proprietors Cathedral Village BUP 106957 [2020] QCA 239 (delivered 3 November 2020)

- Appeal No 1690-2020: The Proprietors Cathedral Village BUP 106957 v Cathedral Place CBC [2020] QCA 240 (delivered 4 November 2020)
- Appeal No 1690-2020: The Proprietors Cathedral Village BUP 106957 v Cathedral Place CBC [2021] QCA 186 (delivered 31 August 2021)
- Surace v Commisso [2009] QCCTBCCM 42 (delivered on 25 September 2009) (Application no KA002-09)
- Tume v Body Corporate Malibu [2003] QCATA 101
- Stevanovski v Man [2023] NSWCATAP 284
- Affidavit A Palella filing Cathedral Village leave application and counter claim D2754-2010

Printing or reading footnotes:

To open referenced footnotes, double click on the red PDF icon at the foot of any page.

PART 2 – REFEREE LACKS JURISDICTION TO DECIDE APPLICATION

The applicant has no standing to bring the dispute

10. The application is brought by a lot holder being a proprietor in a subsidiary body corporate. The application is not made by a subsidiary BUGTA body corporate that is a "lot" within the CBC. There are many decisions made by referees to the effect that only a lot holder in the CBC (being a subsidiary body corporate member) can make an application to the Commissioner with respect to appointing an "administrator" to CBC pursuant to s94 BUGTA in terms outlined in section 6 or any other dispute for that matter.
11. The relevant dispute resolution provisions under Part 5 BUGTA are s77 and s78 of that Act. Section 77(1) says:- *"A referee may, pursuant to an application of a body corporate, a body corporate manager, a proprietor, a person having an estate or interest in a lot or an occupier of a lot in respect of a parcel, make an order on any person entitled to make an application under this subsection … ."*.
12. Relevantly s78(1)(c) says: *"A referee is empowered to make an order that (c) strikes out for want of jurisdiction, the dispute before the referee."*.
13. CBC is a complex layered scheme consisting of a principal body corporate (CBC) registered under the MUDA and 6 subsidiary bodies corporate registered under the BUGTA.
14. For the purposes of this application, the applicant is a proprietor of a lot in a subsidiary body corporate (lot g40, Kensington & Sandringham BUP). The applicant is seeking the "long term" appointment of a body corporate manager pursuant to s94 BUGTA to stand in the place of the CBC executive committee and its six subsidiary body corporate members meeting in general meeting pursuant to the manager appointment powers in s192 MUDA.
15. **In response to that application, CV submits that the application must be dismissed for the reason that the applicant is neither a proprietor nor occupier of a lot in the CBC. The applicant does not have standing to bring the application.**
16. The referee in **0089-2006**[2] considered the interplay of the definitions of the reference to "body corporate" in s77(1) BUGTA. The referee said: *"The term 'body corporate' as used in BUGTA is defined in that Act to mean 'a body corporate incorporated by section 27* [BUGTA]*'."*. Going on: *"It is noted that the term 'body corporate' in the MUDA is defined very differently: in that legislation, a 'body corporate' means (a) a community body corporate; or (b) a precinct body corporate."*.
17. In conclusion, the referee found that it lacked jurisdiction to consider the application because: *"I consider however that, in interpreting that applicability of section 77(1) of BUGTA, I must adopt the definition in that Act of 'body corporate'. This definition restricts the 'body corporate' against whom an order of a referee might be made to the body corporate created by registration of the specific building units plan, and not, the community body corporate for Cathedral Place. Consequently, the orders*

[2] Cathedral Place 0089-2006.pdf

sought by the applicants against the Cathedral Place body corporate cannot be made as BUGTA simply does not contemplate and create jurisdiction for such a dispute.".

18. The power to make orders generally under section 77(1) BUGTA is subject to specific heads of order making power set out in Part 5 BUGTA. The applicant has sought the appointment of a body corporate manager. This order appears to be within the contemplation of s94 BUGTA, in particular s94(1)(c) where *"(c) a duty is imposed by the Act on the chairperson, secretary or treasurer of a body corporate or of the committee of a body corporate;"* and (s94(1)(f) BUGTA) *"in the case referred to in paragraph (b) or (c) – on the application of a person having an estate or interest in a lot the subject of the plan concerned;"*.
19. It is clear from s94(1)(c) and s94(1)(f) BUGTA that an order under this section can only properly be made by a person **who has an estate or interest in a lot in the CBC**. The applicant does not have such an estate or interest in the CBC, she has a lot in a subsidiary BUGTA body corporate. Therefore, the orders sought by the applicant must be dismissed.
20. There are many determinations on the jurisdiction of referees to determine applications from persons who are proprietors in a subsidiary body corporate that are particular to this scheme, namely; 0699-2017[3], 1218-2009[4], 0089-2006[5], 0755-2005[6] all related to this scheme. In all applications, the referee has confirmed that a referee does not have jurisdiction to consider an application from a person who does not have standing under the dispute provisions of Part 5 BUGTA.
21. **CV submits that the referee lacks jurisdiction to consider the application and must dismiss the application for this reason alone.**

Dealing with Disputes

22. CBC is a scheme developed under the provisions of the MUDA. CBC is a community body corporate; there are six subsidiary bodies corporate including the applicant's (Kensington & Sandringham BUP) and CV.
23. The proper basis for an application to enliven s94 BUGTA is that there must be a dispute pursuant to s214A MUDA.
    - That section provides a mechanism to deal with disputes under the BUGTA, Part 5. S214A(1) says: *"Subject to subsection (2), a dispute about the operation of this Act or the rights and*

[3] Cathedral Place 0699-2017.pdf

[4] Cathedral Place 1218-2009.pdf

[5] Cathedral Place 0089-2006.pdf

[6] Cathedral Village 0755-2005.pdf

obligations of persons under this Act may be dealt with under the Building Units and Group Titles Act 1980, part 5.".

- Section 8 of the application which should be setting out the grounds pursuant to s72 BUGTA, and which should *"give a detailed history of the dispute"*, and which should explain why the applicant should get each of the orders including stating which section (in this application of MUDA not BUGTA) is not being followed, and which should state which by-law applies to the "dispute".

24. Five grounds are alleged in section 6 of the application: -
    - ***Ground 1:*** withdrawal of services of CBC's Body Corporate Manager (CTS Consulting). However, there is no evidence that there is any dispute relating to this. Indeed, this is what has actually happened and could not possibly be the subject of a dispute as to whether it has or has not happened;
    - ***Ground 2:*** is an inability to achieve a majority vote to pass resolutions at meetings. Again, there is no suggestion that any actual dispute relates to this – no one is or possibly could dispute this.
    - ***Ground 3:*** is with respect to an inability to raise levies. Again, nothing in this ground relates to any actual dispute – no one disagrees that levies ought to be raised.
    - ***Ground 4:*** relates to problems in the current committee relating to *"mistrust, code of conduct and the inability to agree on interpretations of sections of BUGTA and MUDA"*. No details are given of this. There is no evidence of a dispute. It would hardly be unusual that in committee meetings comprised of two individuals there could be a lack of "amicability", but this does not demonstrate a dispute.
    - ***Ground 5:*** is that the applicant wants to minimise the risk of document security concerns. Again, this does not of itself suggest any dispute. However, ground 5 contains an allegation that *"there are legal requests from Cathedral Village to take over management of the records... and that this is seen as highly contentious due to ongoing legal battles between Cathedral Place and Cathedral Village"*; and it is claimed that CV has a conflict of interest.
        1. <u>This allegation is false</u>, as perusal of the letter from PHV Law (dated 11 May 2026 to CBC) clearly shows. PHV Law on behalf of CV expressed concerns to the applicant about the safekeeping of all of CBC's records because of CBC's manager, CTS Consulting who held the records, having ceased acting, and that CTS Consulting held necessary licenses to keep records. The letter asked the applicant to inform PHV Law of what steps were proposed to be taken to ensure safekeeping of the records; and once the applicant's proposals were received, PHV Law would obtain instructions as to whether they were satisfactory or, if not, to make any counterproposal. PHV Law has received no response from the applicant by 3 July 2026.
        2. <u>In other words, at no time did CV propose to take over management of the records</u>. CV simply wanted to ensure that they were in safekeeping by someone who had the necessary license to do so. Further, none of this raised any dispute. There was only the faint prospect of a dispute arising in the future if, for example, the applicant made a proposal that did not involve the records being kept by an entity with the appropriate license or licenses and in that case, if CV then had to make a counterproposal as to which the applicant would not agree.

iii. It is noted that s177(1)(e) MUDA requires CBC to keep its records for 10 years. There would be no need for an application to the Commissioner to be made with respect to the keeping of records – it is self-evident that they must be kept. There is no order sought by the applicant relating to the safekeeping of the records, nor does any proposed "administrator" refer to any such duty. The proposed order 5 seems to relate to using documents, presumably to prepare budgets, etc., but not to grant safe custody to an "administrator". No proposed "administrator" claims to have the appropriate licenses to keep custody of the documents.

25. Further, as to the orders sought in section 6 of the application, the grounds in section 8 do not set out any sections of legislation relevant to the orders sought.
    - ***Proposed order 1:*** is for the *"appointment of a qualified person to audit the accounts"*. Nothing in the grounds in section 8 relates to any such order let alone that there is any dispute as to whether auditing of the accounts is necessary or not, or indeed to state if in fact there has been no auditing of the accounts, which is not a mandatory requirement of the legislation.
    - **As to proposed order 2:** there is no allegation in section 8 that there is a necessity to cause an AGM to be held. There is certainly no allegation that there is, or could be, a dispute as to whether an AGM should be held or not.
    - ***As to proposed order 3:*** it is alleged in ground 3 that there is an inability to raise levies to pay debts, but no one is disputing that there should be management and payment of any outstanding debts.
    - ***As to proposed order 4:*** there is no evidence in section 8 that following the resignation of CTS Consulting, that the management of the account (assumed to be the bank accounts) and document databases have not been retained in the control of the CBC.
    - ***As to proposed order 5:*** there is no allegation in the grounds in section 8 relating to any unpaid levies in accordance with audited accounts, let alone any details of any such unpaid levies in the way of amounts or anything else. Proposed order 1 implies that there are not any audited accounts at the present time.
26. It follows from this that the appointment of an "administrator" must be within the confines of a resolution of any dispute. A perusal of the application does not reveal the existence of any dispute. The matters set out in section 7 of the application relating to "self-resolution" appear to purport to set out grounds to establish a dispute, but do not in fact reveal any such dispute – there are just allegations of alleged dysfunction and conflict.

Alleged Attempt at Self-Resolution

27. Self-resolution is a necessary precursor to enable an application to be made (s214D MUDA).
28. It is a further necessity for a referee to have jurisdiction only if the referee is satisfied that there have been attempts at self-resolution (s214D(2) MUDA).
29. <u>Section 7 of the application does not reveal any actual attempt at self-resolution</u>. The applicant alleges that she has exhibited ten attempts at self-resolution:
    - Informal executive committee meeting 30 September 2025 attended by the chairperson, secretary and treasurer. Minute discussed historical issues with former and current body corporate managers. No dispute was identified.

- Emails between members of Kensington & Sandringham BUP in December 2025. Not relevant to any self-resolution in the CBC's affairs.
- Emails between Kensington & Sandringham BUP members 25 November 2025 confirming a proposed meeting with CV committee members where the applicant confirmed she would seek to appoint an "administrator". No attempt at self-resolution identified here, just a bald statement of unilateral intent.
- Email from CTS Consulting on 25 November 2025 recommending the appointment of Mr Kleinschmidt as a possible administrator candidate. No dispute noted here.
- Email to executive committee members (three at the time) 14 November 2025 from CTS Consulting confirming that CBC may be short of funds. Didn't receive any responses from some subsidiary BUPs. No dispute identified, no solution other than to appoint an administrator.
- Emails between executive committee members, CTS Consulting and others attempting to settle dates to convene meetings. Again, no dispute identified and no meetings called in the exhibits.
- Email from Duhig BUP to members' representatives 22 October 2025 confirming a need to call a meeting to discuss how debts may be paid. Again, no detail as to any dispute or a solution proposed.

30. The applicant refers to attempts to have meetings some of which ended in non-attendance, some were informal, some were held by subsidiary bodies corporate, some were simply email exchanges among various individuals, but there is nothing to say what the meetings were supposed to be about or achieve, i.e. that there was some dispute that needed to be resolved in the meeting and where in fact this was communicated to any person who did not attend. Indeed, the majority of these meetings were executive committee meetings or emails among its three members in the last quarter of 2025. It is notable that there is only a single email among all six member representatives and there is consideration to excluding the CV nominee from any discussion. There are no meetings at which all members were in attendance. The exhibits tend to show that the three executive committee members were flailing about complaining of issues but failing to find solutions to the issues identified.
31. Self-resolution is a process that attempts to resolve an issue internally among the parties in dispute. This may include: -
    - communicating with the other party, presenting a motion to a general meeting, or attempting to resolve the issue directly with another member or proprietor;
    - documenting all attempts to resolve the issue, as this can be evidence if a formal dispute resolution application if eventually needed, and
    - following the MUDA's dispute resolution provisions.
32. Self-resolution is a process that is intended to avoid formal dispute resolution in an appropriate jurisdiction. <u>The self-resolution process is designed to promote efficiency and preserve relationships within the body corporate. It encourages positive communication and can prevent escalation leading to quicker and more amicable outcomes.</u> It's clear from the ten exhibits tendered by the applicant that issues identified therein were not discussed among the six subsidiary members or others, rather there were haphazard exchanges among persons without any attempt to resolve the issues identified (if indeed the issues were fleshed out).
33. An allegation of *"lack of respect"* given to the body corporate manager is of no relevance to any process of dispute resolution. There is an allegation of convening an informal meeting on 1 May 2026 to discuss

the appointment of an administrator, but this is not an attempt to resolve a dispute. The email that was allegedly sent to subsidiary body corporate representatives is not contained in the application. The formal responses which are included in the application as annexures do not reveal any dispute let alone any attempt to solve a dispute or indeed evidence of resolutions that were submitted to resolve a dispute.

34. The Duhig response of 1 May 2026 simply states what the requirements for making an application are. There is no reference to any dispute or the resolution of it. The CV response of 1 May 2026 simply states that CV does not support the appointment of an administrator and gives reasons for not supporting it.
35. Again, there is no reference to any dispute let alone the resolution of any dispute. The response of Mr Lachlan Pollard, a lot holder in Kensington & Sandringham BUP dated 15 May 2026 only refers to issues relating to the failure of previous CBC committees to effectively manage budgets and financials; the cost of an audit (correctly stating that this would entail considerable cost); that Ms Nicole Anwoir went a long way to getting the records sorted; and makes a suggestion as to how to determine how much is owed by CV and Duhig (F Block). It is submitted that this letter is not an example of self-resolution of any dispute, but just an acknowledgement that there is a lack of solutions being provided by the executive committee. Documents submitted appear to confirm that it is the two-person executive committee that has failed to develop solutions to address the issues identified in these meetings – a failure of process only.
36. On the surface the discussions among various persons was mainly in response to calls to address the cash shortages identified from time to time from CTS Consulting. There are very few attempts at resolution of the issues among the six members' nominees. Just a rush to dump the problems in the hands of an "administrator". CV submits that's not a process of self-resolution.
37. A casual observer could conclude that the applicant who is the casual CBC chairperson has simply abrogated her responsibility to convene CBC meetings because she lacks the people skills to achieve majority outcomes and thrown in the towel.

PART 3 – ALTERNATIVE SUBMISSIONS UNDER THE LEGISLATIVE FRAMEWORK AVAILABLE to the APPLICANT

39. CV submits that in addition to the lack of jurisdiction submitted in Part 2 herein, there are other fatal flaws in the applicant’s submission, detailed in the following sections that could be resolved by less expensive solutions and submissions.
40. CV offers up two less expensive and simpler options.
    - The simplest: there could be an informal meeting held with all six CBC members to resolve suitable CBC budgets that could be submitted to a general meeting of the CBC for approval. CV believes that the missing years of 2024/25, 2025/26 and 2026/27 would be a suitable starting point. If approved, the CBC ought to be placed in sufficient funds to meet its debts as and when they fell due. If any members opposed the approved budgets, the dispute resolution provisions of MUDA are available to them. This alternative is detailed in Appendix A.
    - If that simpler solution failed for a majority agreement, CV or any other subsidiary or grouping could lodge a dispute with the Commissioner’s Office to resolve the major issue identified in this dispute, namely the inability for the CBC members to propose and agree lawful budgets to provide the funds necessary to make the CBC solvent through the brief appointment of a manager to pass the budgets considered but rejected in the informal meeting. This alternative is discussed in paragraph 148 herein.
    - All this could be achieved within a few weeks.

MUDA Part 9 – Governance Model

41. Generally, Part 9 MUDA establishes the governance model that applies to the CBC.
42. S167(9) empowers the body corporate to do all things that are necessary and reasonable for the enforcement of its by-laws, for the **control, management and administration of the community property**.
43. S169(10) requires the CBC to act reasonably in anything it does under subsection (9), including making, or not making, a decision under the subsection.
44. Generally, Division 4 MUDA contains the specific governance elements that comprise the overall governance model for the CBC in Part 9 MUDA.
45. Specifically:
    - s172 governs the conduct of other meetings of CBC (being general meetings) under Part 2 of Schedule 2 BUGTA[7], voting at general meetings[8] and definitions[9].
    - s173 establishes the voting entitlements of the six subsidiary members.
    - s174 authorises the CBC to levy its members by contributions determined by it under s177(1)(i) and s177(2).

[7] s172(9)
[8] ss172(10A), (10B), (11)
[9] S172(21)

- s176 authorises the CBC to enter into agreements and to provide services or amenities to a lot, the proprietor or occupier of a lot or a parcel in a subsidiary BUGTA building subject to agreement with the subsidiary under s50 BUGTA being an agreement settled by both parties.
- s177 sets out the duties of the CBC to control, manage and administer for the benefit of its members the community property and to properly maintain and keep it in a good and serviceable repair[10]; arrange insurances under s182[11]; keep proper records including minutes and books of account[12] for a minimum of 10 years[13]; prepare annual accounts[14]; convene an annual general meeting at least 2 months after the first CBC general meeting (held on 6 November 1998). The scheme was registered on 30 October 1998[15]; determine budgets of expenditure[16]; levy its members in shares pursuant to s174[17]; maintain bank accounts[18]. The CBC's first AGM was on 6 November 1998. Its AGMs are to be held by that date or not later than 2 months after that date[19].
- Importantly, s177(2) limits the CBC's power to disburse monies from its funds to being only for the purpose of carrying out its powers.
- s185 MUDA constitutes an executive committee to accept delegations from general meetings of the CBC's members. There is a maximum of 7 electable persons[20] to be elected at each annual general meeting to the executive committee. Only the treasurer or its delegate may disburse funds[21]. The executive committee must observe a code of conduct in schedule 2 MUDA[22].
- However, (relevant to this dispute), the powers of the executive committee are limited by s190 in respect of *"restricted matters"* as defined in s189. Successive referee's determinations in 0310-2025[23], 0374-2025[24] and 0370-2026A[25] confirm that the executive committee may

[10] s177(1)2
[11] s177(1)(c)
[12] s177(1)(d)
[13] s177(1)e
[14] s177(1)(f)
[15] s177(1)(h)
[16] s177(1)(i)
[17] s177(1)k)
[18] s177(1)(l)
[19] S177(1)(h)
[20] s166C
[21] s187
[22] s185A
[23] Cathedral Place 0310-2025.pdf
[24] Cathedral Place 0374-2025.pdf
[25] 0370-2026A decision date 28 Apı

undertake expenditure only if authorised by a comprehensive resolution of the body corporate[26]. If that is not available, submit the proposed expenditure at an extraordinary general meeting with at least two quotes[27] to be decided by the members in general meeting.

46. Part 9 MUDA establishes that a Community Body Corporate is governed by members in general meeting and, by delegation, an executive committee elected by those members. The committee has delegated powers from the members to do certain things; however, it is the members that direct the executive committee in the exercise of those delegated powers. All administrative arms of the CBC are governed by Division 9 MUDA.
47. **In summary CV submits that it must be that proceedings under Part 9 MUDA do not require agreement, consensus or successful passage of motions.**
48. **Part 9 MUDA requires only that decisions are made through lawful democratic processes.**

[26] s190(1)(a)
[27] s190(2)

PART 4 - Division 2 MUDA – Referee's Power to Intervene to Resolve Particular Disputes

49. S214A permits the resolution of disputes about the operation of the MUDA. Initially through internal resolution[28] and where that fails to resolve the dispute by reference to part 5 BUGTA[29].
50. The provisions of s214A may come into play to resolve disputes where:

    there is a **failure to perform statutory functions**, or
    there is a **contravention of the Act**, and
    the order is **just and equitable.**

51. In the past, successive referees have considered applications from members of the CBC to appoint managers: in 0419-2006[30] (successfully), 0246-2007 (successfully) and 0833-2021(unsuccessfully).
52. In those latter two disputes, the referees determined that the appointment of a manager to stand in the place of the members and the executive committee is:
    - **the most extreme form of intervention and always,**
    - **a last resort remedy, and**
    - **in place for as short a time as possible to rectify the non-compliance.**

Dispute 0246-2007

53. In dispute **0246-2007**[31] brought by a subsidiary BUGTA body corporate (Notre Dame BUP) against the CBC, the referee considered specific governing provisions in Part 9 MUDA in the submission and determined that an independent person be appointed with the powers, authorities, duties and functions of the chairperson but limited to presiding at an extraordinary general meeting with the express purpose to elect eligible persons to the executive committee of the CBC.
54. The dispute at issue concerned the CBC executive committee not being comprised in a way prescribed by the MUDA.
55. The referee determined, pursuant to s94 BUGTA, that the independent person is appointed only for the duration of an Extraordinary General Meeting after which, having presided over the proper process to elect an executive committee, that person's appointment is concluded.
56. Its worthy of note that the members remained entitled to vote on the appointment of the executive committee. The members remained in control of the decision making power.

[28] s214A(2)(b)
[29] s214A(1)

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[30]

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[31]

57. In addition, and in compliance with s94(4) BUGTA, the referee ordered that the independent person nominated by the applicant be remunerated by reference to the determination of appropriate fees the independent person may charge. However, the referee was not asked to and gave no further consideration as to how those fees ought to be recovered from the members. S94(4) BUGTA does authorise a referee to determine the manager's remuneration and presumably determine the shares each member would pay to the manager. Procedurally, the fees were recovered from the six members in shares prescribed in s173 MUDA.
58. In the current application, the burden of funding the "administrator's" appointment falls disproportionately upon CV's proprietors as explored in detail in Part 6 herein. In section 6, the applicant fails to consider and request the referee to order the proportion of any "administrator's" fee each CBC member ought to be obliged to pay in order for this burden to fall appropriately and be shared fairly among proprietors of each member.

Dispute 0833-2021

59. Dispute **0833-2021**[32] was brought by a subsidiary body corporate (CV) against the CBC. It was a much more ambitious and far-reaching application, again requesting the appointment of an independent person under s94 BUGTA to stand in the place of the executive committee of the CBC body corporate for an extended period. The applicant cited an extensive list of alleged continual breaches of the executive committee's powers over all years starting in 1999 up to 2022, not unlike the current applicant's submissions of alleged dysfunction.
60. The applicant cited determinations by Judge McGill in the District Court in proceeding Cathedral Place Community Body Corporate v The Proprietors Cathedral Village [2018] QDC 275 (21 December 2018) (D2754-2010)[33] where the Judge found many examples in evidence before him that the CBC had operated unlawfully or coerced a minority of its six members to comply with its unlawful decisions.
61. The applicant sought the appointment of a manager pursuant to s94(1)(b) and s94(1)(f) BUGTA. The referee considered circumstances that may justify the appointment of a manager under s94 by reference to ***Surace v Commisso* [2009] CCT KA002-09**[34] that is usually followed in decisions under s94 BUGTA.
62. The tribunal said at [44] *"Appointment of an administrator is within the power of an adjudicator (section 276(3)* [BCCM Act] *and Schedule 5 of the BCCM Act), no criteria are prescribed for doing so, but it is a significant step since it takes responsibility for the conduct of the affairs of the body corporate out of the*

[32] PDF Cathedral Place 0833-2021pdf.pdf

[33] PDF Cathedral Place Community Body Co

[34] PDF Surace v Commisso CCT KA002-09 delive

hands of the committee and vests it in the administrator. An applicant must therefore demonstrate to the required standard that such a step is appropriate. Typically, without attempting to be exhaustive, there will be evidence that the body corporate is so dysfunctional that it cannot operate properly within the statutory framework that governs it, or that there arises a well-founded suspicion, on the part of an applicant for appointment of an administrator of financial malpractice within the body corporate, or that there is conduct that amounts to undue oppression in the conduct of its affairs.".

63. In consideration of the extensive evidence cited in the application by CV, the referee observed "*Without more, mere disagreements between the members, especially when the disputes are due to reasonably held differences of view and there are means available to resolve them by reference to external processes."*.
64. In 0833-2021, the applicant demonstrated that there was considerable long-term disagreement among owners. The evidence cited is similar to that cited in the present application.
65. As noted in Surace[35], the consequences of an appointment of a manager under s94 BUGTA are that[36] no person may exercise or perform any power, authority, duty or function other than the manager so appointed, and in this present application (0735-2026) for a considerable period of time, expected to be up to 12 months, such that substantial power is wrested from members and at considerable cost probably exceeding $500k to $1M. There must be clear and strong justification for the appointment.
66. The tribunal noted that where there is a lawfully appointed committee there will need to be evidence that the body corporate is so dysfunctional that it cannot operate properly[37]. Such an appointment should be a last resort for bringing a dysfunctional body corporate back into functional compliance.
67. In the present application (0735-2026), there is a functioning executive committee lawfully elected.
68. Tellingly at [16] in 0833-2021, **the referee determined that a manager should not be appointed under s94 BUGTA if there are other means of resolving a dispute and <u>it is not a manager's role to resolve disputes or undertake contentious work</u>.** CV submits that there are other means available to resolve the present issues identified by the applicant (e.g. see Appendix A and paragraph 148 herein).
69. The referee observed in dispute 0833-2021 that there are mechanisms available to seek orders to resolve specific aspects of disputes and points of contention to assist the executive committee and members in the interpretation to mandate or restrain conduct or grant a remedy.
70. Indeed, CV has taken the extreme step to successfully institute or respond to proceedings [38] D2754-2010, 14271-2019, 1690-2020 in the Courts seeking orders to restrain the CBC from raising levies under

[35] Para [13] 0833-2021
[36] Para [14} 0833-2021
[37] Para [15} 0833-2021
[38] D2754-2010 21 Dec 2018, 29 Oct 2019 D2754-2010 delivered 29 Oct 201, 29 Nov 2019 D2754-2010 (no 3) delivered 29 Nov 20';
Appeal No 14271-2019 delivered on 3 Nov 2020 Cathedral Place Community Body Co;

s174 MUDA against CV for expenditures that it is not lawfully obliged to pay pursuant to s177(1) and s182 MUDA.

71. Further, in the past, all CBC subsidiary bodies corporate have lodged disputes with the Commissioner's Office since 2003 seeking orders to clarify the proper interpretation of the Acts and by-laws governing the scheme. There are several afoot at the moment (0283-2026, 0376-2026).
72. The referee then raises examples of issues the manager would be required to administer in its role standing in the place of the executive committee and the body corporate. Obviously, the manager would be required to administer according to the legislation, by-laws and applicable Court orders. Where an action or lack of action contravenes a Court order that proper approach is to seek enforcement of that order.
73. As was the case in dispute 0833-2021 and again in this dispute, that manager would in all probability be expected to do or decide things that are beyond their remit outlined in the orders sought in Section 6 of this application (0735-2026) especially insofar as it extends to interpreting by-laws, legislation and Court orders.
74. It is mandated by the MUDA that the manager acts in the interests of all subsidiary body corporate members. The referee properly determined that the executive committee ought not be dependent on there being any amenable relationship among its members: it is an *"arms-length" mechanical relationship built on governance principles no more than rights and obligations."*.
75. Finally, and ominously the referee opines ***"In effect, by appointing an administrator, I may be replacing one source of problems with another. That risk itself counts against appointing an administrator[39]."***.
76. The referee dismissed the application.
77. So here are two referee determinations separated by many years in respect of the CBC, dealing with alleged dysfunction and disharmony among its members. Exact circumstances identified as issues in the present application by the applicant.
78. Dispute 0246-2007 was upheld by the referee, and orders put a manager in place for a very specific purpose and for a very short time of a few days and resolved the dispute.
79. Dispute 0833-2021 was broad in reach and was expected to be in place for many months. It granted extensive responsibilities to a manager to do all things necessary to address alleged dysfunction. It was dismissed on grounds there were other remedies available.
80. In recognition of the outcomes of both disputes, the subsidiary members have sought, and continue to do so, the direction of the Commissioner's Office (both informally and formally) and the Courts.
81. The resolution of the disputes have greatly assisted the members and the executive committee to better administer the CBC within the governance framework of the MUDA.
82. Unfortunately, executive committees and some members' nominees to CBC have not adopted many of these decisions in practice, either through ignorance of the outcomes, the Acts or the Court decisions or more ominously disregarding the outcomes for selfish or Machiavellian reasons.

Appeal No 1690-2020 delivered on 4 Nov 2020 1690-2020 delivered 4 November 2020.pc & 31 Aug 2021 1690-2020 delivered 31 August 2021.pdf.

[39] Para [19} 0833-2021

PART 5 – APPLICANT'S ALLEGED GROUNDS

QUESTION for the REFEREE: IS THE CBC FUNCTIONING UNDER Part 9 MUDA?

Applicant's submission section 8 – Grounds, item 1:

83. The applicant alleges that CTS Consulting (CBC's body corporate manager from 1 June 2024 to its resignation on 27 April 2026) withdrew its services due to an inability to work with committee members (who numbered two at the time of the resignation) and achieve expected outcomes of the engagement. Further she says the resignation was probative of governance breakdown.
84. CTS Consulting accepted delegations in its original contract (as extended) from the secretary and treasurer and generally took instructions from the CBC chairperson during this time.
85. The CBC secretary (Mr John-Michael Nielsen) alleged that CTS Consulting were making unauthorised payments from the CBC's bank accounts without bank authority in a series of emails around 25 April 2026[40] (attachment 1). CTS Consulting's manager, Coralie Mott, replied (attachment 2)[41] denying the allegations and confirming it was acting under the treasurer's delegation and with the treasurer's knowledge. CTS retained the confidence of the CBC chairperson (attachment 3)[42] and at least 2 other CBC members, however after a short time, CTS Consulting resigned citing an inability to work with "some of the current CBC Representatives …".
86. Reluctantly, the CBC chairperson accepted CTS's resignation on 5 May 2026 (attachment 4)[43].

CV's submission: BODY CORPORATE MANAGER WITHDRAWAL IS IRRELEVANT

87. The withdrawal of a Body Corporate Manager is a commercial business decision. The reasons cited in CTS Consulting's resignation email of 27 April 2026 (attachment 3) are the direct result of a personal conflict with the Oxford & Cambridge BUP's nominee (Mr John-Michael Nielsen), who is also the CBC secretary with indirect criticisms being made against CTS's management by Duhig and Canterbury & Westminster BUP persons (attachment 2).

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40 0735-2026 attachment 1.pdf

41 0735-2026 attachment 2.pdf

42 0735-2026 attachment 3.pdf

43 0735-2026 attachment 4.pdf

88. Compounding the lack of direction of CTS Consulting by the CBC executive committee was the resignation of the CBC treasurer upon her ceasing to be a nominee of Notre Dame BUP in late March 2026. Since that time, surprisingly, there has been no person elected to fill the casual vacancy on CBC executive committee. CTS Consulting, acting under the CBC treasurer's delegation (refer CTS contracts-attachments 5[44] & 6[45]), were conducting the CBC's financial affairs without close supervision from the treasurer or the CBC executive committee as required in s187(3) MUDA during much of its tenure and certainly after the treasurer's vacancy. This is an issue with inadequate governance within the executive committee.
89. The resignation of CTS Consulting does not affect the legal authority of the CBC.
90. It can easily be remedied by the conduct of a tender to replace CTS Consulting.
91. Operations continue in the absence of a body corporate manager for a time while a successor is selected or appointed.
92. CV submits that the temporary absence of a delegate body corporate manager is not evidence of dysfunction and is easily remedied by the appointment of a replacement treasurer to conduct the affairs of the CBC with the secretary for the interim period.

Applicant's submission section 8 – Grounds, item 2:

93. The applicant submits that the CBC is dysfunctional because it cannot pass resolutions.
94. The applicant alleges *"inability to achieve majority vote to pass resolutions at AGM and General Meetings… . Confirmed with interim Referee Order 0370-2026* [A] *dated 28 April 2026 … . The referee's findings at paragraph 44-49 constitute independent judicial advice that the CBC cannot pass resolutions by either ordinary or comprehensive resolution on the current voting entitlement distribution. This is devasting evidence of functional incapacity."*.

CV's Response:

95. The evidence submitted by the applicant establishes that:
    - **general meetings and committee meetings are convened:** as evidenced by myriads of minutes attached to this application. Indeed, there is at times enthusiastic debate among meeting participants. Submissions are tabled by members to meetings in support of members' positions on matters. All indicative of hearty debate to find consensus if it is available;
    - **motions are put**;

44 0735-2026 attachment 5.pdf

45 0735-2026 attachment 6.pdf

- **decisions on members' voting eligibility are considered:** on the facts, without solid evidence and reasonings to support the chairperson's declarations at all meetings (see further analysis in this submission);
- **votes are taken**, and
- **members exercise voting rights**.

96. The test is whether the governance framework is operating - not whether particular outcomes preferred by the individuals on the executive committee, the applicant or members are achieved.
97. To expand on the applicant's contentions regarding the referee's preliminary observations in paragraphs 44-49 of 0370-2026A[46] (an interim order), the referee said:
    - at [44] *"It is my preliminary view that these motions have not achieved the threshold of such a comprehensive resolution."*[47].
    - at [47] *"I cannot at first glance identify how or why Cathedral Place chose to limit the total voting entitlements to simply those members it deemed was 'financial', notwithstanding the clear wording of Schedule 5 of the MUD Act which identifies the total voting entitlements as that recorded in the body corporate roll."*.
    - at [48] *"In my preliminary view on a literal interpretation of Schedule 5 of the MUD Act that in order to achieve a comprehensive resolution, Cathedral Place would in the circumstances require votes from members with a collective voting entitlement of 487.5 = 488 (practically). It has in fact only received votes from members with 325 voting entitlements which in my preliminary view falls short of the required threshold."*.
    - at [49] *"The same applies with respect to Cathedral Place's interpretation of 'ordinary resolution' which in my preliminary view would require* more than *325 out of 650 voting entitlements recorded on the roll. For Motion 1 at the EGM dated 2 March 2026, it received votes of members with the collective voting entitlement of only 325, and not more than 325*.
98. Contrary to the applicant's submission, the referee formed no opinion (referred to as *"independent judicial advice"* in the applicant's submission) that the CBC *"cannot pass resolutions"*. The referee simply observed on the facts that the voting outcome did not meet the legislated thresholds at this particular general meeting.
99. It's a fact that the chairperson has declared that Duhig and CV, two subsidiary body corporate members of CBC holding 84 and 143 voting entitlements respectively on the CBC body corporate roll being 227 entitlements out of a total on 650 have been declared to be ineligible to vote because each owes an alleged body corporate debt pursuant to ss172(9) & 172(21) MUDA. As observed by the referee, while this alleged ineligibility remains, the CBC cannot obtain sufficient votes to pass comprehensive resolutions.

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[46] 0370-2026A decision date 28 Ap

[47] [44] 0370-2026A

100. The applicant is wrong to say the CBC cannot pass ordinary resolutions as its members eligible to vote at the EGM of 2 March 2026 (attachment 11)[48] held 423 voting entitlements – enough to pass an ordinary resolution requiring more than 50% of the voting entitlements on the roll being at least 326 voting entitlements. On the facts as recorded on the EGM minutes, one eligible member (Canterbury & Westminster BUP) holding 98 voting entitlements voted NO, only 325 voted YES.
101. So, to bring the focus back to the applicant's submission that the CBC is incapable of passing comprehensive resolutions while Duhig and CV are not eligible to vote. On the referee's preliminary view in 0370-2026A, this may be the case. Certainly, in disputes 0310-2025[49] and 0374-2025[50], the referee found this to be so.

The question remains – was the chairperson's declaration of ineligibility to vote (with respect to Duhig and CV BUPs) lawful?

102. **It's CV's submission that the executive committee is capable of resolving the alleged issue it faces in not being able to pass comprehensive resolutions.**
103. The problem CV submits is that the chairperson has not sought to explore and resolve the arguments both Duhig and CV have advanced as reasons for not paying levies invoiced on them pursuant to ss174 & 177 MUDA. Why?

The facts in Duhig's committee's failure to authorise its treasurer's payment of CBC's levies.

104. CV refers to attachment 7[51]. It is a Duhig levy ledger card with seven levy invoices extracted from CBC's financial database at 7 June 2026. It confirms that Duhig was levied an amount of $507,384.26 that

48 0735-2026 attachment 11.pdf

49 Cathedral Place 0310-2025.pdf

50 Cathedral Place 0374-2025.pdf

51 0735-2026 attachment 7.pdf

remains unpaid. Duhig argues (attachment 8)[52] that the levies have been raised unlawfully by CBC and are nullities.

105. The question is, has the chairperson considered Duhig's arguments in respect of its contentions in respect of each invoice?

106. As the following facts demonstrate, the obvious answer is she could not have on the facts or alternatively, she failed to understand the authorities in s177 MUDA and the Courts' interpretation on the application of the non-subsidisation principle causing levy invoices to be nullities.

107. Duhig's arguments in respect of each outstanding invoice can be summarised as follows –

- Invoice 0438. Duhig argues that this invoice is derived from a CBC resolution at its EGM on 22 November 2022 (attachment 9)[53]. A search of CBC's minute book confirms that there is no minute of a meeting authorising a special levy on "22/11/22". There was an EGM held on 4 October 2022 (attachment 9) at which "special levies" were allegedly passed by "ordinary resolutions". Assuming this EGM ought to be referred to as the authority for invoice 0438, had the chairperson properly researched the authority for this invoice, she ought to have discovered that the alleged authorising minute did not exist and if the earlier general meeting is the authoritative source, the resolutions must fail as they were passed as "ordinary resolutions" in contravention of ss189 & 190 MUDA. She ought to have determined that the levy invoice is a nullity.
- Invoices 0185, 0048, 0050, 0278, 0305 are levies for the period 1 September 2023 to 30 November 2024 totaling $192,638.82 inc GST. There is no referenced CBC minute on the invoices, however there was an AGM held on 20 December 2023 (attachment 10)[54] at which levies for the period 1 September 2023 to 30 November 2024 were allegedly passed that match the invoiced amounts on these invoices. Voting instructions from the respective chairpersons of CV and Duhig are also included at attachment 10. As this was an AGM, the motions ought to have been submitted as comprehensive resolutions. Motions 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 dealt with proposed expenditures for the period 1 September 2023 to 31 August 2024. Motion 10 failed to pass. The rest failed to achieve 75% YES votes to pass as comprehensive resolutions. Consequently, there is no authority for invoices 0185, 0048, 1150, 0278, 0305 to be invoiced to Duhig (indeed to all six members). The chairperson ought to have investigated the authority for these invoices and clearly determined that they were nullities too.

52 0735-2026 attachment 8.pdf

53 0735-2026 attachment 9.pdf

54 0735-2026 attachment 10.pdf

- Invoice 0617 is a special levy. Again, there is no referenced minute to authorise this invoice. The EGM of 2 March 2026 (attachment 11)[55] allegedly authorised a levy on members of $788.46 inc GST or $716.7818 ex GST at motion 9 to provide funds to cover CBC's alleged solicitor's estimated fees. This EGM is the subject of dispute 0374-2026 and the referee's interim order in 0374-2026A staying collection of this levy for a period of 3 months. Again, had the chairperson researched the invoice's authority, she ought to have determined that invoice is a nullity until the referee's orders are final.

108. On the facts, all invoices showing as outstanding by Duhig are nullities and incapable of collection. Had the chairperson researched all seven invoices she cannot resist concluding that Duhig is eligible to vote at any general meeting of the CBC.
109. The above is an example of the steps the chairperson ought to have taken to seek out the facts to enfranchise as many members as possible in order to obtain as broad a church of debate and consensus on the appropriateness of resolutions that may come before the executive committee or members in general meeting.

The facts in CV's proprietors' instruction not to authorise its treasurer's to pay CBC's levies.

110. The referee has received many applications from CV on its position in respect of the denial of its vote since 2010 confirming successive CBC chairpersons have failed to observe the non-subsidisation principle developed and supported by the Courts in proceedings D2754-2010, 14271-2019, 1690-2020 declaring all levies raised on it by CBC to be nullities due to expenditures being included for which CBC has no authority under s177 MUDA to invoice to CV.
111. CV refers to its arguments in respect of its conclusions from the Courts' findings in respect to the operation of s177 MUDA in particular as it relates to the raising of lawful levies on CV for the provision of amenities and services to it by the CBC in paragraphs 252 to 261 herein.
112. The findings in the Court decisions are attached throughout this document for perusal should the referee wish to do so to reacquaint it with the arguments that led to this principle as it applies to all CBC members and its treasurer.
113. CV's nominee to CBC did clarify CV's confirmation that it is entitled to vote at CBC general meetings to the CBC chairperson (Ms Johnson, the applicant) (attachment 12)[56] but received no reply.

CV's Submission in Summary

114. The CBC is functioning precisely as contemplated by Part 9 MUDA.

55 0735-2026 attachment 11.pdf

56 0735-2026 attachment 12.pdf

115. The applicant's submissions conflate failure to secure majority support with failure to function. That interpretation is legally incorrect.
116. Members that are dissatisfied with the decisions or actions of the executive committee or members decisions in general meeting are addressing disputes to the Courts and the Commissioner's Office for resolution as is their right.
117. The CBC continues to function, and members actively participate in debate.
118. **Tellingly, A body corporate does not cease functioning merely because motions fail.**

Applicant's submission section 8 – Grounds, item 3:

119. The applicant submits that there is an inability to raise levies through an agreed budget.
120. She submits that this circumstance of financial incapacity leads to eventual insolvency of the CBC in that it may have insufficient funds to meet its debts as and when they fall due.
121. She submits, as a consequence, services and amenities that the CBC is required to provide to its members pursuant to s167(9) are incapable of being provided in alleged contravention of the legislation.

ISSUE: IS THERE INCAPACITY OR CONTRAVENTION?

122. **Applicant's claims in summary:**

- Inability to pass resolutions;
- Financial incapacity;
- Governance breakdown.

CV's Response

123. Whilst there is evidence of a failure to complete certain obligations under the legislation, there is no proven incapacity or desire to contravene the governance obligations of the CBC.
124. Prima facie, the evidence attached to the application confirms that general meetings and executive committee meetings are being held.
125. Statutory duties are being maintained within the legislative framework, and the CBC is not in breach of its legislative obligations.
126. **What is in evidence is unsuccessful attempts to pass resolutions to approve contractor appointments and annual budgets to fund the expenditures for these purposes among others.**
127. This has resulted in cash shortages. To address temporary cash shortfalls, members have advanced interest free, unsecured loans to the CBC in advance of lawful levies being raised against which the advances can be credited. The CBC also conducts a business of provision of short-term carpark space rental in its designated visitor carpark area located on community property – generating about $240k annually.
128. The CBC's annual cash expenditure for the provision of amenities and services to members is about $600k.
129. Obviously should members cease to advance funds in the absence of lawful annual budgets; the CBC will quickly become insolvent. The applicant's evidence and CTS Consulting emails detail the impact of a lack of budget approvals to raise lawful levies.

130. There are and have always been considerable disputes about the conduct of the CBC's affairs. CV submits that it is this regular disputation that wears down an initially enthusiastic executive committee membership leading to eventual resignation of disgruntled members and the appointment of replacements that are unfamiliar with the legislation and the history of dispute resolution in the scheme's operation. The saga repeats over and over.
131. The executive committee draws its members from proprietors with a diverse lived experience. Since 2010, CV has been determined to be ineligible to nominate its CBC representation to executive committee or to vote at general meetings. It remains a very vocal outsider in the administration of the CBC's affairs unfortunately. The majority on committee are not versed in the Acts nor administration of a large and complex organisation. Many have never managed a group with diverse expectations. This lack of experience and expertise is fatal to many executive committees over the years – it's not an easy row to hoe.
132. Inevitably, this churn and lack of appropriate skills lead to further dispute and disruption while new committee members come up to speed (if in fact they do). Consequently, successive executive committee officers rely heavily on the advice of body corporate managers engaged from time to time.
133. Unfortunately, in the history of this scheme, there have been ten body corporate managers appointed since 1998 and even an attempt at operating without a manager for a period of about eight months in 2023 that proved unworkable. In CV's experience, all have lacked the experience with the MUDA in particular and the BUGTA. All were familiar with the BCCM Act. It goes without saying that the MUDA and the old BUGTA contain many inconsistencies requiring interpretative decisions from the Commissioner's Office and the Courts.
134. The applicant's evidence is focused on the conflicts within the executive committee. Due to two members being declared ineligible to nominate for election to executive committee (CV and Duhig), there are only four possible candidates for nomination to executive committee among the six members. Since about 2024, the executive committee has been comprised of three persons filling the positions of chairperson, treasurer and secretary. From about March 2026, their number has been reduced to two members from Kensington & Sandringham BUP (Ms Maria Johnson, the applicant) and Oxford & Cambridge BUP (Mr John-Michael Nielsen, the secretary). The applicant's submissions in evidence and the resignation emails from CTS Consulting confirm regular dispute between these two executive committee members in recent times.
135. Compounding this lack of consensus and direction, there have been few general meetings convened since the AGM of 10 December 2023. Only one attempted to raise budgets and resulting levies, unlawfully unfortunately. This again is not dysfunction, rather it's a lack of determination from the treasurer (when in office) to place lawful annual budgets before the members in general meeting.
136. <u>CV submits there is a very clear reason for this lack of general meetings to approve lawful budgets: the litigation between CBC and CV (D2754-2010)</u>. Precursors to this litigation commenced in 2004 when CV sought legal advice on possible overcharging for the provision of amenities and services to it by CBC.
137. In 2007 during a budget preparation session with CBC's then body corporate manager, CV discovered CBC had incorrectly charged CV using CV's lot count (27 lots out of 541 in total) for a period of about 18 months rather than its voting entitlement on title (143 out of 650 in total) to invoice CV for levies pursuant to s174 MUDA. In 2010, CBC corrected the error in voting entitlement by invoicing CV for about $153k ex GST but failed to address the CV's allegations of overcharging by CBC. This resulted in CBC

claiming about $153k from CV and CV counterclaiming the overcharges, currently about $737k, for the period 1999 to 31 August 2010. CV was successful in its arguments before the Courts on the proper interpretation of the MUDA's levy raising provisions[57]. The Appeals Court in 1690-2020[58] delivered on 4 November 2020 remitted a decision on the CBC's claim and CV's counterclaim to the District Court for determination. This is expected to occur in late 2026.

138. In D2754-2010 as subsequently upheld in two Appeals Court proceedings (1690-2020 and 14271-2019), Judge McGill found that CBC had indeed overcharged CV for expenditures to provide amenities and services to it. He found that it was beyond power for the CBC to do so. He called this the "non-subsidisation" principle – essentially a subsidiary body corporate may only be levied for services it receives. It is beyond power for a subsidiary to be invoiced by CBC for services provided to other lots or parcels in the scheme.
139. These findings were delivered in late December 2018 through to November 2020. Unfortunately for whatever reason, successive CBC treasurers before and after that time have found difficulty in lawfully interpreting which services ought properly be allocated and levied against each of its members under community property restricted by-laws and alleged "complex-wide" services such as fire services and electricity supply.
140. This means that the executive committee and the five residential members bodies corporate have failed to approve annual or interim budgets that satisfy CV's interpretation of the Courts' findings.
141. Consequently, CV having conducted its review of the assumptions underlying each attempt by executive committee to create budgets CV finds acceptable, has resulted in CV's proprietors refusing to authorise payments of levies they say are unlawful and beyond power. As CV holds 143 voting entitlements out of a total of 650 on title, this means that about 22% of any proposed CBC budget is not collected – about $132k of proposed expenditure. Given that the CBC is converting the gross income from the visitors' carpark of about $240k annually to fund expenditures, the cash shortfall ought to be made up from this source until the remitter is heard in the District Court and hopefully future CBC treasurers observe CV's allocation submissions in its counterclaim[59] to the Court.
142. All well and good in theory, however, the CBC has expended over $3M engaging legal representation to prosecute its case against CV for collection of its claim for overcharges of $188k including the $153k. CBC has failed to properly fund this legal expenditure by levies on its five residential members. Relying on the Appeal Court order no 4 in 1690-2020[60], CV has relied on restrictions in s193 MUDA to deny any

[57] In particular s177(1) MUDA and s174 MUDA.

[58] 1690-2020 delivered 4 November 2020.pc

[59] Affidavit of Antonio Giovanni Palella 22.(

[60] 1690-2020 delivered 31 August 2021.pdf

obligation to pay any legal fees raised on it to prosecute the proceeding in D2754-2010[61] on behalf of the five residential subsidiary bodies corporate who it is alleged are out of pocket for the $153k shortfall.

143. This large expenditure on legal fees has resulted in CBC's treasurer raiding its two administration funds and ominously its two sinking funds to make up the shortfall without the express authority of its members[62]. These funds were exhausted some time ago; hence, the CBC is now finding the $240k income from the carpark is insufficient to fund its annual $600k expenditure budget, consequently it relies on unsecured loan injections from time to time from its members willing to advance the funds.
144. In addition, Duhig and Canterbury & Westminster BUPs have recently become more aware of the allocation errors in CBC budgets and refused to pay levies raised on them that do not comply with the "non-subsidisation" principle. This adds to the insolvency issues for the CBC executive committee.
145. Casual observation might suggest that the current dispute ridden executive committee is incapable of producing an annual budget that would be acceptable to all six subsidiary members as it appears that neither person has acquired knowledge of the Courts' findings, the Acts nor has attempted to engage with the three subsidiary members that oppose recent budget constructions.
146. CV submits that an independent legal person with a knowledge of the MUDA, BUGTA and the Courts' findings would on a balance of probabilities assist the executive committee to find a way through negotiation with all six subsidiary members to approve budgets (see paragraph 148 and Appendix A for possible solutions).
147. It's worth noting that a former CBC chairperson (Mr R Welford dec'd) working with an informed a previous body corporate manager (Ms N Anwoir) at the time and the CBC's then solicitor of record (Grace Lawyers) did produce an annual budget for the 2023/24 financial year (attachment 10)[63] that did attempt to consider the "non-subsidisation" principle. It was approved at the AGM on 20 December 2023 by four of the six members holding 423 voting entitlements – insufficient to pass the required special comprehensive resolution but nevertheless indicative that consensus was achieved with 4 of the subsidiary body corporate members. It's also worthy of note that the chairperson at that AGM accepted that the nominees of CV and Duhig were eligible to vote, indicating that this executive committee was attempting to observe the legislation and the Courts' findings, accepting that CBC levies on those subsidiary members were in all probability nullities.
148. CV has considered alternatives to resolve the failure to approve CBC budgets. Should the informal meeting proposal fail, the fallback may be for CV to lodge a dispute with the Commissioner's Office seeking to: -
    - Appoint an independent solicitor to CBC to work with the executive committee and more importantly with all six subsidiary members to develop several annual budgets for the 2024-25,

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[61] Refer decision in Appeal No 1690-2020 delivered on 31 August 2021, order no 4 for the authority for this.

[62] The rationalisation for this from the CBC executive committee goes that CBC is owed over $1.4M by CV. When these funds are collected following CBC's 'successful' litigation against CV for collection of this debt (D2754-2010), the sinking fund will be replenished. The fatal flaw in this proposition is that CV has succeeded in its arguments on the law in the litigation so far and expects that it will in fact not pay the $1.4M claimed but in fact may receive a $737k refund of overcharges plus costs and interest from the CBC – potentially an amount in excess of $2.2M.

[63] 0735-2026 attachment 10.pdf

2025-26, and 2026-27 financial years. CV has identified a suitable solicitor (Mr Peter Townley) who may be offered up as an independent solicitor who worked with the developer in 1998 to register the scheme under the newly legislated MUDA and then acted for the CBC (and the six subsidiary bodies corporate) from its registration in 1998 through 2007. He is versed in the peculiar design of the CBC scheme and the MUDA and BUGTA. He may be advanced as a more cost-effective solution to the two persons proposed by the applicant – neither of whom have experience of the MUDA.

- Indeed, Mr Townley was advanced as a suitable candidate to the applicant, however he considered her brief and determined that it could not succeed due to her not having standing and it being too general in scope and declined to submit a proposal.
- Further, should this drag on, CV may seek a referee's order to appoint a former chartered accountant (Walker Hill CA)[64] who a former CBC chairperson (Mr Welford dec'd) engaged in 2023 to maintain the CBC's books of account and secure the source records and Xero financial database for a period of time before a formal appointment of a body corporate manager is completed by any 'temporary' manager.
- CV envisages these appointments to be much more cost-effective and ought to be in place for a much shorter period of weeks to complete their remit from the referee. It's expected that the CBC executive committee will continue in place working with the solicitor and the members in general meeting. The members and the executive committee would retain voting rights and administration of the CBC's affairs (as ordered in 0246-2007) unlike the omnipotent and very expensive "administrative" solution proposed by the applicant. This was the preferred approach ordered by the referee in 0246-2007, i.e. a short and focused manager's appointment with members retaining their voting rights. Once the appointed tasks were completed, the appointment ceased.
- Also to seek the referee's orders to appoint a treasurer from eligible members to instruct the Chartered Accountants until a general meeting can elect a replacement executive committee.

149. CV submits that (subject to the referee's orders), CBC has no incapacity to observe the governing legislation. The CBC still -
    - exists;
    - meets;
    - votes, and
    - exercises statutory functions.
150. CV submits in rebuttal of the applicant's submissions that the issue is not incapacity but competing voting interests within the scheme and a lack of knowledge in the application of Acts.
151. The current executive committee of two obviously lacks the willpower and people management skills to employ the authority vested in it to create the necessary budgets to place the CBC in solvent status and to move beyond the view that past determinations that disenfranchise two members were lawful.

PDF
0735-2026 attachment 13.pdf

[64] Attachment 13 details the original fee of $400 per month payable to perform this function in 2023.

152. Disenfranchising two of its members[65] through a misinterpretation of the legislation and the Court's findings on non-subsidisation has resulted in a temporary lack of voting entitlements to pass s190 and special budget resolutions. CV submits this is not incapacity just ignorance and is easily remedied by recognising that the grounds for the determinations are not proven.
153. Also, s190 resolutions also failed to pass at the 2 March 2026 EGM (attachment 11)[66] because Canterbury & Westminster BUP voted NO to most resolutions. This is its legislated right. A NO vote is not a sign of dysfunction.
154. Obviously, the future treasurer must work harder to gain the dissenting members' support of the annual budgets proposed. The temporary vacancy in this position ought to be remedied urgently.
155. Clearly, as the referee determined in 0833-2021, these temporary issues are capable of remedy through applications to the Commissioner's Office or in the extreme, the Courts or perhaps a simple consideration of the counter arguments advanced by these dissenting subsidiary members.
156. They do not indicate that the appointment of an expensive management team of many persons with an investment probably exceeding $1M as submitted by the applicant for a period of up to 12 months or more will solve the pressing issues of creation of budgets and enfranchising all members. In the words of the referee in 0833-2021, ***"they may create more problems and fail to resolve the underlying issues".***

CV submits that VOTING DEADLOCK IS A LAWFUL OUTCOME

157. The inability to pass resolutions arises from allocation of voting entitlements and legitimate opposition by subsidiary body corporate members. This reflects the statutory design of the scheme. Deadlock is not dysfunction; it is the consequence of the democratic framework established by the MUDA.

CV submits that the "difficult financial position" alleged by the applicant DOES NOT ESTABLISH GOVERNANCE FAILURE.

158. The applicant submits that because the CBC cannot raise levies this leads to insolvency preventing it from providing the amenities and services it is obliged to provide on its community property.
159. The evidence submitted in the application shows that funds remain available (currently $58,000 is available). Additional funding continues to be received from the visitor's carpark (about $240k annually) and several members continue to provide unsecured loans while awaiting lawful budgets to be created and passed against which their advances will be cleared.
160. Clearly on the facts, budget proposals have been considered and debated but have failed to pass. <u>The obvious solution is that the CBC retains capacity to revise budgets; re-submit motions and seek targeted orders from the Commissioner's Office where necessary</u>.
161. For some reason the incumbents on the executive committee appear reluctant to seek orders from the Commissioner's Office: only reverting to seeking orders when they feel they simply can't get a solution to their issues. Unfortunately, possibly out of exhaustion, the applicant seeks an unconscionably

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[65] CVBUP, Duhig BUP,

[66] 0735-2026 attachment 11.pdf

expensive and long-term solution that may inevitably not resolve the fundamental issue of no annual budgets being approved and result in more expensive litigation before the Courts. The executive committee ought not simply desert the battlefield and abrogate their responsibilities to an outsider.

162. If the current executive committee lacks the energy to resolve the disputes, it can stand aside pursuant to s185(16) MUDA and leave the CBC's administration in the hands of the six subsidiary members advised by a competent body corporate manager versed in the application of the MUDA.
163. CV submits that financial difficulty does not equate to statutory failure. S177(1)(i) MUDA requires subsidiary members to consider at length the allocation of expenditures to lawfully determine the "amounts necessary in its opinion" and levy same on its subsidiary members that are collectable. This has not happened since registration of the scheme in 1998.
164. **Obviously, the applicant does not demonstrate an inability to create budgets and vote on them, rather the issue for the future treasurer to resolve is subsidiary members' disagreement over financial propositions and decisions.**

Applicant's submission section 8 – Grounds item 4

165. The applicant submits that there is an "*Inability for the current committee to engage amicably due to mistrust, code of conduct and the inability to agree on the interpretation of sections of the BUGTA and the MUD Act.*".
166. On the facts, this may be so but there is no dispute of this fact.
167. The applicant provides some 50 or so documents and emails indicating that she has attempted without success to persuade her fellow executive committee member to her preferred course of action.
168. She has the option to call an executive committee meeting to fill the casual vacancies on the executive committee. For some reason she has failed to do so. This is not an example of incapability as alleged; it is simply a failure to find an easy solution to the deadlock on committee – appoint two or more eligible persons. This is a procedural failure in her administration of the CBC's affairs.
169. Obviously, the optimal solution would be to call a general meeting to elect a replacement committee.
170. This ought to be convened urgently. There may then be at least three, four or five executive committee members providing opportunities for recalcitrant committee members to be out voted on contentious issues.

CV's submission in summary is that committee disputes do not justify intervention.

171. The applicant's evidence establishes to some extent, evidence of mistrust and disagreement among committee members (currently two members).
172. However, conflict is inherent and unavoidable in mixed use schemes. The interests of 517 residential proprietors in the five residential bodies corporate may often not align with the objectives of 27 commercial and retail proprietors of that subsidiary body corporate. CBC is not alone in this.

It's CV submission that personal disagreement is not a statutory trigger under s214A.

173. CBC has six subsidiary body corporate members. Consequently, pursuant to s185(4) MUDA there are up to seven positions available on the CBC's executive committee. All six subsidiary members may be

eligible to nominate for membership of the committee; however, the secretary has failed to call a general meeting to replace the committee. The executive committee has failed to fill the casual vacancy after the treasurer resigned. These are procedural issues capable of prompt resolution within seven to ten days at most to elect a replacement committee or within a few hours to fill the casual treasurer's vacancy.

174. The current executive committee was last formally elected at an AGM held on 20 December 2023. All executive officers have replaced officers that resigned their office subsequently.
175. At an executive committee meeting on 7 November 2025, the present secretary (Mr John-Michael Nielsen) was appointed to replace a casual secretarial vacancy on committee caused by the former secretary (Mr J Joseph) being declared ineligible to nominate at a committee meeting on 21 March 2025. Mr Joseph[67] replaced the former officer (Mr T Lightowler) elected at the AGM of 20 December 2023.
176. The former treasurer (Ms W Adhdam) resigned in March 2026 and has not been replaced. She had been elected at the AGM of 20 December 2023.
177. The present chairperson and dispute applicant (Ms M Johnson) filled a casual vacancy by a Vote Outside of a Committee meeting on 22 August 2025. She replaced the former casual chairperson (Mr K Fregon) who replaced the former chairperson (Mr R Welford dec'd) at a committee meeting on 24 January 2024. Mr Welford was elected at the AGM on 20 December 2023.
178. All six subsidiary body corporate members have not met to elect a new executive committee since December 2023 – over 30 months ago. The current two executive officers replaced their former members at executive committee meetings. Subsidiary members have been denied a voice in selecting the members of the executive committee for some time.
179. There have been three general meetings convened 12 months after the AGM of 20 December 2023 on 2 March 2026, 6 August 2025, 28 March 2025. In contravention of s177(5) MUDA, the body corporate failed to elect an executive committee at any of these general meetings. By depriving its six members of a voice in determining the executive committee membership, the skills of the present executive officers have not been challenged and if found wanting (as appears to be the applicant's submission) not replaced by others that may have the skills to resolve the issues the applicant identifies.
180. Since its registration in 1998, successive CBC executive committees have operated as if they are the principal decision-making body for the scheme including the subsidiary bodies corporate. The MUDA does not support this management arrangement. The governance framework holds the executive committee accountable to all six members meeting in general meeting in respect of its community property only. It is from the decision of members in general meeting that the executive receives the authority to act within tight legislative shackles.
181. The executive committee receives delegated authority from general meetings to expend the members' contributed funds within an annual budgeted allowance. Should the executive committee require funds for a specific purpose that is either beyond its spending limit or not authorised in the annual approved budgets, the executive committee through its treasurer must seek and secure authority from the subsidiary members pursuant to the restrictions in s189 MUDA and the process in s190 MUDA meeting in general meeting.

[67] Interestingly, this person has lodged a dispute 0283-2026 currently before the Commissioner regarding this determination of ineligibility.

182. However, since 1998, the CBC executive committee usurped the members' authority and regarded its role as superior to the six subsidiary members. This has resulted in many decisions of the executive committee over time being overruled by the referees and the Courts. This is an historical conventional wisdom unique to this scheme where it has only six subsidiary members and the MUDA allows up to seven members on the executive committee. Historically, the CBC was first set up by its first body corporate manager who unlawfully allowed the six members of executive committee to have the identical powers as the same six members voting in general meeting and essentially operate as if the executive committee was the sole decision making body. This management arrangement is not supported by the legislation.

CV submits that the CBC executive committee is subordinate to the subsidiary members.

183. The applicant's submissions seek to maintain the historical ascendency of the executive committee over the subsidiary members by seeking the appointment of a superior management team of many outsiders to overrule the authority of the six subsidiary members.
184. As happened in **0833-2021**, the referee ought to deny this application for this reason alone.
185. If, as is submitted, the CBC executive committee cannot function due to mistrust and conflicting interpretations of the legislation, then it ought to properly fall upon the six subsidiary members to determine the decisions that ought to be taken. This outcome is supported in s185(16) MUDA.
186. Unlike CV, the other 5 subsidiary bodies corporate have not sought independent legal advice on the proper interpretations of the MUDA, BUGTA and the Court decisions, relying instead on the solicitors engaged from time to time to litigate the CBC's claim against CV. Obviously, this advice advances the CBC's case, but as is the case with CV's independent legal advice, interpretations do vary. The findings of the three Court proceedings suggest that the CBC's legal advice may be flawed and ought not be followed. At least the 5 residential members ought to seek independent advice to assist in their knowledge of the MUDA and in support of lawful resolutions.
187. The chairperson ought first to remedy the conflict within the executive committee by calling a general meeting to elect a replacement executive committee rather than seeking to resolve the conflict by neutering all legislated internal administrative elements of the CBC and substituting an expensive, bloated, omnipotent external managerial team.
188. CV's submission on the facts is that the executive committee continues to function but lacks imagination, energy and determination to work through the present issues. For a time, the members meeting in general meeting ought to decide on matters that are currently before the executive committee pursuant to s185(16) MUDA.

Applicant's position (section 8 – Grounds item 5):

189. The applicant submits *"To minimise risk of Cathedral Village's document security concerns and address the conflict of interest in it having any custodial role …"* etc. The "administrator" ought to assume the control of the source records and Stratamax and Xero financial databases.

190. CV's submission is that it has concerns that records may be lost during any transition away from CTS Consulting's custody of these records and that this would seriously jeopardise CV's right to discovery of these records during the conduct of the litigation between CV and the CBC both in respect to the remitter and any subsequent pending litigation.
191. The conflict-of-interest argument is a furphy. It can be argued that both the CBC and CV are conflicted. To suggest that CV in assuming any alleged temporary custodial role would destroy or not provide discovery is ridiculous. This is an absurdity that bears no comment.
192. CV accepts that any competent independent person could maintain the records, including the managerial team the applicant seeks to put in place. The issue is to ensure the records are not lost in the interim before a replacement manager of some type is appointed. The CBC has an obligation to maintain these records for up to ten years.
193. By the grace of CTS Consulting, the two financial databases remain on its servers, and the monthly Stratamax maintenance fees are being met by that firm. CBC funds the Xero monthly maintenance. How much longer this may continue is unknown. CV may have to resort to lodging a dispute that would appoint an independent firm of chartered accountants (possibly Walker Hill CA) until a body corporate manager is appointed to replace CTS Consulting who must also have a Stratamax license should the CBC fail to reassure CV that CBC's records will be secured.
194. CV submits that currently there is no evidence of loss, misuse or denial of access to the original source documents or the two financial databases, howbeit CBC is relying on the goodwill of its former body corporate manager in respect to the Stratamax maintenance and CBC hopefully continues to pay the monthly Xero license fee.

Part 6: IN CONCLUSION, it's CV's SUBMISION THAT:

This application is SPECULATIVE and legally outside the scope of the legislation.

196. Section192 MUDA was created to permit an independent third person to accept the delegations of powers from the executive committee and subsidiary body corporate members.
197. With hindsight, the section was probably not created so that it may be extended to permit a third person(s) to stand in the place of the executive committee or the subsidiary members meeting in general meeting. The Body Corporate & Community Management Act (BCCMA) does have such a provision[68].
198. Successive referee and tribunal decisions have extended s192 MUDA's reach to allow the appointment as a last resort of a manager to bring a dysfunctional body corporate into legislative compliance.
199. It is CV's submission in argument and evidence above that the CBC is not dysfunctional and is not incapable of bringing its affairs into legislative compliance.
200. The application must be dismissed as the threshold scope for s192 to be triggered to permit the referee to appoint the omnipotent managerial team with the powers the applicant requests is not demonstrably present by reference to the precursors identified in the Commissioner's Practice Direction 5.

This application seeks a DISPROPORTIONATE NATURE OF RELIEF

201. In summary the appointment of an "administrator" removes the executive committee's powers and denies the CBC members' control of the affairs of the community property.
202. It transfers the management of the community property to an external management team comprised of a manager appointed under s192.
    - The proposed manager (Mr Klienschmidt) in his submission would engage a solicitor of which he is a partner (Bugden Allen);
    - an assistant from Mr Kleinschmidt's legal firm,
    - and a financial administrator (FTI Consulting) who would engage a team of individuals from its firm.

The Proposed Administrators' Credentials, Cost & Entourage:

203. The proposed individuals to be appointed as the "managerial team" have no knowledge of the MUDA, the specific structure of the scheme, past referee orders or the findings of the Courts.
    - They would have to familiarise themselves and their teams at considerable cost to the 541 proprietors before any progress could be made.
    - How does that delay address the applicant's submission that there are pressing financial pressures that require his immediate attention?
204. CV submits that the proposal put forth by Mr Kleinschmidt has significant problems, which raise doubts as to whether he should be appointed, even if there was jurisdiction to do so.

[68] BCCMA ss 278 & 301, Practice Direction 5

205. It is a condition of his appointment that he be at liberty to engage Bugden Allen to assist him in legal matters, administration or "other assistance". Obviously, "other assistance" will at least include the need for an accountant, the cost of which has not been included in Mr Kleinschmidt's estimations.
    - Imposing such a condition displays a lack of knowledge of the MUDA despite the claimed qualifications and experience set out in Annexure A to his proposal.
    - Section 190(2)(b) MUDA requires that there be at least two tenders for proposed expenditure for any work to be performed. While, if appointed, an administrator can have the powers of an executive committee, he cannot override (nor can a referee make any order overriding it) the requirements of the Act. Therefore, Mr Kleinschmidt's condition cannot be met, because he needs to get two quotes for legal work, two quotes for any administration or bookkeeping work, and two quotes for any other work.
    - In mitigation of the excessive cost of the administration, the object of obtaining two quotes would be to select the cheaper quote, unless there is some strong indication that the cheaper quote will not achieve a proper result.
    - It is further submitted that the legislative requirement involves a genuine attempt by a body corporate to obtain quotes that would be effective; and not simply to obtain a quote from some entity manifestly unsuitable for the job.
    - In this regard, there would be a serious conflict of interest if Bugden Allen was chosen above any others. See clauses 29 to 32 in Mr Kleinschmidt's Annexure B. Clause 31 is an invitation to, or an instruction, for CBC to contravene the legislation.
    - This can also be compared with Mr Kleinschmidt's assertion in paragraph 5 in his letter to the executive committee. He claims to believe that there would be no actual or perceived conflicts of interest or duty between himself, Bugden Allen and CBC. This ignores the conflict of interest between himself and Bugden Allen; and ignores that there would be a conflict of interest between himself/Bugden Allen and CBC when he demands that CBC ignore its duty under the MUDA.
    - It might also be noted that Mr Kleinschmidt's current or pending commitments as set out in paragraph 5(a) would seem to necessarily take up a lot of his available time, resulting in the need for him to engage more alternative service suppliers to carry out the tasks set – or to take a lot more time than 12 months.
    - It's notable that Mr Klienschmidt and Bugden Allen are located on the Gold Coast. This suggests that there may also be considerable downtime while the managerial team travels to Fortitude Valley for meetings and other administrative matters.
206. It is noted that Mr Kleinschmidt's proposal is addressed to "The Committee Community Body Corporate for Cathedral Place", yet there is no evidence that there has been any authorisation by the said committee from its members to obtaining the proposal. Mr Kleinschmidt's business "terms and conditions" (Annexure B in clause 1(e)) assumes that the contract is with the body corporate. This is again without any authorisation from CBC itself. Further, there is no reference to any resolution by CBC itself to enter into the contract proposed by Mr Kleinschmidt.
207. The other administrator proposed is Mr John Park of FTI Consulting. It is noted that the applicant wants Mr Kleinschmidt to be the administrator, and the suspicion is therefore raised that Mr Park is a "straw man" simply proposed to comply with section 190 of MUDA, rather than being a genuine alternative. It is

submitted that he does not indicate any knowledge or experience with MUDA or BUGTA. His expertise appears to be simply with respect to liquidation or bankruptcy.

208. However, in a letter dated 1 June 2026 the applicant recommends that if Mr Kleinschmidt was appointed, that Mr Park's proposal be provided to Mr Kleinschmidt to take on the financial elements. It is claimed that both Mr Kleinschmidt and Mr Park have consented, yet none of this appears in either Mr Kleinschmidt's proposal or Mr Park's. If this arrangement was permitted, it would seem that Mr Park would be by far the most costly option possible. The standard rate for him is $1,100.00 per hour as set out in Annexure C. He does propose a 10% discount, but that would still be $990.00 per hour.
209. Further, the applicant's recommendation as to which purportedly Mr Kleinschmidt and Mr Park have both consented, would again be a breach of s190 MUDA. Again, in respect of a fee of $990.00 per hour, CV repeats that both any lawyer and any accountant appointed between them would have to assiduously check the minutes of meetings over many years; analyse thousands of invoices and reams of general ledgers; they would have to analyse service contracts, or if there is no actual contract, how that applies to the situation bearing in mind non-subsidisation principles. They would have to separate by-law 27 issues (benefitting the residential bodies corporate only) and by-law 21 issues (exclusive use car parking benefiting the residential bodies corporate proprietors). There is also the visitor carpark which is a separate business venture not included in the application; but it would still be necessary to correctly separate and allocate expenses properly payable by the visitor car park business. The applicant herself in her email of 28 November 2025 to Coralie Mott of CTS Consulting states that she has a "lack of trust of the accounts from years ago".
210. CV submits that an hourly rate term of engagement would be the most expensive solution. A fixed price engagement would be much more suitable given the breadth of effort identified above. The applicant ought to have considered this.
211. Apart from CV not causing any dysfunction in the administration or management of CBC's community property (lot 4), CV's interest in any of that administration is entirely minimal. CV has not delegated any of its duties imposed on it by BUGTA or Part 6 Division 5 of MUDA, in particular s138 MUDA to CBC (CV is a stratum plan pursuant to s23 MUDA with subparagraphs (5), (6) and (7) referring to the management statement (attachment 14)[69] that is required). It would appear that most, if not all, residential subsidiary bodies corporate presumably may have delegated their responsibilities under BUGTA to the CBC either formally or through the executive committee assuming an informal delegation as appears to be the case with at least three bodies corporate. If they have not done so in writing in compliance with s50 BUGTA, then there is a breach of the legislation by CBC. CV is not aware of any such agreement being reached with the CBC.
212. Also relevant is the *Fire and Emergency Services Act 1990* which requires the occupier of each building on the site (that is, each subsidiary body corporate building and the CBC) to be responsible for fire safety. CV has not delegated this responsibility to CBC and does not believe that the residential bodies corporate have delegated their responsibilities for fire safety to CBC either – yet CBC purports to provide

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fire safety to all six subsidiary buildings, when its legal responsibility is only for community property (lot 4).

213. Accordingly, the expenditures associated with CBC carrying out duties on behalf of the residential bodies corporate, as well as duties with respect to the by-law 27 podium, the by-law 21 residential carpark and the visitor carpark must not be attributed to CV. Basically, CV's interest in CBC's community property (lot 4) (it having no interest whatsoever in the management or administration of the residential bodies corporate) is entirely minimal, basically being its use of certain portions of thoroughfares within the parking areas of community property lot 4, in order to access its common property and allow for a transport of rubbish to a rubbish collection point. These portions of thoroughfares on lot 4 do not require the services of a s94 administrator.
214. This further shows that CV would obtain no benefit from an administrator as to which CV refers to s167(9)(b), s177(1)(a) and s177(1)(j) MUDA. It also refers to the non-subsidisation principle referred to in the Court decisions.
215. It is therefore again stated, that if Mr Kleinschmidt is appointed on the terms and conditions he requires, any attempt by him to levy CV for contributions to all monies payable to him including without limitation for fees and disbursements, interest, or recovery costs on those sums and/or the contributions themselves (as per paragraph 20(d)(i)) would again be resisted by appropriate applications to a referee and/or to the Courts. According to Mr Kleinschmidt's proposed indemnity in paragraphs 21 and 22 of Annexure B, any costs associated with such action by CV will end up being paid by CBC, and in fact the residential bodies corporate.
216. It is further noted that any administrator appointed pursuant to s94 BUGTA is subject to the Code of Conduct in Schedule 2 of MUDA – in this regard see s185A(2) MUDA that requires that Mr Kleinschmidt does agree to comply with the Code of Conduct. This code entails that an "administrator" must act in the best interests of not only CBC but of the proprietors and occupiers of CV and that they comply with BUGTA and MUDA, which by clause 1 of the code he must acquire an understanding of.
217. The proposed manager (Mr Klienschmidt) also seeks an indemnity from the CBC that he will not be liable for any proceeding brought against him for maladministration of the appointment – a startling issue indeed – otherwise he will not accept the appointment.
    - CV submits that it is highly probable that subsidiary members or their proprietors will seek orders from the Commissioner's Office and/or the Courts during the manager's tenure.
    - Some members or proprietors may not accept his interpretation of the legislation or the Court findings. They may suffer damages as a consequence of his maladministration. They would have no recourse to restitution.
    - Not only would this incur additional cost to members, but the manager would also be immune from recovery for maladministration.
218. **The referee ought to reject the application for the manager's appointment on this ground alone as it denies natural justice to CBC members and proprietors to recover damages should the manager fail in his duty.**
219. In section 6 of the application, the applicant seeks 5 orders from the referee.
220. Specifically, at item 5. the applicant requests the manager be ordered to recover *"unpaid levies in accordance with audited accounts"*.

221. Due to the findings of the Courts, the levies that have been invoiced to subsidiary members since registration in 1998 are in all probability nullities. In the alternative, the auditor may find that CV is not indebted to the CBC, that in fact, the CBC may be indebted to CV or at least provision ought to be made in the accounts for the $1.4M debt recorded in the CBC's debtor's ledger to be doubtful. CV submits that in all probability, there may be no debt to be pursued by the "administrator" until the remitter is decided by the Court.
222. If the order sought is intended to authorise the manager to pursue CV and Duhig for collection of unlawful levies, that will inevitably add to the costs incurred by CBC and the two members without resolution of lawful and therefore collectable indebtedness until the remitter and other litigations on hold are decided. On any analysis, the order is redundant as the Courts have already determined the levies to be nullities due to the non-subsidisation principle not being observed.
223. CV maintains that it has been overcharged for amenities and services as levy overcharges for the period 2017 to the present time by CBC. There is also a proceeding parked in the District Court for the period September 2010 to August 2016 – again CV contends that it was overcharged during these periods too.
224. As these claims are or will be before the Court, any action for the collection of outstanding levy debts by an "administer" will fail. CV will oppose the collection of any attempt by the proposed administration team to impose levies for their fees.
225. Mr Klienschmidt appears from his submissions to fail to observe the requirement in the MUDA for at least two quotes to be obtained to engage his services, his legal firm Bugden Allen or FTI. Furthermore, he fails to address the obvious conflict of interest that will emerge with his unilateral engagement of his legal firm and FTI.
226. **CV submits the specific task the applicant seeks to perform at item 5 is inactionable**.
227. The order requested at item 1 section 6, to appoint an auditor, has previously been passed at all general meetings of the CBC up to 2019 and again in 2023/24. The task for the future treasurer to complete (when elected) is to locate a firm to perform the audit.
228. The CBC has not engaged an auditor since the 2016 financial year in contravention of those resolutions.
229. The order is redundant as the executive committee is authorised to appoint an auditor and ought to do so without delay.
230. Successive body corporate managers have attempted to appoint an auditor. The firms approached have denied appointment, there are many more that may accept appointment, the executive committee simply needs to seek a candidate out.
231. This task ought to be completed without delay by the incoming treasurer when appointed, the order is unnecessary and redundant.
232. The nominated individuals sought to be appointed as the managerial team have no knowledge of the MUDA, the specific structure of the scheme, past orders of the referees or the findings on the Courts.
233. They would have to familiarise themselves at considerable cost to the 541 proprietors before any progress could be made.
234. How does that delay address the applicant's submission that there are pressing financial pressures requiring urgent action?
235. The manager (Mr Klienschmidt) submits that upon engagement he will invoice $158k inc GST to cover his initial management of the CBC.

236. He submits that he is incapable of providing a reliable estimate of the effort required and this is a preliminary fee.
237. His initial fee will not be reduced whether or not the hours he expends reach this amount.
238. Once he has his feet under the table and the rest of the managerial team are active, he expects that it is probable that his direct fees will double - $316k inc GST or more.
239. The estimates given as to the possible cost of the appointment of an administrator are understated to say the least. The proposed administrator, Mr Kleinschmidt, suggests an amount between $158,400.00 (including GST) and $253,440.00 (including GST), or more. However, Mr Kleinschmidt adds that it is not unusual where there is a lot of work to do in the administration (which CV submits from experience that there will be), the disbursements for the body corporate manager, financial advisers and lawyer's fees can easily equal his administrator fees. CV knows better than anyone that there is a great lot of work to do. It would take much time and effort to assess thousands upon thousands of invoices; general ledgers; budgets and their preparation, and the those costs have been properly allocated to CBC itself or to the residential subsidiary bodies corporate, according to the Court decisions of McGill DCJ and to Court of Appeal decisions as well as the proper application of BUGTA, MUDA and the non-subsidisation principle. This requires the joint efforts of accountants and lawyers. Even with respect to any proposed litigation itself, the solicitors CBC wants to use have quoted $1,000,000.00 for the litigation presently in existence, even though a lot of preparatory work had already been done by previous solicitors – expending over $3M in that process. It is noted that no order is sought with respect to the appointment of solicitors to conduct the remitter on the CBC's behalf, but the present Court case will continue nevertheless, and the proposed order 5 with respect to debt recovery entails that lawyers would have to be engaged also. Accordingly, it is submitted that solicitor's fees alone for two separate litigations are likely to far exceed what Mr Kleinschmidt has suggested. Reference is again made to what Mr Pollard said about the considerable cost of auditing everything. An audit will not solve the debt recovery because it will not deal with the proper allocation of expenses. It is not in any auditor's remit to reconfigure the expense allocations found during its inspections, if there are issues, it may simply qualify the annual accounts and address issues discovered to the treasurer and members.
240. CV submits that the proposal put forth by Mr Kleinschmidt has significant problems and conflicts of interest, which raise doubts as to whether he should be appointed even if there was jurisdiction to do so.
241. It is a condition of his appointment that he be at liberty to engage Bugden Allen to assist him in legal matters, administration or "other assistance". Obviously, the team, at least will include the need for an accountant, the cost of which has not been included in Mr Kleinschmidt's estimations.
242. As already discussed, imposing such a condition displays a lack of knowledge of MUDA despite the claimed qualifications and experience set out in Annexure A to the proposal. Section 190(2)(b) MUDA requires that there be two tenders for proposed expenditure for any work to be performed. While, if appointed, an administrator can have the powers of an executive committee, he cannot override (nor can a referee make any order overriding) the requirements of the Act. Therefore, Mr Kleinschmidt's condition cannot be met, because he needs to get two quotes for legal work, two quotes for any administration work, and two quotes for any other work. The object would be to select the cheaper quotes, unless there is some strong indication that the cheaper quote will not be better. It is further submitted that the legislative requirement involves an honest attempt to obtain quotes that would be effective; and not simply to obtain a quote from some entity manifestly unsuitable for the job. In this regard, there would be a serious conflict of interest if Bugden Allen was chosen above any others. See

clauses 29 to 32 in Mr Kleinschmidt's Annexure B. Clause 31 is an invitation to, or an instruction, for CBC to contravene the legislation. This can also be compared with Mr Kleinschmidt's assertion in paragraph 5 in his letter to the committee. He claims to believe that there would be no actual or perceived conflicts of interest or duty between himself, Bugden Allen and CBC. This ignores the conflict of interest between himself and Bugden Allen and ignores that there would be a conflict of interest between himself/Bugden Allen and CBC when he demands that CBC ignore its duty under the MUDA. It might also be noted that Mr Kleinschmidt's current or pending commitments as set out in paragraph 5(a) would seem to necessarily take up a lot of his available time, resulting in the need for him to engage more alternative service suppliers to carry out the tasks set – or to take a lot more time than 12 months.

243. Should he encounter resistance to his decisions (which CV submits is inevitable), he confirms that his fees will rise to a base of possibly $250k with possibly double that for fees from his firm - $500k just to complete the management effort under his s192 appointment.
244. On top, the financial advisor (John Park et al) is incapable of providing an estimate of its fees.
    - Suffice to say his hourly rate is $1,100 ex GST less 10%.
    - By contrast, the engagement of the past two CBC body corporate managers contracted to provide bookkeeping services for between $4,800 to $6,000 per year (see attachments 13[70] and 5[71] respectively).
    - Why such an expensive contractor is necessary to manage the affairs of the CBC when other less expensive solutions are available is questionable.
    - Why would this financial team provide any greater expertise than Walker Hill Chartered Accountants that have conducted bookkeeping services to CBC in the 2023 year for an annual fee of $4,800 (attachment 13)?
    - CV submits the engagement of this consultant at this cost level is unnecessary and unconscionable.
    - CV has proposed a less expensive solution in this submission at paragraph 149 (e.g. Walker Hill CA).
245. The alternative administrator proposed is Mr John Park of FTI Consulting. It is noted that the applicant wants Mr Kleinschmidt to be the administrator, and the suspicion is therefore raised that Mr Park is a "strawman" simply proposed to comply with section 190 of MUDA, rather than being a genuine alternative. It is submitted that he does not indicate any knowledge or experience with MUDA or BUGTA. His expertise appears to be simply with respect to liquidation or bankruptcy.
246. However, in a letter dated 1 June 2026 the applicant recommends that if Mr Kleinschmidt was appointed, that Mr Park's proposal be provided to Mr Kleinschmidt to take on the financial elements. It is claimed that both Mr Kleinschmidt and Mr Park have consented, yet none of this appears in either Mr Kleinschmidt's proposal or Mr Park's. If this arrangement was permitted, it would seem that Mr Park

70 0735-2026 attachment 13.pdf

71 0735-2026 attachment 5.pdf

would be by far the most costly option possible. The standard rate for him is $1,100.00 per hour as set out in Annexure C. He does propose a 10% discount, but that would still be $990.00 per hour. Further, the applicant's recommendation as to which, purportedly Mr Kleinschmidt and Mr Park have both consented, would again be a breach of section 190 of MUDA. Again, in respect of a fee of $990.00 per hour, CV repeats that both any lawyer and any accountant appointed between them would have to assiduously check the minutes of meetings over 10 years; analyse thousands of invoices and reams of general ledgers; they would have to analyse service contracts, or if there is no actual contract how that applies to the situation bearing in mind non subsidisation principles. They would have to separate by-law 27 issues and by-law 21 issues (exclusive use car parking benefiting the residential bodies corporate). There is also the visitor carpark which is a separate business venture not included in the application; but it would still be necessary to correctly separate and allocate expenses properly payable by the visitor car park business.

247. The applicant expects that this "managerial team" may be in place for 12 months or more. **On a very defensible estimate from past experience with legal proceedings, CV submits that this "administration" may easily cost in excess of $500k up to $1M or more**. Most likely the higher estimate or more.

248. It is highly possible that the fees for the "administration" may approach or exceed $1M.
    - CV's share of this at 22% (being its voting entitlement pursuant to s173 MUDA) would be $220k if levied under s174 MUDA.
    - CV has 27 proprietors, the charge to a CV proprietor with the highest lot entitlement on its title would be $22,352.07, the lowest $4,666.91. **An accurate analysis of the actual impact on individual proprietors in each BUP is attached at Appendix B herein.**
    - By contrast the average of the 517 residential proprietors' share would result in the proprietor with the highest lot entitlement paying $2,286.20, the lowest $1,162.47.
    - CV submits that this is an unconscionable impost on its proprietors occasioned not by their lack of recourse to the Commissioner's Office or the Courts in seeking out the proper interpretation of the Acts, but by successive CBC executive committees not resolving conflict and seeking lawful outcomes. For example, the CV proprietor with the highest lot entitlement on title would contribute $22,352.07. Compare this with the highest lot entitlement in Kensington & Sandringham BUP of $2,286.20. The CV proprietor pays almost ten times the next highest share. An unreasonable burden.
    - CV submits that the referee pursuant to s73A(a) BUGTA must observe natural justice. The unjust imposition of $22,352.07 on CV's proprietor vis a vis the $2,286.20 the residential proprietor would incur is a denial of natural justice. The applicant has not considered or proposed an order that the referee consider a fee reimbursement pursuant to the powers the referee has in s94(4) BUGTA to apply a fair and equal recovery across all proprietors of $1,848.43[72] on average each on a $1M fee. This is serious flaw in the applicant's requested orders in section 6.
    - It's arguable that CV's proprietors ought to be immune from any impost as they have demonstrated the lawful path since 2004. Investing over $800k of their own money in obtaining

[72] $1M divided by 541 proprietors' lots

this advice. Successive CBC administrations have failed to follow it. If this were to happen, the residential proprietors would pay an average of $1,934 each, CV zero.

249. With reference to CV's concerns in the previous items, CV submits that the applicant has failed to submit the manager's proposed remuneration sharing scheme among the subsidiary bodies corporate in the application. In CV's opinion this is a fatal flaw in the application.
    - Pursuant to s94(4) BUGTA, a referee may make orders upon such terms and conditions relating to the manager's remuneration for the duration of the appointment.
    - CV confirms that it has invested over $800k of its proprietors' contributions since 2007 in the conduct of litigation through the Courts to resolve how the CBC ought to levy its members among other matters (D2754-2010 and the appeals).
    - It would be an unconscionable burden for the applicant to expect CV's proprietors to shell out another $220k to fix the CBC's inability to observe the findings of the Courts that have upheld the CV's arguments in obvious abrogation of the executive committee's legislated obligation to levy its members lawfully and to manage the community property for the benefit of all its members not just a select few.

OTHER CONCERNS

250. Without prejudice to the foregoing, it is submitted that no blame can be sheeted home to CV for any of the dysfunctions claimed in the application. CBC has prevented CV from being able to vote during any relevant period: disregarding that CV proposes to claim $737,973.47 plus interest in the amount of $1,147,856.00 and costs of an indeterminant amount (possibly as high as $500k) in the remitter. There is a further $115,000.00 which the Appeals Court (1690-2020 delivered 31 August 2021) ordered CBC[73] to pay to CV and upheld by the Commissioner's order in dispute 0310-2025[74], but CBC has not paid it. Indeed, the 20 December 2023[75] AGM did raise levies on the 5 residential members at item 9. Four of the five residential members have paid the levy (Duhig has not) to the CBC. The treasurer converted these payments not to pay CV but to pay other CBC debts in contravention of the Court order, the Commissioner's order and its AGM resolution. When CV is not permitted to vote, it cannot be held responsible for any alleged dysfunction such as a failure to call an AGM or to prepare a budget. This is apart from CBC's levies to CV being nullities – see Appendix A of this submission headed "An Alternative".

73 1690-2020 delivered 31 August 2021.pdf

74 Cathedral Place 0310-2025.pdf

75 0735-2026 attachment 10.pdf

251. There is obviously a dispute existing between CBC and CV as to levies imposed by CBC on CV, but this dispute is presently before the District Court in respect of the period from 1998/1999 to 2009/2010 referred to previously. There is also a further Court action covering the period from 2010/2011 to 2015/2016 which is being held in abeyance as the result of that litigation will depend upon the result of the Court action presently being dealt with by the District Court. Further, the decision of the Court in the current litigation (or any appeals by either party) will largely determine the result of any further litigation between CV and CBC. It is submitted that the referee cannot make any order which would impinge on the matters before the Court.

252. As mentioned, CV is a stratum plan pursuant to s23 MUDA. It is noted that Oxford & Cambridge BUP is also a stratum plan BUP and is included in the management statement pursuant to Part 6 Division 5 of MUDA (attachment 14)[76]. It is binding on both CV and Oxford & Cambridge BUP as per s135 MUDA.

253. The management statement requires that CV and Oxford & Cambridge each maintain their respective common property in a clean, tidy and presentable state; that each body corporate must diligently police its own by-laws and in particular those by-laws relating to the use of lots (i.e. security). Each body corporate must fairly and reasonably administer and manage shared facilities, which include services and machinery, etc. They must appoint and control service contractors necessary to maintain and repair the utility services and utility infrastructure, the building and the shared facilities. Utility services include water supply, electricity supply, air conditioning, telephone, sewerage and drainage, removal of garbage; while utility infrastructure refers to cables, wires, pipes, sewers, drains, ducts, etc. It can enter into service contracts and employ service contractors. CV and Oxford & Cambridge must establish a building management committee and hold annual meetings and other meetings upon any request from any representative of either body corporate. They must keep their own records; they must establish an administration fund and a sinking fund and operate a bank account for each fund. At each AGM both bodies corporate must establish a budget and fix contributions on the basis of the budget and the allocations thereof. No expense should be incurred of more than $500.00 without authorisation of the building management committee; each body corporate must keep account of records, prepare statements of account and must have the accounts audited. Each body corporate must comply with fire safety requirements. Each is responsible for collection, storage and removal of garbage from its own common property and its constituent lots.

254. Throughout the whole of its 27-year existence, CBC has never taken into account the requirements of the management statement with respect to CV and Oxford & Cambridge BUP. CV has never delegated any or all of its functions to a manager, or at least not to CBC. This can be done according to clause 5.6(e) of the statement. Oxford & Cambridge BUP had delegated its duties to CBC for a time, CBC has never coordinated with CV as required by the management statement.

255. Neither has CBC ever taken proper account of ss37, 38 or 38A and s50 BUGTA. Ss37, 38 and 38A impose a statutory duty on all the bodies corporate to do their own maintenance and administration, etc.

256. Therefore, the Court of Appeal's "obiter dicta" (that is non-binding observations) about *"inevitably there will be services which, for reason of practicality and economy, must be procured by the community body*

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76 PDF 0735-2026 attachment 14.pdf

corporate and provided across the entire site" (see paragraph 75 of the Court of Appeal 14271-2019 decision of 3 November 2020)[77]. That paragraph goes on to say that CBC's powers must be exercised impartially between its members but otherwise MUDA contains no provision which would prevent the service being provided at a cost to the body corporate's members in the proportions for which the act provides in section 174(2) MUDA.

257. With all due respect, this observation is completely wrong as demonstrated by reference to Part 6 Division 5 of MUDA itself, and BUGTA. No submissions were made with respect to these observations by the Court of Appeal and the Court was not referred to the relevant provisions of BUGTA, still less to Part 6 Division 5 of MUDA, in particular s138. The Court of Appeal cannot overrule legislative provisions.

258. However, following this erroneous observation, CBC's preparation of budgets and levies on the assumption that CV should contribute to any service which is claimed by CBC to be provided across the entire site is simply illegal.

259. Further, because CBC cannot lawfully require CV to contribute to any expense incurred by CBC that does not relate specifically to its community property lot 4, minus the recreation area, minus the exclusive use areas and minus the visitor car park business, it could not possibly be deemed to be an amount *"necessary to be raised by way of contributions"* in the terms of s177(1)(h) MUDA. See for example paragraph 13 of the second Court of Appeal decision of 4 November 2020[78]. Accordingly, levies given to CV (and to the other bodies corporate) must be nullities, because CBC did not form an opinion as to the effect of BUGTA or the management statement, and if it had it could not possibly have issued levies. In paragraph 42 of the second Court of Appeal judgment, what the levy concerned was a nullity for that reason. This is all the more so when it is not simply a by-law, but actual legislation involved.

260. The practice of CBC in recent years has however been to prepare its budgets and issue its levies including "whole of site/community property costs" which are claimed to include services extending beyond the community property. The services include things such as fire control, caretaking, plumbing, administration services, etc., matters which are covered in the management statement as well as BUGTA, unless there is an appropriate delegation by any body corporate, as already observed CV and Oxford & Cambridge BUP had no such delegation. Accordingly, this practice of preparing budgets and levies on a "whole of site" premise is erroneous and in breach of legislation and the levies produced since CBC's registration in 1998 are nullities.

261. Further, ignoring contracts and the contractual liability of the parties to the contract, and yet levying CV for a contribution to the services included in any such contract to which CV is not a party, shows that no proper opinion was formed and is another reason why levies to CV would be nullities.

262. Further, anything that any CV representative may have said outside of a meeting, or indeed in a meeting, can have no consequence by way of raising any dispute because CV cannot vote. In any event, any opinion expressed on behalf of CV has been to try to assist CBC, not to prevent CBC from carrying out its

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77 Cathedral Place Community Body Co

78 1690-2020 delivered 4 November 2020.pc

functions. For example, the letter of 5 December 2025 from John Gilliland to the body corporate manager, CTS Consulting, refers to the need to preserve CBC's records, that is a duty of CBC pursuant to s177(1)(e)(e) MUDA and also a duty to retain them with respect to the Court proceedings. Far from obstructing or creating any dispute, Mr Gilliland (a qualified auditor and accountant) volunteered to assist in preparing an audit trail, which successive CBC treasurers had failed to instruct CTS Consulting to complete. The meeting on 24 November 2025 with Mr Gilliland and Byron Rabone (CV's chairperson) again shows an attempt to help. Both individuals are very conversant with the relevant Court decisions and the applicable legislation by reason of close involvement with the Court litigation over the whole period of 16 years it has been on foot. It is submitted that it is highly likely that these individuals know far more about the proper interpretation of the legislation and the Court decisions than any of the residential executive committee members or nominees.

263. CV has nothing to do with CTS Consulting's contract with CBC or its termination. It has had nothing to do with the refusal of the caretaker to carry out caretaking work, in particular with respect to the pool and gardens covered by exclusive use by-law 27.

264. Therefore, CV submits that if the referee does appoint an administrator (which CV submits it could not and should not), CV should not contribute to the cost of any administration. Indeed, CV could not even afford to contribute. It has only 27 proprietors as opposed to 517 residential body corporate proprietors and is already incurring very significant costs in legal fees. As part of this, any debt recovery that may be proposed against CV as per proposed order 5 in section 6 should not involve any contribution by CV because the costs of recovery are in the province of the Courts. Any attempt to compel CV to pay any contribution to any costs of administration will be resisted by appropriate application to a referee and/or the Courts.

265. It is noted that CBC has only $58,000.00 available, and that the overall cost of an administrator will be huge. **The question ought to have be asked of the six members by the applicant – are you aware that your members may be up for over $1M in administration fees – are they willing to pay their share of this?** Current indications are that at least three subsidiary members may not be willing to do so. CV submits that this process of obtaining the six members' agreement to fund the administration ought to have been completed by the applicant and included in her application as a fundamental precursor to her lodging the application.

266. Apart from CV not causing any dysfunction in the administration or management of CBC's community property (lot 4), CV's interest in any of that administration is entirely minimal. CV has not delegated any of its duties imposed on it by BUGTA or by s138 MUDA. It would appear that most, if not all, residential subsidiary bodies corporate may have knowingly or unknowingly delegated their responsibilities under BUGTA to CBC through default practice over time. Accordingly, the expenditures associated with CBC carrying out duties on behalf of the residential bodies corporate as well as duties with respect to the by-law 27 podium, the by-law 21 residential proprietors' carpark and the visitor car park must not be attributed to CV. Basically, CV's interest in lot 4 (it having no interest whatsoever in the management or administration of the residential bodies corporate) is entirely minimal, basically being its use of certain portions of thoroughfares within the parking areas of lot 4, in order to access its common property and allow for a transport of rubbish to a rubbish collection point. These portions of thoroughfares on lot 4 do not require the services of a s94 administrator.

267. This further shows that CV would obtain no benefit from an administrator as to which CV refers to s167(9)(b), s177(1)(a) and s177(1)(j) of MUDA. It also refers to the non-subsidisation principle referred to in the Court decisions.
268. It is therefore again stated that if Mr Kleinschmidt is appointed on the terms and conditions he requires, any attempt by him to levy CV for contributions to all monies payable to him including without limitation for fees and disbursements, interest, or recovery costs on those sums and/or the contributions themselves (as per paragraph 20(d)(i)) would again be resisted by appropriate applications to the Commissioner’s Office and/or to the Courts. According to Mr Kleinschmidt’s proposed indemnity in paragraphs 21 and 22 of Annexure B, any costs associated with such action by CV will end up being paid by CBC, and in fact the residential bodies corporate that seek to engage him.
269. It is further noted that any administrator appointed pursuant to s94 BUGTA is subject to the Code of Conduct in Schedule 2 of MUDA – in this regard see s185A(2) MUDA that requires that Mr Kleinschmidt does agree to comply with the Code of Conduct. This code entails that an administrator must act in the best interests of not only CBC but of the proprietors and occupiers of CV and that they comply with BUGTA and MUDA, which by clause 1 of the code he must require an understanding of.
270. A final comment is that the application has no termination order in section 6 unlike the sunset provision in dispute 0246-2007 and the provision available in s78(2) BUGTA. Who is to terminate the appointment? The Commissioner’s Office? Mr Klienschmidt himself? A majority of members? The applicant? It just rolls on it seems. How can this be a just and equitable outcome?
271. In summary the applicant seeks the appointment of an untested external managerial “team” at an indefensible cost to proprietors to direct the CBC’s affairs for an undefined extended period that effectively removes the executive committee’s powers and usurps the six members’ control over their respective proprietors’ rights and obligations at extraordinary expense.
272. **CV submits that the orders sought are extreme, unnecessary and on any objective assessment fail the “just and equitable” requirement established in** *Tume v Body Corporate for Malibu [2003] QCATA 101* (see Part 7 next)**.**
273. **The CBC must consider lesser remedies that are available to discover a pathway to a solution.**

PART 7 FUNDAMENTAL FLAW IN THE APPLICANT'S SUBMISSION: FAILURE TO CONSIDER LESSER REMEDIES

275. As submitted above, there are available alternatives to an extended and expensive "administration" including:
    - requesting an informal meeting of the six CBC members or if that fails, referee orders approving a budget or submitting a less intrusive and expensive manager's appointment to produce lawful budgets by negotiation with all CBC subsidiary members rather than a star chamber of so-called external 'experts' with unilateral powers to override the concerns of the six members at extreme expense and full immunity against any proceeding for maladministration;
    - obtaining directions for the proper conduct of meetings;
    - review of the eligibility of subsidiary members to cast a vote at general meetings and appoint their nominee to a position on executive committee, and
    - targeted dispute resolution by recourse to the Commissioner's Office and a proper and exhaustive review of the fundamental findings in the three Court outcomes.
276. CV submits that the appointment of an "administration" team is unjustified where specific remedies can address the issues the applicant submits are in issue.

CASE LAW PRINCIPLES

- Authorities confirm that the appointment of an administrator is a **last resort'**
- Dysfunction must reach the level of **true operational failure.**
- Orders must be **proportionate and evidence based.**

Key authorities

- Two determinations cited above in disputes 0833-2021 and 0246-2007.
- Commissioner's Practice Direction 5.
- *Tume v Body Corporate for Malibu [2023] QCATA 101*[79] establishes that "just and equitable" requires proportionality in the resolution of a dispute.

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[79] Tume v Body Corp for Malibu.pdf

In that proceeding that tribunal found: "*[53] that t*he *adjudicator's powers under s 276* [BCCM Act] *to make a just and equitable order to resolve a dispute does not mean the adjudicator has power to override other rights which lie behind, and form the basis of, voting rights… .*
[54] The fact that the adjudicator found no resolution without dissent had been passed and that the encroachments had to be removed, does not mean, without more, the orders were not "just and equitable" within the meaning of s 276. The section does not give an adjudicator a discretion to set aside a decision which was taken in accordance with the mechanism established under the BCCM Act simply on the basis that he or she disagrees with it or even where the adjudicator may, subjectively, consider the outcome unfair to the appellants. It is necessary to show some proper basis in law or equity for the grant of relief under s 276(1) where the effect would be to substitute a different decision for that of the members of the Body Corporate exercising their rights to vote at a general meeting, in accordance with the scheme laid down by the BCCM Act and regulation."

- *Stevanovski v Man [2023] NSWCATAP 284*[80] establishes that intervention is a permissible outcome where it is demonstrated beyond reasonable doubt that there is an inability to function.

Principles applied:

- The CBC has not ceased functioning.
- The threshold has not been reached where a referee ought to enliven the extended powers of s192 MUDA as the issues are capable of resolution by the subsidiary members.
- The referee's orders must be just and equitable. The burden of the proposed "managerial team" is unconscionably expensive and may drive many small businesses and residential proprietors into personal administration and forced sale of their lots. The recovery falls disproportionally on CV's proprietors. CV will vigorously oppose any attempt to recover the "administration" fees from its proprietors.
- The CBC is operating within statutory boundaries.

CORE DEFENCE POSITION

277. The applicant's lacks standing to bring the dispute before a referee.
278. The applicant's submission is fundamentally flawed. It seeks to recharacterise lawful democratic outcomes as dysfunction.
279. The governance provisions of Part 9 MUDA do not require agreement or efficiency - they require lawful governance processes that the applicant's evidence confirms has not been applied by the current executive committee of two persons.
280. Those processes are operating or are capable of operating as demonstrated throughout CV's submissions.
281. The applicant's submitted evidence establishes:
    - disagreement, principally at executive committee level between its two members;
    - a treasurer is not presently appointed;
    - a competent external independent body corporate manager has not been appointed to provide reliable advice on the MUDA to the executive committee and members;
    - a casual chairperson that lacks complete knowledge of the applicable Acts and Court findings as required by the executive committee Code of Conduct;

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80 Stevanovski v Man 2023 NSW CATAP 28

At *"[32] Thirdly, an appeal in respect of an allegation of procedural unfairness will only be allowed where an appellant can demonstrate some practical injustice. That is, the error must be "material," reflecting the fact that the concern of the law in the context of procedural fairness is to avoid practical injustice, and hence the focus is on whether there were submissions that could properly have been put that, as a matter of reality and not mere speculation, might have affected the determination: Trysams Pty Ltd v Club Constructions (NSW) Pty Ltd [2008] NSWSC 399 at [52]."*.

- factually incorrect and unlawful assessments of subsidiary bodies corporate eligibility to vote;
- contested governance, principally from subsidiary body corporate level, and
- financial tension due to annual budgets not being passed.

282. It does not establish:
    - incapacity;
    - contravention, and
    - failure to function.

CV's SUBMISSION in SUMMARY

283. The applicant has no standing to bring the application as submitted in Part 2 herein. The application fails at this hurdle.
284. The Body Corporate continues to operate or is capable of doing so within the governance framework mandated by Part 9 MUDA.
285. The applicant has failed to identify any contravention or incapacity required to enliven an order from the referee to appoint an "administrator" pursuant to s192.
286. The orders sought are disproportionate, unnecessary, and contrary to the legislative intent of preserving democratic control within mixed use schemes.
287. The nominated "managerial team" is cumbersome, prohibitively expensive and lacking in specific knowledge of the MUDA.
288. The nominated manager (Mr Klienschmidt) will be immune from any suit against his administration, thereby denying natural justice to any aggrieved proprietor or subsidiary body corporate.
289. **Accordingly, the application should be dismissed.**

Signed by John Gilliland

For the Cathedral Village BUP 106957

3 July 2026

Appendix A

An Alternative Solution

291. At the outset, it is noted that the referee in CBC [2022] QBCCMCmr221 (dispute 0833-2021) stated that the appointment of a s94 BUGTA administrator should be a last resort for bringing a dysfunctional body corporate back into functional compliance and that an administrator should not be appointed if there are other means of resolving a dispute (see paragraph 16).

292. It is submitted that if any administrator were to be appointed under s94 BUGTA (which should not and could not happen), any powers or duties etc. that might be granted to such an administrator could only apply to CBC community property lot 4. This is what is required by MUDA. Any administrator could not deal with any contracts entered into by CBC pursuant to section 176(c) MUDA because CBC's contracts with CTS Consulting and the caretaker have been terminated. These agreements included community property lot 4 and the residential bodies corporate. CBC only has a power under section 176(c) to enter into an agreement for provision of amenities or services by it, or another person, for lot 4, its community property. CBC (and therefore an administrator) cannot enter into such agreements to provide amenities or services to a subsidiary BUGTA body corporate without a body corporate delegating any power to enter into contracts, pursuant to s50 BUGTA (attachment 15[81]), which requires a general meeting to be held by the bodies corporate and a written instrument. The powers which a body corporate could delegate are included in s37, s38 and s38A BUGTA (attachment 16)[82]. Under s50 BUGTA, a body corporate can appoint a manager who could be CBC or could be anyone else. It is repeated that without a s50 BUGTA appointment from a body corporate, CBC can only have powers with respect to its community property lot 4. Accordingly, an appointment of an administrator must be restricted to lot 4, its restricted and exclusive use areas, and the visitor car park business. The application does not do this.

293. A simple solution to avoid any dysfunction, and without the exorbitant cost of an administrator, would be for the five residential bodies corporate to appoint, according to s50 BUGTA, a manager themselves, rather than CBC, and pay such manager themselves. This is what CV does. Each subsidiary body corporate in any event is required by BUGTA to pay its own insurance, rates and land tax, etc. At the present time, some residential bodies corporate are arranging the external painting of their buildings independently of CBC. It is repeated that there is no requirement that CBC should manage subsidiary bodies corporate common property (or a proprietor's lot) unless the subsidiary has delegated any such power to CBC.

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81 0735-2026 attachment 15.pdf

82 0735-2026 attachment 16.pdf

294. In this regard, reference is made to the decision of His Honour Judge McGill on 7 November 2019 in paragraphs 9 and 10 (attachment 17)[83] where he says that the MUDA contemplates that each of the six subsidiary bodies corporate in the scheme will be essentially autonomous, looking after its own common property and its own lot owners with the community body corporate responsible only for that part of the land covered by the development which is not part of the individual bodies corporate within it. It has limited specific powers but that is it. He goes on to say that CBC presently functions as *a "super body corporate"* which performs all of the body corporate functions for the whole development except perhaps for CV; and the evidence suggests that CBC does not do anything very much for CV, and he ends up calling all of this a *"seriously unsatisfactory situation within the overall development"* .
295. As stated, community property lot 4 is actually divided into by-law 21 exclusive use carparking spaces allocated to specific residential proprietors; and by-law 27 recreation area on the podium which is a restricted area allocated to proprietors of the five residential bodies corporate only.
296. By-law 21 already imposes the maintenance and upkeep responsibilities to the proprietors to whom a grant of exclusive use of community property has been made. Those proprietors at their own expense must carry out the maintenance and upkeep responsibilities imposed upon CBC pursuant to MUDA (save and except for cleaning of such area). Thus, it is in fact the duty of the residential bodies corporate through their proprietors, to maintain and upkeep the car parking spaces: CBC has no responsibility to do that and indeed should not be doing it.
297. The residential bodies corporate can jointly enter into a caretaking contract with a caretaker and obtain contributions from each proprietor who has a car parking space to be paid to the relevant body corporate. This is what each subsidiary body corporate, as a member of CBC, does anyway, but under the "cloak" of CBC. CV itself does not benefit from cleaning of car parking spaces and should not subsidise it. Therefore, the residential bodies corporate should arrange for the cleaning of the car park spaces themselves.
298. Although by-law 21 does not refer to "security", security of the exclusive use car parking spaces does take place and is necessary. CV should not be levied for the cost of security delivered to exclusive use car parking spaces. The exclusive use car parking spaces also require administrative services, being the collection of fees paid for each allocated car parking space and the paying of expenses from those fees for maintenance, etc. Again, CV should not have to contribute to administration services applied to exclusive use areas.
299. By-law 27 relates to the recreation area at the top of the building. That recreation area is part community property lot 4 and part residential bodies corporate common property. The recreation area comprises a swimming pool, a spa, filtration plant, bridges, gardens, and various structures such as toilets and dressing rooms; and a BBQ area. All of this is restricted to the use of the five residential bodies corporate who contribute to the maintenance costs of the recreation area according to their respective lot counts.
300. CBC, however, remains responsible for the maintenance of the recreation area (so it is not responsible for upkeep or repairs). Further, by-law 27 requires CBC to establish a budget for the maintenance of the

[83] 0735-2026 attachment 17.pdf

recreation area; and then to strike a levy for the collection of sufficient funds from the residential members to enable CBC to meet the budgeted costs.

301. CBC has contracted these duties to a caretaker and to an administrator (the contracts relating to the caretaker and body corporate manager having now been terminated). There is no reason why CBC could not contract with a residential body corporate, or with each residential body corporate jointly, for the residential bodies corporates to make appropriate arrangements for a caretaker to maintain the recreation area and for an accountant to prepare budgets. The cost required to be paid by this can, and should be, paid directly by the residential body corporate according to their respective lot counts without involving CBC at all pursuant to the provisions in by-law 27. Again, this is what the bodies corporates already do as members of CBC, but they simply do it under the cloak of CBC, and it would make no difference if the residential BUPs carried out those duties without that cloak. Further, and for example, there would be a substantial advantage because there would be no requirement for any comprehensive resolution for expenditure, because BUGTA does not require this.
302. It is noted that there are some substantial expenses relating to the recreation area that are not CBC's responsibility. Security for this area is essential and expensive but may not be "maintenance" as per by-law 27. Gas is needed to be supplied to the BBQs but again may not be "maintenance". Various other supplies would be needed, which again may not be "maintenance". Signage around the area is required; repairs and replacements are frequently required. Substantial costs must be incurred for insurance and in particular, public liability insurance. As these are not included in by-law 27, these expenses are beyond CBC's power. Thus, the recreation area is a mishmash of CBC responsibilities and residential bodies corporates responsibilities, and it is preferable that there be no division of responsibilities. Obviously, any type of expense that is incurred with respect to the recreation area should not be included in any levies which CBC demands that CV pay.
303. Administration of the recreation area is not included in by-law 27 as a responsibility of CBC, except that a budget be established for the recreation area and that levies issued to meet those budgeted costs. However, there are other administrative duties which are needed, such as setting up a bank account; banking of the levy income; processing and preparing statements of accounts and so on. Thus, again there is a division between CBC's responsibilities and the responsibilities of the residential bodies corporate which simply complicate matters and should be done away with. Again, CV should not be levied for the cost of administration required for the recreation area, by including that cost in an administrative fund budget, and levying CV for that expense.
304. A portion of community property lot 4 on basement level B1 is taken up by the visitor carpark, which CBC runs as a business, with income being obtained by charging parking fees, and the overheads of the business such as security, cleaning, the operation of a boom gate, etc., are deducted from the income to leave a profit. Neither CV or any other body corporate should be required to contribute to the overheads of the visitor carpark business, and careful allocation of these costs, separating them from exclusive use car parking spaces (by-law 21), the recreation area (by-law 27) and supposed "whole of site" areas which are actually body corporate common areas and are, or should be, subject to contracts entered into between CBC and residential bodies corporate, needs to be done.
305. The above submissions with respect to an alternative do not of themselves solve any problems that have occurred in the past, such as the lack of AGMs, the inability to raise levies to pay debts etc. The applicant's grounds refer to insurance, caretaking, rates, and land tax; in accord with paragraph 16 of the 0833-2021 referee decision the following solution is proposed.

306. CV submits that there is no reason why an informal meeting of all bodies corporate could not be held to establish a "blueprint" for the allocation of expenses between each body corporate, and each section of lot 4, being the recreation area and the exclusive use areas. Any proposals made by any body corporate in such a meeting could be agreed to be without prejudice to any litigation that might be thought necessary to be instituted by any body corporate and also without prejudice to the presently existing litigation between CBC and CV. Any such agreement could reserve the right of each body corporate to institute legal proceedings as to any allocation of expense if that body corporate considers it to be wrong, even though it may have been expedient to agree to it in order to get things back on track. In other words, an agreement as to a blueprint could still be reached even if there are matters in dispute, so that outstanding debts of CBC can be paid, even if the allocation is thought to be incorrect. It is noted that each body corporate can borrow, if necessary, in order to make any contribution, as per s38C BUGTA.
307. The result of any such informal meeting could then be made into a motion at a CBC AGM. There would also be a motion for CBC to contract its responsibilities as per by-law 27 to the residential bodies corporate. It is noted that with respect to insurance no comprehensive resolution is required as per s190(3)(a) MUDA; and land tax and rates notices issued on CBC by the state and local government and therefore do not require comprehensive resolutions either (s190(3)(b) MUDA).
308. CV suggests that for the present, any such agreement could be restricted to say three years (2024/25, 2025/26, 2026/27), being the period over which there were no valid AGMs and no valid budgets or levies passed. That does not mean that further negotiations could not be held with respect to previous years.
309. CV submits that if no such agreement on a blueprint for allocation was able to be reached, there would then be a "dispute" and an attempt at self-resolution which would provide the grounds for a s94 BUGTA appointment. As has already been indicated, the cost of such an appointment would be far in excess of any temporary loss caused by any body corporate by reason of any incorrect allocation, and as such would provide a strong incentive for a without prejudice agreement to be reached between the bodies corporate. A draft agreement has already been prepared (in July of 2025 by Duhig and June 2023 by CV) which, although they may have problems, at least indicates a desire on the part of at least some bodies corporates (Duhig and CV respectively) and to reorganise what CBC does by way of a new comprehensive agreement between the subsidiary bodies corporates and CBC. CV itself would not agree to the terms of this Duhig proposal, but both have similarities to what is proposed in these submissions.
310. It is further noted that each body corporate has a duty under BUGTA to prepare its own budgets and accounts (s38 and s38A BUGTA), and to carry out any audits. Each body corporate could arrange for the personnel who do this already to assist with the further issues referred to in these submissions, or to engage a separate accountant and/or auditor to assist each of them so as to include expenses roughly payable by that body corporate and assist with what should be payable by CBC.
311. Each subsidiary body corporate could engage a lawyer of its own choosing; or all bodies corporate, or some of them, could jointly engage a lawyer if that was felt necessary. All that BUGTA requires in this regard is that there be two tenders (s47(b)). BUGTA has no requirement for any equivalent to the MUDA comprehensive resolution, i.e. a vote of 75% of the lot entitlements. Any personnel, such as a lawyer or an accountant, could attend the proposed meeting, or even attend it as a nominee pursuant to s42 BUGTA.

Appendix B

Analysis of Impact of $1M expense on BUP Proprietors

The "administration" is estimated to cost in the order of $1M from CV's experience with the recent litigation.

The following table analyses the disproportionate impact on BUP proprietors, in particular CV when recovered pursuant to s174 MUDA.

Share of an estimated $1m cost to engage an administrator

BUP	s173 Voting Entitlements	share by Voting Entitlement	BUP lot entitlements	share by BUP lot entitlement	Largest lot owner's share	Smallest lot owner's share	lot count each BUP	equal share by lot count
Notre Dame	157	$241,538	10,491	$23.02	$1,933.97	$1,266.29	157	$1,848.43
Oxford & Cambridge	72	$110,769	512	$216.35	$1,947.12	**$1,298.08**	72	$1,848.43
Canterbury & Westminster	98	$150,769	7,395	$20.39	$2,018.41	$1,284.44	98	$1,848.43
Duhig	84	$129,231	6,595	$19.60	$1,763.57	$1,175.72	84	$1,848.43
Kensington & Sandringham	96	$147,692	7,623	$19.37	**$2,286.20**	$1,162.47	103	$1,848.43
Cathedal Village	143	$220,000	2,687	$81.88	**$22,352.07**	**$4,666.91**	27	$1,848.43
Total	650	$1,000,000					541	$1,848.43

Assuming the cost of the administration is $1M and applying the s173 MUDA voting entitlements (totaling 650), the share of the cost by BUP appears in column 3.

Column 4 contains the total BUP lot entitlements of each BUP's title.

Column 5 shows the share of the $1M cost pre BUP lot entitlement.

Columns 6 & 7 shows the recovery against the proprietor in each BUP who holds the largest lot entitlement (col 6) and the lowest lot entitlement (col 7).

Clearly the CV proprietors carry an unfair burden of the administration's cost recovery ($22,352.07 for one and $4,666.91 for another) compared with the next highest being Kensington & Sandringham BUP ($2,286.20 for one) and the next lowest being Oxford & Cambridge BUP ($1,162.47 for one).

Column 9 shows the share against each proprietor irrespective of entitlement of $1,848.43 ($1M divided by 541 lots).