



Speech By  
**Hon. Shannon Fentiman**


**MEMBER FOR WATERFORD**

---

Record of Proceedings, 8 November 2022

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

### **Second Reading**

 **Hon. SM FENTIMAN** (Waterford—ALP) (Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence) (3.50 pm), in reply: I thank the honourable members of the House for their contributions to the debate and their support for the amendments in this bill. As members have noted, these amendments will make body corporate governance arrangements fairer and more transparent. The bill will ensure unit owners in those developments are provided with more of the protections and services that owners in developments under the more contemporary BCCM Act receive. The amendments in the bill were substantially informed by the circumstances of owners directly affected by the deficiencies in the acts that the bill proposes to amend. In addition, the development of amendments included in the bill benefited from substantial consultation with relevant stakeholder groups, resulting in several improvements being made as a direct result of stakeholder feedback. I would like to once again thank all owners and stakeholder group representatives who provided invaluable assistance during the bill's development. In particular, I again want to acknowledge all of the owners at Couran Cove for their tireless advocacy on this issue. I also want to briefly acknowledge all planners on World Town Planning Day today. Planners do vital work to ensure community titles schemes work appropriately and are in line with complex arrangements.

I will now address matters raised by honourable members during the debate on the bill. I thank the member for Clayfield for his support of the bill. I agree with the member's view that the amendments to BUGTA and the MUD Act contained in this bill should commence as soon as possible. That is why I have ensured that, subject to approval by the Governor in Council, these amendments are slated to commence on 1 December 2022.

The member also raised the issue of the QUT Property Law Review, which has closely considered issues around harmonising BUGTA with the BCCM Act. I am pleased to report that the Palaszczuk government has continued to do substantial work to implement the Property Law Review, which is looking at an impressive range of body corporate issues. Property law is complex and very technical. It is critical that government be diligent in its consideration and ensure any solutions appropriately address the many issues that are faced by community titles schemes without inadvertently causing any unintended consequences.

I would point out that the member for Clayfield failed to mention that the Palaszczuk government has already dealt with substantial parts of QUT's review of body corporate issues. In 2020, the five regulation modules that support the BCCM Act by providing the all-important procedural and administrative rules under which schemes operate were reformed, with four remade and one amended. The reforms to the regulation modules implemented either in full, or in part, 64 of QUT's

recommendations about important procedural and administrative reforms to the legislation which ensure owners are better protected. Those reforms also modernised procedural requirements by allowing for the adoption of new technologies such as electronic voting. These were important reforms and the owners of more than 50,000 lots under the BCCM Act are now benefiting from them.

In addition, as I highlighted in my second reading speech, the government has formed the Community Titles Legislation Working Group to provide advice to government about further body corporate issues. We committed to considering all of those issues before the working group and, following work on reforms to the BCCM Act, it is expected the working group will then provide advice on the further harmonisation of BUGTA and specified acts with the BCCM Act.

As I stated earlier, the reforms in this bill are not intended as a direct intervention into disputes at Couran Cove, but they will clearly benefit the owners and residents. Of particular relevance are the measures designed to address conflicts of interest, like improving committee member eligibility requirements and preventing committee members from voting when they owe debts to bodies corporate. These reforms, based largely on existing provisions of the BCCM framework, will help to ensure that committee governance is conducted in the interests of proprietors, rather than vested interests.

Reforms in this bill will help ensure the ongoing viability and sustainability of bodies corporate under BUGTA and MUDA. Contributions are the lifeblood of bodies corporate and if they are not paid bodies corporate can be left without the financial resources to administer and maintain the scheme. The losers are those owners who are paying their contributions. For that reason, the bill includes amendments to BUGTA to require that bodies corporate take action to recover contribution debts where a contribution has been owing for a specified period. This is another sensible reform that is based on existing requirements under the BCCM Act.

A more ambitious reform relevant to debt provisions is provided by amendments that preserve the voting rights of subsidiary bodies corporate in certain circumstances. As the requirements currently stand, where a subsidiary is unable to meet its financial responsibilities to a higher level body corporate, that subsidiary cannot vote at meetings of the higher level body corporate, which leaves the subsidiary unable to have a say in vital decisions that impact not only the subsidiary's future but also the entire development. The bill will ensure that where those debts are owing because owners of undeveloped lots have not paid their contributions, the subsidiary body will still be able to vote at meetings of a higher level body corporate.

We also heard members opposite claim that the government has not appropriately resourced the Office of the Commissioner for Body Corporate and Community Management. I say again that in this year's budget we committed \$2.5 million over the next three years to the commissioner's office to ensure they were able to properly implement these changes. While we will of course look at further funding if required, I note that my department dealt with this at length as part of its contribution to the committee's inquiry.

In his contribution to the second reading debate, the member for Scenic Rim raised the issue of reasonableness in relation to adjudications by the BCCM commissioner, but failed to mention that he asked the department about this issue in July and was provided a detailed response. As the department noted at the time, if the full brunt of issues were faced by the commissioner, this would be an increase of less than 50 referrals per annum. The department noted at the time—

... the Bill includes provisions supporting an information and education service for unit owners and other stakeholders in BUGT Act developments (comparable to services provided under the BCCM Act)

We want these changes to lead to more, not less, harmonious community titles schemes in Queensland. This bill is important and it will have a beneficial impact on the lives of those owning and living in relevant developments. For the benefit of those opposite, I want to clarify that the BCCM Act's provisions for requirements to act reasonably have been in place for some time and have provided benefits to owners under that framework since its commencement. They provide a general capacity for people to seek to remedy problems facing them that are not otherwise covered by specific provisions of the BCCM Act or its regulation modules. It is appropriate and fair to ensure that owners in BUGT Act and MUD Act bodies corporate also enjoy the same assurance that the decision-making processes comprising governance of their developments must be reasonable. In acknowledgement of the possibility that there may be some misuse or misunderstanding of these grounds for dispute, the bill will also allow referees to award modest costs—of up to \$2,000—where an application is vexatious, frivolous, misconceived or without substance. This is based on a similar power included in the BCCM Act, which is seldom used but which it would appear has been effective in disincentivising inappropriate applications.

The member for Noosa, who is a member of the committee, also spoke on the bill and I thank her for her support. I note the member is concerned about additional ongoing funding for the Office of the Commissioner for Body Corporate and Community Management as it is clear the community titles sector in Queensland is growing rapidly. Government takes potential impacts of the bill's changes on the role of the commissioner's office very seriously and, as I have previously mentioned, we have given an additional \$2.5 million to the office to support effective implementation of the reforms. I also note that the member has a keen interest in the body corporate sector generally and my office and I are always happy to discuss any issues or concerns she may have.

I would like to very briefly address the contribution of the member for South Brisbane, and it will be brief as most of her contribution was out of order. Had the member for South Brisbane listened to my contribution she would have heard that many of the issues she has raised are currently being dealt with by the Community Titles Legislation Working Group and there will be further bills introduced to progress these further reforms.

I also want to acknowledge the contribution of the member for Surfers Paradise who, as well as his support, has given us perhaps the best example of saying out loud what should remain quiet by admitting that he misses receiving donations from property developers. The member for Surfers Paradise said he 'missed seeing HSP nominees' on cheques. I knew those opposite were stridently opposed to our proud record on integrity and transparency, but this is another level. Despite all of that, I acknowledge that the LNP will be supporting this bill and I thank the members opposite who have spoken in favour of the bill.

Again I want to say that I have met with Couran Cove residents a number of times. I first met with them over 18 months ago and since then have been committed to making sure we work to address these issues. Whenever we have been made aware of issues at Couran Cove, including private utilities being switched off, my department and I have acted. We have done what we can to ensure that residents are supported and are aware of organisations and agencies that can provide emergency assistance. Of course, the behaviour that we have seen at Couran Cove is unacceptable and I hope that this legislation sends a clear message across the state that it will not be tolerated. In conclusion, I once again thank all honourable members for their contributions during the debate. I commend the bill to the House.