




Speech By
Sandy Bolton

MEMBER FOR NOOSA

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

 **Ms BOLTON** (Noosa—Ind) (5.22 pm): With the continuing growth of community title apartment and unit living in Queensland, the effective management of these buildings requires body corporate laws that are regularly updated to ensure they are relevant to today's needs. The Body Corporate and Community Management and Other Legislation Amendment Bill 2023 introduces reforms to these body corporate laws, mainly amendments to the process for the termination of body corporate schemes utilised when buildings reach their use-by date or are determined as such.

The first body corporate legislation was introduced in 1961. Since then we have seen an explosion of body corporate buildings, most commonly apartment blocks. It is now 60 years later, and as these buildings age there is a need to manage them as they reach end of life when an analysis shows that it makes more economic sense to redevelop, in many cases, rather than continue to make more and more expensive repairs, which many owners cannot afford. Currently, the only practical way to do this is for owners to agree to do so without dissent, which can allow a single lot owner or a small group to hold out, effectively giving them a veto power.

The practical issue at the centre of this is that with bodies corporate the property is collectively owned by all of the apartment owners who may have different interests, financial capabilities and alternative options available. Some owners may be investors evaluating their options using an Excel spreadsheet; for others, it has been their only home for the past 30 years and there are limited options in their neighbourhood for them to move to. Any method for terminating a body corporate must recognise this.

The proposal put forward in this bill is that the body corporate can vote for an analysis as to whether the termination makes economic sense. If it does, then 75 per cent of the body corporate can vote to terminate the body corporate and sell off the buildings for redevelopment. How effective this mechanism will be is not clear for two reasons: first, as I raised in my statement of reservation, many residents and property owner groups representing unit owners were not supportive of the termination provisions. One submitter stated that the plan is to force the eviction of mainly elderly and not-so-rich residents who have lived in these cheaper abodes. Another said that the present housing landscape already presents difficulties in finding suitable accommodation, and this would be exacerbated by such a move. Secondly, we do not have any modelling or analysis as to how this scheme would impact on the market. As was pointed out in another statement of reservation, when questioned the department could not say how many schemes could be impacted. They said, 'I think it is fair to say that we have not done any formal modelling on how many schemes this could potentially impact.'

We know there are potential problems with the model as presented, with reports of failings in the New South Wales scheme when duelling developers use the scheme to stymie opposing bids for properties. The government has said this reform would address the current housing crisis yet, as the Main Beach Association stated, there is at least a five-year period between a developer's acquisition of

a site and the completion of construction, assuming that a DA is approved quickly, so the law may instead diminish housing supply in the interim years. Given that we do not have a full understanding of what the termination provisions will realistically achieve for housing diversity, the review time frames recommended in the committee's report should have been shortened from the two years proposed.

The other major body corporate changes in the bill are by-law powers to ban second-hand smoke in common properties and private balconies and courtyards; restrictions on the pets residents can keep; and clarifying the existing powers of bodies corporate to tow illegally parked cars. By-laws are by their nature complex, and often bodies corporate will have limited skills and capabilities to deal with them. In its submission, Strata Solve argued that considerable time and resources will need to be devoted to education and information. The committee report recommended that further education be provided in relation to by-laws on towing cars; however, this should be undertaken for all of the by-law changes to ensure they are effectively introduced and understood.

Another concern I raised in my statement of reservation was that, as noted by the Unit Owners Association of Queensland, there is an insufficient representation of unit owner groups on the Community Titles Legislation Working Group and the current numbers on the group should be extended to accommodate that. As members would have seen, the committee's report made a number of recommendations on a number of issues that are going to be referred to them for further consideration.

Also in my statement of reservation I noted the short time frames given to the committee, as reflected by both feedback from submitters and the volume of late submissions. With a number of issues my office has raised still to be resolved regarding bodies corporate, we look forward to these being addressed in the next tranche of amendments, and we have been reassured they will be. Thank you to our chair, the member for Toohey, and fellow members of the Legal Affairs and Safety Committee for their work; our secretariat, who are incredibly hard working; the Department of Justice and Attorney-General; and all stakeholders and witnesses who gave their time to make submissions and appear at hearings.