




Speech By
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MEMBER FOR BURLEIGH

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PROPERTY LAW BILL

 **Mr HART** (Burleigh—LNP) (6.30 pm): I rise to talk to the Property Law Bill 2023. It is interesting that this bill replaces a bill that was first tabled in 1974 and amended in 1975—almost 50 years ago—yet things have moved on dramatically in those 50 years. The world is not the same place it was. The process of buying and selling is not the same process that it was in those days so this is long overdue. How long overdue is it? In 2014 the member for Kawana sent the 1974 act to QUT's Commercial and Property Law Research Centre for review. The LNP identified that the act needed to be updated. QUT received many submissions. Property and body corporate law is very complicated. It took QUT four years—until 2018—to finalise its report. The government has rushed ahead—from 2018 to 2023—to bring this very important bill to the parliament after a mere five years of thinking about it. If you think that is sarcasm, you are exactly right.

There are a number of issues that I will talk to. Other members have raised that the LGAQ had issues with disclosure around natural hazard issues. I would like to add to that debate. There are issues with the process of disclosing natural hazard issues, should the government have gone down that path. There are costs involved and there are problems, for example in relation to flooding, as to exactly where this information should be obtained, how accurate it is and what it is that needs to be disclosed should we go down that path. On the Gold Coast, for instance, in the area that I live, Palm Beach, the Gold Coast City council has a very extensive flood-mapping program. You can go online and look at it. A few years ago the government mandated that councils needed to add 0.8 of a metre for climate change in the future. That has completely changed the flood mapping and made many parts of Palm Beach now apparently affected by floods even though ground-truthing would probably tell you a different story.

It is a case of seller beware. They need to do their own due diligence, and that is a problem. The committee heard from some companies involved in disclosures that their companies may in fact close down because of these changes that the government is making. It is a double-edged sword as to whether we should look for more disclosure in a process that takes out these companies that are acting professionally to provide this information as far as disclosure and warranties to real estate agents go.

We have moved on from going into a solicitor's office and signing a document to buy or sell a property. During COVID we saw some very sensible changes made that allowed for electronic signatures. I am fully supportive of continuing those processes now that we have moved past COVID and we do not really need them. It made sense at the time and it makes sense to keep those things going.

The main issue I want to talk about is the changes to disclosures for off-the-plan sales as far as building management statements, or BMSs, are concerned. I have some firsthand experience of purchasing off the plan in the last few years. An off-the-plan contract is very big and it takes quite a bit of reading to get through it. I am hesitant to say that a lot of people may not read them. Some of these building management statements are put in place after you sign a contract for an off-the-plan sale and you do not know what is in them. In the case of my wife and me buying a unit, that is exactly what happened. We saw a building management statement put in place that gave the developer 25 or 30

years of management of our building with conditions set that they were to do item 1, 2, 3—take the garbage out, polish the windows, clean things in the place—and they were paid a certain amount of money for it. In the first 12 months of us moving into that unit, because the developer is still controlling the body corporate, they changed that management statement completely. They left their money in there, but they took out all the conditions and the work they had to do and shifted that to the body corporate. Basically, the body corporate was paying a huge amount of money for something they were no longer getting, which was what they had agreed to right at the start. That is something that definitely needs attention.

Something we as a parliament could think of in the future is making it so that the developer does not actually sell the management plans; we have a temporary management plan put in place for the first 12 months, until the owners form their own body corporate and they decide what they want to do with regard to selling the management plan moving forward. It could be that they decide there is a whole list of things they want done by the manager of the building and they are willing to pay a certain amount of money for it. It should be up to the owners of those lots to make that decision and not for a developer to make a profit from them. Again, that is a double-edged sword because we would be taking away some of the profit that developers make and therefore possibly making the sale of the project uneconomical for the developer. I would far rather know that I am paying for something right at the start than find out later that I am paying for something I am not getting.

Returning to disclosure of a natural hazard risk, I think there could be some disclosures put in place. It would not be too hard, especially in a place like the Gold Coast, to allocate a number for each lot on the Gold Coast and determine whether they are faced with natural disasters such as flooding, fire or anything else. That is what you disclose to people so that they know in advance what they are buying. In the last year a number of houses have flooded in my electorate and in the electorate of Currumbin, and these houses are now up for sale. I would like to think that the people who are buying those houses are fully aware of what has happened in the past and what could happen in the future. There are some advantages in moving towards that sort of system, but we have to be careful how we do it. Tonight the Greens have come in here and foreshadowed some amendments, but we cannot support those amendments because they have been rushed and are not thought through. We really need to make sure there are no unintended consequences to such things.

The LNP supports the bill. I support the bill. Do I think it could be better? Yes, I think it could be better. Given that we have been looking at this for over nine years, we probably had time to make it better but we have not, so let us think about it in the future.