

# NEWSLETTER



FEBRUARY 2009



## Protect Your Returns and Keep Owners Informed

By Kim Cox – Inaugural National President of ARAMA

*The daily headlines and the evening news bulletins keep our partner owners aware of the latest global and national issues which are driving the international financial meltdown.*

But even the detailed articles do not drill down to the day to day issues of regions and individual properties in those regions which in reality are the components of the management rights industry and the Queensland tourist industry.

At this grass roots level, it is important that we extract the basic information of the business of the scheme so that we can let our partner owners fully understand what the current position is, and what is happening going forward.

As investors we have all enjoyed the “good times” and as the wheel has turned more slowly, each individual has some decisions to make and to make wise and correct decision, they should be made with a full assessment of all the relevant information. And let us all clearly understand, that the greatest financial, economic and political minds and experts are working full bore to make sure the turning wheel starts turning faster again.

Understandably, owners and investors are hungry for specific information and resident managers cannot only provide current information which is extremely valuable and accurate, but also some historic trends as further information guides.

As managers we need to be doing everything that we can to ensure that our investment clients are fully informed and they need to be informed about how we are operating the complexes to maximise returns and maintain the asset and its opportunities.

ARAMA also seeks to keep members fully informed of the Federal and State Government initiatives so that managers are in possession of the efforts being directed by governments to stem the tide of the recession.

I do believe in telling our partner owners what the situation is and making them aware of the challenges that we managers face in marketing the opportunities and

managing costs. One of the most important drivers that have to be considered is managing the charge out rates.

After spelling out the challenges we need to work to avoid discounting as it has both short term and longer term repercussions. However it is nigh impossible to avoid discounting because once your competitor starts discounting you are in effect forced to meet-the-market.

But we can finish on a high with the positives such as;

- Supporting the Premier’s call for local holidays. As the falling Aussie dollar makes it more attractive for international visitors to travel and it encourages Australians to avoid overseas travel
- The further lowering of interest rates and possibly more to come does mean there is more monthly disposable income.
- Supporting the Government’s “holiday-at-home” campaign in local marketing and incentives.
- The fact that airfares are still cheap and getting cheaper as they play their role in moving people.
- Queensland has the holiday climate and still has the air conditioners running (unlike some other states!)
- people still need a break to reduce stress

Remember, we have seen this all before, whenever ‘capital values’ stop rising, owners suddenly focus on the ROI, in the better times - they are not so focused. We will get through this with some economists predicting the “R” may only last a few months and we will emerge from it in the latter part of 2009.

Our owners should be in a better position. Although returns are lower than last year, some Queenslanders are obedient and have responded to

the Acting Prime Minister Julia Gillard and the Premier Anna Bligh’s call to holiday in Queensland and give a Queenslander a job.

The ARAMA advice is that managers need to monitor their numbers carefully and look at initiatives to protect returns. We cannot afford to give owners’ money away with deep discounting, like some of the large hotels do. We need to maintain value with more selective pricing, possibly including some extra item in the tariff such as a lunch or coffee voucher at a local cafe. They are possibly also struggling - eat here before we both starve!! Hence first point is to be more innovative rather than just discount.

The big issue is to tell the owner. The monthly letter to owners is the big item every month for both holiday and permanent complexes.

Investors need assurances that the manager knows what is happening and is acting responsibly, unlike some of the fund managers. We all see the bad news each day that sells newspapers and television news and current affairs. We need to get the real news out there, the good and the bad - so owners are informed. Tell the owners what impacts are on, what initiatives you have taken, what has happened to their capital value. The information has to be factual and current- as this matter is too important.

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# Smartcard Introduced in Australia

**It is welcome news for ARAMA members that payments with EFTPOS are currently being upgraded in Australia to meet global safety standards successfully implemented in European countries.**

The "smartcard" (Europay MasterCard Visa (EMV) technology) is the global electronic transaction standard that enables EFTPOS terminals worldwide to process chip-based debit and credit cards.

The smartcard has a microchip on the front in addition to the magnetic stripe in the back.

The change in the transactions procedure is that the customer processes their own payment without letting the card out of their sight. The merchant enters the total amount and hands the terminal to the customer. At this stage the cardholder puts the card in the slot, enters their pin and takes the card out after the transaction has been made.

This enables the customer to have control through the whole transaction.

The security data in the new chip makes copying credit and debit cards much harder and reduces the risk of retail fraud significantly.

Many merchants have been provided with the new terminal while cardholders are progressively receiving their new smartcard and are already using it. Some merchants have the terminal facility but have not switched yet and still swipe the customer's card rather than using the chip technology.

To introduce the smartcard a combination of staff training, facilities by the bank and the timetable for the bank to require merchants to move to the higher security level is needed. New terminals will insist the chip is used (once their systems are in place) when a chip card is presented but can still accept a swipe card as we all go through the transition.

The upgrade of your terminal will take place remotely overnight as long as your terminal is switched on. You will know it is upgraded when a smartcard is swiped and the terminal tells you to use the chip slot.

The security of not parting with the card certainly provides greater confidence in situations such as shopping in a Singapore market. Most card holders will soon appreciate this higher level of card security.

*Commonwealth Bank, which provided merchant services for ARAMA members since 1997, has provided a short video on this change. The video can be viewed at [http://business.commbank.com.au/merchants/Videos/EMV\\_Chip\\_card.wmv](http://business.commbank.com.au/merchants/Videos/EMV_Chip_card.wmv)*

## Carbon Reduction in the Long Run: Think now

**ARAMA Queensland members have been aware of the national and global debate on climate change and the need to be actively involved in its progressive implementation.**

The climate change programs being developed by the Federal and State Governments are delivering programs on the emission control goals for business and industry.

Naturally as the top holiday destination attracting millions of tourists visiting the region each year, Queensland also has to continue working on the maintenance of its beaches, parks and environmental infrastructure.

The unique natural beauty of the State needs to be conserved and this demands a sense of environmentally friendly action from each Queenslander.

ARAMA members will be affected by federal and state legislation and there are numerous reasons to start being smart about identifying and monitoring your carbon emissions.

Carbon friendliness starts on low levels like avoiding excess water and electricity usage because the production of it is costly and causes CO<sub>2</sub> emissions. Recycling paper, reducing plastic waste and using fewer chemicals for cleaning have been indoctrinated by magazines and environmental groups for more than a decade now.

As a business though, there can be done more than that. Carbon friendliness is not to be mistaken with the total package – eco friendliness. **Being considerate about our carbon footprint does not involve costly renovations and investments.**

Resident managers can do their bit to conserve our Queensland environment by responsibly making the complexes they administer carbon friendly to prepare for new international standards expected to be rolled out progressively during the next decade.

If tourism operators start implementing new technologies and standards while

upgrading complexes the switch to carbon friendliness when obligatory will not create monumental impacts with huge costs involved.

Sustainable practices can help reduce long term operating costs with consistent efforts to be made while increasing your competitiveness in the marketplace. Sustainable business considers the environmental impact of your actions into the future while optimising your practices to be as carbon friendly as possible. As tourism operators ARAMA members operating on holiday letting buildings have to regard business profitability, meeting visitor expectations, engaging local communities, and protecting the environment for future generations through environmental performance. What this means for you and your business is outlined on [www.tq.com.au/sustainability](http://www.tq.com.au/sustainability).

Tourism Queensland has created this online resource centre to help the tourism industry to understand sustainability and climate change and the need to reduce usage of natural resources, reuse of resources and recycling. It provides strategies to incorporate new practices and procedures into your day-to-day activities to sustain the natural beauty of our holiday regions.

Climate friendly businesses will be sought after more and more in the next years as government is implementing new policies and guidelines to make Australian businesses "greener". Suppliers might request information on your sustainability credentials as part of their quality assurance programs.

Furthermore, 'green-savvy' holiday guests are already looking for the nature based experience Queensland is famous for and will be increasingly interested in self-sustainable businesses supporting our environment as a little point of difference.

# Fair Lot Entitlements Under the BCCM Act

## Discussion Paper Published for Public Review

**ARAMA Queensland will be responding to the latest industry review by the Government as the matters raised have long been the subject for debate and dispute and need to have resolution and a definitive conclusion**

By way of background, the administration of community titles schemes in Queensland has been regulated since 1980 through the *Building Units and Group Titles Act* and later through the *Body Corporate and Community Management Act 1997*.

Common property and body corporate assets have always created costs and interests to be shared which made it necessary to determine how this is to be done fairly and appropriately.

Shared costs in community titles are defined in the *Body Corporate and Community Management Act 1997* (amended 2003 and 2007) as lot entitlements – and presented in the form of a contribution schedule lot entitlement and an interest schedule lot entitlement.

These determine not only the owner's share in common property but more importantly the lot owner's responsibility to contribute to the costs incurred by the body corporate – meaning the levies to be paid for the unit.

As there have been many concerns about the current system for setting and adjusting contribution schedule lot entitlements which determine how common property costs are shared between owners, the Department of Justice and Attorney General has now published a discussion paper and is welcoming submissions to discuss the appropriateness and operation of this system.

The concerns evolve from practical problems that have arisen in the past years that have caused many legal disputes.

The changes to the BCCM Act in 2003 made lot entitlements equal unless there is a reason to do otherwise. While initially we expected that this amendment was setting a standard for new schemes, the problems and unfairness to many owners occurred when these new rules were applied retrospectively to existing schemes.

Owners bought into the scheme not only with a certain expectation as to rules and entitlements but also how those lot entitlements would set the levies that applied to their unit. Owners expected that they would share the cost of services, rates and other costs with the other owners in the scheme but had not anticipated that their share would be increased dramatically by an owner with more resources who could afford to use the legal system to change how the body corporate operates.

A second reason the "equalised" levies changing schedules in existing schemes seem unfair is that owners of smaller units now have to compensate costs of bigger ones, say penthouses, because those owners – of course – want to only pay the same share. This in return means the costs of the scheme had to be re-calculated and that left owners of smaller lots with a higher share of the costs without any additional benefits.

Thirdly, owners in mixed use buildings that have bought commercial lots also have to pay the same rate for the swimming pool or lifts although they never use those facilities of the building. These owners may not use the swimming pool but they create more parking issues and have more rubbish to remove than residential owners. Again, a change to the rules after the event has caused concerns for owners.

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## Insurance – Spend Wisely For Your Own Protection.

Article kindly provided by ARAMA sponsor EBM Insurance

***In the current economic climate every business owner is taking a close look at how they spend their hard-earned cash, and resident managers are no exception.***

David Francis of EBM Insurance Brokers points out "Insurance is an area that some business owners will see as expendable when things are tight, but nothing could be further from the truth. Some insurance policies, particularly those available "off-the-shelf" from non-specialist companies, are simply not designed to cover all the potential risks that a resident manager may face on a daily basis."

In fact, saving a few dollars on insurance may be your worst decision ever, the saving is quickly forgotten when the cover does not meet the needs of the claim.

Resident managers, whether in a holiday or permanent letting complex, face certain unique and complex risks.

Managers should have:

### Professional Indemnity

A professional indemnity policy is designed to protect the insured should an award be made against them for a financial loss suffered by another party.

The standard policy provided by EBM includes cover for a resident letting agents licence, but extensions have been negotiated where a manager may also make sales within the complex, or further should they make sales outside the complex. This has become necessary due to the growing trend of managers looking to not only supplement their income, but also maintain their letting pool by limiting sales by external real estate agents.

### Public Liability

A common misconception is that the body corporate's own insurance will extend to protect the resident manager should someone suffer an injury or another loss on the property.

The resident manager, whether a sole proprietor, a partnership or a company, is a business in their own right. As such when an action is brought to the courts it is normal for both the body corporate and the resident manager to be individually named.

Public liability claims can amount to hundreds of thousands if not millions of dollars, and even if a manager is proven not to be at fault, the cost of defending the action alone can be extremely expensive. The policy provided by EBM has been tailored specifically for the management rights industry.

As well as the two most critical covers, the EBM facility will extend to offer a range of other important insurance policies such as unit contents (extendable to office contents), loss of fee income, fidelity and loss of money.

For any enquiries, call Deslee McKinnon on 07 3316 2400 or email [desleem@ebminsurance.com.au](mailto:desleem@ebminsurance.com.au)



# Help Yourself Implement *Innovative Business Enhancements*

**2009 is predicted to be the year of challenge for our industry and ARAMA members will experience many issues they have never thought or heard of before. Some businesses might find they have to change the way they operate in order to keep up with the highly competitive market and attract holiday guests to their resort or complex.**

**ARAMA Qld is supporting its members thus we have looked into potential risks and opportunities for 2009. The resources for enhancing your operations are out there – now you just need to read on and consider implementing some of them...**

## ***Attracting The Domestic Tourism Market***

### **Government Initiatives Supporting Qld Tourism To Support Themselves**

*With all the disastrous events of recent years – think 9/11, SARS, cyclonic weather, airline route cancellations into the state and finally at the end of 2008 the global financial crisis – the tourism industry is challenged like possibly never before.*

Visitor numbers have dropped during 2008 in both the international sector as well as the domestic having for example, a domestic air capacity loss of 21 percent to the Whitsundays in 2008. The year to September 2008 totaled 71.5 million domestic visitors staying overnight in our Sunshine State, leaving a four percent hole from the previous twelve months.

Of these visitors 45 percent were staying for a holiday, 34 percent were visiting friends or family (VFR) and 19 percent came on business trips.

The good news is that almost three quarters of these domestic holiday guests as well as those that came to

visit their family were travelling from within Queensland.

This domestic market has potential which ARAMA members should now look at by using the tools that are available through government websites.

Queensland provides all criteria for a holiday with its length and width exceeding three European countries while presenting a great natural diversity.

In recognition of the choice of holiday types in Queensland, our Premier Anna Bligh is encouraging Queenslanders to holiday at home to secure jobs and support our tourism industry.

Since August 2008 the 'Too easy' and 'Home Grown' campaigns have been promoted throughout the State and Northern NSW as part of the \$4 million recovery package for the tourism industry after the airline route cuts into Queensland.

At the same time State Government has been liaising with carriers to increase the seat capacity into the Brisbane, Townsville and Mackay airports with the result that it grew by 1 percent to an estimated 279,160 seats in December 2008.

Federal Tourism Minister Martin Ferguson has called on tourism operators to do more to help themselves which ARAMA supports continuously.

A proven effective way of promoting your holiday letting apartments is using digital marketing strategies to spread your news to a wider audience by providing videos, blogs, articles etc on public blogging websites such as Facebook and YouTube.

Your own website could link to these tools so potential guests can find every answer to their questions.

***Your website needs an overhaul?  
The tools are there – use them.***

The market is changing and tourism operators and accommodation providers have to look into the service they are providing now – to the owner and the guest.

The digital revolution means a greater dependence on the World Wide Web when advertising products and services. As it may be hard to find the most efficient way to put your complex on the market the "Tourism E-Kit" assists small and medium Australian tourism operators in successfully marketing their business online.

The online "handbook" developed by Tourism Queensland ([www.tq.com.au/marketing/](http://www.tq.com.au/marketing/)) contains several tutorials to be completed that explain the advantages of e-marketing and give you a guide through planning and developing a website, optimising your online success by using tools such as booking websites and Google. In addition the kit gives advice on email-etiquette and how to communicate effectively and friendly.

These days when accommodation providers in Queensland compete against larger hotel and motel chains that attack the holiday market with larger discounts, special packages and complimentary goodies, you must find ways to protect yourself from the bargaining era.

While the Tourism Research Australia Forecasting Committee 2009 predictions for a four percent downturn in international visitors are tough, they are not unexpected and the Queensland Government, Tourism Queensland and the industry are already working to overcome it.

The next six months will be a hard battle for members but ARAMA will help making Government aware of the needs of the industry while you can adjust your business to the new needs of the domestic and international market.

## Your Liabilities With Online Bookings

### Emergency strategy to deal with ceased web-based operators

*In late 2008 ARAMA members experienced the bankruptcy of three web-based accommodation booking services that left them in doubt about rights and responsibilities towards owners and guests in such a case.*

With the current economic situation it is important to protect yourself as much as possible from the potential risk of liabilities in relation to a service provider's users who cannot provide that service any longer. We can expect to see more failed operators in 2009.

In most cases web-based operators are not registered as travel agents and do not need to contribute to any industry fund or take insurance. That usually means that accommodation providers and owners have no compensation for losses incurred when these operators fail.

While ASIC has responsibility in establishing standards and monitoring performance of Australian companies, they do little to protect small operators and consumers who are victims of these collapses.

Office of Fair Trading does not have resources to review potential fraud in these cases and so most of these collapses occur with little warning.

What is of greater concern is that Office of Fair Trading has no resources to monitor the performance of these start-up operators that lack a sound business model and proper controls.

If an operator ceases trading there should be an administrator appointed to organise refunds to affected creditors.

There is usually a delay before this happens and the resident manager must make some decisions while he handles questions from potential guests who have paid money for a holiday that will not be delivered and from owners who have provided facilities for which they will not be paid.

You usually need to make quick decisions once you find that an operator upon whom you have relied has ceased trading.

You should take the following points into consideration:

1. If you have a guest already booked into your complex, ARAMA understands that the guest most likely is entitled to complete their holiday. You will need to attempt to recover the due amount from the failed operator involved rather than the guest who has paid in good faith. After all, you have agreed to have the failed operator present your product to the market.
2. Do not accept any guests who arrive with a voucher from a ceased operator. Explain the problem and invite the guest to contact the issuer of the voucher or book and pay for the accommodation again with you. Encourage them to report their problems to ASIC and OFT.
3. Contact any future guests who you know hold these vouchers and advise them of the same choices.
4. Suggest to guests that they speak with their credit card provider (if they paid by credit card) and seek to have the transaction cancelled.
5. Any guest who has taken travel insurance for the accommodation component should contact their insurer.
6. Go to the websites on which your complex is listed and remove your listing, if possible.
7. PAMDA Code of Conduct Section 11 requires that you keep your client (owner) informed of any significant event. We suggest that you advise owners who may suffer a loss due to the failure of these operators to continue trading, of the problem as early as possible.

The collapse of tourism-involved business and the consequential losses involved for ARAMA members are part of the difficulties that you must manage as part of your business activities.

## Fair Lot Entitlements Under the BCCM Act

### Discussion Paper Published for Public Review

*Continued from page 3*

The subsequent changes to the Act as undertaken in 2003 are effectively retrospective as they changed the manner in which fees are paid (based on potential services rather than size) and entitlements are proportioned.

The BCCM Act currently provides for adjustments to the lot entitlements if the arguments are reasonable (for example the penthouse owner has their own lift and pool which of course is not considered common property).

And it is not all negative considering that services are provided for every lot owner in the same manner and the same amount, the levy is based solely on that and the current legislation is practical and verified.

It also needs to be noted that owners of bigger lots in pre-2003 schemes have bought them expecting to be levied in accordance with the schedule apply at the time of the purchase.

ARAMA encourages all members to comment on the issue as different factors apply to these issues in different buildings.

The discussion paper is available on <http://www.justice.qld.gov.au/509.htm> and submissions are invited until 28 February 2009.

Take care before trading with an operator with whom you have not previously traded.

Insist on credit references from three traders and SPEAK with these nominated people. You may choose to place a trading limit with a new operator to limit your credit exposure.

You must operate a trust account and be accountable. These holiday booking services meet none of these standards – the rules are very different and they are accountable to no one.

# Sunshine Coast Boost 2009

The Sunshine Coast is being supported by major projects in 2009 announced by Tourism Queensland to secure holiday guests strolling in the region. In the year to June 2008 visitors have spent more than \$2 billion in the region and public and private investors will be sought after to realise the plans.

Nature-based experiences, adventure, event facilities and tourism precincts are identified in the Sunshine Coast Regional Tourism Infrastructure and Investment Plan (RTIIP) as project sectors to implement a sustainable tourism industry. The planned projects will not only help the region to flourish whilst preserving its character and diversity but also create investment and employment opportunities:

- A convention, exhibition and performing arts centre possibly at Maroochydore CBD.
- A Hinterland Skywalk and/ or Skyrail / cable car attraction to show case the natural beauty of the Sunshine Coast hinterland.
- The Stockland Park Regional Sports Complex including a new 12,000 capacity outdoor multi-use stadium.
- An attractions and Adventure Park Precinct to connect existing attractions such as Aussie World and Australia Zoo expanding existing attractions and creating new attractions such as a new water theme park.
- A Hinterland eco-lodge incorporating nature-based and indigenous experiences for visitors.
- Hinterland nature-based-tourism iconic drive route linking the Glass House Mountains and towns such as Maleny, Montville and Mary Valley with a similar profile as the Great Ocean Road route in Victoria.
- Coastal Green Trails including a new Great Walks in Conondale and the development of a shuttle bus system to link existing walks.
- Rainbow Beach Eco Resort to establish itself as a major eco-tourism and resort destination for Australia.
- Implementation of initiatives relating to the Noosa Biosphere Reserve including tourism opportunities
- Special tourism precinct master planning for Hastings Street, Maroochydore Town Centre, Caloundra Central District and Mooloolaba Spit.

RTIIP was developed in conjunction with the Sunshine Coast Product Development Plan and the Sunshine Coast Sustainability Benchmarking Model which form the foundation of TSC's Destination Management Framework in conjunction with the organisation's international and marketing activities.

## Rental Laws to Be Overhauled

The RTA published data that in 2008 the cost of renting a two-or three bedroom unit in Queensland has jumped 9 to 10 percent.

*From December 2003 to December 2008 the median rent for a two-bedroom unit in Queensland increased by 67 percent. Tenancy rates all over Queensland have increased by more than 50 percent for every unit size, not only in major cities and coastal regions.*

The growth in off-campus student accommodation, senior rental accommodation and the increase in auctions have contributed to the skyrocketing rents which Queensland Government will now be regulating more closely and effectively.

Queensland Parliament has recently reviewed the current tenancy laws (last amended in 2002) and passed new tenancy laws to take effect from 1 July 2009 to enhance protection of tenants and keep a balance of the interest of landlords.

*The Residential Tenancies Act 1994 and the Residential Services (Accommodation) Act 2002 will be combined to the Residential Tenancies & Rooming Accommodation Act 2008 that will protect 32 percent Queenslanders currently living in rented property.*

Under the new laws the frequency of rent increases is limited to six monthly, rent

bidding is outlawed and the notice period to terminate a tenancy at the end of a fixed term without grounds has increased from two weeks to two months.

The rights of lessors have also been enhanced with the inclusion of new grounds of entry to rental properties to check on repairs and whether significant breaches have been remedied. Unfortunately, return on investment has become less attractive for many investors in long-term rental property with increases in levies due to changes to lot entitlements, savage rate increases for units by Brisbane City Council and others, purchase of rental properties by owner occupiers who qualify for a first home grant and fall in value for much rental property.

The challenge in the next year will be to encourage investors to remain in this market. As supply diminishes and demand increases, further increases in rents can be expected.

Housing Minister Robert Swarten said an extensive community education and information campaign would be carried out by the Residential Tenancies Authority ahead of the start of the new laws.



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Brisbane South	Mark Toll	07 3340 3111
Brisbane North	Mick Doyle	07 3632 1375
Gold Coast Nth	Matthew Hay	07 55812151
Gold Coast Sth	Mark Brady	07 5522 3543
Ipswich	Steve Lester	07 3813 8365
Rockhampton	Wayne Turrell	07 49207102
Caloundra	David Wickham	07 5413 2389
Maroochydore	Rayeleene Elston	07 5450 3883
Noosa	Simon Neuwirth	07 5430 7491
Cairns	Kerri Atkinson	07 4050 1206
Whitsundays	Steve Nassios	07 4948 7110
Mackay	Angus Griffith	07 4944 4197
Townsville	Mark McRae	07 4722 1281

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# ARAMA

## Branch Events

### Cairns Report

By Grant Skinner, Branch President

The Cairns Branch enjoyed their End of Year/Christmas function at the German Club with ca. 40 ARAMA Cairns members with excellent European style food, drinks and the pleasure of each other's company! Whilst not so busy over the green season, we hope to hold an information night on how and where to promote our accommodation websites online; as long as we can find a Guru who is willing to part with some knowledge! Our next get together is planned to be a casual BBQ by the beach which branch members will be invited to once date and location have been chosen.

### Gold Coast Report

By Steve Gugenberger, Branch Vice President

On 11 November 2008 the Gold Coast Branch had its final monthly dinner for the year. The Gala Night was held at the Skilled Park venue where ARAMA members had a chance to dress up for a great night with entertainment and a band. The event was designed to celebrate the Association's development and achievements through its united network of numerous members with a common aim. Every attendee had a great time.

This year we are continuing with our monthly dinners starting on 10 February. Guest speakers from businesses which are of interest to our industry will continue presenting hot topics at our dinners. There will also be more speakers from businesses which have products and/or services that are used within the industry and members might want to look at. These speakers will be invited to give a short 10 minute presentation to dinner attendees for a small fee. This contribution will be used to subsidise the monthly dinners for ARAMA members.

Due to the popularity of last year's Gala Dinner there will be two social nights held this year. Members will be advised of more details on these two events closer to the date.

### Port Douglas Report

By Sheryn Blundstone, Branch President

Port Douglas fared reasonably well over the last few weeks considering the global doom and gloom. Our biggest hurdle is in educating the national media in relation to the geographics of Port Douglas and Cairns. Sure, we had a rain depression

*Continued over page*

# Industry News

## ARAMA Receives RTA Grant

ARAMA Queensland has successfully submitted for project funding under the RTA Community Education Public Grants Scheme *New Tenants, New Needs: Helping Building Managers Understand the needs of the disadvantaged project.*

This state wide project aims to educate ARAMA members about the special needs of tenants from a number of priority groups and provide them with skills and information for better meeting these needs.

This is proposed to be done through the provision of seminars to branch members around the state that would be developed in consultation with a number of government and non government human service providers.

## Innovative Tourism Qld Campaign to Boost Reef Islands

An unusual global campaign launched by *Tourism Queensland* aims to attract tourists coming to Northern Queensland by having an unofficial tourism spokesperson located on Hamilton Island for six months who reports back on their adventures to a global audience. Paid \$150,000 for six months to explore the Great Barrier Reef Islands and maintain weekly blogs, photo diaries and video updates is a tourism campaign outside the usual concept.

The "blogger" will have to talk to media from time to time about what they're doing so they'll have to love the sea, the sun and the outdoors. This clever marketing strategy grew from the realisation that more people research and book their holidays online than ever before with user-generated content on websites such as Trip Advisor, Lonely Planet's Thorn Tree, Facebook, You Tube and travel blogs playing a major role in people's travel plans. The investment of \$1.7 million in "Best Job in the World" campaign is expected to generate more than \$70 million worth of publicity for Queensland and increase

the profile of Queensland's Great Barrier Reef islands.

## Form 20a End Date Issue Resolved and Clarified

An issue that concerned many ARAMA members in relation to the recommended ARAMA practice for completing the "end date" in Section 4.2 of PAMDA Appointment Form 20a has been resolved.

An OFT Compliance Officer had argued that the term "90 days after one party gives to the other written notice of termination" would not comply with legislation as it would have to be a date, meaning it could only be in DDMMYYYY format.

We are pleased to advise members that the existing ARAMA recommendation has been negotiated with the OFT Investigations Branch and is now endorsed as consistent with the OFT "Good Business Guide" where the Notice to Terminate issues are set out on page 23 of the October 2003 edition.

The practical outcome of this ARAMA initiative provides more accuracy and protection for your appointment. We thank OFT Investigations Branch and lawyer Alan McKernan for working with ARAMA to resolve this matter.

## Sunlover Holidays Sold To AOT

Sunlover Holidays, the former state wholesaler, has been cashed out from long time partner *Australian Outback Travel Group* for \$9.7 million.

Sunlover Holidays is a wholesaler in Queensland travel products representing over 570 Queensland tourism operators and 1,400 Queensland travel products. Sunlover Holidays receives commissions paid by tourism operators and is currently licensed to *Australian Outback Travel* and under a five year license agreement that was due to expire on 30 June, 2010. The sale price will be contributed back to Tourism Queensland projects to support the industry in 2009.

## ARAMA Branch Events

*Continued from previous page*

dump a few hundred millimetres of rain in a short period of time, but within 24 hours the roads were usually dry and soon there was bright blue sky and sunshine. The southern Queensland media unfortunately reported us as "washed away".

We all know the consequences of discounting and that one never really recovers these lost dollars in relation to yield (talked about many times in Resort News). I would like to congratulate the local Port Douglas tour operators in our region who have been very firm with no discounting of their products - I can only encourage accommodation properties to consider minimising any discounting and reflect the true value of your product. I know it is hard not to follow the bigger players. 'Bottom of the harbour' discounting only makes it harder to bring your product back to rack rates when times improve. If you thought yesterday your product was good value when you set your tariffs then it should still be today.

There have been some newer properties in Far North Queensland using some 'below the belt' type tactics to entice guests to change accommodation once checked in - always display your cancellation policy and ensure that your confirmation clearly states your property policy.

This should also be on your confirmation letter - I have advised others to include that the balance is payable on arrival - this will help to protect your bookings.

I know many properties already do this but in these tighter times don't let some developer or others benefit from your marketing.

On a brighter note - Port Douglas is the perfect destination for a visit - please come visit us for your next holiday and we look forward to meeting and staying with our southern colleagues for our next holidays also.

### Sunshine Coast

*By Robbie Judge, Branch Treasurer*

Looking back to 2008, ARAMA Sunshine Coast held a number of information nights in addition to a series of education/information courses held over an eight week period. The aim of these nights was to allow resident managers the opportunity to network with others and to develop ideas to build their business.

In the current economic climate our members will be faced with many challenges. One of the key objectives of ARAMA Sunshine Coast is to further develop our members' understanding of the dynamics of the management rights industry and specifically their own business.

In 2009 ARAMA Sunshine Coast will be working in conjunction with Sunshine Coast TAFE to offer subsidised half-day courses to resident managers. These courses will cover topics such as conflict resolution, marketing and occupational health and safety.

The new Sunshine Coast Regional Council contracted the Stafford Group to provide them with an in depth report on the tourism industry and the way it has been funded in the past. We await with interest, the publication of this report, and the Council's response to the recommendations. The future of our information centers and local tourism associations is of vital importance to ARAMA Sunshine Coast members. We will seek representation on whatever new body is formed to promote our region.

2009 will also see information sessions with industry specific specialists delivering some great workshops with practical ideas, to assist managers in developing marketing plans to suit their complexes.

As stated earlier, 2009 will present some interesting challenges to all involved in management rights. It is important for members to take advantage of these opportunities to individually develop themselves to best tackle these challenges.

### Fast Facts

- Tourism contributes \$8.8 billion to the Queensland economy and accounts for 4.5 percent of Queensland's Gross State Product (GSP). (Year to June 2007)
- Tourism is the third largest export earner for Queensland, behind coal and non-ferrous metals. (Year to June 2008)
- Tourism employs 119,000 Queenslanders or 5.7 percent of all persons employed.
- Queensland's stock of hotel, motel, guest house and serviced apartment rooms totalled 64,663 rooms in June 2008.

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