



Hon Peter Lawlor MP  
Member for Southport



Minister for Tourism and Fair  
Trading

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### **Bligh Government to make body corporate fees fairer**

The State Government will this year change the way body corporate fees are decided for Queensland's more than 350,000 unit owners.

Minister for Fair Trading Peter Lawlor announced the proposed changes today outside The Pinnacle in Surfers Paradise which was last year the centre of an alleged shooting incident because of the existing law.

"The *Body Corporate and Community Management Act 1997* will be changed so there is a better and fairer system for working out shared costs associated with living in an apartment complex or other community titles scheme," he said.

"This is a much needed change. The Act has had a loophole which unfairly allowed some unit owners to get away with paying less than their fair share of body corporate fees at the expense of others.

"The present law means that in setting or adjusting body corporate contribution lot entitlements all lot entitlements should be equal, except to the extent that is just and equitable in the circumstances for them not to be equal.

"We're putting a stop to this and changing the law so it's fairer for everyone all round."

Mr Lawlor said since the Act was introduced in 1997, lot owners could apply to have their lot entitlements - and thus body corporate fees - reduced at any time.

"Penthouse owners, for example, can effectively slash their own body corporate fees, but these costs are merely passed on to others in the complex instead," he said.

"So a ground floor studio owned by a retiree or pensioner would be left paying much more than they had budgeted for when buying the unit - in some cases double and this has forced many unit owners out of their homes.

"This situation needs to be fixed if affordable housing options are to continue to be available to a wide range of Queenslanders.

"We would like to see the basis for setting lot entitlements revert to the arrangements before the Act was introduced."

Mr Lawlor said under the new system, lot entitlements in a 'standard format plan' - such as some townhouse-type complexes - would be set in proportion to the unimproved value of the land.

"For a 'building format plan' - typically used for multi-storey developments - developers will have to set lot entitlements by some legislative guidelines but there could be scope for them to factor in market conditions and values of property.

"Essentially, what this would mean is that an owner of a small one-bedroom place on a lower floor at the back of a unit complex, for example, would not be required to contribute as much towards common expenses as someone with a more expensive place, such as a four-bedroom, top floor apartment with views.

"This type of system was once used in Queensland for many years and we believe it to be the fairest method for most unit residents and owners."

The Queensland Government will allow those buildings and complexes which had lot entitlement adjustments made, to revert to their original method of dividing body corporate fees when the plan was registered.

Mr Lawlor said the Queensland Government had called for public feedback before proposing changes to the way body corporate expenses are allocated.

"In December 2008 consultations were held to hear how the existing lot entitlements system was working and how it could work better," he said.

"Unit owners will now have more certainty about what body corporate fees they're up for.

"It's important we adopt the most appropriate rules as they underpin the growth of apartment living in Queensland, which more people are turning to each year and which is needed to cater for our rapidly growing population."

Once passed in parliament, the new rules could be effective later on in 2010.

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