



Strata Reforms: Introducing the Body Corporate and Community Management and Other Legislation Amendment Bill

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Originally announced earlier this year by the Queensland Government as a key measure arising from the 2022 Housing Summit, on 24 August 2023 the Queensland Government introduced the *Body Corporate and Community Management and Other Legislation Amendment Bill 2023* (the **Bill**) into the Queensland Parliament.

The Bill is intended to reform Queensland's body corporate legislation, the *Body Corporate and Community Management Act 1997*, including by allowing for termination of uneconomic community title schemes to facilitate renewal and redevelopment.

Termination of Schemes

A key reform in the Bill will reduce the current termination of threshold in Queensland from 100 per cent (unanimous resolution without dissent) to 75 per cent where there are economic reasons to terminate a community title scheme (**scheme**). This change is intended to address barriers to accessing housing supply throughout the State and means that a single owner or small group of owners in a scheme cannot prevent termination of the scheme (which may even be in an unsafe building). This reform will benefit developers who have

been roadblocked in their attempts to redevelop the land and provide additional housing that exists on sites currently, as well as bodies corporate who are staring down the barrel of costly structural repairs and maintenance for older and smaller schemes.

Economic Reasons to Terminate

Under the amended legislation, an economic reason required to terminate a scheme will include instances where it is not economically viable, or will not be



economically viable within 5 years, to carry out maintenance or repairs to the common property of the scheme (for which the body corporate is responsible). This could be very relevant to older apartment blocks subject to decay particularly in coastal locations.

The Bill includes a range of safeguards for owners, including requirements for professional reports, meetings, notice periods, minimum compensation requirements, and dispute resolution pathways in order to balance out the risk of exposure to unnecessary scheme terminations. For instance, should there not be an economic reason to terminate and any owners dissent to the termination of the scheme, then an order of the District Court will be required.

Other Reforms

Some other amendments in the Bill include the ability for bodies corporate to:

1. make by-laws to prohibit smoking in outdoor and communal areas (to prevent exposure to second hand smoke) in the scheme;
2. prevent banning of pets, except in specific circumstances and permit reasonable conditions on pet approvals (such as transport through communal areas in a carry cage, pet pram, or on a leash); and
3. towing away vehicles that are preventing access or causing a hazard.

The Bill also proposes reforms to the sunset dates for off-the-plan contracts. The sunset date is the date by which settlement of the contract of sale must occur and is commonly anywhere from 3 years to 5 ½ years after the Contract Date for land under a scheme. If settlement has not occurred by the sunset date, then either the buyer or seller may be able to terminate the contract.

The reforms will limit when sunset clauses may be invoked by sellers and developers

to terminate off-the-plan contracts relating to land in specific situations, namely:

- a) with the written consent of the buyer;
- b) under an order of the Supreme Court; or
- c) in another situation prescribed by regulation.

Once the Bill is passed, it is anticipated that the amendments will come into effect soon after.

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