Body Corporate & Community Management & Other Legislation Amendment Bill 2012 Submission 273

(Mrs) A Watford

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The Research Director Legal Affairs and Community Safety Committee Parliament House Brisbane Qld 4000 lacsc@parliament.qld.gov.au

## RE: BODY CORPORATE AND COMMUNITY MANAGEMENT AND OTHER LEGISLATION AMENDMENT BILL 2012.

Dear Sir/Madam,

We regard this legislation as a very unfair amendment to the Act. Many unit owners will be called upon to subsidise penthouse (and similar) owners within their unit complexes.

The owners of large and valuable units expect the owners of smaller and less prestigious units to subsidise their Body Corporate levies to the extent that some floors of small units are paying up to three times the fees of penthouse floors. This is certainly not "fair and equitable" and is most certainly not democratic.

Just like any other investment, higher value units attract greater returns - either in personal enjoyment or higher rental returns - than lower value units. This Bill is like asking a small BHP investor with 100 shares to pay the same overheads as an investor with 1,000 shares. Equity and returns are proportional in all other major classes of investment. This applies in other Australian Strata title situations. The Attorney General has not explained how Queensland property differs from the remainder of Australia.

Until he can, this Bill should be stopped in its tracks.

The previous change was a correction to re-affirm the tacit agreement of fee obligations by all who purchased in a Queensland development. That was the just, correct and equitable thing to do.

This amendment is another nail in the coffin for Queensland investors as the next move will have to be from the Federal Government to clean up this mess and make all States' legislation conform to the one principle (and it won't be this one).

Many unit owners can't keep up with either the legislative changes or the legal expenses constantly going on in Queensland. This is the State of Exasperation!!

In our particular unit complex, we have had the example of one owner of a penthouse who wished to have the body corporate levies more equally divided between all unit holders. He

submitted a motion to the AGM to have the changes made. The motion was defeated by a majority of votes. The motion required a resolution without dissent and was defeated. It was obvious that the majority of lot owners were not in agreement with any changes to the contribution lot entitlement schedule.

The penthouse owner then took his application to QCAT and a favourable adjudication meant that he had been able to bypass the wishes of the majority of the Body Corporate. This is an example of a lot owner submitting a motion requesting a change. However, when another owner of a smaller unit requests to have the original CMS reinstated it is deemed to be unfair. This seems to be a case of double standards.

Nor is it consistent with the new Queensland Government's undertaking to reduce the cost of living.

When we all purchased our units we all accepted the "contribution lot entitlement schedule" to be a fair and equitable reflection of the responsibility and amenity accorded to each lot owner. Nothing has changed in the overall construction or maintenance to the building that warrants an unfair and inequitable change to the responsibilities of lot owners.

The democratic principles that have made this country great are not evident in this amendment Bill. Please carefully consider the adverse ramifications for many people, particularly their ability to remain in their home, if they are hit with massive and unplanned increases in their Body Corporate levies.

Many of these owners are aging, on limited income. They will be unable to realise the present value of their apartments. The rental income will barely exceed the combination of Body Corporate fees, rates and water.

These people will be clearly victimised by the changes from the original purchase agreement and will have a case for compensation from the government.

We don't want to see that unfortunate situation occur. Nor do we wish to see our taxes wasted in defence of poor policy.

Thank you for your time and attention to this submission

Yours faithfully,

A Wahlord.