

PETER & SANDRA COOPER



12 September 2012

Legal Affairs and Community Safety Committee
Parliament House, George Street,
Brisbane, QLD. 4000



Dear Sirs

**Submission Regarding Body Corporate and Community Management
and Other Legislation Amendment Bill, 2012**

This submission relates to the Body Corporate and Community Management and Other Legislation Amendment Bill, 2012. We are a semi-retired couple who own and occupy a 2-bedroom apartment in Admiralty Towers II, Brisbane.

If implemented, the proposed amendment bill will substantially increase the body corporate fees and other charges for me and for over 300,000 other small apartment owners throughout Queensland. The amendment bill will substantially benefit the owners of a small number of penthouses/sub-penthouses at the expense of the owners and occupants of numerous smaller units (more than 90% of apartments). The only way that the loss of contributions from the larger units can be made up is by increasing the contribution of the mostly longstanding owners of the smaller units. We consider the amendment bill is unfair to the owners and occupants of the smaller units, many of whom are low-income earners or retirees on fixed incomes.

Our building, Admiralty Towers II, provides a typical example of the inequities that will arise if the amendment bill is implemented. The penthouses and sub-penthouses are located on levels 34-36 (2 or 3 units per level), while most of the smaller units are located on floors 2-21 (6 units per level). Levels 22-33 include sub-penthouses as well as 2 and 3-bedroom units. In total there are 20 penthouses/sub-penthouses (10% of the total) and 173 smaller units (90%).

Table 1 – Total Lot Entitlements Arising from the Amendment Bill

Levels	Type	Total Floor Area of Each Level Sq m	No of Apartments per level	Estimated Total Lot Entitlement Contribution \$ per Level	Average Estimated Lot Entitlement \$ per Apartment
36	Penthouse	849	2	11,234	5,617
34-35	Sub-penthouse	850-881	3	15,400-16,400	5,130-4,470
22-33	Mixed	845-939	5	24,800	4,960
2-21	2 and 3-br units	846-878	6	29,021	4,837

Note: Estimates in Table 1 obtained from Body Corporate Committee data.

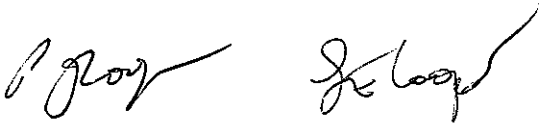
As can be seen from the above table, if the amendment bill is actioned, the lot entitlement contribution **per level** from levels 34-36 would be only about 39-56% of the contribution **per level** from levels 2-21, despite the fact that the area of each level is similar. Put another way, the lot entitlement contribution per square meter of floor area for levels 34-36 would only be about 40% of the contribution per square metre of floor area for levels 2-21. This situation would be clearly inequitable, especially considering that the common property (pool, gymnasium etc) above level 22 is not accessible to residents of the lower levels, while the owners of apartments from levels 22-36 have access to all common property of the building.

The proposed amendment bill will unfairly increase the body corporate and other charges for us and for thousands of other small apartment owners throughout Queensland by an estimated 40-100%. In our case, the fees are estimated to increase by about \$1,800/year (40% increase), while for smaller 2-bedroom units in Admiralty Towers II, the increase is estimated at about \$2,000/year. The outcome of the proposed amendment would be a major blow to small apartment owners who are least able to afford the resultant additional fees.

The amendment bill will deprive body corporate committees of power to revert levies to those set by the original developer. As many of the small apartment owners in our building are long term residents who purchased their apartments under the original developer's body corporate scheme, it seems unjust to materially change the basis under which they made their original purchase. Similarly, the owners of the larger apartments such as penthouses are longstanding owners who would have been well aware of their ongoing lot contribution obligations at the time of purchase.

In conclusion, we submit that the proposed amendment bill is inequitable. It will benefit a small number of penthouse/sub-penthouse and large apartment owners at the expense of the smaller apartment owners for whom unexpected, substantial body corporate fee increases will cause undue financial hardship and in many cases will cause animosity and division between apartment owners. It will also undoubtedly cause widespread dissatisfaction of many thousands of small apartment owners with the new Queensland Government when they become fully aware of the impact of the amendment bill.

Sincerely

The image shows two handwritten signatures in black ink. The signature on the left is 'Peter Cooper' and the signature on the right is 'Sandra Cooper'. Both are written in a cursive, flowing style.

Peter and Sandra Cooper