

## **Inquiry into volunteering in Queensland**

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<b>Submitted by:</b>	Owners Corporation Network of Australia Ltd
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Local Government, Small Business and Customer Service Committee

By website upload: [inquiry-into-volunteering-in-queensland](#)

27 February 2025

Dear Committee,

## **Submission - Parliamentary Inquiry into Volunteering in Queensland**

Thank you for the opportunity for the Owners Corporation Network of Australia Limited (OCN) to provide a submission. Our submission focuses on the specific issues related to volunteering in body corporate (strata) schemes in Queensland, particularly the volunteer strata committees required under legislation.

### **1. Executive Summary**

- 1.1. OCN is the peak consumer body advocating for residential owners and residents living in body corporate (strata) schemes across Australia. Across the nation, more than 2 million people live in strata (500,000 strata lots are in Queensland alone). The economic value of strata schemes is over \$1.3 trillion in insured value. By 2040, the University of NSW estimates 50% of Australia's population will be living in strata.
- 1.2. OCN is seeking a fundamental change in how strata schemes operate in Queensland. Reflecting the government's perspective, if volunteers are critical to the delivery of essential services, including public safety and disaster response then the role of strata managers together with volunteers in body corporate (strata) is therefore essential to living in Queensland. Yet strata is often overlooked in Government mechanisms for change. OCN is advocating for:
  - Regulation of strata managing agents and building managers
  - Inclusion of tenants (occupiers) in body corporate functioning
  - Adequate resourcing of Queensland regulators to enforce body corporate law
- 1.3. OCN knows that dysfunctional behaviour in strata creates chaos and negatively impacts property values. OCN is advocating for capacity building of strata owners as key volunteers in the Queensland economy including:
  - Supporting more owner education around office bearer roles, asset management and building defects, insurance contracts, commissions and owner behaviour
  - Emergency preparedness for strata owners
  - Encouraging a strata industry that is appropriately qualified, trained and respected for supporting the role of body corporates

### **2. Strata Volunteering**

Queensland's strata legislation requires the formation of volunteer committees, comprised of eligible owners. Despite this obligation, many strata schemes find it difficult to form required committees, while other schemes suffer from the impacts of dysfunctional committees who struggle to execute their decision-making responsibilities.

Owner apathy, lack of mandatory training and education and fears of legal proceedings and negative, bullying-type interactions from other parties may dissuade owners from being on a committee. This in turn has consequences for property values and community harmony, as well as impacts on government resources. Government can start to address volunteer strata committee concerns by enhancing information and education requirements, strengthening protections for committees and

reforming strata legislation to making committee operations more businesslike and less reliant on volunteering and its inherent variables.

### **3. About OCN**

OCN is the independent peak consumer body representing and advocating the rights and interests of residential strata and community title owners and residents. OCN is a full member of the Consumers' Federation of Australia. OCN strives to create a better future for residential and community living and ownership. We support the transition to resilient, empowered communities living in climate ready, defect-free buildings. Strata is the fastest growing form of residential property ownership in Australia. Over half the new dwellings to be built in our metropolitan areas over the next decades will be strata titled.

OCN's Queensland-based Board Director is Mr Chris Irons<sup>i</sup>. Chris is the former Queensland Government Commissioner for Body Corporate and Community Management<sup>ii</sup>. That role is the only role of its type in the world. In that role, Chris was responsible for the delivery of statutory information and dispute resolution services for more than 55,000 strata schemes in Queensland. Chris now operates the strata consultancy firm Strata Solve, which is focused on effective strata dispute prevention and resolution.

### **4. Background to Strata Living**

Strata living incorporates high-rise apartments, townhouses, duplexes, villas, short-term holiday accommodation, hotels, retirement villages and commercial precincts. It is estimated over 2 million Australians make strata their home, living in over 340,000 schemes which in turn translates to almost 3 million individual lots. The economic value of strata schemes is over \$1.3 trillion in insured value<sup>iii</sup>.

In Queensland, there are more than 50,000 strata schemes and more than 500,000 individual lots. The *Body Corporate and Community Management Act 1997* (the BCCM Act) and its Regulation Modules provide the regulatory framework for the Queensland strata sector. The obligations set by this legislative framework are complex, although there is no compliance or enforcement regime overseeing that compliance. Instead, strata schemes are expected to manage their own affairs, often with the assistance of contracted entities such as body corporate managers, caretaking service contractors and other service providers. The Office of the Commissioner for Body Corporate and Community Management (the Commissioner's Office) is the government agency which provides statutory information and dispute resolution services to Queensland's strata sector.

Housing affordability and availability is such that strata schemes are likely to be the only viable option for most Australians into the future, whether as owners or as tenants. While they do not have voting rights, tenants (known as 'occupiers' under the BCCM Act) have considerable other rights and responsibilities in a strata scheme.

### **5. Volunteering in Strata – strata committees**

#### **5.1. 'Volunteer' strata committees – are they really volunteers at all?**

Strata committees are mandatory under the BCCM Act<sup>iv</sup>. A strata scheme cannot operate in legislatively compliant fashion without a committee. In other words, while a strata committee is technically comprised of volunteers, the legislated obligations around committees make the 'volunteer' nature of them questionable, at best.

OCN's experience is that many committee members take on the role with little enthusiasm, or out of a sense of obligation or resignation that if they do not do so, their property investment will suffer. In other cases, committee members must be urged, encouraged or cajoled to take on the role, which in

turn leads to resentment and festering distaste for the responsibilities involved. This is fertile ground for both disputes, and poor decision-making. The consequences of both factors on a scheme are considerable, while the broader impacts for property values and harmonious community living are also significant.

## **5.2. Overview of legislative requirements for volunteer committees**

Committees are formed at each annual general meeting (AGM)<sup>v</sup> and comprise those owners who are both eligible<sup>vi</sup> to be on the committee, and who are nominated for committee positions. An example of eligibility is not owing a body corporate debt, while nomination can be either by another eligible party or self-nomination. The minimum number of committee positions for most schemes is 3 members, and the maximum number is 7. In some smaller schemes, owners are automatically deemed to be on the committee, while in two-lot (duplex) schemes, there is no requirement for a committee to be formed.

Where there are more nominations at the AGM than available positions, an election must be held. Depending on the size of the scheme and specific issues it may be dealing with, committee elections can be strongly contested and involve organised campaigning.

Committee composition consists of executive positions (chairperson, secretary and treasurer) and 'ordinary' member positions. One person can hold all three executive positions<sup>vii</sup>. If the number and composition of a committee changes following the AGM (e.g., a member resigns, or sells their lot), a casual vacancy is created which must then be filled.

At any time, committee members can be removed from their role by an ordinary resolution at a general meeting of all owners<sup>viii</sup>. Less commonly, committee members can be removed by a code of conduct proceeding, which involves a prescribed process<sup>ix</sup>.

Committee members can only be remunerated nominal amounts and only if approved by ordinary resolution at a general meeting of all owners<sup>x</sup>. There is no capacity for committee members to be paid, or reimbursed for expenses, more than the legislated caps. There is also no capacity for a body corporate to 'outsource' a committee (e.g., to engage paid committee members, like a corporate or government Board), or appoint a CEO to take on committee responsibilities.

## **5.3. Obligations on volunteer strata committees**

The fundamental role of a strata committee is to make decisions about the day-to-day running of the strata scheme. While specific obligations of a committee vary according to the relevant Regulation Module, in general a committee is responsible for myriad decisions including approval requests from owners and occupiers (e.g., to keep an animal or to make an improvement), taking out insurance cover, calling meetings and enforcing by-laws. These are fundamental aspects of strata living which impact on all parties involved with a strata scheme.

The BCCM Act provides that a body corporate (which, by extension, includes its committee) must 'act reasonably'.<sup>xi</sup> This terminology is not defined, although caselaw has established a test for reasonableness. In general, 'acting reasonably' might include making decisions that are transparent and objective and not making 'blanket' decisions. The reasonableness of committee decisions can be challenged in dispute resolution applications to the Commissioner's Office, where reasonableness is determined by a quasi-judicial adjudicator.

Another obligation for strata committees is in relation to conflicts of interest.<sup>xii</sup> Committee members must declare conflicts of interest and remove themselves from decision-making on the issue. There are no similar conflict of interest provisions applying to a general meeting of all owners. Committee members are also required to comply with a legislated Code of Conduct.<sup>xiii</sup>

#### 5.4. Non-compliant or dysfunctional volunteer committees

OCN's experience is that many volunteer strata committees are, or will be at some point, non-compliant or dysfunctional. The former refers to situations where committee numbers and composition fall below the legislative requirements for same. In that case, legislation requires what we consider to be a convoluted and cumbersome process whereby the strata manager appointed for the scheme takes on the role of the committee under what is colloquially termed a 'Part 5' agreement.<sup>xiv</sup> Under the terms of such an agreement, the manager provides quarterly reporting to the body corporate about their performance of committee responsibilities. Anecdotally, we know that many strata managers decline to take on such a role due to the breadth of its responsibilities, and for those managers who do take on Part 5 responsibilities, they will typically charge significantly higher amounts to reflect the additional responsibilities. In other words, all owners end up paying more when a committee is non-compliant.

The latter case of a 'dysfunctional' committee is more ambiguous. Dysfunctionality in this context is not defined, although may involve things such as the committee not making decisions about insurance, maintenance of common property or collecting owner levies when they are due. A lengthy history of dispute may also be grounds for dysfunctionality, while a scheme that has operated for years without a committee is another typical instance of dysfunctionality. The legislated remedy for a dysfunctional committee is for an owner to apply to the Commissioner's Office to seek the appointment of an administrator, who operates akin to an administrator or receiver in the corporate context.<sup>xv</sup> This is a lengthy, costly process and if an administrator is eventually appointed, their remuneration is typically significant, to reflect the amount of work and likely conflict they will encounter. Again, all owners end up paying more where a committee cannot or does not execute its responsibilities. Property values are also negatively impacted, as any adjudication decisions are on the public record and available for search by prospective purchasers during conveyancing.

#### 5.5. Training and education for volunteer strata committees

Despite the legislative obligations outlined above and the consequences noted above also, there is no mandated training and education for volunteer strata committees. The Commissioner's Office provides a free, online training course<sup>xvi</sup>, which is well-regarded in the sector, although it is not a condition of committee eligibility to complete this training. Private providers will also from time to time offer committee training, typically in relation to specific areas of interest.

It is, in our respectful view, problematic that volunteer committees with no relevant educational or experience backgrounds can be asked to make decisions involving considerable sums of money, or complex administrative, insurance, facilities management or legal issues, without having to firstly submit to even the most basic or fundamental of training. This can lead to situations in large schemes where **annual budgets are worth millions of dollars and subject to decisions made by volunteers who do not have appropriate knowledge of the legislation** on which they are meant to be basing their decision-making. The New South Wales government has recently moved towards requiring committee training.<sup>xvii</sup>

Equally, there are no mandated requirements for owners to undergo education or training. While owners can avail themselves of the excellent services of the Commissioner's Office, this presumes that owners actually know of the existence of that Office or even understand that as owners in a scheme, they are part of an arrangement which is very different to owning a freehold house and in which their interests are subject to the interests and decisions of other parties.

In obtaining assistance to carry out their roles, committee members may turn to their strata manager. Most strata managers are, in our experience, thorough, professional and diligent. Yet in Queensland, strata managers are not regulated and are not required to comply with any minimum

training, experience or good character requirements. There is a valid concern, in our view, that without minimum requirements and regulation, strata managers may not be in the best position to provide objective and informative advice to volunteer committees.

We also know that many strata managers are reluctant to be seen to be providing 'advice' to committees. This is sometimes due to a concern that such advice may put other parties (e.g., some owners) offside and thus, make the manager's contract less likely to be renewed, given that owners vote on a strata manager's engagement at a general meeting.

#### **5.6. 'Bullying' concerns for volunteer strata committees**

While there is no reference to, or definition of, 'bullying' in strata legislation, there are growing concerns in the sector about the impact of bullying-type behaviour on all parties. In the case of volunteer committees, concerns that committee members would be subject to inappropriate behaviour from owners, occupiers, and contractors, dissuade otherwise eligible committee members from volunteering for the role. Committees are required to make decisions which will sometimes be unpopular to owners: executing the responsibility to maintain common property will, for example, often be at significant cost to all owners. Where cost of living pressures are high, committees that make otherwise proper decisions leading to higher body corporate levies may be subject to considerable, negative feedback from owners. Committees are also required to make decisions on highly emotive issues such as keeping animals, approving improvements or enforcing by-laws. Even if a committee makes a decision on any of these topics which is reasonable and appropriate in the circumstances, it may result in action that owners and occupiers take personally and react in kind.

Anecdotally, we know that bullying-type behaviour is a continuing concern in the strata sector and remains a significant barrier to engagement and participation by prospective and current volunteer strata committee members. Strata legislation is ill-equipped to deal with the issue, with the only remedies being by-law enforcement<sup>xviii</sup> or proceedings under the nuisance and hazard provisions of the BCCM Act.<sup>xix</sup> Those remedies are challenging to initiate and the standard of evidence in both cases can be considerable. The timeframe for an outcome in either case can be up to 12 months, in which time the issues can (and do) exacerbate and lead to further dispute.

Not only do these concerns have a personal impact on the people (volunteers) involved, they have impacts on the proper operation of the strata scheme and the property values for all owners. There are also community-based impacts, particularly where Police and other community service providers are called upon to deal with the impacts of bullying-type behaviour in a strata scheme.

#### **5.7. Occupiers (tenants) and volunteer strata committees**

Occupiers have no express right to be on a volunteer strata committee, although they may be able to become a committee member through means such as being appointed a proxy or Power of Attorney for an otherwise eligible committee member.

Our view is that in many cases, occupiers have as much, if not more, interest and stake in the operation of a strata scheme than owners. A long-term occupier who has lived in the same strata scheme for several years can develop a significant breadth of knowledge of the operations of the scheme. In schemes that are comprised of a majority of investor-owned lots, occupiers may in fact be best placed to manage many of the day-to-day affairs of the strata scheme, particularly if investor-owners are based interstate or overseas and have little or no engagement with the strata scheme.

It is generally acknowledged that Queensland has experienced a housing crisis in the past 2 years, with rental prices driven up and availability shrinking. While some of these circumstances may be starting to settle, the reality is that strata will be the only viable option for most Queensland tenants

into the future. We think it stands to reason that strata occupiers be given greater opportunities to volunteer on strata committees.

## **5.8. Potential solutions to enhance volunteer strata committee**

In our respectful view, we think that government can enhance participation in and operation of volunteer strata committees through a range of reform measures, discussed below:

- 5.8.1. Mandated committee (and owner) training:** requiring committee members to undergo basic training about their responsibilities will give volunteer strata committees confidence in their decision-making, while owners and others will have greater confidence in the committee's execution of their responsibilities. The online training provided by the Commissioner's Office is already available in this regard, and the mandated responsibility could extend to other training providers whose service offering is considered appropriate. Consideration should also be given to mandating training for new strata owners, so that they have a greater appreciation of their responsibilities and the need (and benefit) to volunteer on the committee.
- 5.8.2. Regulation of strata managers:** requiring minimum training, education and good character standards will put strata managers in a better position to be trusted advisors to volunteer strata committees, which in turn will make committees more confident in being able to source objective advice from strata managers. Strata manager regulation could be expanded to include an express legislative provision that part of their role is to assist, advise and facilitate the appropriate conduct of volunteer strata committees.
- 5.8.3. Enhanced service offering by the Commissioner's Office:** the Commissioner's Office is, in our respectful view, not resourced to a level which most appropriately meets the needs of the sector, including volunteer strata committees. Enhanced resourcing, more proportionate to the number of schemes in Queensland, could enable the Commissioner's Office to provide a greater range of proactive information and education services, including the ability to proactively intervene where it becomes apparent that a scheme is facing significant challenges, or a volunteer strata committee is struggling to carry out its functions.
- 5.8.4. Appropriate outsourcing of committee roles:** strata schemes should be given the ability, subject to an appropriately high approval threshold, to decide to outsource committee roles. This might include deciding to engage a committee member, and pay them market rates, to perform a specific role. Or it might mean deciding to outsource all committee responsibilities to an entity or provider. An example of where this ability may be useful is in schemes where most, if not all, owners have full-time jobs or other commitments which mean that their ability to volunteer any time to body corporate matters is extremely limited. Rather than compel those owners to devote scarce or non-existent time, legislation could provide for their ability to decide to have that responsibility vested in an appropriate provider.
- 5.8.5. Occupier participation on committees:** consideration should be given to occupiers (tenants) being eligible for volunteer committee roles and execute committee responsibilities, under certain conditions. One condition might be the duration of occupancy: the longer the lease or occupancy, the more akin to being like an owner an occupier becomes.
- 5.8.6. Recognition of, and responses to, bullying-type behaviour in relation to committees:** to give greater protection to volunteer strata committees from inappropriate behaviours from other strata stakeholders, legislation should provide for a fulsome



definition of ‘bullying’, along with provisions for how it could be addressed. Possible examples of this include providing that ‘bullying’, as defined, constitutes a nuisance or hazard as per the current provisions of the BCCM Act. Strata schemes could also be given the ability to decide that a successful finding of bullying against an individual in a strata scheme, or against a volunteer committee member, could be grounds from limiting that owner’s participation on the committee in future. In extreme cases, a bullying finding might be grounds for limiting an owner’s ability to cast a vote or participate in strata meetings.

5.8.7. **‘Strata cops’:** strata schemes need what we term as strata cops on the beat. In other words, strata legislation needs robust compliance and enforcement to give meaningful impact to existing legislative provisions, as well as proposed new ones canvassed above. The current process of dispute resolution is useful only up to a point and addresses only discrete, specific instances. It does not address systemic issues or repeated, unresolved behaviours, some of which may be acting to prevent volunteer strata committee participation.

OCN understands that these recommendations require considerations around resourcing. These recommendations would also fundamentally change how strata schemes operate in Queensland. That said, we think that the issues for volunteer strata committees are significant enough to warrant consideration of these recommendations, given the impacts on property values and community harmony that can result where volunteer strata committees are not operating as they should.

OCN appreciates the opportunity to provide this submission for the Committee’s consideration. We would be pleased to expand upon its contents in more detail at a Hearing or as otherwise required.

Yours sincerely,



Shari Driver  
Chief Executive Officer



*NOTE: This submission was prepared by Chris Irons on behalf of OCN and authorised by Fred Tuckwell, Chairperson, OCN.*

## References:

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  - <sup>iii</sup> *Australasian Strata Insights, 2022, University of New South Wales*, [https://cityfutures.adu.unsw.edu.au/documents/717/2022\\_Australasian\\_Strata\\_Insights\\_Report.pdf](https://cityfutures.adu.unsw.edu.au/documents/717/2022_Australasian_Strata_Insights_Report.pdf)
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- <sup>xv</sup> For example: [http://www.austlii.edu.au/cgi-bin/viewdoc/au/cases/qld/QBCCMCmr/2021/203.html?context=1;query=chris%20irons;mask\\_path=au/cases/qld/QBCCMCmr](http://www.austlii.edu.au/cgi-bin/viewdoc/au/cases/qld/QBCCMCmr/2021/203.html?context=1;query=chris%20irons;mask_path=au/cases/qld/QBCCMCmr)
- <sup>xvi</sup> Online body corporate training, 2025, Queensland Government, <https://www.qld.gov.au/law/housing-and-neighbours/body-corporate/legislation-and-bccm/services/training>
- <sup>xvii</sup> Holding Redlich, 2024, 'Residential Focus: Another pass at reforming the Strata Schemes Legislation', <https://www.holdingredlich.com/residential-focus-another-pass-at-reforming-the-strata-schemes-legislation>
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