

19 October 2012

Mr Ray Hopper MP, Chair, Member for Condamine
Legal Affairs and Community Safety Committee
Parliament House
George Street
BRISBANE QLD 4000

By email and post: lacsc@parliament.qld.gov.au

Dear Mr Hopper

Body Corporate and Community Management Amendment and Other Legislation Amendment Bill 2012

The Real Estate Institute of Queensland (REIQ) appreciates the opportunity to provide its comments in respect of the *Body Corporate and Community Management Amendment and Other Legislation Amendment Bill 2012* (the Bill).

The REIQ has been the peak professional association for the Queensland real estate sector for more than 90 years. Since its beginnings in 1918, REIQ has grown to represent about 75% of Queensland's real estate professionals. Our membership comprises approximately 1,600 agency offices and an estimated 12,000 real estate practitioners across the state.

REIQ members specialise in all facets of real estate including, residential sales, commercial and industrial sales, business broking, buyers agency and property management. Our members are spread across the state in city, rural and regional areas.

The REIQ's response to the Bill

We have limited our comments to the provisions contained in the Bill relating to the removal of disclosure requirements imposed on sellers of lots in community titles schemes.

The REIQ strongly supports the removal of:

- the requirement for a CMS to accompany the disclosure statement given to the buyer of an existing lot in a scheme (CMS provision requirement); and
- the requirement for the disclosure statement given to a buyer of an existing or proposed lot to state the extent to which the annual contributions are based on the contribution, and interest, schedule lot entitlements and that the lot entitlement schedules are set out in the CMS.

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Our members have reported that the introduction of the CMS provision requirement has added an additional expense and administrative complexity to the contract process. In some instances, the CMS can be anywhere between 50 to 100 pages. Consequently, this makes an otherwise simple task of faxing or scanning (and emailing) a contract much more difficult and risky. The requirement to source the document can also cause delays.


In the absence of any evidence demonstrating that the buyer actually reads and understands the CMS and/or that the buyer actually understands how to interpret the nature of the information contained in the disclosure statement, neither of the above existing requirements appears to have any real benefit to the consumer. Moreover, if a buyer is interested in obtaining the CMS or the information in the disclosure statement, they can take measures to do so. Consequently, the removal of these requirements does not appear to have any detrimental impact on the consumer.

On the basis of the matters set out above, the REIQ strongly supports the removal of the CMS provision requirement and the removal of the requirement for the disclosure statement given to a buyer of an existing or proposed lot to state the extent to which the annual contributions are based on the contribution, and interest, schedule lot entitlements and that the lot entitlement schedules are set out in the CMS. The REIQ believes these proposed amendments will remove unnecessary administrative and financial burdens and simplify the contract process.

We wish to confirm that no aspect of this submission is confidential.

If you wish to discuss any aspect of this matter, please do not hesitate to contact Ms Antonia Mercorella, General Counsel on [REDACTED] or via email: gc@reiq.com.au.

Yours faithfully



Anton Kardash
Chief Executive Officer