1. Community titles schemes involve the collective ownership and management of common property and body corporate assets. Costs associated with living in a scheme are proportioned by a lot owner’s allocated lot entitlement.
2. Under the current lot entitlement arrangements provided by the *Body Corporate and Community Management Act 1997*, every lot in a community titles scheme is allocated a contribution schedule lot entitlement and an interest schedule lot entitlement. Most community interest in lot entitlements has focused on contribution schedule lot entitlements. The Act states that the principle for setting and adjusting lot entitlements is that they should be equal, except to the extent that it is just and equitable in the circumstances for them not to be equal.
3. The Government released a discussion paper in December 2008, entitled *Sharing expenses in community titles schemes: A discussion paper on lot entitlements under the Body Corporate and Community Management Act 1997*,for public discussion and comment.
4. A more appropriate system for the setting and adjustment of lot entitlements is to be implemented, which will provide fairness and certainty for lot owners in community titles schemes.
5. Cabinet endorsed new arrangements for the setting of lot entitlements, whereby developers will be required to set lot entitlements as follows:
* For lots in a standard format plan, lot entitlements are to be set in proportion to the unimproved value of the lots.
* For lots in a building format plan, developers will be able to set lot entitlements, but they will need to do so within a framework established by legislative guidelines.
1. Cabinet endorsed limiting the ability to adjust lot entitlements for new community titles schemes. However, for existing community titles schemes which have been subject to an adjustment of lot entitlements under the current lot entitlements system, there will be an opportunity to readjust the lot entitlements for all the lots in the scheme to their original settings prior to an adjustment.
2. *Attachments*
* Nil.