

From: [Brett Atkinson](#)
To: [Legal Affairs and Community Safety Committee](#)
Subject: Proposed Changes to Body Corporate Laws
Date: Sunday, 14 October 2012 10:40:57 AM

Brett Atkinson

Attention : The Research Director

Re :

Body Corporate and Community Management and Other Legislation
Amendment Bill 2012

I have been living on the [REDACTED] floor of the Q1 for over 6 years and living on the Gold Coast all my life. About 18 months my body corporate fees increase by over 30% (\$100 weekly to \$130 weekly) due to the change in legislation (Was just changed back 8 weeks ago).

Then I was almost paying the same as the penthouse of the Q1 which is over 10 times the size of my unit. This can house more residents to use the common facilities (lifts, pools, car parking and gym) and it has the same amount of lights, windows and floor space as 10 units on my floor but under the proposed changes in this bill they would pay \$9000 for the floor, while my floor pays over \$60000? That is just not fair and just.

Also all the higher units (Floors 60 -74) are 3 bedroom units at least or more so they can house 3 times the amount of residents and only pay 20% more than my unit.

This proposed change in laws is not fair to the majority of owners living in units across Queensland. More than 70% of owners will face large increases in Body Corporate in our building. The owners facing this change have units valued between \$250000 - \$600000. The owners standing to benefit from the change units are worth more than \$600000 and the average would be over \$1m per unit.

The table below details the percentage of levies paid by all units on each of these floors. Table one compares the percentage of levies paid by each floor as determined by the developer (which are currently in place at Q1). Table two compares the levies that Q1 will revert to if this amendment is passed.

You will note that the lower the floor the greater the contribution that floor makes to total levies.

Contribution Lot Entitlements as a percentage of total entitlements.

Levies as set by the developer

Levies that will apply if the amendment is passed

Level 74 (penthouse)	1.07%	Level 74 (penthouse)	.25%
Level 69 (4 units)	1.23%	Level 69 (4 units)	.79%
Level 40 (7 units)	1.30%	Level 40 (7 units)	1.33%
Level 19 (10 units)	1.53%	Level 19 (10 units)	1.86%

There are two types of lot entitlements that apply to bodies corporate. One is the Contribution Lot Entitlements which levies lot owners for costs to maintain the common property. The second is the Interest Lot Entitlements (ILE). The ILE determines the ownership of common property. Common property includes all areas not owned by a single unit owner. This includes the foyer on each floor, the swimming pools, the gym, gardens etc. The Interest Lot Entitlement is used to determine the share of the insurance cost each unit owner will pay.

This table records the Interest Lot Entitlements (ownership of Common Property) as a percentage of total entitlements.

Level 74 (penthouse)	2.10%
Level 69 (4 units)	1.79%
Level 40 (7 units)	1.28%
Level 19 (10 units)	1.12%

The penthouse, for example, effectively has a 2.10% share of the entire property. But if you refer back to the Contribution Lot schedule above you will note that the penthouse, under the post amendment levy, will pay just .25% of the maintenance cost of the entire property.

To maintain an investment of \$10,000,000 the penthouse unit owner will pay just \$9,104 in levies. The penthouse levy will equate to 0.09% of the assessed capital value of the unit. Contrast this to the unit owners on level 19 who will pay \$66,641 or 1.17% of the assessed value of the ten units to maintain their asset.

The unit owners on level 19 will pay a levy 13 times the ratio of maintenance to assessed value as does the penthouse unit owner.

I am sure that all other high rise units across Queensland would have the same issues and it will have a massive affect on Gold Coast residents as to the number of high rise apartments here.

I recommend:

1. That the Committee requests the Attorney General to allow further time for submissions. Many unit owners at the Gold Coast live interstate or overseas. These owners will not be able to be informed of the proposed amendment in time to make a submission. I recommend that there be a period of at least 3 months, but preferably 6 months to allow time for affected unit owners to participate.

Those unit owners who support the amendment have had 17 months to put their case before the government. With advertising about this amendment only commencing on the 30th September those unit owners opposed to the legislation have just 19 days to get advice, garner support and make a submission. By any measure this short time frame is unfair.

2. (a) That the Committee return the amendment to the Attorney General (AG), *with a recommendation that a complete review of the way lot entitlements are determined be accomplished by an independent review panel.* A review of sorts has already been flagged by the AG. This review panel should include a broad cross section of those involved in the industry; including unit owner representatives. It is a mystery to many, as to why the AG did not complete this review before recommending changes to the legislation.

2 (b) Failing the adoption of (a) above that the Committee return the amendment to the AG, *with a recommendation that the amendment be altered so no future applications to revert lot entitlements under the April 2011 be permitted pending a review.* However, any adjustments made prior to the proposed legislation be permitted to remain unchanged pending a review.

I believe the amendment is not fair and just for the average unit holder in a high rise. It seems to favour the few more wealthier owners over the larger group of owners. This is just not right.

Please reconsider passing this bill as this is the right outcome and fair for all owners.

Looking forward to your favourable response.

Your faithfully

Brett Atkinson