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STRATA LEADERS CONCERNED PROPOSED QLD STRATA REFORM WILL COLLECTIVELY COST BODIES CORPORATE \$30-40 MILLION PER YEAR

THEY URGE QUEENSLAND GOVERNMENT TO DROP 'BURDENSOME' ADDITIONAL COMPULSORY COMMITTEE MEETINGS

There's concern that new reforms proposed by the State Government will cost unit, townhouse, apartment and other strata titled owners in Queensland up to an additional \$40million each year.

The state's peak body representing more than 1.2million Queenslanders who live in apartments, units and townhouses is calling on the Queensland Government to remove a proposed reform they fear will "just add another hurdle for bodies corporate".

Following a five-year consultation process, Strata Community Association (QLD) is making one final bid to improve proposed strata reforms before the Body Corporate and Community Management (Standard Module) Regulation 2019 is enacted later this year.

SCA is concerned the proposed reform requiring committees to meet to approve the agenda for each general meeting will place a heavy burden on bodies corporate managers who are already time poor due to a lack of industry professionals, could collectively cost Queensland bodies corporate \$30-40million per year.

SCA (QLD) President Simon Barnard says, "Adding a compulsory committee meeting to a minimum requirement to manage a scheme could in effect, add 50,446 meetings a year in the strata sector as a whole.

"Most body corporate managers already struggle to schedule the compulsory meetings with their bodies corporate at a time convenient to all participants and this additional meeting per scheme would add to these constraints.

"Furthermore, there could be an extra cost to the body corporate, in the form of holding an additional meeting, if approving the AGM agenda were made mandatory. A meeting per scheme costs on average, \$600-800 to hold. An additional meeting for each of the 50,446 bodies corporate would collectively add \$30-40million a year of unnecessary expenses to the Queensland strata community."

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However, Mr Barnard says the primary reason SCA (QLD) opposes this proposed additional consensus requirement is due to owner apathy and motivating owners to partake in one additional meeting per year will be an administrative difficulty.

“Non-participation in this compulsory meeting may then result in delays to the general meetings being held or problems holding them at all, which will cause a range of issues with BCCMA compliance requirements.

“While we always actively encourage owner participation in bodies corporate decision-making and we welcome initiatives that will increase owner understanding of the BCCMA requirements, we think this measure will just add another hurdle for bodies corporate without any meaningful benefit.”

SCA (QLD), which has been heavily consulted on the BCCMA, has congratulated the Queensland Government for ensuring all stakeholder voices have been heard and feedback has been incorporated into the regulatory reform. However, they are now asking for quick action to be taken through the incorporation of their final submission.

However, as a compromise Mr Barnard also suggests, “If this new recommendation were to be adopted, SCA (QLD) agrees the approval should not need to be held in person. We believe for good governance reasons, a notification requirement with the opportunity to object would be sufficient to achieve the desired outcome.”

ENDS

About Strata Community Association

Strata Community Association Limited (SCA) is the peak industry body for Body Corporate and Community Title Management in Australia & New Zealand. Membership includes body corporate managers, support staff, committee members and suppliers of products and services to the industry. SCA proudly fulfils the dual roles of a professional institute and consumer advocate.

SCA has in excess of 3,300 members who help oversee, advise or manage a combined property portfolio with an estimated replacement value of over \$1.2 trillion. Website: <http://stratacommunity.org.au/>

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