

NEWSLETTER



JUNE 2008



Practical Policies Needed From Industry

By Kim Cox – Inaugural National President of ARAMA

With the new regulations for the BCCM Act expected to be through the State Parliament later this year, the industry faces further challenges to ensure that we are able to continue to work together with further practical operational reforms.

During recent years the industry stakeholders have been able to meet together and address the long term and day to day issues which have an impact on the smooth running of those in the strata and community title industry, either as owners, investors, planners, developers or service providers.

In essence we are the stakeholders who are at the grass roots of the industry and with a close association to the issues, big and small, we should be able to work harmoniously to recommend improvements to the maturing and growing industry in all its dimensions.

We at ARAMA believe that the time for some greater leadership to identify and work on addressing the challenges is now at hand for the industry. The revised Regulations are expected to provide the

tools for bodies corporate to improve their level of governance of their own activities.

It is important for those in the resident management industry, their teams and their owners, whether they be investors or owner occupiers, that when the revised BCCM Regulations have been checked out by industry to ensure they address the practical issues they are intended to address and are then implemented by Government, to take on the new challenges which emerge.

One of the major issues for those on the body corporate committee and the body corporate manager is to check in a very thorough and practical fashion that each body corporate is capable of exercising the governance opportunities that Government will have provided.

We need to ask the question - Are bodies corporate ready for the new flexibility and opportunity?

Are the processes and practices of the body corporate in step with the amended regulations or have they been superseded by the law changes?

As I have indicated previously, many of the disputes we have as resident managers are generated by the affected

stakeholders not being across the legislation and assuming that they have rights as individuals which far outweigh the rights of the legislation, which is also the law of the State.

It is important for resident managers to recognise and be able to try to handle those couple of dissenters who should not own property in a community titles scheme but still choose to frustrate the efforts of others.

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ARAMA Qld welcomes BankWest as a Gold Sponsor

BankWest has a specialist Property Finance Team that tailors financing plans to the needs of resident managers. ARAMA Qld appreciates the support provided by BankWest to enable ARAMA to continue delivering good member services.

ARAMA Membership Review Process

By John Anderson, Executive Officer of ARAMA Qld

Management rights like so many industries changes in time and practices need to be reviewed. In the last few years, we have seen some rapid changes in some aspects of our industry. The State Management Committee decided it is time for a subcommittee to review our membership practices in relation to both our Constitution and the industry requirements.

When the Constitution was prepared in 1992, those who initially established QRAMA made it clear that the Association was for the owners and operators of management rights. In 2008, this objective is just as relevant. Voting rights and the right to serve on committees are available only to "Qualified Members".

Another important point is that people and not companies, family trusts or buildings are members of ARAMA. Membership will be in the name of the owners and operators of management rights. In the case of ownership by a company or family trust, the members will be those directors of the company who operate the business.

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Electricity Safety in Holiday Rental Accommodation

ARAMA Qld members have been advised in our last newsletter that every rental premise let for long-term letting with a RTA agreement in place is required to install electricity safety switches from 29 February 2008.

There have been three phases of this safety switch programme since the first initiative in 1992 that have delivered a safer environment for occupants of residential premises. ARAMA Qld has strongly recommended to its members to encourage unit owners to install safety switches in holiday accommodations in order to provide the same level of protection whether someone is living on the premise or is on holidays. This is not yet a mandatory requirement.

ARAMA Qld has raised this issue of electricity switches obligations with the Minister for Transport, Trade, Employment and Industrial Relation, the Hon John Mickel MP. The current lack in protection for some holiday accommodation guests means that within a building there can be units with different safety standards.

Units can differ from one another because of date of the last change of owner or the nature of the agreement with the person living in them, may it be short-term or long-term letting. That seems inconsistent in regards to the objective of protecting people from electrical accidents.

ARAMA Qld has pointed out to the Minister that the safety of holiday units has not been completely covered. When a unit is still owned by the same person since before 1992, that unit does not fall under the safety switch obligations.

The inconsistency will remain if there is no legal requirement for holiday accommodation to have electricity safety switches installed where there has been no change of ownership. ARAMA encouraged the Minister to initiate a fourth phase in the provision of safety switches in residential property in order to complete the task of providing electrical safety in all buildings.

Minister Mickel has acknowledged ARAMA Qld's recommendation and assured us that the Queensland Government is committed to improving electrical safety in both domestic and workplace situations and will consult us at the next stage of improvements in safety switch coverage in Queensland.

Practical Policies Needed From Industry

By Kim Cox – Inaugural National President of ARAMA

Far too many disputes arise because a minority of owners fail to adjust to strata and community title living laws, believing that as an owner, they have inalienable rights that are not provided in the legislation.

One of the areas that also concerns me has been a significant issue for some time, and that is will competent volunteers now serve on committees when they have the necessary tools and protection provided by legislation to make a real difference in the complex?

Hopefully by October, the legislative changes will be correct and in place and there will be a greater degree of interest amongst owners to give of their time and experience to work on the committee.

Among the challenges for bodies corporate will be just how many of them will be able to set realistic spending limits for committees. Further, how many committees will develop strategic plans to enhance the facilities and hence the value of properties in the scheme?

Will the new insurance requirements provide more realistic covers for the assets and protection of those on site? Have most committees understood the real values of their buildings?

As resident managers we must work with our bodies corporate to ensure that they will be ready to accept the challenges

that the government is in the process of providing, through the new modernised regulations.

The Government regulations are putting in place the real business and commercial arrangements to enhance 21st century living and it imposes on us all to get together to ensure that these reforms are given the opportunity to work. For they provide great opportunities to enhance lifestyle and harmonious relations in the every growing complexity of schemes, given the will of the stakeholders to seize the opportunities.

The Government has demonstrated that it wishes to embrace the industry and address its issues. Each time there is a review and an opportunity to improve the legislation we must be of a common mind, stop complaining about personal issues and work together to achieve the best outcomes.

Whether we are service providers or owners or stakeholders of another kind, including holiday visitors, the aim needs to be for us all to work together, make the laws and regulations work for the benefit of all, and recommend to the government the need for review and change if and when the need emerges.

Legislation is now routinely reviewed every five years and, if managed responsibly, we will continue to see the opportunities grow.

Newly appointed ARAMA Field Officer Andrew Sinclair

In March 2008 ARAMA Qld appointed Andrew Sinclair as part time Field Officer to assist in the delivery of member services. The position has been approved for an initial period of six months with a focus on assisting members with queries relating to management rights issues.

"I am looking forward to helping members and supporting branches with their day-to-day issues, may they be small or big," Andrew said.

Within the past two months he has already met or talked to many members and helped with issues such as booking scams with holiday bookings. Andrew has also contributed his knowledge when he reviewed the new water charges legislation and informed members of the choices available. In most existing premises, the cost to the owner of installing meters will far outweigh the payments that tenants



may make to water usage costs.

Andrew was General Manager of Tourism Sunshine Coast from 2001-2003 and has lived and worked in tourism in the UK, USA and all over Queensland. He has gained extensive knowledge in marketing working in senior management roles in tourism and transport for the past 20 years. Andrew and his wife had the management rights for an apartment complex at Kangaroo Point for the last five years. "She ran the place and I was in charge of light bulbs," he said.

ARAMA Membership Review Process

By John Anderson, Executive Officer

Continued from page 1

The membership may be in the name of one person, a couple or two couples if two couples are working in partnership in both the ownership and operation of business. Membership will be in the name of the person or persons who own the management rights – not the company name or the name of a family trust.

The Constitution provides that Qualified Members are:

Foundation Members – those who contributed to the “Resident Managers Green Paper Fighting Fund” in 1991-92.

Practising Members – those who own and operate management rights as described above and who are licensed to operate.

Non-Active Members – those who have been a Foundation or Practising Member for at least a year and are temporarily “between buildings”.

Life Members – those who have given a lengthy period of service and have been recognised and approved as provided in the Constitution.

ONLY QUALIFIED MEMBERS HAVE THE RIGHT TO VOTE AND THE RIGHT TO SERVE ON A COMMITTEE.

We recognise that we must change membership application forms to make it clearer that persons are members – not company names. The membership record and membership card should comply with the above requirements. We also need to make clearer the difference between practising members and associate members.

There is provision for those who are in the process of purchasing management rights to be given provisional status for an initial period of three months. This allows these people to access the many resources that ARAMA provides and to attend branch meetings while they are learning about the industry.

A practising member (as defined above) owns and operates the management rights. Increasingly, we see former owners of management rights and others with some industry experience taking a financial interest in the management rights, either as a “silent partner” or as a passive investor. A financial interest does NOT provide for the status of practising member. Only those persons who are operating the management rights as well as owning the management rights are eligible for the class of practising member.

We have companies that own the management rights to a number of

complexes. An employee manager who operates a complex IS NOT eligible to be a practising member as they do not own management rights. They are NOT covered by the membership of the person/ company owning the management rights.

Employee managers may apply for associate membership in their OWN NAME. Membership is applied to the PERSON and NOT the company or the complex that employs them.

Again, an associate member is the person or persons who applies for and is granted associate membership. The membership does not cover other people who may work in the same company.

Another point that is often overlooked is that every member (both qualified member and associate member) of ARAMA is a member of the BRANCH of ARAMA within whose geographical boundaries the business is located. Membership of a branch provides information of the activities of that branch as well as State issues. It does not place the member on the mailing list of the activities in other branches.

The subcommittee is continuing to review other issues that relate to membership practices.

Business Owners Get ‘Super’ Smart In Order to Maximise Retirement Funds

Getting the right advice early on ensures that business owners in the management rights industry are rewarded for their hard work well into retirement. Many business owners are missing out on maximising superannuation opportunities because they are heavily focused on the day-to-day running of their business and do not have a retirement plan.

“Relying on the sale of your business alone in order to fund your retirement plan can be fraught with danger and could leave you very disappointed,” according to Gary Atkinson, NAB’s Managing Partner at Gold Coast North Business Banking Centre

“Taking advantage of superannuation opportunities and nutting out an exit strategy while you’re still operating your business will enable you to reap the rewards in retirement,” Mr Atkinson said.

Many owners of small to medium enterprises (SMEs) in the management letting rights industry are approaching retirement age and should be maximising super opportunities well before they plan to retire. Mr Atkinson said that for many individuals this means investing surplus cash into superannuation while still running the business, which may involve setting up a self managed super fund (SMSF).

Payouts from super are generally tax free for individuals aged over 60. With the recent superannuation changes, individuals can contribute up to \$150,000 per year – or \$450,000 over a three year period depending on age and circumstances.

In the current climate, two of the most important considerations for business owners are first, maximising the time left to contribute to super prior to retirement and second, having

everything in place to maximise the sale of the business.

Mr Atkinson said people enjoy the investment flexibility and tax advantages that self-managed superannuation provides, but with this comes extra trustee accountability.

“Individuals are ultimately responsible for their funds’ administration, management and compliance,” he said. Current business owners should seek advice from a specialist – be it their banker, accountant or financial planner – to determine the right ‘Transition to Retirement’ strategy for them,” he said.

“There’s no better time than right now, while you’re still running your business, to plan for your financial future.”

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Planned Changes to BCCM Regulations

In February this year, the Queensland Government released for public comment the Regulatory Impact Statement (RIS) and proposed changes to the Body Corporate and Community Management Regulations. The public was invited to provide comment until 14 March 2008.

As well as changes to the four existing regulation modules, a fifth module will be added – residential two-lot schemes. Of nearly 325,000 lots in community title schemes in Queensland at 30 September 2007, 32.7 percent of schemes had only two lots and yet the requirements are much more onerous than is appropriate for their needs.

ARAMA has been working on the issues in the RIS with the department, the Commissioner's Office and other stakeholders since 2006. The RIS provides a narrative of issues that will probably be included as amendments to the BCCM Regulations but it does not provide the proposed wording of the regulations. Hence there is still some doubt about what the regulations will provide and we may not know these details for some months. We do know what has been agreed and we expect the department will honour its commitment

to support the changes as agreed. With the change of department responsible for this legislation, there is now some doubt about processes that will apply and so far attempts to receive clarity have not been successful.

However, it is useful to examine the main issues impacting on resident managers that are included in the RIS so members can understand the background to the expected changes. There are also some minor changes which clarify what reasonable people have expected the regulations to require such as eligibility for committee membership and committee nomination procedures for a lot owner who owns multiple lots.

Transfer Fees in the BCCM Act

The transfer fee issue has probably been the most divisive and illogical BCCM issue since its introduction in 1997. ARAMA believes there should be no transfer fee. It is well documented that the fee was never part of any Regulatory Impact Statement nor was it subjected to any test of benefit to any stakeholder. It was simply an exercise in political expediency to secure one vote that enabled the legislation to be passed.

We understand that the Government is now reluctant to correct the matter and we support the initiative to target the fee at those who potentially increase the costs for the body corporate by assigning the management rights within a short time period.

ARAMA supports the intent of proposed changes to the application of the transfer fee.

We have advised the department of our concern with the ambiguity in the RIS which is not consistent with the agreed outcomes.

The term "original engagement" has been introduced to the RIS and has caused some confusion.

The agreed requirement is that the fee will apply if the management rights are sold:

- by the original resident manager for the scheme within two years of the original engagement; and
- by each subsequent resident manager who sells within two years

of purchasing the management rights.

There is also a need for clarity on how the dates are calculated. While the date on which the developer entered into the original contract is clearly defined, the subsequent dates on which the "clock restarts" should state whether it is the date of settlement (that is, the contract date) or the date on which the body corporate approves the assignment.

We have further suggested that the IMPACTS of the proposed change as set out on pages 26 and 27 have underestimated the issues.

Some of the worst disputes and times of mistrust between the resident manager and the committee occur over transfer fee arguments. When the proposed changes are in place, there should be no grounds for arguments at body corporate committee meetings and every resident manager will know the rules when he puts his complex on the market. It should also provide an incentive to the resident manager to stay until the two years have been completed unless a compelling reason encourages an earlier sale.

We believe that the following benefits will result from this change:

- the person who buys and sells again within two years will pay the fee and will have no grounds for argument.
- the conflict with the body corporate is removed - go within two years and you pay the fee.
- every resident manager who plans to sell knows the rules - the matter is removed from manipulation by the committee.
- the resident manager who has completed two years service IS NEVER hit by a transfer fee.

For these benefits to be delivered, the new Regulation must be worded carefully and in clear detail without opportunity for ambiguous interpretation.

As the rate of increase in property value reduces and the letting pool diminishes, the value of management rights will diminish in some properties. Resident managers who see their income fall because of an increasing number

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of owner occupiers who have replaced what were previously units in the "letting pool" frequently are harassed by these same owner occupiers who resent the tenants and holiday visitors and who seek committee positions so they can attempt to change the manner in which the scheme operates.

Frequently when a resident manager sees his investment destroyed by newly arrived owner occupiers, it is in the interest of all stakeholders for the resident manager to take a loss and move on.

We submit that those in this position should not be subjected to the penalty of the transfer fee as well as the financial loss.

ARAMA has recommended adding the requirement that the transfer fee cannot be more than the consideration paid by the transferor for the rights when they are acquired less the consideration the transferor is receiving for the rights on disposition.

The transfer fee has a sad history of irrelevance for over a decade. While there is a strong case for its complete removal, the proposed change will introduce a much fairer and predictable situation that removes triggers for disputes and mistrust.

Reserved issues

Currently the committee cannot make a decision on an issue which the body corporate has previously reserved, by ordinary resolution, to be decided by ordinary resolution of the body corporate. Hence such a decision could be in the minute book from ten years ago that would require the assignment of the management rights to be a reserved issue and not decided by the committee acting for the body corporate. If the present committee is unaware of this old decision and approves an assignment, the validity of the assignment would be subject to challenge. Most likely the people involved in the earlier dispute have moved on and it is no longer an appropriate constraint.

The proposed change will require each reserved item (if any) to be reconsidered at each AGM and be re-confirmed if it is to remain a reserved item. The change will remove the potential uncertainty, particularly in older buildings, as the risk will be removed of missing an old decision that may have become irrelevant but has not been rescinded.

Voting outside committee meetings

It is recognised that at times emergency decisions must be made on body corporate matters and it may not be practical to wait for the next committee meeting to make some decisions.

However, the current processes have been abused in some bodies corporate where an autocratic chairman has assumed executive authority which he does not have and made a decision in conjunction with two other committee members who agree with him.

This process may appear to be expedient but frequently other committee members are not informed of these decisions made outside committee meetings. The best available decision is not always made. The procedure for voting outside committee meetings will be better defined.

The revised provision will still allow decisions to be made in an emergency but an attempt must be made to contact every committee member (including non-voting members).

Authorised expenditure by the committee

The current Regulations set committee spending limits on a "one size fits all" basis, particularly for complexes that use the Standard Regulations. It has at last been recognised that spending limits that may be appropriate in an older complex of 12 units with all owners being owner occupiers on fixed incomes may not be appropriate in a complex occupied by persons on higher incomes in a complex where units sell for \$500,000 or more. Hence many committees either call a general meeting to approve many items or ignore the legislation. Neither solution is satisfactory.

It is proposed that the spending limit for committee spending will be set by multiplying the number of lots in the scheme by \$200, unless the body corporate at the Annual General Meeting

(AGM) sets another amount. The limit set at the AGM will not have effect until the next AGM when it can be set again. Hence each body corporate may set its own spending limits to suits it own requirements.

It is also proposed to clarify that the relevant spending limit for committee spending excludes GST.

Valuations for insurance

Bodies corporate will be required to obtain an independent valuation for insurance purposes from a qualified person at least every five years. Recent changes in property values as well as building material and labour costs have increased the risk that the property may not be adequately insured. The Regulations will define procedures that must be followed.

Valuations at least every five years should ensure asset values for insurance will remain realistic.

Draft regulations

ARAMA along with all other stakeholders is looking forward to seeing the draft Regulations. We recognise that the draft Regulations will be prepared by Parliamentary Counsel in accordance with their requirements. Unfortunately we have previously seen BCCM industry problems created by drafting that has failed to grasp the issues that the industry has identified and the wrong issues have been addressed. Good legislation must achieve both criteria – satisfy parliamentary standards and provide practical solutions to industry problems. We await with interest the review of the draft Regulations to ensure that the 2008 draft provides practical benefits to significant issues.

Sunshine Coast Branch Appoints New Secretary

In April 2008 ARAMA Sunshine Coast member Robbie Judge was elected as the new Secretary and Treasurer of the branch. He has been on the ARAMA Sunshine Coast Committee for two years and has taken over Bob McMillan's position.

Bob has been a devoted Sunshine Coast Secretary who has contributed a lot of time and knowledge to the development of the Sunshine Coast branch. Bob will stay involved by being a committee member and ARAMA Qld would like to dearly thank him for his commitment and passion for our industry.

Robbie and his wife Kim-Leigh have been involved in management rights since 2004 after he had been serving in the Australian Army. The young family of five had been looking for new challenges whilst maintaining the work/life balance with their family.

With the help of the Sunshine Coast Committee, one of the first initiatives he is taking as ARAMA Sunshine Coast Secretary is the organisation of regular member information nights. "As Secretary and Treasurer, one of my goals is to get Resident Managers networking with each other in order to create a stronger industry as well as networking with professionals in other industries to develop new ideas," said Robbie.

"I also want to help create a culture where Resident Managers are developing their professional skills and knowledge base," he said.

Opposition to Renewals

By John Mahoney, Mahoney Lawyers

We have recently seen a push by minority interest groups to encourage bodies corporate not to renew management rights agreements. A number of fanciful arguments as to why bodies corporate should do that are put forward as justification.

We often find that the protagonists pushing this agenda are the dominating, power/control seeking individuals who always want their way and dislike any manager who is not totally subservient to their demands. They are the types who are a source of constant conflict, unwilling to engage in any meaningful dialogue to resolve issues and avoid conflict. They complain when because of their belligerent approach and the destruction that causes to the relationships within the complex get voted off the committee and then accuse an approachable and rational committee of being weak or compliant to the manager's wishes just because the new committee is able to sensibly and rationally negotiate a reasonable outcome for the manager and the body corporate.

Whilst it is not surprising that unit owners in general avoid joining interest

groups that push agendas like this, it is disappointing that groups that have a membership totalling less than 0.5% of unit owners receive so much publicity and are seemingly listened to by the Government.

It is argued that the developer unfairly benefits financially from the grant of the management rights to the first manager, that the agreements are biased in favour of the manager and an unfair burden on the unit owners in the future.

It seems to be forgotten that the developer is the one who took the financial risk in undertaking the development in the first place and it was only through the developer's efforts the management rights came about. The developer has every right to benefit from that.

As to any bias or unfairness, the developer must under the BCCM Act ensure that the management rights agreements achieve "a fair and reasonable balance between the interest of the [Manager] and the Body Corporate" and that the terms are "appropriate for the scheme". If the developer does not do that, any affected owner can sue the developer for compensation.

Further, any body corporate can apply to the Commissioner's Office for a review of the remuneration and terms of any agreements in new complexes to ensure that they are fair and reasonable. In addition, the agreements themselves and the legislation have provision for termination if the manager does not remedy any default, the Act has specific provisions enabling a body corporate to force a manager to sell in the event of non-performance and there are similar "forced sale" provisions in the Corporations Act. How much more protection do owners want?

The protagonists argue that if a body corporate allows management rights agreements to lapse it can achieve financial savings and better control over the building, typically by engaging its own cleaners, gardeners etc. But of course nothing is proffered to support this claim, a claim which ignores the overwhelming success and benefit to owners achieved through management rights arrangements in building throughout Queensland.

Various studies have shown that the cost of engaging an on-site manager to a body corporate, at remuneration levels

typically seen in the industry, is less than the cost to engage other contractors to do the work required. There was an excellent article by Barry Turner of Building Management and Consultancy Services in the last issue of Resort News on this exact point. Indeed it is not surprising that buildings which had let management rights arrangements expire and opted for engagement of various contractors instead, have abandoned that model and gone back to a management rights arrangement.

The suggestion that a body corporate should allow agreements to expire and then go through some form of tender process offering short term unsaleable agreements is fuelled by greed, ignorance and often jealousy of the manager. The tender process is grossly unfair to the on-site manager where there is (as is usually the case) a letting component to the management rights business. The on-site manager will have worked hard building up and/or maintaining that business and apart from what may have been paid for it in the first place, is entitled to regard the goodwill in the letting business as his/her own. It would be grossly unjust to take that goodwill away from the manager by allowing tenderers to get their hands on the letting business for nothing by offering a low caretaking remuneration in order to secure the management rights.

History has shown that from a unit owner's perspective, the most effective way to secure sustainable occupancy levels is through a competent and efficient on-site manager who has a vested interest in building up the business for the benefit of all owners and himself. The more rent or tariffs received the more return to owners, the more income for the manager and the more the owners' unit values and the manager's business value increase. There is a huge financial incentive for the manager to improve the business. If proponents of short term virtually unsaleable agreements get their way, there is no similar incentive for the manager to improve the business because the business is not saleable.

Proponents of not extending agreements self righteously proclaim that they are doing the right thing by all the owners, conveniently forgetting that the manager is also an owner. Do they gain some perverse pleasure from causing financial ruin for one of their own?

It is common for opponents of management rights to constantly criticise



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the manager and issue bogus default notices, then use the alleged poor performance of the manager as a basis to argue that the management agreements should not be renewed. That leads to much disputation.

Such disputes adversely affect the ability of the manager to perform the manager's functions and often lead to expensive litigation which will come to the attention of potential buyers of units in the complex. It is not uncommon for such disputes to lead to a drop in unit

values or saleability. If a body corporate has a genuine problem with a manager, the most effective way to resolve that is through open and meaningful dialogue with, if necessary, assistance from an independent and fair minded mediator. It should come as no surprise that in a number of recent matters decided by the Commissioner's Office, militant committee members, their consultants and even legal advisers have been criticised for their actions.

ARAMA Gold Coast And Gold Coast TAFE Introduce New Training Course

Resident accommodation managers in Queensland now have access to a fully accredited training course to be provided by Gold Coast TAFE. The Gold Coast branch of ARAMA and Gold Coast TAFE have completed the development of the approved course for managers and their staff, the first in Australia.

The training courses will provide successful participants with a Certificate IV in Business (Management Rights) or a Certificate IV in Property Operations which are both tailored to the needs of resident managers' operational work.

The Certificate IV in Business trains participants in marketing opportunities, customer relations, effective team management, workplace health and safety and property project management. The course has a monthly session day and takes place over a period of 9-12 months.

The 26 week program Certificate IV in Property Operations can be started all year round and will provide attendees with the fundamental skills of planning

and coordinating property and facility inspections in a professional and time efficient manner.

The home-course will introduce participants to the secrets of the successful implementation of customer service strategies as well as the optimisation of staff and building management. Furthermore, specifically for day-to-day operations in buildings and complexes, there are sessions on the coordination of maintenance and repair of properties and facilities.

An additional part of the new training courses with TAFE are non-accredited skill sets workshops to update and improve the skills and knowledge of property industry managers to implement in their workplaces. Strategic Planning, Project Management and Human Resources workshops are one-day functions enabling participants to a broader understanding of necessary management skills behind the contract related work they are expected to deliver.

ARAMA believes this is a great step towards improving the skills of our members, enable them to apply these skills in the workplace and create a line of qualifications which are industry recognised.

BCCM Industry News in Brief

Water Charging Now in Place

As of 1 April this year lessors are allowed to pass on 100% of the water usage charges of tenants as enforced in the Water and Other Legislation Amendment Act 2007. The premises have to be individually metered, the tenancy agreement must state that the tenant pays for water, not only excess water, and the premises are water efficient. The water efficiency of the premises is determined on the basis of a 3 star rating or higher under the Water Efficiency and Labeling Standards Scheme (WELS). It applies for toilets, showerheads and internal cold water taps (excluding bath tub and taps for appliances). More information: www.rta.qld.gov.au

ARAMA Qld has informed all members of its opinion about passing on water charges. Since water is relatively cheap and only the consumption is chargeable, the costs for installing meters, for reading and maintenance of those and the time spent managing this procedure will be higher than the charge to the tenant. ARAMA Qld recommends that members inform owners who raise the issue about the consequences before making any arrangements that may cause cost increases.

Treasurer Proposes New Laws For Underage Drinking

Queensland Treasurer Fraser has introduced an extra legislative proposal to curb underage drinking awaiting debate in Parliament. In line with Fraser's flagged liquor reforms this would affect Schoolies the most as it aims to prevent liquor being sold to underage persons to avoid binge drinking scenarios as seen at Schoolies in the past.

Version 4 PAMD Forms

From 1 April 2008 all new appointments of Agent for Letting & Property Management with the PAMD Form 20a have to be in Version 4, available in the reference library of our website. The form is as designated by Office of Fair Trading (OFT) and covers only items in PAMDA Section 114 which principally deal with trust account disclosure items. In addition ARAMA strongly recommends that an Addendum or Special Conditions be appended to the approved form to cover those other items that must be agreed between the owner and agent, also available on our website.

Older forms will not be invalid if they are still in place and were the correct form at the time the appointment has been signed. A new appointment does NOT need to be prepared when a new version is issued.

New Cost and Charges Survey

ARAMA is currently planning the 2008 Cost and Charges Survey.

This year, one survey will be conducted for all members in all branches.

As previously, the report will be made available only to those who provide input. Details will be forwarded to members shortly.

We look forward to your support.

ARAMA Improves Member Services

After the successful name change of QRAMA to ARAMA Qld it was time to review and re-design stationery and publications for your use and promotion. ARAMA Qld has initiated the distribution of important stationery among members to show that the name change is now complete and ARAMA NSW and ARAMA Qld are identified as one organization nationwide.

In the course of this we would like to inform members of the previous services to you.

Window Decal Distribution in Qld and NSW

ARAMA Qld and ARAMA NSW have distributed the new ARAMA window decal to all financial members to be applied in their offices.

Using the new logo on a national basis will not only improve recognition of our Association but it also indicates that you have adopted the professional standards ARAMA embraces.

New ARAMA Management Rights brochure

ARAMA Qld has reprinted the Management Rights brochure that gives an overview of QRAMA's transformation to ARAMA since 1991, the values of ARAMA and the benefits to all parties involved in residential or holiday complexes to have an on-site manager.

The brochure has been developed to explain the role of resident managers and the benefits for owners or guests and tenants having a manager taking care of the building or complex.

ARAMA provides all the above mentioned items upon request. Please email state@arama.com.au

ARAMA Branch Events

Sunshine Coast

With the help of the Sunshine Coast Committee, one of the first initiatives of Robbie Judge in his role as Sunshine Coast Secretary and Treasurer was the organisation of the first Information Night for 2008 for regional members on 14 May 2008.

The casual evening in Coolum Beach well attended by 95 Resident Managers, had State President Kim Cox speaking about how to keep apartments in a rental pool and Field Officer Andrew Sinclair introducing himself to members by presenting the last Costs and Charges Survey. The third session of the evening gave a practical overview of fire obligations within a complex.

The evening was not only a successful start for the new series of information nights but also for Robbie who was able to introduce himself to members who he has not met previously. "The goal is to make it a regular event with topics put forward by members," Robbie said.

Brisbane

The seminar saw senior representatives of all parties involved in the management of residential accommodation coming together for discussion with key speakers such as CEO of the Queensland Water Commission John Bradley, Lindsay Enright, Executive Director of the Southern Region Division, Planning Group, Department of Infrastructure and Fergus Smith, General Manager of the RTA.

Brydon Halliday, president of ARAMA Brisbane and host of the conference designed the one-day seminar to examine the relationships that are affecting Resident Managers in their

daily work. Hence he provided a forum for the presidents of the Community Titles Institute of Queensland, Michael Hurley, and the Unit Owners Association, Garry Maynard, who discussed with participants how to resolve disputes and improve communication to eliminate them in the first place.

Key note speaker of the members' conference, well known industry expert Michael Matusik, presented the great picture of economic growth, employment growth and projected population explaining the demand and supply challenges of the upcoming decade.

Gold Coast

Gold Coast has also appointed a new Secretary/ Treasurer. Jenny Hughes brings many skills to the position as well as experience on the Gold Coast and State committees.

Gold Coast has held the second of their new-format dinner meetings at Currumbin where 165 members heard John Mahoney and Barry Turner address various issues about management rights contracts with the body corporate, preparation for extension or renewal of agreements and review of the contents of agreements. There are still some agreements that do not set out the duties in an adequate manner but rely on a generic description unrelated to the requirements of the complex. Such generic agreements deliver value to neither the body corporate nor the resident manager. The industry still suffers from the confused position of some body corporate managers who think salary should relate to a cost per unit rather than work needed at each building.

Contact List

State

PO Box 2477
Fortitude Valley BC QLD 4006
Phone: 07 3257 3927
Fax: 07 3257 3932
Email: state@arama.com.au

Executive Officer

Phone: 1300 367 202
Email: johnanderson@arama.com.au

Field Officer

Phone: (07) 3398 7100
Email: andrew@arama.com.au

Branches

Sunshine Coast

PO Box 311
Maroochydore QLD 4558
Phone: 07 5455 7900
Fax: 07 5455 7999
Email: sunshinecoast@arama.com.au

As a member of ARAMA you receive the benefit of update emails that inform you about important issues and developments of the industry. If your contact details change please email the state office at state@arama.com.au or phone (07) 3257 3927.

Gold Coast

PO Box 7902
Gold Coast MC QLD 9726
Phone: 07 5570 1100
Fax: 07 5591 7306
Email: goldcoast@arama.com.au

Port Douglas

PO Box 217
Port Douglas QLD 4877
Phone: 07 4099 9100
Fax: 07 4099 5440
Email: portdouglas@arama.com.au

Cairns

PO Box 293N
North Cairns QLD 4870
Phone: 07 4059 1144
Fax: 07 4059 2344
Email: cairns@qrama.com.au

Whitsunday

4 Golden Orchid Drive
Airlie Beach QLD 4802
Phone: 07 4948 2655
Fax: 07 4948 2755
Email: whitsunday@qrama.com.au

Brisbane

PO Box 2195
Tingalpa QLD 4173
Phone: 0409 789 608
Fax: 07 3890 5588
Email: brisbane@arama.com.au

Wide Bay

396 Esplanade
Hervey Bay QLD 4173
Phone: 07 4128 3494
Fax: 07 4128 3616
Email: widebay@arama.com.au