

## Body Corporate and Community Management and Other Legislation Amendment Bill 2023

**Submission No:** 45  
**Submitted by:** Town Planning Alliance Pty Ltd  
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**Submitter Comments:**

01 September 2023

Committee Secretary  
Legal Affairs and Safety Committee  
Parliament House  
George Street  
BRISBANE QLD 4000

Sent Via Online Form

**RE: SUBMISSION FOR BODY CORPORATE AND COMMUNITY MANAGEMENT AND OTHER LEGISLATION AMENDMENT BILL 2023**

We write in regard to the recently released Body Corporate and Community Management and Other Legislation Amendment Bill 2023 introduced by Hon Yvette D'Ath MP. The Bill is currently with the Legal Affairs and Safety Committee for consideration.

We write a submission to provide partial support for the Bill, specifically with regards to the termination of community titles schemes with the agreement of 75% of lot owners. This change to the *Body Corporate and Community Management Act 1997* is supported for the following reasons:

- Encourages and enables the redevelopment of older schemes which do not provide a large variety of housing types;
- Ensures higher density zoned sites are not limited to existing under-development of a site;
- Increases flexibility to terminate community titles schemes to ensure the delivery of greater housing supply, as per the above points, addressing the housing crisis across Queensland.

While the general concept of the termination of community titles schemes through a 75% agreement of lot owners is supported, the technicalities surrounding the requirements for it to apply only to 'uneconomical' community titles schemes is impractical, contradicts the intent of addressing the housing crisis, and inhibits fast delivery of higher density development.

The Bill requires a pre-termination report to be prepared prior to the 75% vote being carried out. The report must provide evidence that the building has an economic reason for termination that it is not economically viable, or will not be economically viable within 5 years, to carry out repairs or maintenance to parts of the property the body corporate is responsible for. Following the pre-termination report is the requirement for a termination plan which must sit with the body corporate for 90 days prior to going to a general meeting for a motion to be passed by a majority resolution. The vote for 75% of lot owner's can then be carried out after the three prior steps.

The test for economic reasons for the termination are **not supported** for the reasons outlined below:

- The test for economic reasons is ambiguous as there are no clear definitions of 'economic reason', therefore is open to interpretation.

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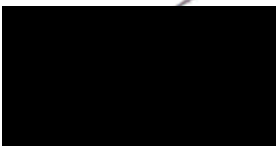
- The Bill Explanatory Notes and Queensland Housing Summit 2022 Outcomes report reference the New South Wales approach for the Bill changes to have regard to. It is noted that the New South Wales *Strata Schemes Development Act 2015 No 51* does not require the scheme to pass an economic test. Following the adoption of the New South Wales legislation, there has not been any ill effects, nor poor community perception of the legislation. Thus, the Queensland legislation should remove the economic test and more closely align to the process under the New South Wales legislation.
- The economic test will encourage schemes to fall into dis-repair, creating perverse and unintended outcomes on schemes. The worst of the impacts will fall upon the residents and community as a result of the inclusion of this economic test.
- The process to get to the 75% vote is excessive and will result in significant delays to provide additional housing supply, contradictory to the purpose and intent of the amendment bill and Queensland Housing Summit 2022.
- Further to the above point, some Councils are incentivising development through reduced infrastructure fees and other methods to encourage greater housing supply. For example, Brisbane City Council's Lord Mayor Adrian Schrinner recently announced on 31 August 2023 that a new *Housing Supply Action Plan* will offer significant incentives to deliver housing faster, through the reduction of infrastructure charges. However, these incentives apply to new developments approved by 30 June 2025 and completed within four years to be able to access the incentive. The long termination process proposed within the Bill will create significant delays and may result in future development missing out on these local government incentives, thus resulting in old schemes in disrepair with little incentive to redevelop.

It is for the above reasons that the proposed Body Corporate and Community Management and Other Legislation Amendment Bill 2023 should be amended. We reiterate that the flexibility proposed to allow for termination of community titles schemes with a 75% vote is supported, however the process in which this is achieved should be simplified and closer reflect the process as enacted by New South Wales legislation.

Should you wish to discuss the matter further, please do not hesitate to contact our office on 3361 9999.

Yours faithfully

**TOWN PLANNING ALLIANCE PTY LTD**



**Vu Nguyen**  
**DIRECTOR**

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