

## **Inquiry into volunteering in Queensland**

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<b>Submitted by:</b>	Townsville Lot Owners Group
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27 Feb 2025

## Parliamentary Inquiry into Volunteering in Queensland

### Local Government, Small Business and Customer Service Committee

Phone: (07) 3553 6657

Email: lgsbcsc@parliament.qld.gov.au

Dear Committee,

Our Townsville Lot Owners Group welcome this inquiry. We can now share the volunteering pain and predicaments strata committee volunteers<sup>1</sup> face not only in Townsville, but across the entire compulsory volunteer managed strata community of Queensland.

One million Queenslanders live in strata apartment buildings, and many are aged and vulnerable. Strata homes are the safest most resilient natural disaster housing types in Queensland<sup>2</sup>. One in five homes in Queensland is a community titles scheme (**CTS**) strata apartment home. There are some 150,000 exhausted and daunted strata committee volunteers<sup>3</sup> who operate and defend Queensland's \$216bn<sup>4</sup> residential strata insured community and economy.

No one from government advocates for the Queensland strata community. Queensland has a Minister for Horse racing, yet no Minister for Strata Housing? The Queensland Body Corporate Community Management (BCCM<sup>5</sup>) commission operates as a "**disputes processing**" factory and not as a state housing industry solutions promoter because the archaic 600 pages of BCCM-Act 1997 legislations and regulations are designed to create arguments, abandon residents and tolerates dud and defective contractors, suppliers and insurers who can coercively intimidate strata volunteer decision makings.

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<sup>1</sup> Attached TLOG Observation-111 Queensland Body Corporate CTS Volunteers.v4

<sup>2</sup> Attached TLOG Observation-10.B Strata Apartment Buildings - Australis's best natural disaster housing solution.

<sup>3</sup> Attached TLOG Observation-20B + Queensland Titles Office CTS Statistics 2023.

<sup>4</sup> University of NSW - City Futures estimate Qld Strata committees oversee the spending of some \$1.262bn annually.

<sup>5</sup> Queensland Body Corporate Community Management Act-1997

Our silent BCCM does not have to report to Government nor Queensland public the annual **"performance"** and **"condition"** of the state's strata community. The BCCM cannot produce meaningful statistics of the above claims nor of any meaningful strata volunteer engagements that would satisfy the Queensland proclaimed Public Service Values. The BCCM is protected with current legislations that enable the BCCM to avoid, not "mingle" nor motivate Queensland's neglected strata committee volunteers.

TLOG have a long running advocacy concerns dialogue with our BCCM since 2021 highlighting its need for contemporary modernisation that is proudly scribed in the Act. When asking about any evidence of BCCM CTS advocacy efforts to state and federal insurance and housing inquires, our BCCM remains timid, silent and unaccountable towards identifying and solving Queensland strata community insurance and housing problems that committee volunteers face and must deal with daily. The root causes of the Queensland housing supply crisis and housing insurance crisis can be traced to the BCCM "volunteer neglect" legislations and "self-resolution" attitude barriers allowing of a cold "hands off, go away, cannot care and not our problem" culture to exist.

### **The pains - what needs fixing?** – to help the Strata volunteers

**Committee Pain:** - Strata committee volunteers must navigate through hundreds of pages of the BCCM Act and Regulations, then hundreds of pages more of insurance, service contracts and procurements. Noting that many volunteers in general are typically aged and of diminished skills sets<sup>6</sup> and not capable of understanding nor fully comprehending nor having experience of how a non-profit **"legally liable"** strata complex should be managed<sup>7</sup>. Thus allowing strata volunteers to be easily and strategically targeted, preyed and discriminated as being weak commercial operators and without any BCCM **"watchdog"** volunteer protections and precautions.

**Strata Management Pain:** Many bodies corporate engage commercial Body Corporate Strata Managers (SMs) to perform the many BCCM mandatory body corporate administrative and fiducial duties that volunteer committee do oversight in **"trust"**. But the now explosion of Facebook reporting's of the increasing existence of so many dodgy SMs which is further evidenced by the ABC, ACCC<sup>8</sup> and A Current Affair<sup>9</sup> reportings and confirming the massive SM "kickbacks" culture and frequent SM governance failures are now killing the strata industry where all the volunteers actually live, a dispiriting battle!

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<sup>6</sup> Insurance Council of Australia – Improving Consumer Outcomes for Strata Communities Nov-2024 policy paper – p1.

<sup>7</sup> Insurance Council of Australia – Improving Consumer Outcomes for Strata Communities Nov-2024 policy paper – p9.

<sup>8</sup> ABC Four Corners + ACCC Australian Competition and Consumer Commission = Strata Trap 20.09.2024

<sup>9</sup> Nine.com.au ACA – Unethical behaviour: Strata fees crippling Aussie Apartment Owners 26.02.2025

**Insurance Pain:** The final nail causing volunteer pain is the devious Insurance Council of Australia (ICA) recently proclaiming that SM's do not need BCCM enforceable legislations and regulations and codes of conduct relating to SM licensing and skills training as this could "**hinder**"<sup>10</sup> (wow!!!) the effective strata management oversight SM's are currently providing to industry. The ICA believes the "\$-commissioned" and "\$-kickback" SM's are the default educated CTS decision makers and customers<sup>11</sup>. Whereas the Qld BCCM legislations states clearly the Strata Lot Owners and Volunteer Committees are in fact the customer and the ultimate CTS decision makers. SM's are a servant contractor only without any decision making rights..... sounds great but never enforced as many SM's can control and sanitize the committee minutes and narratives as now depicted happening on Facebook and TV .

The BCCM remains silent, never advocating for Qld strata on these above subjects. Leaving all to now abandoned by unskilled committee volunteers and unregulated SM's to address.

### **Volunteer Wants and Fixes'**

The strata committee volunteers list the following needs to motivate and inspire the massive yet neglected Strata Volunteer Community of Queensland.

- A dedicated Minister for Body Corporate Community Management
- A dedicated BCCM "watchdog" with teeth to proactively enforce, support and discipline strata legislations and advocate at all times when Qld strata issues are in the public domain of inquiry and media.
- A dedicated BCCM Governance auditing program to audit every strata AGM annually.
  - *Currently most Queensland strata's pay the Queensland Fire Alarm services and also have mandatory CTS buildings visits to conduct fire assets and **records** safety audits that cost around \$68 per lot owner<sup>12</sup> per year. The QFES do issue infringement and non-compliance penalty notices, there are no reported Qld strata building ever been totally destroyed by fire since 199, indicating the QFES Fire **Mitigation** program works well protecting Queensland's strata world... a good job as has good legislation that works.*
    - *Qld Lot owners would consider paying around **\$70** per lot per year for peace of mind that the BCCM is tasked to governance audit yearly every CTS AGM minutes as the BCCM condition monitoring support program for the committee volunteers, suppliers and contractors BCCM compliance and code behaviours as witnessed in the minutes.*

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<sup>10</sup> Insurance Council of Australia – Improving Consumer Outcomes for Strata Communities Nov-2024 policy paper – p10.

<sup>11</sup> ABC.4C + ACCC - Strata Trap 20.09.2024 reported Steadfast Insurance claiming their strata customer is the SM and that strata committees has no idea!

<sup>12</sup> The Queensland Titles Office reports there are 500,000 CTS lots in Queensland

- Legislate the BCCM to modernise and transform from its “**Reactive**” management style to become a “**Proactive**” management to nurture and defend Queensland evolving strata community and economy by utilising and motivating the current stagnant strata volunteer committee resources that struggle to exist today.
- Legislate the BCCM to produce an “Annual state of the nation” report on Queensland Strata community and economy – that demonstrates the BCCM does know what is going on in strata world that it manages.
- End strata conflict ratcheting “self-resolution” practices and the expensive QCAT ordeals, end the conflict and drama by having a BCCM “watchdog” out and about and available to go into bat for the committee volunteers in times of need.

### Outcomes:

Queensland Housing solution 2025, now with designed committee volunteer support.

Elderly and vulnerable residents will have improved community care and protections by having a caring body corporate committee looking after their mutual strata property common property interest, knowing dud committees, managers and contractors are to become BCCM complaints and AGM audit accountable.

Having a highly “visible” proactive BCCM will deliver great support to the strata committee volunteers and deter unscrupulous vendors from participating the now protected strata economy and community of Queensland.

We trust you find our submission, as an awareness submission that the entire strata committee volunteer community of Queensland needs dedicated volunteer support, and that support we believe as outlined above can be delivered at minimal cost and effort as is paperwork legislation adjustments and pay as you go governance auditing.

Most strata committee volunteers do care and do most of the decision-making heavy lifting within their community. Teaming up unskilled committee volunteer horsepower with BCCM professional knowledge and knowhow forms a great combination to grow and flourish the strata housing sector of Queensland.

Many thanks for the opportunity here to make submission.

Yours faithfully,

A black rectangular box redacting the signature of the submitter.

Andrew Turnour

FIEAust.CPEng.NER.APEC Engineer IntPE(Aus).RPEQ.ASME.ret

Spokesperson - Townsville Lot Owners Group.

*Strata Consumer Advocate.*

**TSV.LOG** - Townsville Lot Owners Group. *Strata Comparisons®™ Strata Data®™* Since 2011, a volunteer community service group who collect and analyse \$billions of strata building insurance tax invoices and product policies and volumes of federal insurance inquiry reports to provide “real” verifiable consumer evidence in facts, figures and correspondences to help our NQ Strata Consumers and Regulators and Politicians improve their strata insurance arguments, actions and affordability. We trust this improved strata insurance understanding helps regulators to better manage the Queensland \$216 Billion Strata Body Corporate Community Titles Scheme economy that accommodates over one million diverse residents. One in five homes in Queensland is a strata home. The entire Queensland Strata economy is now operated by 150,000+ committee volunteers devoid of any dedicated political empathy to repair the defective legislations to deliver strata community well-being, affordability and safety.

## Attachments:

1. TLOG Observation-111 Queensland Body Corporate CTS Volunteers
2. TLOG Observation-10.B Strata Apartment Buildings – Australia’s best natural disaster housing solution.
3. BCCM “Complaints Factory” analysis 2020-2022
4. TLOG Observation-20.B Queensland Community Titles Scheme Growth
5. TLOG Observation-61 BCCM “Complaints Factory” analysis 2020-2022.
6. Queensland Government - Public Service Values - 2020
7. Letter to the Editor 2024.10.03 Strata Strife.
8. Letter to the Editor 2024.11.28 Insurance in perpetual crisis
9. Letter to the Editor 2025.02.12 Insurance Disasters Defects and Drop outs.



## Observation-111: Queensland Body Corporate CTS Volunteers.

### The Four Levels of Government>.

- 1st Level of Government = Federal Government.
- 2nd Level of Government = State Government.
- 3rd Level of Government = Local Government Councils.
- 4th Level of Government<sup>1</sup> = Bodies Corporate-Strata-Community Titles Schemes (CTS).



The Queensland Body Corporate Community Management Act-1997 (**BCCM**) [s98] states "*there **must** be a committee for the body corporate*". Each BCCM Community Titles Scheme (**CTS**) must have a volunteered committee, consisting of a Chairperson, Secretary, Treasurer, and members. There are around **150,000 BCCM-CTS committee volunteers** who are **now** acknowledged by **Volunteering Queensland**<sup>2</sup>. (and sadly still not acknowledged nor advocated for by the Qld BCCM commissioner.)

- CTS Committees are now form a very large group of "community living" Qld volunteers.
- CTS volunteers are now acknowledged by the Minister for Housing and Communities.
- One in five homes in Queensland is a strata CTS apartment home.
- The Queensland Titles Office report there are 50,000 registered CTS containing some 500,000 strata apartments or lots.
- Over **1.0 million** Queenslanders live in a strata CTS apartment home.
- The Queensland strata housing asset economy is valued at **\$216 Billion**<sup>3</sup>.
- CTS volunteers provide the Queensland government with committee volunteer services value of around \$2.4 billion<sup>4</sup> dollars pa **to operate** the Queensland CTS strata housing economy free of charge.
- CTS volunteers now have access to Queensland Governor General as their Patron.
- The CTS volunteer community now have additional government support to help protect vulnerable CTS committee volunteers with consumer and moral protection against dud, defective and disrespectful CTS service and product providers.
- The current BCCM legislation is wrongly designed that it punishes the volunteer committees and not the suppliers of defective goods and services.
- The obsolete Queensland BCCM CTS needs a huge volunteer modernisation makeover to address the CTS volunteers needs.
- All BCCM-CTS committees can now draw on the Volunteering Queensland Strategic Plan and resources listed on their web site.

<sup>1</sup> Jacqueline McArthur's 2003 '**Strartaspheria**' - '*a fourth tier of government, a largely unqualified group running multi-million dollar budgets*'<sup>1</sup> or in Michael Mobb's 2013 '**Bathurst Burr: on the fourth tier of government**' where he speaks about a '*fourth layer ... the "body corporate" the little government that runs the place, sets the rules and arbitrates on a zillion things*'.

<sup>2</sup> Volunteering Queensland - <https://volunteeringqld.org.au/governance/> - committee resources

<sup>3</sup> City Futures UNSW-2022 strata economy report

<sup>4</sup> 150,000 volunteers @ \$1600 pa = \$2.4 Billion – State of Volunteering in Queensland report 2021.

# Queensland Public service values

Our ambition is to be a high performing, impartial and productive workforce that puts the people of Queensland first.

We are **committed** to a way of working where:

- leaders and employees make decisions based on the values.
- leaders demonstrate the values as role models for employees.
- we prioritise quality, inclusion, diversity, creativity, and collaboration every day.

**Our values:** These 5 values guide our behaviour and the way we do business:

## Customers first



- Know your customers.
- Deliver what matters.
- Make decisions with empathy.

## Ideas into action



- Challenge the norm and suggest solutions.
- Encourage and embrace new ideas.
- Work across boundaries

## Unleash potential.



- Expect greatness.
- Lead and set clear expectations.
- Seek, provide and act on feedback.

## Be courageous.



- Own your actions, successes and mistakes.
- Take calculated risks.
- Act with transparency

## Empower people.



- Lead, empower and trust.
- Play to everyone's strengths.
- Develop yourself and those around you.



# Letters

## Strata strife

No one in Australia should buy a strata apartment until they watch the ABC Four Corners “Strata Trap” twice.

Four Corners reported “trapped” strata living was out of control as was lacking the regulatory controls to protect the strata communities who own and the volunteer committees who operate the nation’s strata world. Indicating, “as if the whole business model are designed to screw Australian apartment owners”.

Strata buyers should wait until our federal and state members of parliament say it is financially safe to do so.

Our new ACCC is now awake to the nation’s strata pain. North Queensland and Northern Australia has suffered the strata insurance supply charade for the last 14 years. Sadly, ASIC’s Insurance Contracts Act – 1984 has never tested its strata insurance contracts food chain for

disclosures responsibilities. APRA apologise that they have no insurance financial visibility of the national \$1.3 trillion strata insured market. Federal and state government treasuries acknowledge they collect insurance GST and stamp duty but do not know from which postcode or LGA or electorate the GST and duty originate from, concluding our treasuries have no financial visibility nor health of the nation’s strata economy, nor of the rapacious foreign ISR strata insured intrusions. Strata insurance is compulsory and is 100 per cent a state responsibility as states have 100 per cent empowered strata managers to manage bodies corporate finances without oversights that forbid banking and auditors to make undisclosed strata services arrangements. The old ACCC missed totally the state strata regulatory failures for unconscionable consumer protection in its 2020 Northern Australian Insurance Inquiry remit.

Serious political correction is

warranted at state level to decommission the Body Corporate / Owners Corporation Commissions. Our regulators must be modernised to include audit for dud codes of conduct and the detection of poor strata consumer legalisations at state and federal levels.

The ABC reports our new ACCC is now acutely aware, saying undisclosed systems of payments were misleading consumers, condemned undisclosed arrangements as deceptive and infers concentration of insurance industry participants was reducing competition. Activating the ACCC-NAII 2020 conflict of interest ban on strata insurance commissions recommendation is the first step to repairing the national strata market that house some 4 million (SCA say 4 million, whereas the ABC said 2.5 million) nondisclosure vulnerable residents.

**Andrew Turner  
Townsville**

## Observation-10.B: Strata Apartment buildings - Australia's best natural disaster housing solution!

For the last 6 years, the Insurance Council of Australia report 23 natural disaster events incurring total losses of \$20 billion from 502,000 published domestic claims<sup>1</sup> with flood related claims dominating at 38% and cyclone claims a mere 7%.

If our Government Disaster Recovery agencies could post code calibrate the natural disaster events with the total claims volumes, they would **verify** that strata home buildings are the best housing type to future proof the community from natural disaster events.

Strata buildings that house one fifth<sup>2</sup> of Australia's population are demonised by insurers with invented risks and sadly neglected by governments who remain unaware of the safe-haven features that strata community homes deliver to a very wide cross section of our diverse national community.

The following list may convince insurers and governments that strata buildings are the best housing solution for natural disaster mitigations.

### 1. **Financial Commitment:**

In Queensland every strata apartment building must be building damage insured by law.

### 2. **Cyclone Proof:**

Federal Treasury report the \$203 billion<sup>3</sup> BCCM<sup>4</sup> Queensland strata industry had incurred a mere 3% damage claims bill from the 225 cyclones since 1995, thus making strata buildings 97% more cyclone claims resilient than houses<sup>5</sup>. The ACCC<sup>6</sup> report for the period 2008-2018 strata cyclone damage insurance claims totalled a minuscule \$17.9 million whilst house claims totalled a whopping \$1,400 million. This ACCC fact empirically proves the national cyclone building codes are delivering strata cyclone resilience insurance risk mitigations.

### 3. **Flood Proof:**

High rise strata buildings are logically and economically more flood resilient than houses.

### 4. **Fireproof:**

Strata buildings are more fire resilient than houses, by law every strata must conduct annual fire mitigation audits.

### 5. **Mitigation:**

Since 1997 our BCCM has not reported any strata buildings requiring a full replacement value (FRV) insurance payout for cyclone, flood or fire damage. In this period Australia had its biggest most powerful cyclone Yasi in 2011 and a 500 year flood event in Townsville in 2019 with no strata buildings destroyed.

### 6. **Popular:**

The ABS<sup>7</sup> report that one in five homes in Queensland is a strata unit home.

### 7. **Highly Insurable:** Low claims, low risk and more profit.

### 8. **Economic Contributions:**

the Federal 10% GST taxation is ABN tax refundable for most strata. The 9% Qld Stamp duty cash cow we hope has some re-investment in the BCCM regulator to manage the Qld strata economy.

<sup>1</sup> Insurance Council of Australia 2022 DataGlobe website Historical Catastrophe Data – 14 million policies street addresses.

<sup>2</sup> ACCC NAI 2020 reported 365,000 NQ households with 62,100 (17%) as uninsured. 6,610 NQ strata buildings (60,000 households).

<sup>3</sup> City Futures University of NSW national strata statistics

<sup>4</sup> BCCM = Queensland Body Corporate Community Management Act-1997 – Strata living legislator

<sup>5</sup> Table-14-C over the page

<sup>6</sup> ACCC Australian Competition and Consumer Commission – Northern Australian Insurance Inquiry 2020 report

<sup>7</sup> Australian Bureau of Statistics

9. **Economic powerhouse:**

Strata buildings are an economic recovery godsend. Post disaster strata apartments have the capacity to offer instant destitute accommodation and public safety and quickly resume and consume goods and services and start paying taxes and duties once the lights are back on.

10. **Local Government Friendly:**

Reduce urban sprawl requiring smaller environmental footprints and lower cost infrastructure.

11. **Public good:**

Protect the aged, the vulnerable, the fragile, the retired and can reduce homelessness.

12. **Cost effective:** Cheaper to build as multiple home clusters.

Table-14.C: Northern Australia Strata Cyclone Claims History 1995-2018 - 23 years			
Ref-1 A14.6 ACCC-NAII-2020 Fig-5.14 & 5.15 and 16.18	1995-2015	2008 -2018	1995-2018
Ref-2= NAIPT 2015 Inquiry Finitly Table-3.3	million	million	million
Northern Australia Strata cyclone only claims damage	\$ 113	\$ 17.9	\$ 131
National Home + Contents + Strata cyclone claims damage	\$ 2,442	\$ 1,700	\$ 4,142
NA/Australia	5%	1%	3%
\$131 million cyclone damages spend in 23 years = \$5.7 million pa cost to strata insurers			
225 cyclones reported by BOM for this 23 year period = 9 cyclones a year tolerated by NA			
9,013 Strata Insured Buildings in NA (ACCC-NAII-2020) had \$5.7 million damage pa = \$632 per per policy claims for NA			
ACCC report average NA strata insurance premium is \$62 million 2018 provides insurers with a 90% profit margin with 5.7 million claim pa			

The SCA<sup>8</sup> body corporate management lobby group reported for the period 2016-2020 the following.

- ✓ Qld total strata policies **increased** 12% from 26,799 to 30,037.
- ✓ Qld total **strata premiums** invoicing **increased** 60% from \$250 million to \$400 million.
- ✓ Qld total **strata claims** and costs **decreased** 30% from \$130 million to \$97 million.

The Federal insurance regulator **Australian Prudential Regulation Authority (APRA)** report from 2016-2020

- ✓ Qld total **household claims** increased 257% from \$721 million to \$2,576 million
- ✓ Qld total **household premiums** increased 18% from \$1.92 billion to \$2.27 billion

**In conclusion:**

- Most resilient, For 2020 the Qld **strata** home insurance **claims** totalled \$97 million, a mere **3.8%** of the total \$2,576 million for all Qld house **home** insurance claims.
- The compulsory Community Titles Scheme (CTS) strata home industry in Qld is now heavily subsidizing the states housing insurance claims and premiums.
- Strata home insurance is a veritable guaranteed economic cash cow lumbered with the 20% insurance sales commissions, a 9% Broker fee, a 10% GST and a 9.9% stamp duty, now delivering a \$160 million "cash splash" annually and as the lowest claims risk participant in the home insurance industry.

**Strata homes are the best natural disasters mitigated home building type in Australia!.**

<sup>8</sup> Strata Community Australia (SCA) Deakin University Holistic Strata Insurance study - 226 pages September 2021

## Observation-20.B: Queensland Community Titles Scheme Growth.

- December 2023: The Queensland Titles Office report there are 52,421 registered Body Corporate Community Titles Schemes (CTS). And 4,637 (9%) are Accommodation Module.
- There are 2 million houses in Queensland, making one in five homes in Queensland a strata CTS home containing some 1.0 million residents.
- 52,421 Strata CTS insurance policies now must be **compulsorily renewed** each year.
- 42,957 (82%)<sup>1</sup> CTS buildings are 10 lots or less and contain 166,963 lots (=37% of total lots)
- 9,464 (18%) CTS buildings have more than ten lots and contain 365.969 lots (63%)

Queensland Community Title Scheme (CTS) Statistics - Growth						
		Dec-20	Dec-23	%	Diff Δ	Growth
	Number of schemes:	50,602	52,421		1,819	103%
	Number of individual lots:	507,679	532,932		25,253	104%
	Average Lots/Scheme	10.0	10.2			
<b>A</b>	Number of CTS schemes registered under each regulation module:					
	Standard:	29,774	29,879	57%	105	100%
	Small Schemes:	10,262	10,447	20%	185	102%
	Accommodation:	4,388	4,637	9%	249	105%
	Commercial:	2,260	2,479	5%	219	107%
	Specified Two-Lot:	4,009	5,087	10%	1,078	122%
<b>B</b>	Lot sized CTS distribution per schemes:					
		Schemes	Schemes	%		
	6 lots and under	35,620	36,887	70%	1,267	103%
	7 to 10 lots	5,937	6,070	12%	133	102%
	11 to 20 lots	4,166	4,311	8%	145	103%
	21 to 50 lots	3,014	3,161	6%	147	104%
	51 to 100 lots	1,295	1,374	3%	79	105%
	over 100 lots	570	618	1%	48	107%
	TOTAL	50,602	52,421	100%	1,819	103%
<b>C</b>	Lots distributed per Lot sized CTS:					
		Lots	Lots	%		
	6 lots and under	113,152	166,963	29%	53,811	102%
	7 to 10 lots	49,449	50,556	9%	1,107	102%
	11 to 20 lots	60,515	62,695	11%	2,180	103%
	21 to 50 lots	97,145	101,844	17%	4,699	104%
	51 to 100 lots	90,952	96,653	17%	5,701	105%
	over 100 lots	96,466	104,777	18%	8,311	107%
	TOTAL	507,679	583,488	100%	75,809	104%

<sup>1</sup> Check ACCC-NAII 2020 report Table-16.3 for comparison of strata building sizes and lots contained.