



Body Corporate & Community
Management & Other
Legislation Amendment Bill 2012
Submission 139

The Research Director, Legal Affairs and
Community Safety Committee
Parliament House,
George Street,
Brisbane Qld 4000

Dear Sir

Re Bill introduced to Parliament on 14 September 2012 to amend Body Corporate Lot entitlements.

We are residents of Q1 in Queensland and represent many owners and residents at Q1. We support the decision made by the Government to amend the legislation and would like to thank the Attorney General for introducing the bill into parliament.

Rather than inundate the parliamentary committee with numerous letters, we have decided to express our support on a collective basis.

Reversing the reversal

It would be fair to all buildings that have been forced to reverse the contributions lot entitlements after April 2011 if they can revert back to the prior contributions ordered by QCAT as from 14 September 2012. Alternatively, if possible, it is suggested that any CMS lot entitlement contribution schedules carried out after April 2011 to date could be made void.

Any process that may be required prior to adjusting the levies may need consideration so that the cost of this process is minimised. Owners at Q1 have already had to outlay significant funds that arose from an owner using Mr Lawlor's previous flawed and unfair legislation enacted in April 2011.

Opposition

Mr McCarthy, an activist, who does not live at Q1, has gathered opposition from some owners who are mainly investors from overseas and interstate, and has tried to divide the community with investors against residents.

Unlike investors who can claim a tax deduction for all body corporate fees, council rates and expenses, residents who live at Q1 cannot. Many of the residents are pensioners, retirees and families with children on single income, some with mortgages.

In the case of Q1, there is a marked difference in fees paid with some owners having to pay more than \$15,000 per year. Many of these residents were desperately trying to sell their homes because they simply cannot pay such high fees. Due to the GFC, the larger unit values have dropped significantly more than the smaller investor units used for holiday letting.

Future consideration of the Act

At Q1, investor units are mostly overnight holiday let. It is well known that overnight or holidaying tenants use the common property facilities such as the pools, gym etc more than residents do. Weekends groups often come to hold drunken parties and cause a lot of damage to hallways and common property that add to the cost of body corporate fees. Residents are disturbed every weekend and the body corporate needs to pay round \$200,000 per year for the engagement of a security firm to protect people and property and prevent the disturbances to other occupiers. Again these are tenants who do not care about the property and all owners need to pick up the bills for the damage that is caused.

Q1 example

In June 2010, QCAT set contributions for Q1 which were fair and equitable unless it could be identified otherwise. For example for units that are larger and require more windows to be maintained, the contributions were adjusted to take these differences into consideration so these owners paid more.

After the legislation was changed in April 2011, Q1 had to revert back to the developers set fees. Prior to going back to the Developer's CLE schedule, the developer set the fees but never achieved the intended selling prices for the contributions they thought people could afford.

Many owners had never bought a unit and did not know how much the fees would rise.

In the first few years, Q1 was controlled by unit owners who paid low fees and approved all kinds of expenditure which caused the fees to rise by 60%. This did not affect them as much as other owners because of the low base rate but mainly applied to other owners with larger apartments or those on higher floors.

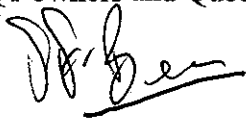
In Q1, one owner of a two bedroom apartment with the same number of rooms and similar in size pays less than \$6000 per year but another owner pays almost \$10,000 per year.

With the exception of the penthouse owner, there are other residents who pay \$20-22,000.00 per year. This means that one family needs to pay 4 times more than another family who owns a unit on a low floor due to increases that continue to occur based on percentages instead of on equal contribution.

Thank you for your consideration of this correspondence.
We look forward to the enactment of the amended legislation next month.

Yours sincerely,
T.F. Been (Retired Captain-Senior Instructor BOE747)


On behalf of Q1 owners and Queenslanders.



15 October 2012