




Speech By
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MEMBER FOR COOPER

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**BUILDING UNITS AND GROUP TITLES AND OTHER LEGISLATION
AMENDMENT BILL**

 **Ms BUSH** (Cooper—ALP) (12.37 pm): I rise also to make a contribution to the Building Units and Group Titles and Other Legislation Amendment Bill. This bill contains amendments to improve the operation of the Building Units and Group Titles Act and the Mixed Use Development Act which, as others have said, are shortened to BUGTA and the MUD Act. The focus of these amendments is on making body corporate governance arrangements more transparent and fairer for proprietors, for example unit owners, in relevant developments.

Currently, there are over 500,000 body corporate lots in more than 50,000 community title schemes across Queensland. For anyone who has been on a body corporate or been managed by a body corporate I think it is fair to say that where we can establish a clear legislative framework, particularly around the expectations of bodies corporate, the role they play, the boundaries of that role, their expectations and transparency and how they communicate with their stakeholders, that clarity really will, in my view, help with preventing disputes for all parties. We heard during the inquiry of the need to make appropriate reforms to clarify their role.

The Strata Community Association of Queensland, whose membership represents around 80 per cent of the lots in Queensland, was largely supportive of the bill. Their view was that it strikes an appropriate balance in most areas between ensuring appropriate governance and protecting harmonious community living by ensuring that genuine conflicts of interest, frivolous and vexatious disputes and appropriate definitions of associates have been accounted for. This bill makes a vast improvement to those acts.

There are several important drivers for the bill. Stakeholders are concerned that BUGTA has not kept pace with the modern body corporate legislation and, as a result, proprietors and BUGTA developments do not enjoy the same protections as unit owners in the body corporate schemes. I think it is fair to say that the experience of proprietors at Couran Cove has illustrated why this reform is so important. For those unfamiliar with the Couran Cove case, it was well documented in the media how proprietors were without access to basic services—water, electricity and gas—for months. Although this bill is not designed to be a direct intervention in or response to those various disputes at Couran Cove, this dispute has helped to highlight the deficiencies in the MUD Act and BUGTA, particularly when compared to Queensland's body corporate legislation. Many of the amendments contained in the bill are based on existing provisions of the body corporate act and will go some way towards offering similar protections towards all proprietors.

I want to talk briefly to a couple of the key reforms that I understand will make a tangible difference to proprietors particularly. The first is in the area of dispute resolution. It will make it easier for bodies corporate to access dispute resolution services. Currently bodies corporate need a special resolution to initiate a proceeding. This bill relaxes that requirement under BUGTA. This change will make it easier,

for example, for a subsidiary body corporate to seek referee orders to resolve a dispute it is having with a community body corporate. The bill provides referees with greater flexibility by ensuring they observe natural justice and act in a less formal and technical manner.

Secondly, amendments will expressly require bodies corporate and committees under BUGTA and the MUD Act to act reasonably when carrying out their functions, including making or not making a decision. Critically, the bill includes requirements that where a higher level body corporate enters into an agreement for the provision of amenities or services and it is an essential utility service, which is prescribed as water, gas, electricity or sewerage, it must take all reasonable steps to ensure continuity of that amenity or service.

On the issue of conflicts of interest, potential conflicts of interest affecting committees are also addressed directly through new provisions requiring committee members to declare and refrain from voting on matters on which they have a conflict of interest. In relation to preserving subsidiary voting rights, the bill includes amendments that will preserve the rights of unfinancial subsidiaries to participate in the decision-making of community and precinct bodies corporate where the subsidiary is unfinancial due to the failure of the owners of undeveloped land in the subsidiary to pay the required contributions.

The bill requires that notices of committee and executive committee meetings be provided to committee members and proprietors prior to their meeting. It also requires that minutes of the committee and executive committee meetings, as well as general meetings, be provided to proprietors within 21 days of the holding of the meeting.

Finally, to minimise any potential increase in unmeritorious dispute resolution applications being made due to particular measures of the bill that expand grounds for dispute, it makes it easier to apply for dispute resolution or generally to increase awareness of rights and responsibilities. The bill allows referees to order moderate costs against an applicant who makes an application that is frivolous, vexatious, misconceived or without substance. This bill is a great step towards resolving some of the issues under the various acts, and I commend it to the House.