




Speech By
Ray Stevens

MEMBER FOR MERMAID BEACH

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

 **Mr STEVENS** (Mermaid Beach—LNP) (12.06 am): I would like to congratulate the member for Condamine on being chairman of the parliamentary committee that recommended approval of this bill to the House. If he can spell hypocrisy, he is the very epitome of the word. He has spent 20 minutes ranting and raving—the XXXX answer to the body corporate bill—when he has recommended its approval to this House as the chairman of that committee.

This body corporate bill before the House is a very sensitive issue. Gold Coast members have a lot of bodies corporate in our area and it is a very sensitive issue. If you take from one party in these bodies corporate community titles then the burden goes to another party. Nothing but farce has taken place in this body corporate and community title area since the Labor Party tried to address this matter through legislation. The then minister, who introduced the first bill enabling the changes through QCAT to lot entitlements, was supported by the then member for Southport, Mr Peter Lawlor, saying what wonderful legislation they brought into this House. Following that, the then member for Southport, as the minister responsible, brought in legislation reversing his wonderful legislation in 2011, as I recall. It is a mish-mash of problems when these people deserve certainty. They have bought into these very expensive properties with a commitment that they understood, that they signed off on and it is the Labor Party that has given them this nightmare of changes in body corporate entitlements, burdens on pensioners, all of these issues that are real problems for them to face. They are serious problems.

Age pensioner ladies are very concerned about how they will pay these body corporate fees. That in itself is a tragedy and it is all because of the Labor Party's mishmash of trying to address the matter. Tonight with this legislation, the Attorney-General has taken a step towards addressing the last round of ineptitude by the Labor Party on bodies corporate issues. The Attorney-General assures me that this is a short-term step in an overall longer term strategy of a review to address the fairness and equity in bodies corporate right across-the-board. Throughout Queensland there are some 400,000 body corporate titles, which may involve 600,000 people. That is a serious part of our Queensland population. It is a growing part. People like community title living as they can share the burdens, the loads, the swimming pools and all those sorts of things. They like living in the closer areas of our brownfield developments, which have been significant in terms of our planning documents over the past years. There is a major move towards community title living.

We have a situation that will have to be addressed right across-the-board. There are matters in terms of lease issues for body corporate managers. Right across-the-board there are matters that they have difficulty with involving the lot entitlements that are allocated by the developers. Why does the developer set the remunerations that must be paid by these people when he clears out as soon as he has sold all the units out of the body corporate title? It is absolutely ridiculous. The whole essence of community title living is that the community title owners must be in charge of their community. That means 50 per cent plus one through the body corporate of the building makes the decisions in relation to these matters. It is absolutely ridiculous for us to be juggling developer-set and real estate agent-

set prices entitlements that, in many cases, initially were set to give favourable saleability to certain parts of a complex.

We need to start from the ground up with a brand-new body corporate title scheme and the Attorney-General has assured me that that is where he is going. This is an interim step. That is why I will be supporting the Attorney-General's bill tonight. I do so knowing that the burden will shift again from one portion of that community title to another portion of that community title, and that will be judged unfair. Wherever you change the burden, it will be judged unfair by the person who is receiving the extra burden. Unfortunately, we are in a particular situation as a result of the previous Labor Party government's failings and its planning in this matter and we will have to sweep up and clean up after them.

My own view is that it will not be addressed and it will not be fixed properly in terms of the future growth of community titles until we have a whole and complete review of all matters. I mentioned already the long-term leases being negotiated for the management of these community titles. It is absolutely ridiculous that we have 25-year leases going out just to sustain the purchase prices of these very expensive management rights, which are a big part of the real estate dollar involved with the development of these properties. That means they probably paid too much for the land in the first instance, which is why they sell these long-term leases. If people move in with a 10-year lease and pay X dollars and then they get it out to 20 years, obviously they have doubled the capital return on their money because they have a 20-year lease to sell.

It is very simple economics, it is very easy to understand and it is absolutely classic that over all of these years the Labor Party has made an absolute dog's breakfast of community title living. The community title sector is growing. I will go one step further in terms of the decision about public companies being body corporate managers. That has led to major legal cases and major hold-ups in QCAT as public companies look to maximise the dollar; not maximise the service, but maximise the dollar. The shareholders' return is paramount, as it should be, but is that the appropriate place to be controlling the community title living of these bodies corporate and inflicting their money-maximising schemes on a body corporate that is really more interested in having a well-run community title? At every stage, you must look to the body corporate itself to be in charge of the future directions of that community.

I believe that in the not-too-distant future the Attorney-General will have a full and comprehensive review, which will enable the body corporate act to be rewritten again and fairness and equity shall be returned. In fact, all the arguments are there and the body corporate people know them, that is, the number of people using the swimming pools and the lifts, et cetera. When burden changes unfairly to one section, and in this particular case it is being reversed again, we understand and we sympathise with those who suffer the consequences. It is unfortunate. It is the fault of the Labor government from the very first instance of its failed legislation to allow matters to go to QCAT to be decided upon. People bought in knowing what they bought and knowing what their commitment was, and then the rules were changed. That was not fair and I feel sorry for the people who will be adversely affected by this decision, but I support the bill.