

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

18th October 2012

Dear Sir,

I wish to voice my strongest objection to your Introduction of the Community Management and other Legislation Amendment Bill 2012.

To start with I need to explain some background to the way the Body Corporate Levies have been messed with since 2007. The 30 floor residential building known as the "Surfers Manhattan" was completed in 1986. From the ground floor to the 14th, there were two apartments per floor. From the 15th up to the 30th all the apartments were full floor penthouses. The Developer set the schedule at 5 entitlements per ½ floor apartment and 10 entitlements per full floor apartment.

Every owner who bought into this building knew what number of entitlements was apportioned to their apartment and therefore what percentage of the Body Corporate costs and levies they were liable for. For twenty years there were never any disputes or objections. However in 2007 one of the full floor owners applied to the commissioner to have the schedule of entitlements in Manhattan amended. This followed the ruling by a judge in a court case involving a building in Brisbane in 2004 which had little in common with our building.

The process that then followed was all one sided and dashed our rights to a fair hearing. The applicant was able to get a so called expert to present a new schedule of entitlements to our Body Corporate committee which almost equalised them. He was then given the right by the commissioner to appoint his own adjudicator for submissions. We protested that there should be a neutral adjudicator, but the commissioner was not interested. There were at least 19 submissions sent in, all objecting. The adjudicator, as was to be expected approved the change that the applicant had put forward and dismissed all submissions objecting in a few short lines. Under the law the committee had to ratify the new Community Management schedule. Almost all the ½ floor unit owners contributed to legal advice about the possibility of an appeal. We were advised we would have to go to the Supreme Court or

possibly the High Court to have any chance. This was out of our league and we had to admit defeat.

In the early part of last year the Queensland Government recognised the unfair situation with buildings that had Community Management schedules in place prior to 2007 having been subject to the schedule changes I have just alluded to. As a result we were able to apply and get the original and correct schedule reinstated.

Your legislation now has the purpose of retrospectively changing the law so that the unfair rulings of 2007 can be reinstated. When we all purchased our Units we accepted the "Contribution lot entitlement schedule" to be a fair and equitable reflection of the responsibilities accorded to each lot owner. In 2007 nothing had changed in the overall construction or maintenance to the building that says it would be fair and equitable to change the responsibilities of the lot owners.

Apart from the financial burden that will now be transferred to the owners of smaller units who are often on fixed incomes, there would be an appreciation in the value of larger units and Penthouses and an offsetting depreciation in value of the smaller units. In our building the full floor units have always sold for more than double the value of ½ floor units.

I have to ask, why is Queensland alone in not accepting the original schedules that were set for buildings. The hardship and ill will which now exists between many owners is one thing. How could anyone thinking of investing in Qld. Real Estate with Community Management schemes, ever be sure that your Government is not going to keep introducing this retrospective type of legislation.

I thank you for accepting my submission objecting to your proposed legislation, but would point out that there should have been much more time given for public debate. Many Unit owners are now only just becoming aware of this legislation.

Ian D. McGregor

