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LOT ENTITLEMENTS - IS THERE LIGHT AT THE END OF THE TUNNEL?

The article by Trent Dalton in QWeekend on 4 August 2012 "*High anxiety – in the case of body corporate fees, all units are not created equal*" highlighted the 'winners' and 'losers' in the lot entitlement debate. Lot owners were doing no more than asserting their legal rights to either adjust the lot entitlements or reverse the lot entitlements.

The amendments in April 2011 were an attempt by the then Government to 'right the wrong' in relation to orders of the Court, Tribunal and Specialist Adjudicator, which did no more than interpret the provisions of the *Body Corporate and Community Management Act 1997*. To simply reverse these orders was not the answer to the problem. There were still 'winners' and 'losers'. The large gap between the 'winners' and 'losers' had a flow on effect on the value of units because of increased or decreased body corporate levies.

The current Government's answer to the problem was to table the *Body Corporate and Community Management and Other Legislation Amendment Bill* ("Bill") in Parliament on Friday afternoon, which at first glance, appears to reverse the 2011 amendments in that it –

- removes the right of an owner to require a body corporate to 'reverse' a lot entitlement adjustment order
- stops any reversion process currently being undertaken, and
- will provide a process to allow any reversals of lot entitlements to be 'undone'.

Certain parts of the Bill will be made retrospective in that the provisions concerning the reversion process will be retrospective to 14 September 2012 including any schemes are who currently going through the process.

However, there is light at the end of the tunnel – The Hon. JP Bleijie in introducing the Bill stated that: "***The Government will now look at the broader issues around contribution schedule lot entitlements.***" The Bill does not deal with the future of lot entitlements. However the Hon. JP Bleijie recognises that there are still many schemes with unfairly set contributions schedule lot entitlements and that an appropriate mechanism needs to be introduced to allow for adjustments. Because of the complexities involved, the Government intends to take its time "***to get the balance right and is fair to lot owners***".

The Bill has now been referred to the Legal Affairs and Community Safety Committee for review with submissions closing on 19 October 2012 and a report due back to Government on 22 November 2012.

Let's hope that Government will consult with those at the 'coal face' who deal with this issue on a daily basis to make sure we get it right for the benefit of not only owners, but all stakeholders in the industry.

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