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Monday September 3rd, 2018

Attention Queensland Media

SANITY PREVAILS IN EFFORT TO CHASE 'ABSENTEE' APARTMENT OWNERS

COURTS RULE TO DROP TWO YEAR LIMITATION PERIOD ON OUTSTANDING BODY CORPORATE FEES

Apartment owners staring down the barrel of coughing up extra body corporate fees to cover their absentee neighbours are breathing a sigh of relief following a successful visit to the Court of Appeal.

The Court's ruling to overturn an "unjust" decision to limit the rights of bodies corporate to prevent them from recovering outstanding fees when the fees have been outstanding for more than 2 years and 2 months is being celebrated as a 'win for sanity' by industry leaders.

They say the prevalence of 'absentee' owners who routinely fail to pay fees when they are due is becoming harder to manage for communities and the Court of Appeal decision has been welcome relief for owners state-wide.

Strata Community Association (Qld) is the peak industry body for Body Corporate and Community Title Management in Queensland and Vice President James Nickless says with overseas and interstate owners becoming more prevalent, we shouldn't be making it harder for bodies corporate to effectively run a community.

"In our view, the Court of Appeal has made a sensible decision and spared countless apartment owners in Queensland the lengthy disputes and financial pressure that the original decision created."

"In this instance, the decision was the difference between a body corporate recovering \$14,183.82 plus penalty interest and having to write that amount off, which could have significantly hampered that community's ability to fund necessary maintenance and insurance measures."

"If one owner doesn't contribute, the whole community suffers so if the Courts didn't intervene, it would have had drastic ramifications across the industry that would have benefitted recalcitrant owners and further burdened the owners that always pay their levies."

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Mr Nickless says this levy recovery isn't the only fight for fair going on in Queensland's \$110 billion strata sector, with new cladding laws set to potentially cripple bodies corporate financially.

"Unfortunately, we see a similar situation on the horizon for bodies corporate in Queensland thanks to new cladding laws, which will demand that they personally find the money for critical inspections, fire engineers' reports and potential rectifications within a tight window."

New laws will demand certain actions from affected owners, including;

- Completing an online assessment for tracking of Aluminium Composite Panelling (ACP) by 29 March 2019
- Engaging a building industry professional to prepare a statement on the presence of ACP on the building by 29 May 2019
- Engaging a fire engineer by 27 August 2019 to assess fire risks

Mr Nickless says it's disappointing to see the laws not address how owners will be able to afford this process, and has called for the State Government to ensure that one step forward isn't countered by two steps back.

"The cost to have professionals inspect buildings, and where necessary pay a fire engineer to assess the need for cladding removal is between \$10,000 - \$30,000 per building and we're eager to see these new laws supported with a funding scheme – or else schemes may be put under tremendous financial burden and buildings will not be made safe. This precarious situation is then compounded where Bodies Corporate are unable to raise the funds needed to make their buildings safe due to high levels of overdue levies"

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About Strata Community Association

Strata Community Association Limited (SCA) is the peak industry body for Body Corporate and Community Title Management in Australia & New Zealand. Membership includes body corporate managers, support staff, committee members and suppliers of products and services to the industry. SCA proudly fulfils the dual roles of a professional institute and consumer advocate. SCA has in excess of 3,300 members who help oversee, advise or manage a combined property portfolio with an estimated replacement value of over \$995 trillion. Website: www.qld.strata.community