

2 February 2017

QUT Review – BCCM  
C/ Office Regulatory Policy  
Department of Justice and Attorney-General  
GPO BOX 3111  
BRISBANE QLD 4001

VIA EMAIL: [QUTreview-BCCM@justice.qld.gov.au](mailto:QUTreview-BCCM@justice.qld.gov.au)

Dear Attorney

## **RESPONSE TO THE PROPERTY LAW REVIEW LOT ENTITLEMENTS UNDER THE BCCMA 1997 – FINAL RECOMMENDATIONS**

Strata Community Australia (Qld) Limited (“SCA (Qld)”), the Australian Resident Accommodation Managers’ Association Queensland (“ARAMA Qld”) and the Owners Corporation Network Queensland (“OCN Qld”) thank the Attorney-General for inviting responses to the Final Recommendations.

### **ABOUT THE STAKEHOLDER GROUP**

SCA (Qld), ARAMA and OCN Qld are the leading non-profit organisations in the strata and community title sector in Queensland. Collectively we represent more than 378,000 unit owners living or investing in strata units, around 283,000 lots under management and approximately 3,000 management rights buildings.

SCA (Qld), ARAMA and OCN Qld have formed the Stakeholder Umbrella Group to collaboratively represent common interests. The Group’s focus is to remove costs for owners, increase productivity, and reduce red tape. In 2015 the Group has jointly submitted its response to the Options Paper “Body Corporate Governance”. In this, the group aligned in 27 out of 29 questions. In relation to the “Procedural issues under the BCCMA” the group agreed on most of the 89 questions with the only exception being spending limits, two quote requirements for body corporate managers and voting rights for resident letting agents.

### **GROUP SUBMISSION ON FINAL RECOMMENDATIONS**

On this occasion, the Stakeholder Umbrella Group has consulted one another again regarding the Final Recommendations and has come to the conclusion that a change to the sector is not desired.

In addition to each organisation's own submission in which each group independently rejected the new model, we further submit a combined response.

In summary, the Stakeholder Umbrella Group strongly agreed that the vast majority of the 46,000 schemes do not have any concerns about lot entitlements. On the contrary, there are only a small number of schemes that have experienced disputes around the lot entitlements and the stakeholder group does not believe that this necessitates another change of status quo. It is critical to realise that a change to 46,000 schemes is bound to create tension between the owners in schemes and differences in opinion which will ultimately lead to disputes that may drag on for years and cost tens of thousands of dollars.

The Group acknowledges that the review panel's recommendations recognise change in the strata sector and that a fair, equitable principle is being sought to eliminate the tensions surrounding lot entitlements. However, the stakeholder group submits that the introduction of a new system with three expense categories will cause more disputes within bodies corporate and with the Commissioner for Body Corporate and Community Management and more costs in the short term due to increased professional advice needed.

As an umbrella group we don't see that a major legislative change on the lot entitlements issue will have a positive impact on the Queensland strata sector.

However, under the circumstances that this new model is to go ahead, the Stakeholder Group supports SCA (Qld)'s submission which made practical recommendations on how to adjust the new model to have less impact on the sector and minimise disputes between lot owners.

## **GENERAL COMMENTS ON THE PROPERTY LAW REVIEW**

Throughout the past 3 years there have been twelve discussion papers for the Property Law Review. The stakeholder group firmly believes that for the 442,000 lot owners it would be more advantageous to tackle the operational and community living issues before finalising and drafting legislation for the lot entitlements.

In particular, of the twelve discussion papers, Options Paper 3 (Body Corporate Governance issues: By-Laws, Debt Recovery and Scheme Termination) and Issues Paper 4 (Procedural Issues under the BCCMA) are addressing the issues that have the biggest potential of bringing about real change to strata title owners. The focus should remain on driving these to finalisation for the benefit of lot owners as these have real potential to remove inequities that currently exist for strata scheme owners and residents. From a

consumer perspective there is also tremendous scope to reduce costs through many of the issues addressed in the combined 118 questions of these two Issues Papers.

The Stakeholder group knows that there is bipartisan support for the strata sector modernisation simply because its importance to Queensland's \$100 billion strata property sector is easily demonstrated. A piece of legislation that is now 20 years old cries out for a major review. By 2030, it is estimated that 50% of Queenslanders will be living in apartments, units and townhouses and the sector needs meaningful change.

## FURTHER INFORMATION

SCA (Qld), ARAMA Qld and OCN appreciate the opportunity to provide this joint submission and are available to discuss this joint submission and the proposed reforms with an appropriate Government representative or QUT representative. In this regard, the Government may contact:

The Stakeholder Umbrella Group:

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We, the undersigned, submit this unity statement in support of our respective submissions.

Sincerely



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Garry Maynard  
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