



Newsletter 1/2024

Welcome to 2024

Best wishes to you in 2024 from Southport Central Residential Owners. We are a group of residents and investors at the complex who want to raise important issues about the management of our beautiful three tower complex.

Who will pay for the Tower 1 clean-up?

1. A year on, and fixing the tower 1 flood damage has cost over \$1.4 million

It is 12 months since catastrophe struck Tower 1 on February 20, 2023. A hot water circulation pipe on level 10 split, causing apartments on levels 10 and 9 to flood. Serious damage was caused to lifts, electrical and security systems, walls and ceilings. As at October 2023, repairs costing in excess of \$1.4 million had been covered by insurance.

This isn't over. While the immediate damage appears repaired, the underlying cause of the flood remains. Tower 1's hot water system uses polypropylene Aquatherm water pipes. These are widely regarded as defective, and have been replaced in many buildings to prevent a recurrence.

We are concerned about the personal safety of residents until we know what steps are being taken to prevent a similar recurrence, especially if it occurs at a much higher level in Tower 1 which would cause more widespread damage.

Have any steps been taken to eliminate the risk of another pipe burst? Would another catastrophic event be covered by insurance? How long would it take to replace the Aquatherm hot water pipes which service all floors? What is the estimated cost of replacing all the Aquatherm pipes in Tower 1? (Note we understand these pipes are not used in Tower 2 or Tower 3.) Residents have not been given this information.

We have a right to know this information which impacts on residents' safety, their homes and/or their investments. Waiting for more than a year is stressful for residents and simply not good enough.

2. Our legal dispute with the Commercial Body Corporate

In 2019 our committee refused to pay an amount that the Commercial Body Corporate was owed as part of a cost sharing arrangement. As a result, Commercial commenced legal proceedings against Residential.

In newsletter 12 published in August 2019, the committee said 'it is clear that around \$4,000,000 is owed to Residential'. and further said: 'We will endeavour to keep owners updated and believe this process will result in a significant reduction in levies.'

But committee meeting minutes of 23 October 2024 merely said: 'The matter remains unresolved and is essentially unchanged from what is described in Newsletter No 12.'

We ask: Why have we had to wait for more than four and a half years only to be told nothing new? Why has this case not settled? Is it intended to progress the matter and what legal costs have been incurred to date and are expected to be incurred in the future?

Transparency in body corporate administrative and financial management should concern every owner.

3. Visits to politicians ahead of the 2024 Queensland election

We are meeting with both the government and opposition ahead of the Queensland election to propose changes to body corporate law designed to promote more accountability and transparency to owners. So far we have met with Shadow Attorney-General Tim Nicholls and we will be meeting with government officials shortly.

We discussed a list of 10 items of concern to us at the meeting with Mr Nicholls. They included a requirement for body corporate managers to be members of a reputable, accredited body corporate manager's organisation that has an enforceable code of conduct, a mandatory requirement for bodies corporate to publish all documents including financial documents on a portal, and for the Body Corporate Commissioner to have power to instruct publication where that does not happen.

Body corporate committees should have to publish at least monthly updates on ongoing works and timetables for necessary major works and it should be compulsory for large body corporates to use electronic voting for body corporate elections. This will help reduce the incidence of vote rorting, such as the distribution of already filled-in ballot papers to some owners. Our owners originally voted for such a system.

Any financial advice obtained by a body corporate should be available to owners in full before any financial decision is voted on. Any advice on loans and investments should canvas a wide variety of investment options and any recommendations should weigh up presented alternatives.

We enjoyed a long, frank and fruitful discussion with Mr Nicholls.

4. Gardens/Groundskeeping

Gardens across the level 3 pool deck and level 12 have progressively deteriorated. There are many areas where plants, shrubs and palms have died or are looking increasingly distressed. The current contractor did not possess any horticultural qualifications.

A motion proposing the engagement of a firm of professional gardeners, at the same annual cost, was not approved at the AGM. So what did the committee do?

A concerned owner recently proposed to the committee that advice be sought from a qualified horticulturalist on what is required to rejuvenate our gardens – its appearance can impact the value of our properties.

After six weeks, the owner was advised that the committee required more time to consider her proposal. Keep watching this space.

5. Did you know?

The majority of the Southport Central Residential apartments were purchased off-the-plan or shortly after completion, by investors – both domestic and foreign. Most apartments are still investor owned with owners living intrastate, interstate or overseas - in around 20 different countries.

The complex is a mixed use, multi purpose development comprising three high rise towers (2 x 40 levels and 1 x 38 levels) and several low rise buildings which were constructed between 2006 and 2009. The plaza (ground) level is predominantly retail; with commercial office space on levels 1-9; and contemporary residential apartments above.

The residential complex comprises 789 'permanent letting' apartments with multi-level underground parking for 827 vehicles plus visitor parking.

Few residential complexes can surpass what we offer such as multiple pools and spas, gym, sauna, steam room, BBQs and resident's lounges; the convenience of having on the premises, restaurants and cafes and commercial/ professional services. Australia Fair is just across Scarborough Street, with major retailers such as Coles, Woolworths and K-Mart and dozens of other retail outlets, a cinema complex as well as doctors surgeries, dentists and chemists.

There is also easy access to the Gold Coast Council Library, Community Centre, China Town, RSL, sports clubs (bowls, croque and tennis) specialist medical centres and private day hospitals, and the beautiful Broadwater waterfront parklands.

Southport Central is also well serviced by public transport with tram and bus services.

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Southport Central Residential Owners

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