

October 19, 2012

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

Dear Sir/Madam,

Body Corporate and Community Management and Other Legislation Amendment Bill

It is with regret that I have to again write to the Queensland Government appealing for sense to prevail in the determination of unit levies.

I very much oppose the currently proposed legislation to revert levies to the totally unfair 'equalised levy' scheme.

The reasons include:

- Allowing one person to demand the levy structure in a building to be changed with no possible recourse from the majority of owners.
- The idea that 'all apartments are equal' in a multi story building where unit sizes can vary by a factor of 10 or more.
- The complete instability this is causing the Queensland real estate market
- In buildings where the 'equalised levy' system has been imposed, resales of smaller lower floor apartments become almost impossible (at market 'value') due to the ongoing levy burden.

Why would anyone buy a low floor apartment in a building with 'equalised levies' when an apartment in a low rise development across the road, with equal facilities, has ongoing levies 30% lower?

Why would a government, which depends on voters for its election, blatantly favour the minority of 'high floor' voters at the expense of the majority (of maybe four times?) of lower floor voters?

Nobody HAS to live on an upper floor of an apartment building. It is a choice. Ongoing levies are part of the cost of upper level prestige living. On the other hand those living on the lower floors are often in small apartments and are on limited or fixed incomes. Forcing lower floor owners, who don't have the same choices, to subsidise levies is clearly not an equitable option.

Is it the Governments intention to allow some buildings to operate on one system and others on another? Will one person continue to be able to change a building operating on the original system, forcing it to the 'equalised levy' system?

How is the Queensland real estate market ever going to recover under this overwhelming uncertainty?

For the solution the Government need only look south. Is this possible? Does everything have to be invented in Queensland? Just bad policy and legislation?

In Sydney levies are determined on the basis of the same ratio as the value of the apartment is to the total value of all apartments. So an apartment that represented 2% of the total value of sales (or the current value of the total of all apartments) pays 2% of ongoing levies. This automatically factors in variables such as size, aspect, finishes, views etc etc. No one is forced to pay these levies. No one has to choose a high floor; that is part of the cost of the prestige of upper level living.

Who is going to develop the buildings of the future? If 'equalised levies' are a future threat, or are legislated from the outset, developers will perhaps have no trouble selling all those 'cheap to maintain' upper floor apartments. But who will buy the lower floor apartments? If these are hard to sell, or don't sell, the building will not proceed. There will therefore be no small apartments subsidising the upper apartments. They will not be built. Another reason for the continuing stagnation of the Queensland property market.

Finally, if this legislation is passed, it will not be the end of the matter. It will become a bigger and bigger problem for the Government as awareness of the situation becomes clearer to the average owner. It can be expected to play a large roll in the future defeat of the LNP and the return of the Labor party.

Yours sincerely,

Wayne R Davis

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