

**From:** [Newnes](#)  
**To:** [Legal Affairs and Community Safety Committee](#)  
**Subject:** Submission in support of the proposed new BODY CORPORATE AND COMMUNITY MANAGEMENT & OTHER LEGISLATION AMENDMENT BILL 2012  
**Date:** Friday, 12 October 2012 7:29:15 AM

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The Research Director,  
Parliamentary Legal Affairs and Community Safety Committee,

Re. Body Corporate and Community Management and other legislation Amendment  
Bill 2012

I would like to welcome whole heartedly this amended legislation as it now restores the apportionment of contribution levies to a more fair and just method, as previously introduced by the Coalition Government in 1997.

In the case of our building (which has 193 apartments) we followed the LNP 1997 legislative guidelines, engaged not one but two Quantity Surveyors (two parties in dispute) to examine every conceivable cost component for the building and then each common area cost component was equitably apportioned to each lot. Incidentally, the cost analysis for the apportionment of levies provided by both Quantity Surveyors was almost identical. We then submitted the two reports to a specialist Adjudicator (Mr Gary Bugden) who then made a determination for the adjustment of the Contribution Lot Entitlements, selecting one of the Quantity Surveyor's schedule and this was then ratified by the Commissioner. I cannot see a fairer system for determining equitable Contribution Lot Entitlements than this method.

Importantly, after the contribution Lot Entitlements Schedule was adjusted, following the above procedure in 1997, the highest increases in levies amounted to about \$1,288.00.00 per annum - not a huge financial burden at an extra \$24.77 per week. We could also argue that because of the unjust system originally set by the developers, purely for marketing purposes, the high rise owners have been subsidising the low rise owners for many years - 10 years in our case. Whereas when the ALP legislation was passed in 2011, my levy increased from \$8,609.00 to \$22,834.00, an increase of \$14,225 p.a. or \$274.00 per week.

Moreover, an increase of \$24.77 per week would have very little impact on owners trying to sell their apartments or to affect the value of the unit but you would know that trying to now sell a high rise apartment with an extra \$274.00 per week (a total Body Corporate levy increased from about \$8,609 to \$22,834 per annum.) would be extremely difficult and it would have a significant impact in devaluing the property as well.

Under the 2011 ALP legislation our building schedule for the Contribution Lot Entitlements was reversed to the original developers schedule which was very incorrectly based on marketing strategies, size and level - which really had very little to do with common area costs. For example, using just one cost component, I now pay \$3,400.00 per annum toward the Caretakers fee because I am on a high floor whereas owners in lower / mid- level apartments would pay less than \$1,000.00. The Caretaker does no more work for me and my wife than anyone else. In fact, he would have more work for lower apartments with multiple residents and tenants.

I would ask your Committee to also consider that not all penthouse and high rise owners are wealthy and able to meet this added financial burden and subsidise the costs for low rise apartments. Some owners bought years ago when apartments were not so expensive and they were probably all working. There are now quite a few owners who have retired and are self-funded retirees and because of the GFC this unjust increase in levies is

unbearable and so unfair.

I would again put forward the following points against the unjust ALP 2011 legislation:

1. The current LNP Government strenuously fought against the ALP legislation in April 2011. MP Jann Stuckey said it was abominable and her paper she delivered in Parliament (available on Hansard) made a compelling and indisputable argument against the ALP legislation at the time.
2. There was widespread criticism from all Industry leaders who all thought the legislation was unfair and very bad law viz :

Respected loss adjusters and Quantity Surveyors such as Leary and Partners

The Qld. law Society.

The unit Holders Assoc.

Australian College of Community Assoc. of Lawyers.

Unit Holders Alliance.

Based on the above I hope your Committee will agree to repeal the ALP legislation particularly in respect of buildings such as ours where we have followed the LNP 1997 legislation system which was at that time hailed as ground breaking legislation, even by Labor Ministers and considered to be fair and just. Furthermore, as all the above Industry leaders have condemned the ALP April 2011 legislation I hope that your Committee will be convinced that something is terribly wrong and that the LNP needs to pass the new legislation (under Division 3) with a reasonable back - date in order to restore a fairer and just system for ALL Lot owners.

Kind regards,  
Neville and Helen Newnes

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