

Body Corporate and Community Management and Other Legislation Amendment Bill 2023

Submission No: 47
Submitted by: REIQ
Publication: Making the submission and your name public
Attachments: See attachment
Submitter Comments:

1 September 2023

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

Email: lasc@parliament.qld.gov.au

Dear Committee,

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

The Real Estate Institute of Queensland (the **REIQ**) welcomes the opportunity to provide its views on the *Body Corporate And Community Management And Other Legislation Amendment Bill 2023* (the **Amendment Bill**).

We acknowledge the difficulty in providing a framework that sufficiently balances the rights of stakeholders, particularly in the context of community title schemes where such regulation has a meaningful impact on Queenslanders' homes and businesses.

We are generally supportive of the Amendment Bill. Subject to our comments in this Submission, we consider the Amendment Bill to be reasonably fair, balancing the rights of lot owners, the body corporate and relevant stakeholders.

Executive Summary

Save for our comments in this Submission, we support many aspects of the Amendment Bill including the provisions relating to:

- termination of schemes;
- alternative insurance;
- towing; and
- smoking.

In relation to the regulation of pets within community title schemes, we highlight the critical opportunity to align legislation impacting lot owners that rent their properties on the residential rental housing market. In this Submission, we provide our comments and suggested changes that are proposed to ensure rights of parties are balanced.

Additionally, with respect to the sunset clause provisions, we reserve our support.

Acknowledging that our organisation is not best placed to provide authoritative feedback on these provisions, it is our view that the proposed provisions, albeit offering strong consumer protection, may lack consideration for the commercial challenges faced by developers in providing housing.

There could potentially be alternative measures worth considering that offer a more balanced approach.

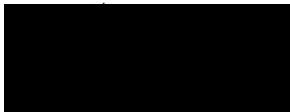
Our feedback

Please note we have focused our comments on key areas of the Amendment Bill which most impact our membership, due to availability of resources. This should not be taken as an endorsement of any part of the Amendment Bill for which we do not provide specific comment in this Submission.

We confirm that no aspect of the Submission is confidential, and we consent to its publication if required.

We would be pleased to discuss any of the matters raised further and invite you to contact Ms Katrina Beavon, General Counsel and Company Secretary of the REIQ at [REDACTED].

Yours Sincerely

A large black rectangular redaction box covering the signature area.

Antonia Mercorella
Chief Executive Officer

BODY CORPORATE AND COMMUNITY MANAGEMENT AND OTHER LEGISLATION AMENDMENT BILL 2023

Submission to
Department of Justice and Attorney-General

Contents

The Real Estate Institute of Queensland (REIQ)	5
Section 2 – Commencement.....	6
Section 7 – Termination of Schemes.....	7
Section 9 – Towing Motor Vehicles.....	9
Section 10 & 11 – Nuisance (Smoking).....	10
Section 11 – Pets.....	11
Section 50 – Sunset Clauses.....	14
Minimum Housing Standards	17
Conclusion	19

The Real Estate Institute of Queensland (REIQ)

The REIQ is the peak body representing real estate professionals across Queensland. As the State's most trusted and influential advocate for real estate business interests and private property investor rights for more than 104 years, the REIQ remains committed to ensuring the highest levels of professionalism and good governance are achieved through regulatory compliance and the advancement of best practice standards of professional conduct.

The REIQ's enduring purpose is to lead a sustainable industry which continues to make significant contributions to the Queensland economy and to strengthen conditions for those working within the industry. Above all, the peak body aims to:

- Make important contributions to government legislation and policy settings;
- Advocate for balanced regulations for the benefit of all stakeholders;
- Provide industry-leading training for real estate professionals;
- Deliver timely, innovative and market-driven education programs;
- Promote risk management and increase professional competence;
- Implement effective and compliant professional standards; and,
- Contribute to substantial industry research and development.

Membership and customer representation includes over 30,000 property professionals. This includes principal licensees, salespeople, property managers, auctioneers, business brokers, buyers' agents, residential complex managers, and commercial and industrial agents in Queensland.

WE HELP MORE THAN OUR MEMBERS

The REIQ's vision statement, for the real estate profession, extends our support and expertise beyond our membership to the broader real estate profession and community. We believe everyone should be able to make educated, informed decisions about buying, selling or renting property and business in Queensland.

Section 2 – Commencement

Under s2, most of the amendments will take effect on a day to be fixed by proclamation. However, the commencement date for the sunset clause provisions in Part 4 is not specified. We presume the intention is that they will immediately come into effect.

Ideally, there should be lead-in time for all changes proposed within the Bill.

We consider 12 months to be an appropriate time to allow stakeholders to ready themselves and the sector, by providing education, developing resources and creating infrastructure tailored to accommodate these changes.

As we have seen many times in Queensland, the hasty implementation of laws without a sufficient lead-in time can have adverse unintended consequences.

Changes that disrupt the housing sector can catch individuals, businesses and stakeholders off guard, leaving them scrambling to adjust to the new regulations without sufficient resources and infrastructure to support them. This lack of preparation time will lead to confusion and unnecessary levels of non-compliance.

Furthermore, the absence of a proper transition period can hinder the development of necessary resources, infrastructure, and training programs required to smoothly adapt to the changes.

The REIQ is committed to developing resources and training for the real estate sector, to ensure stakeholders are supported and prepared for the changes. The REIQ welcomes an opportunity to work collaboratively with the Queensland Government on the commencement timeframe.

Section 7 – Termination of Schemes

THRESHOLD OF APPROVAL TO TERMINATE SCHEME

Allowing for less than a unanimous agreement to terminate a community title scheme has historically been a contentious issue.

It is important to highlight that minority owners may be unfairly impacted if they do not wish to sell or terminate the community titles scheme. It is argued that the rights and interests of these owners should be protected, and they should have a say in the decision that directly impacts ownership of their property. Particularly in the circumstances where lot owners may not have the financial capacity to find alternative suitable housing.

Termination of a scheme also typically involves the sale and redevelopment of the property, which can have significant financial implications for lot owners. Allowing termination without unanimous agreement may result in owners being forced to sell their property at potentially unfavorable terms, leading to financial losses. Scheme termination can also have adverse consequences for lessees and stakeholders that have contractual arrangements with the body corporate.

There are however, a number of potential benefits which should be recognised, as well as mechanisms to minimise the risk of unfair outcomes to lot owners and contracting parties.

The requirement of unanimous approval has made it challenging in Queensland for lot owners to reach agreement to terminate a scheme, especially in larger schemes where obtaining approval may be impractical or time-consuming. Allowing a prescribed percentage of consent, as proposed in the Bill, will provide flexibility and expedite the decision-making process, making it easier to initiate necessary changes or redevelopment.

In cases where a scheme consists of old or structurally compromised buildings, requiring unanimous approval may impede necessary repairs or redevelopment. Allowing termination with a prescribed percentage of approval can enable owners to address safety concerns, upgrade outdated infrastructure, and ensure the long-term sustainability of the property. This may lead to an increase of housing supply where the schemes are terminated, and subsequent schemes are established.

Additionally, termination and subsequent redevelopment can generate broader economic benefits for the community and lot owners. This can lead to increased property values, job creation during construction, and improved local infrastructure. Allowing termination with less than unanimous approval can facilitate these economic benefits, allowing for progress and growth in the area.

It is our view that on balance, the proposed reforms are beneficial and should be progressed provided that reasonable safeguards exist to mitigate consequences and to protect the rights of lot owners.

We are supportive of the measures implemented to protect the rights of lot owners including:

1. the ability for lot owners to dispute economic reasons resolution by making an application for an order of a special adjudicator;
2. the administrative requirement for a body corporate to appoint a facilitator to assist with the implementation of the termination plan;

3. that the termination plan must include at least a minimum compensation amount for lot owners upon the sale of the scheme;
4. that the termination plan must set out how lessees and persons with contractual arrangements with the body corporate will be compensated with specific minimum compensation arrangements being prescribed in relation to lessees and caretaking service contractors;
5. the range of details set out under s81B(1)(a) regarding the proposed sale of the scheme that must be included in the termination plan for the consideration of lot owners;
6. the ability for a person with an interest in the scheme to seek orders of the District Court in relation to the termination plan, including an ability for lot owners to seek an order that the termination plan not be implemented; and
7. the enhanced list of considerations which the Court may have regard to when determining whether it would be just and equitable to terminate a scheme.

We query the minimum compensation amount for lot owners being based on compensation they would be eligible to receive if the State was to acquire the scheme under the *Acquisition of Land Act 1967* (Qld).

We question whether this would limit the compensation that a lot owner may be entitled to from the sale proceeds, as opposed to determining each lot's entitlement to a proportion of the sale proceeds based on market value. We understand however, that there are statutory protections in this regard which may mitigate any limitations. Such protective measures are critically important.

Section 9 – Towing Motor Vehicles

The REIQ supports s9 of the Amendment Bill, allowing a body corporate to tow a motor vehicle from the common property of a scheme, if parked in contravention of a by-law and without needing to issue a contravention notice in advance.

Unauthorised use of common property to park vehicles can disrupt a service or function of the body corporate and infringe on the other lot owners' enjoyment and use of the land. A prominent example being where visitor parking is monopolised by the same lot owners, or their guests, when the benefit is meant to be enjoyed by all lot owners.

It may be prudent to consider whether additional requirements should be imposed as a condition of the body corporate exercising its right to tow under a by-law and new s163A.

For example:

- that adequate signage must be erected to indicate parking rules on the affected common property including consequences of failing to comply; and
- whether reasonable written notice be given to the motor vehicle owner prior to the body corporate exercising its right to tow the vehicle (such as 48 hours' notice), unless in the case of emergency.

In general, it is our view that in response to amendment of the BCCM Act on this issue, the body corporate should be encouraged to provide sufficient notice to its lot owners before enforcing their procedures and perhaps even implement a transition period.

Stakeholders should be educated about what signage should be erected and what information should be provided to lot owners about parking and towing by-laws, liability for the cost of same and particularly, with respect to third party guests.

Section 10 & 11 – Nuisance (Smoking)

We welcome the changes proposed to regulate the use of smoking products within community title schemes that provide certainty for a body corporates' ability to self-regulate the use of smoking products within a scheme.

We note the changes under s169A reverse the traditional position in Queensland on smoking and smoke drift within community title schemes (save for the *Artique*¹ decision of 2021).

We expect these changes will invite an increase in disputes by lot owners and occupiers that are affected by other lot owners' use of smoking products and smoke drift who may not readily adapt their behaviour.

Although we understand the challenge of regulating this matter, consideration should be given as to whether the parameters are too broad and may be too difficult and onerous for a complainant to satisfy if an application is made for adjudication. For example, a complainant will need to establish the meaning of "regular use" and "regularly exposed to".

To ensure the intention of these provisions are upheld, we suggest using notes to reasonably outline examples which may assist with interpretation and adjudication.

Examples of what may be reasonable may be informed by the stakeholders of the Community Titles Legislation Working Group (CTLWG), of which the REIQ is a member.

Conversely, we commend the inclusion of s169A which provides the needed certainty and clarity as to how a body corporate can make a by-law to regulate the use of smoking products on a community title scheme. We do not oppose the definition of outdoor area of a lot set out under s169A(3).

¹ *Artique* [2021] QBCCMCmr 596

Section 11 – Pets

Subject to our comments herein, we do not oppose the addition of s169B and Schedule 4, s11.

We welcome this critical opportunity to seek alignment in some aspects with changes made to the *Residential Tenancies and Rooming Accommodation Act* (the **RTRA Act**) which came into effect 1 October 2022, impacting lots owners that rent their property on the residential rental housing market.

It is essential for these provisions to sufficiently align so that a lot owner will not be in breach of one regulation when complying with the other. If placed in breach of the RTRA Act provisions, penalties may apply, and the lot owner may be subject to QCAT proceedings or investigation by the Residential Tenancies Authority (RTA).

LIMITING PROHIBITION OF PETS

Striking a balance between the interests of pet owners and the overall well-being of the community is crucial in developing appropriate and fair regulations within a community title scheme. The specific circumstances, demographics, and needs of the community should be carefully considered when formulating pet-related policies.

We support the limitation that a body corporate cannot make a by-law that prohibits a pet from being kept on a lot or refuse a request on the grounds that ‘no pets are allowed’. We note this is consistent with various decisions from the Office of the Body Corporate and Community Management Commissioner on this subject matter.

We note that proposed s169B(3)(a) refers to ‘*keeping*’ or ‘*bringing*’ the animal onto the lot or the common property. We question the use of the word ‘*keeping*’ in the context of the common property. We acknowledge that where a pet is permitted to be kept on a lot, there should be a requirement to allow the pet to have access to the lot via the common property. However, we cannot see justification for provisions allowing occupiers to keep the pet on common property. We recommend that these provisions be revisited, and more careful drafting be considered to avoid misuse of the provision.

We do not oppose the prohibition of a by-law that restricts the number, type or size of an animal that an occupier may keep or bring on the lot. We understand this position is consistent with common law principles.

APPROVAL

Under s169B(4), if a by-law requires written approval for a pet request, the body corporate:

- a. *“must, after receiving a request for approval, within the period prescribed by the regulation module applying to the scheme decide whether to grant the approval”* and
- b. *“may, in writing, grant the approval subject to conditions that are, in the circumstances, reasonable and appropriate”* and
- c. *“must not unreasonably withhold approval”*.

Subsection (a) - timeframe for decision

It is noted that the regulation-making power under s169B(4)(a) is considered appropriate because the period is dependent on management processes and procedures set out in each of the regulation modules. This power will ensure that the period of time for deciding whether to grant an approval can be easily and rapidly updated if needed due to changes in other procedural requirements.

The period which shall be prescribed by regulation, however, is not stipulated in the Amendment Bill.

We would appreciate confirmation of when this will be considered, and whether this will be included in the *Body Corporate and Community Management and Other Legislation Amendment Regulation 2023* currently tabled with the *Property Law Bill 2023*.

Currently, a body corporate can make such decisions within 6 weeks (which can be extended further under some circumstances). We recommend the timeframe of **14 days** is imposed for a decision in relation to a pet request by a lot owner or occupier. If this is considered unreasonable, then at minimum we recommend the timeframe of 14 days is imposed if the request is made by an occupier that is a tenant under a residential tenancy agreement. Respectfully, it would be highly inappropriate to fail to address this legislative provision and expose lot owners to the potential consequences.

This timeframe would ensure alignment with the RTRA Act, which stipulates that if a lot owner does not provide an approval to their tenant within 14 days of receiving the request, the lot owner is **deemed** to approve the request without the ability to impose reasonable conditions.

Since these provisions came into effect on 1 October 2022, we have received ample reports of disputes and concerns raised about the inconsistent time frames under both legislative instruments.

We are aware that current practice is to deny a pet request on the basis that the lessor has not obtained body corporate approval within 14 days however, this position is yet to be tested in QCAT given, in most cases, a response is not actually received in this time.

Aligning these timeframes will reduce unnecessary delays in providing approval and instances of non-compliance where a tenant has brought a pet onto a lot before receiving body corporate approval. It is our view that the introduction of the pet approval and refusal mechanism under s169B should expedite a body corporate committee's ability to decide a pet request.

Subsection (b) - reasonable and appropriate conditions of approval

The drafting of the current provisions allow a body corporate to broadly impose reasonable and appropriate conditions. Under Schedule 4, s11(2), if the body corporate grants approval, they must give the occupier a written notice stating the body corporate's approval and if the approval is subject to the conditions.

Instead of stipulating express conditions of approval, examples are noted under s169B(4)(b). We are supportive of this approach, as it provides scope for the body corporate to impose conditions that are appropriate for the scheme and specific community expectations. We believe the overarching requirement for the conditions of approval to be reasonable under the BCCM Act will appropriately protect occupiers and provide recourse if the body corporate seeks to impose unreasonable conditions.

Subsection (c) – must not unreasonably withhold approval

We support this provision.

REFUSALS

As noted above, a body corporate cannot unreasonably withhold approval. Similar to the RTRA Act provisions, prescribed grounds of refusal are set out under subsection (6), being:

- a. keeping the animal would pose an unacceptable risk to the health and safety of an owner or occupier, because either the owner or occupier is unwilling or unable to keep the animal in accordance with reasonable conditions that address the risk, or the risk could not reasonably be managed by conditions imposed on the keeping of the animal;
- b. keeping the animal would contravene a law (for example, local laws);
- c. the animal is a regulated dog under the *Animal Management (Cats and Dogs) Act 2008*;
- d. keeping the animal would unreasonably interfere with an occupier of another lot's use and enjoyment of the lot or common property and the interference could not reasonably be managed by conditions imposed on the keeping of the animal;
- e. keeping the animal would unreasonably interfere with native fauna that live on, or visit, the scheme land and the interference could not reasonably be managed by conditions imposed on keeping of the animal;
- f. the occupier does not agree to reasonable conditions proposed by the body corporate for keeping the animal; and
- g. another matter prescribed under the regulation module applying to the scheme.

We agree with the broad approach taken with the prescribed reasons for refusal.

We recommend a further reason be included, that a body corporate be permitted to refuse a request if the respective lot is unsuitable for keeping the animal because of a lack of appropriate fencing, open space, or another thing necessary to humanely accommodate the animal.

Appreciating that space is usually more limited in a community title scheme context, this provision would ensure that certain types of animals can be refused if it is subjectively decided by the body corporate that keeping of that animal in a particular lot would be inhumane or inappropriate for reasons relating to this.

Given the refusal of the body corporate is itself a prescribed ground of refusal under the RTRA Act, we do not see any issues created by inconsistency between the application of the refusal grounds under the two legislative instruments.

Section 50 – Sunset Clauses

It is noted in the Explanatory Materials that the policy objective of these provisions are to strengthen buyer protections by limiting when sunset clauses can be used to terminate ‘off the plan’ contracts for the sale of land.

Acknowledging that our organisation is not best placed to provide authoritative feedback on these provisions, it is our view that the provisions do not strike a fair balance between the rights of the consumer and the commercial realities and sustainability of property development.

Consequence of removing right to terminate

The primary benefit of a sunset clause is to provide an avenue for the seller to end the contract in the event that the development becomes untenable.

The main reasons, we understand, that contribute to a developer’s decision not to proceed or inability to proceed with a development include:

- a delay or refusal by the local government or other authority in giving any necessary approvals;
- a delay or inability to complete construction due to inclement weather, industrial dispute, shortage of labour or materials, increased costs of construction, property or construction dispute, or other circumstances outside of the control of the seller;
- disputes or legal action causing a delay or prevention to the development of the land;
- delay or refusal in registration of the plan and creation of indefeasible title; and
- if the seller forms the view that its proposed development of the land or its sale of the lot is economically untenable or unfeasible.

The changes proposed have the effect of prohibiting a seller from exercising their right to terminate a contract under a sunset clause, unless the buyer consents to the termination of the contract.

In our view, this provision needs further consideration as it is highly unlikely that a buyer would agree to terminate a contract on the basis of these reasons. A buyer is unlikely to understand the complex and intrinsic issues that contribute to a developer’s decision to terminate a contract.

This would likely place developers in a position where they are compelled to complete a development project, even if they are not able to for reasons outside of their control, or, if doing so will place them at risk of insolvency.

The only course of action a seller may then take is to apply to the Supreme Court for an order allowing the seller to terminate the contract. We understand this course of action may further disadvantage a developer, given the high costs involved in bringing such proceedings in the Supreme Court. Additionally, uncertainty as to the parties’ position under the contract may arise during the time delay.

We understand the Urban Development Institute of Australia (UDIA) sets out in its submission many compelling issues identified with the imposition of this requirement, as well as other suggestions to improve this mechanism.

We support the UDIA's proposal for the default sunset date under the *Land Sales Act 1984* (Qld) (LSA) to be reviewed and increased to better reflect realistic construction timeframes and mitigate pressures that may be imposed on developers if the proposed Bill is passed in its current form.

Consumer protection

We appreciate the measures under Part 4 of the Bill have been drafted in response to reports of some developers terminating contracts on the basis of the sunset clause, only to immediately relist and sell the proposed lots at a higher market value during the peak of the strengthened sales market over the course of 2021 and 2022.

We would be interested to understand how widespread this practice was over this period and if it is still occurring. If this practice was isolated and is no longer prevalent, we question the justification for legislative intervention. The REIQ is not aware of any recent reports of this practice occurring.

An alternative way to achieve stronger buyer protection, in our view, is for the State Government to create accessible information resources for buyers of off the plan lots to assist them with identifying key information they need prior to entering into a contract.

Although the seller is required to provide the buyer with a disclosure statement and disclosure plan², in some cases the legal drafting and complex technical information may overwhelm or be disregarded by the buyer. Not all buyers receive legal advice on disclosure information before entering into a contract, and it may be beneficial for information to be provided to prompt this necessary step, prior to a buyer entering into a contract. This could include a mandatory warning about the sunset date in contracts.

Application and review of provisions

We are supportive of the approach taken to only introduce changes to the LSA at this stage. We reserve our support for equivalent requirements being implemented for *proposed lots within a community titles scheme*.

We support the inclusion of a review to be undertaken 1 – 2 years after the commencement of the reforms to evaluate the impact on the sector.

Retrospectivity

The new requirements apply to off the plan contracts for the sale of land that were entered into before the commencement of the amendments, but not settled immediately before commencement.

Effectively, this will result in the sunset clause amendments operating retrospectively to apply to some existing, unsettled off the plan contracts for the sale of land.

² *Land Sales Act 1984* (Qld), s10

We suggest consideration be given to the retrospective application of these requirements, and whether they will have adverse impacts on contracts presently on foot. The impact of such provisions to development financing arrangements should also be evaluated. We note UDIA provides detail on the identified issues with retrospectivity in their Submission. We agree with these statements and concerns.

Minimum Housing Standards

Although it is not a subject for consideration in this Amendment Bill, we wish to raise a concerning matter that will impact lot owners who rent out their lots to tenants on the residential rental housing market.

The following 'minimum housing standards' prescribed by the RTRA Act will come into effect on 1 September 2023 for all new tenancies and renewed tenancies in Queensland. Once these standards are in effect, a lot owner (lessor) must keep their property in good repair and condition to these standards.

The prescribed minimum housing standards are:

1. The property must be weatherproof, structurally sound and in good repair. The roofing and windows must prevent water from entering the property when it rains. A property is not structurally sound if:
 - a floor, wall, ceiling or roof is likely to collapse because of rot or a defect; or
 - a deck or stairs are likely to collapse because of rot or a defect; or
 - a floor, wall or ceiling or other supporting structure is affected by significant dampness; or
 - the condition of the property is likely to cause damage to an occupant's personal property.
2. The fixtures and fittings for the premises must be in good repair, including electrical appliances. Fixtures and fittings must not be likely to cause injury to a person through the ordinary use.
3. The external windows and doors must have functioning locks which secure the property against unauthorised entry. This applies only to the windows and doors that a person outside the property or room could access without having to use a ladder.
4. The property must be free from vermin, damp and mould (unless caused by the tenant, for example, caused by a failure of the tenant to use an exhaust fan installed at the property).
5. The property must have privacy coverings for windows in all rooms which tenant would reasonably expect privacy. The privacy coverings for windows include blinds, curtains, tinting and glass frosting. This does not apply if a line of sight between a person outside the premises and a person inside the room is obstructed by a fence, hedge, tree or other feature of the property.
6. The property must have adequate plumbing and drainage and must be connected to a water supply service or other infrastructure that supplies hot and cold water suitable for drinking.
7. The bathrooms and toilets must be private, toilets must function as designed and be connected. Each toilet must function as designed, including flushing and refilling, and be connected to a sewer, septic system or other waste disposal system.
8. The kitchen (if included) must have a functioning cook-top.
9. The laundry (if included) must include fixtures required to provide functional laundry other than whitegoods.

If these requirements are not met, a tenant can seek a repair order against the lessor which may include an order that the lessor pay compensation to the tenant, abate rent until the repair order is carried out, and require that the premises are not let until requisite repairs are carried out.

Additionally, any works needed to meet the standards are now classed as '*emergency repairs*' under the RTRA Act. This means that, following the correct procedure, the tenant may be entitled to cause repairs or improvements to a lot without the approval of the lessor to a maximum value equal to four weeks' rent.

These requirements will be difficult to satisfy where the property is a lot in a community title scheme and the particular housing standard relates to part of the lot or property that the body corporate is responsible for, or the lot owner cannot singularly effect repairs and maintenance.

For example:

- where the water connection is concerned;
- that the premises has suitable plumbing and drainage;
- if there is an internal structural defect or repair issue impacting the lot;
- changes impacting windows that are exterior to a building and form part of the common property;
- if a fixture within a lot is defective which would require structural works to repair or replace; and
- if there is a vermin, damp or mould issue impacting the whole of the building or caused by a structural defect in the building (such as a leaking pipe).

Our concern is that a lot owner may suffer financial consequences and loss for a matter that is not within their control, cannot be altered without body corporate approval in accordance with by-laws or cannot be reasonably rectified by the lot owner. Additionally, there is a risk that a tenant could affect repairs or improvements to a lot (or common property within the lot) without the approval of the body corporate.

We propose this matter is urgently considered further to understand what legislative and non-legislative solutions could be considered. For example, could a default process be implemented where if any of the matters noted are raised by a lot owner, the body corporate must provide a response or take a particular action within a specified time frame.

Alternatively, could the RTRA Act be amended to note that any changes to a property required to meet minimum housing standards, is subject to body corporate approval, if the changes impact common property.

Conclusion

Subject to our comments in this Submission, we generally support the Amendment Bill including the provisions relating to termination of schemes, alternative insurance, towing and smoking.

In relation to the regulation of pets within community title schemes, we highlight the critical opportunity to align legislation impacting lot owners that rent their properties on the residential rental housing market.

For the same reasons, we note the critical importance of considering the minimum housing standards' impact on community title schemes given the standards that came into effect on 1 September 2023.

If consideration is given and a solution can be achieved, there is an important opportunity to align requirements before these laws. It is essential to avoid the types of inconsistencies which are occurring currently with pet approvals and refusals.

Unfortunately, these issues have arisen as a result of residential tenancies legislation being developed without consideration given to other relevant legislation falling under a separate department of the State Government.

We believe it is not good policy to introduce laws that will impact lot owners and tenants by imposing obligations under residential tenancies legislation that cannot be complied with due to opposing or inconsistent requirements under community title legislation.

The Queensland Government has an opportunity to rectify these issues through the Amendment Bill, as outlined in this Submission. The ramifications are currently being experienced by lot owners and tenants in respect of pets and will further be experienced once the minimum housing standards come into effect.

In future, when law reform is developed, we would prefer to see greater consideration given to related legislation regardless of which department same falls under. This will reduce the instances of laws being created that are potentially impossible to comply with in some circumstances.