

'High degree of hostility': Body Corp split by feud

Kirstin Payne, Gold Coast Bulletin



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A FEUDING Gold Coast body corporate has been placed in administration by the state watchdog after it was found that repairs had been approved to benefit the properties of only half the complex.

The Queensland Body Corporate and Community Management Commissioner (BCCM) put the body corporate of the Malibu complex at Mermaid Waters into administration last month over a number of concerns, including alleged "evidence of financial malpractice".

The complex, made up of eight adjoining two-storey townhouses at Aquila Court, will have an administrator in place for at least 12 months.

The Commissioner said the extreme measure was necessary to protect four lot owners from "undue oppression".

This is not the first time the commission has had to step in to resolve a disagreement at the warring waterfront complex. In the past year, 11 dispute resolution applications were made by residents at the property.

Previous decisions found owners had split into "two groups" and that the body corporate was "not, at present, capable of properly managing the issues".


"The nature of those applications portrays a high degree of hostility among the two factions," the adjudicator's latest decision read.

"In this application alone, there is evidence of expenditure of body corporate funds without appropriate authority and for items that are not legitimate body corporate expenses."

No committee or body corporate members could be contacted for comment.

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In the most recent complaint to the BCCM, lot owner Meredith Baker disputed several motions at the annual meeting in March.

She claimed that the chairman, on behalf of the committee, had approved repairs for maintenance to specific lots, using body corporate funds.

Repairs totalling \$3674 were alleged to have benefited four of the eight owners. The work included roof and skylight repairs, plumbing, gutter cleaning, a gate change and removal of garden beds.

The Commissioner found that all but one of the invoices disputed were found to have been the responsibility of individual owners not the body corporate.

This included the moving of a security gate on to common land, which allowed a single lot owner exclusive use of the property.

Only a report on a tree in common property was found to have had prior approval of the committee.

Both the administrative fund and the sinking fund were in deficit at the end of the last financial year, it was found.

“I am satisfied that the body corporate is dysfunctional and acting contrary to law, at least at a committee level,” the Commission’s decision read.

“There is evidence of financial malpractice, with body corporate funds being spent on budgeted items that are the responsibility of individual owners and without appropriate authority.”