



Speech by


**Grace Grace**

**MEMBER FOR BRISBANE CENTRAL**

Hansard Tuesday, 15 November 2011

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### **MOTION: COST OF LIVING**

 **Ms GRACE** (Brisbane Central—ALP) (6.11 pm): I rise to support the minister's amendments. When it comes to cost-of-living increases, I have two words to say to those opposite: parity factor. That effected a massive, unheralded increase in council rates for unit and townhouse owners in Brisbane. The promised 10 per cent rates cap was unilaterally removed for all unit and townhouse owners, particularly affecting those in the inner city within my electorate of Brisbane Central. It increased their rates bills hugely in excess of the removed 10 per cent cap, and this was done by none other than the previous lord mayor and now candidate for Ashgrove. Increases of 100, 200, 300 and even 400 per cent were not uncommon, leaving many ordinary unit owners grossly out of pocket with, in some cases, residents having to sell their units because they could no longer afford their unit and pay their rates bill.

Past Brisbane councils had recognised the need to protect Brisbane property owners from sudden and large unexpected rates increases due to land valuations in a heated market and so introduced a 10 per cent rates cap. However, not so the immediate past lord mayor and candidate for Ashgrove, who, without any prior warning or announcement of policy changes to the city's residential rating system, buried these massive increases in the council budget—I believe on page 290—immediately after his election and proceeded to gouge ordinary unit and townhouse owners. These unprecedented and unjustified increases have adversely impacted on what is now a very large property ownership community without notice, justification or recognition of their negative impact on their cost of living and, often, the largest quarterly bill for many households.

Claims that these property owners were millionaire penthouse owners were erroneous and incorrect. Many residents I spoke to own units that were bought for between \$400,000 and \$500,000, often following the sale of a former house or property. Additionally, those statements particularly annoyed me and residents alike because some of the people hardest hit were Kelvin Grove Urban Village unit owners. They had to fork out, on average, almost \$800 extra in their next rates quarter. In some cases this represented increases of 400 per cent—not staged, not averaged over a period of time, but immediate. Ironically, most residents of Kelvin Grove Urban Village are ordinary homeowners, with most units' market value probably around \$400,000. They do not have river views and they are adjacent to affordable housing in what can only be described as an exciting inner-city development which is housing many ordinary people and families—hardly the millionaires who could afford the tripling of their rates bill. Rightly so, they are still outraged by the hefty hikes they are continuing to have to pay.

Equally, residents in Newstead were hit hard. One resident was advised that his rates would rise from \$411 to \$973 per quarter—that is an increase of nearly 250 per cent—and rightly wrote that a 175-unit block does not use the same level of infrastructure as 175 houses, despite what the previous lord mayor claimed.

Inner-city unit owners were also hard hit. One resident who downsized her inner-city apartment due to ill health sold her house with a swimming pool for \$610,000 and purchased a smaller unit for \$455,000, only to have to pay more in rates for her unit than she did for her larger house. I have many examples of residents in apartment blocks in my electorate experiencing significant increases in their rates bills, such as Parkland Boulevard, 540 per cent; River Place Apartments, 400 per cent et cetera. Did they receive

extra services for these huge increases? Did they have extra bins emptied? Did they get better footpaths or more sewerage? No! In fact, they received nothing except an unfair rates parity formula which delivered percentage increases to their rates bills and they had no opportunity to budget for that or to take measures, such as one can do with water and electricity use, to reduce their cost.

Interestingly, we hear nothing from those opposite. We have seen the single biggest cost increase for city unit and townhouse owners in living memory and there has been silence from those opposite. There has been no mention of the flow-on costs such as rent increases as unit owners pass on increases directly to tenants. These are real and direct costs with ordinary people driven to extraordinary measures, such as the formation of BARE, which took the council to court. I would hazard a guess that the reason the LNP candidate for Ashgrove is not running in my electorate of Brisbane Central, where he lives, is that he would struggle due to the backlash from unit owners in my electorate who will not forget the unprecedented cost-of-living increases.

*(Time expired)*