

Ian and Sarah Dreverman



Body Corporate & Community
Management & Other
Legislation Amendment Bill 2012
Submission 150

The Research Director,
Legal Affairs and Community Safety Committee
Parliament House
George Street,
BRISBANE QLD 4000

19th October 2012

Dear Sirs,

Re: Body Corporate and Community Management and Other Legislation Amendment Bill 2012

Thank you for providing us with the opportunity to make a submission re the above.

The Amendment Bill 2012 introduced to Parliament on the 14th September 2012 once again allows the owners of penthouses and higher value units to take advantage of a **loophole** (in the 1997 Act) that they previously used to adjust the contribution schedule in their favour, which in our view was abominable.

The Hon JP Bleijie indicated that he had received 110 letters from lot owners. This is a very small number of lot owners and more than likely does not reflect the views of the majority.

We have a unit at Indigo Blue Residence (Community Title Scheme 30961) and at our 2012 AGM a democratic vote was held and we voted in favour of maintaining the original contribution schedule. The current Amendment Bill 2012 would force us to revert back to the May 2006 adjusted schedule.

Below we provide a brief summary of the history of the contribution schedule at Indigo Blue Residence.

1. In 2006 Applicants used a **loophole** in the 1997 Act to have the lot entitlement schedule adjusted.
2. In 2011 the Minister for Fair Trading announced that the system for calculating lot entitlements would be reviewed.
3. The Body Corporate and Community Management and Other Legislation Amendment Act 2011 came into effect on 14th April 2011.
4. This Amendment act closed the **loophole** and allowed the owners of smaller lots (disadvantaged by the May 2006 schedule) to require the reversal of any lot entitlement adjusted by a court or tribunal since 1997.
5. The Amended Act put an end to any review of lot entitlements.
6. The Body Corporate complied with the Amended 2011 Act, as they must.
7. The Applicants letter (dated 3/4/2012) did not indicate that a dispute exists with Indigo Blue. It actually indicated the Applicants are in fact unhappy with the Amended Act (because it closed the **loophole** that they had previously used).
8. At our 2012 AGM we had a democratic vote and the Applicants submitted motion was lost. Should this motion have been won the Amended Act does not allow the Applicants to re visit the previously used **loophole** unless it was a resolution without dissent, which it clearly wasn't.

9. There are two sides to every story and to counter the Applicants argument, the smaller unit owners saw massive increases when the May 2006 schedule was introduced. The small unit owners, in our view, became unjustly disadvantaged.
10. Indigo Blue lot entitlements were originally determined on a value based System (ie ability to pay).
11. At the time of initial purchase all owners knew the contribution schedule. It's a case of buyer beware. The *loophole* in the 1997 act was used by the Applicant but has now been closed.

Our view is that the penthouse and high value lot owners systematically used a **loophole** in the 1997 Act. This has disadvantaged the many owners of smaller lots.

We hope that fairness will prevail and that the owners of smaller lots will not be once subjected to exorbitant increases (as was in our case) in contributions.

We cannot agree with the penthouse and high value lot owners **vision** of what is fair and equitable. There are many instances in life where ability to pay is used by Government. Examples are Land Tax, Income Tax etc.

We believe that the original contribution schedule at Indigo Blue Residences is fair and equitable.

In summary we request that the 2012 Amendment Bill be revised so that the **loophole** in the 1997 Act cannot (once again) be used to the detriment of the smaller lot owners.

We are concerned that the majority of lot owners are unaware that they have the opportunity to make a submission to your committee.

Thank you for this opportunity to make this submission and should you require any further input please do not hesitate to contact us.

Yours sincerely,

Ian and Sarah Dreverman