



Speech by

**Mark Ryan**

**MEMBER FOR MORAYFIELD**

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## **BODY CORPORATE AND COMMUNITY MANAGEMENT AND OTHER LEGISLATION AMENDMENT BILL**

**Mr RYAN** (Morayfield—ALP) (12.45 pm): I rise to make a contribution to the debate on the Body Corporate and Community Management Amendment Bill. We have learned one thing from the debate today and last night—that is, the LNP has ditched all of those pensioners and people on fixed incomes who live in units. The LNP has sold out all of those pensioners in Currumbin, all of those pensioners in Surfers Paradise, all of those pensioners in Caloundra and all of those pensioners in Mermaid Beach who live in units. The LNP has kicked them in the guts and it has whacked them. The LNP has decided to turn its back on the people who will benefit the most from these legislative changes. This is in addition to the rate increases that the LNP has imposed on those unit owners in the Brisbane City Council area—400 per cent and 500 per cent rate increases. What else would we expect from the LNP? If you own a unit and you are on a fixed income, you are going to get whacked by the LNP. It does not care. It has sold them out.

This is a very difficult issue—there is no denying that—but doing nothing is not an option, because with every adjustment order many unit residents on lower incomes, mostly pensioners and people on fixed incomes, will have their lives made much more difficult and some will be forced out of their homes. But we should not expect any sympathy or assistance from the LNP. It has sold out those people and the parliamentary record will show that it has. During her contribution to the debate, the shadow minister said—

Bewilderingly, the 2003 BCCM debate, which the former minister and honourable member for Southport actually spoke to, was not mentioned in his second reading speech and was not referred to in the explanatory notes. Therefore, it is a bit rich to try to buck-pass to the 1997 legislation, which was brought in by the conservatives.

I have spoken to the honourable member for Southport and he has told me that he has never denied that the 2003 legislation has contributed to the situation that we find ourselves in today. But it was the 1997 legislation, which was brought in by the conservatives, that first enabled applications to be made to adjust lot entitlements. That is where the problem started. The honourable member for Southport has also told me that he spoke in favour of the 2003 legislative changes, which were passed unopposed—supported by the conservatives. So they as well are fully aware of all the circumstances that have led to where we are today.

At times legislation can have unintended consequences, and these unintended consequences are often made apparent as a result of court cases that interpret legislation, which is how the system should work. The Centrepoint case of 2004 is just one example. Another example is the Bossichix case, which was decided by the Court of Appeal and which resulted in amending legislation introduced into this House in 2009. That legislation amended the Body Corporate and Community Management Act and was supported by the opposition.

Like this amending legislation, that amending legislation had a retrospective effect and it was not supported by the Law Society at the time. The opposition supported that legislation notwithstanding that it was retrospective. The difference here is that this bill deals with vulnerable people. It deals with pensioners and it deals with people on fixed incomes. That is one reason I think the opposition is not supporting this

bill. They just want to kick those vulnerable people, kick them when they are down. It is very disappointing. In fact, it is shameful. I am very proud to support this bill. The bill that is before the parliament today is due to the very hard work of the member for Southport. This bill will be his legacy, and the many residential unit and townhouse owners who benefit from the protections and certainty established by this bill will be grateful for his pursuit of this matter.

We have disappointingly heard from members of the opposition that they will not be supporting this bill. Their contributions highlight their preference for a dog-eat-dog world. Their contributions emphasise their ideological fascination with protecting the powerful instead of the powerless, of protecting the strong instead of the weak, of protecting the untouchable instead of the vulnerable, of protecting the privileged instead of the vulnerable. These contributions from members of the opposition are downright shameful.

I am proud to support this bill because this bill articulates the concept of the safety net—that wonderful principle of support and protection for the most marginalised, most disadvantaged and most vulnerable in our communities. I joined the Australian Labor Party and became a member of this parliament because I fundamentally believe that the Australian Labor Party is the only political party with the capacity and willingness to deliver fair and equitable government for all people, but particularly for the most vulnerable, most marginalised and most disadvantaged in our communities. During this debate we have heard from opposition members about how they do not believe in the concept of the safety net, about how they do not believe in support and protections for the most vulnerable, most disadvantaged and most marginalised. This bill is about making the tough decisions to protect those people. This bill is about doing the right thing by the vast majority of individual lot owners, many of whom are pensioners and people on fixed incomes.

Last year I heard a real-life story about the real-life impact of not supporting this amending bill. This is a story about an eight-lot block made up of three- and four-bedroom units facing the Brisbane River and two-bedroom units facing the street. All owners purchased their lots based on contribution schedule lot entitlements that were established when the building was built approximately 10 years ago. The contribution schedule lot entitlements were based upon the number of bedrooms in the unit. This means that the owner of a four-bedroom unit contributes twice as much as the owner of a two-bedroom unit. Recently a new owner of a four-bedroom unit announced that he would apply to the court to have contributions equalised across all units. This is irrespective of the original arrangements when all unit owners purchased their respective units and is irrespective of the views of the other seven unit owners. The effect of this change to the contribution schedule lot entitlements would be an estimated 31 per cent increase in the body corporate contributions made by two-bedroom unit owners.

**Mr Lucas:** That is exactly the point.

**Mr RYAN:** I take the interjection from the Deputy Premier—and a 34 per cent reduction in the contributions made by the owner of the four-bedroom. It would be a 31 per cent increase for those who are least able to afford it at the expense of the new four-bedroom unit owner. What is more, the change in the contribution schedule lot entitlements is estimated to effectively reduce the capital value of a two-bedroom unit by \$48,000, at the expense again of the four-bedroom unit owner. All the unit owners signed up to a specific contribution schedule lot entitlements arrangement when they purchased their respective units. They paid a specific price based on the information provided and agreed by them at the time. They made decisions about their ability to pay specific body corporate contributions.

Without a change to the current law, the majority of the people in this unit complex will see the value of their property devalued and their liability to pay body corporate contributions increased. This change will occur just because one owner wants to rely on the existing law to make a windfall capital gain at the expense of other unit owners. This is just one sad example of the many, many, many similar stories that exist around our state.

In my view, the current arrangements are manifestly unfair, yet the opposition will not support any change to the current law. The opposition would prefer to whack the pensioners and the young families and the other people on fixed incomes who live in units who will see their body corporate contributions increased to only benefit the owners of penthouses and subpenthouses—whack from the opposition! When these pensioners and young families and other people on fixed incomes have to sell out of the unit complex because their body corporate contributions have increased beyond their means and expectations, they find that the capital value of their property investment has been devalued to benefit again only the owners of penthouses and subpenthouses. They get whacked again by the opposition's opposition to this bill—whack!

The changes to the current law contained in this amending bill are about restoring certainty to owners of properties who are part of a community titles scheme. It is about protecting those people who have the most to lose—their homes. The people who are hurt by the current arrangements are those people who live in relatively less expensive and relatively smaller units and townhouses. People are taking

advantage of the current arrangements and the impact of the current arrangements will continue to escalate if nothing is done to restore certainty and protections for people.

As an aside, it is interesting to note that the Property Council of Australia is also supportive of the proposed changes. In a letter dated 30 September 2010 to the then minister, the Property Council said that it welcomed the fact that the Queensland government is moving to ensure that there is as much certainty around body corporate costs as possible and that the proposed legislative changes would create a good outcome for the Queensland property industry and unit owners alike. It also thanked the Queensland government for taking decisive action and looked forward to the introduction of the amendments that will bring greater certainty for unit owners.

The changes to the current arrangements contained in this amending bill are indicative of the safety net in action. It is indicative of this Queensland Labor government acting to protect those who have most to lose. Interestingly and surprisingly, the opposition will not be supporting the changes in this bill and will be abandoning those people who need our help. Heaven help the vulnerable, marginalised and disadvantaged people of Queensland should the opposition ever sit on the treasury benches. Heaven help us all in the dog-eat-dog world that they would create if they were ever in government.

These amendments are good amendments. They will be welcomed by the majority of unit and townhouse owners around our state. These amendments provide certainty and promote protections for relatively vulnerable people in our state. I commend the former minister, the member for Southport, the Deputy Premier, ministerial staff and departmental staff for their hard work in respect of this bill. I commend the bill to the House and I encourage all members to support it.