

I am the Owner of a unit in Santai Resort.

I am opposed to this Modification Application by Casuarina Corporation for the following reasons:

The building was not designed for permanent residency:

- A similar attempt was made in 2005 to remove the restrictions on occupancy (Application to Modify Development Consent - MOD 115-7-2005 modifying DA 187-8-2004) which was refused on the grounds that:
 1. The proposed to be modified development is not substantially the same development as originally approved;
 2. The modifications proposed introduce an unacceptable level of uncertainty as to the future use; and
 3. The proposed to be modified development is not in the public interest.

In considering the application, it was assessed that the proposed modification would change the essential character of the approved development as a tourist facility, and would raise doubt as to the principal use of the site being a tourist facility. It was also noted that the design of the tourist facility was not assessed against more stringent residential flat building provisions/guidelines/policies which would have applied if a residential use was sought, and also that the proposed modified development was considered to be inconsistent with the objectives (those relevant to the application) of the originally approved development.

These considerations are still valid today and would have the same impact if a change of use were allowed for Casuarina Corporation's 22 units within the complex.

- Not all of Casuarina Corporation's units comply with the regulations around hours and amount of sunlight, open space and ventilation as acknowledged in their proposal. This supports the fact that the complex was designed (and approved) as a tourist facility only and not with long term residency in mind. Casuarina Corporation's units do not comply with all regulations for permanent residential occupancy and therefore the modification of use should not be allowed.

Operation of the complex as a tourist resort is not compatible with mixed long-term residential and tourist accommodation:

- Allowing long-term residential accommodation will likely negatively impact the operation of the complex as a resort. Having permanent residents is incompatible with the business of running a tourist resort which was the original purpose of the development and what investors bought into.
- Currently the majority of Owners rely on the success of the complex as a tourist resort or short-stay accommodation business for their income. Any changes that may jeopardise this in favour of a minority Owner would not be fair or equitable to all Owners, and could result in a significant negative financial impact for the remaining unit Owners.
- Conflicts of interest are likely to arise between the needs of long-term residents and resort management which could adversely affect the running of the resort. Resort Managers will not have any control over potentially negative behaviours of long-term residents which will ultimately affect Resort ratings and bookings for the remaining unit Owners.

- Likewise, the amenity of long-term residents is likely to be negatively impacted by living in a tourist resort with a transient population. The units in Casuarina Corporation's Application are scattered throughout the Resort and many adjoin units that are used solely for tourist accommodation.

It is not fair or equitable to approve a modification of use for a single Company with a minority ownership (22 out of the total 114 units), for the stated intention of improving the value and occupancy rate of their units, over other Owners.

- Casuarina Corporation state that their proposed modification is the result of seasonal tourism and subsequent irregular occupancy rates. This also applies equally to the remaining 92 unit owners in the complex. Casuarina Corporation were aware of the conditions imposed on unit use, and the seasonal nature of occupancy, when they purchased their units. My personal experience with my unit (which is in the managed resort letting pool) has shown that the total annual occupancy rate has increased significantly over the past 6 years (FY13 - 33%, FY18 - 66%) largely due to changes in Resort Management during this time. If Casuarina Corporation are not achieving acceptable occupancy rates then it is their responsibility to explore better ways to do this within the restrictions imposed on unit use, as all other Owners are required to do.
- Allowing Casuarina Corporation to modify the use of their units to include permanent residential will give this Company an unfair advantage over all other unit owners if they want to sell their units in the future. I have had personal experience of this in late 2016 when I was unable to re-finance the loan over my unit as no bank would lend for short-term holiday letting units. I was advised that the banks would only lend if the unit was allowed to be permanently rented. The option of selling the unit under these stricter lending conditions would have been virtually impossible. If the application for modification of use is approved for Casuarina Corporation, then the option should also be extended to all units in the complex and not discriminate. This, however, would lead to a reduction in the value of the Resort operation as a whole and change the essential character of the complex as a tourist facility.

Thank you for the opportunity to make a submission on this matter and I trust that my views as a unit owner at Santai Resort will be considered in any decisions made on the Application.