



Minister Recognises Key Role of Resident Managers

Queensland's new Tourism and Fair Trading Minister, Margaret Keech has welcomed the opportunity to work constructively with QRAMA to progress ongoing reforms within the structure of the industry.

Minister Keech, who was appointed Minister for Tourism, Fair Trading and Wine Industry Development, administers the Body Corporate and Community Management Act and the Property Agents and Motor Dealers Act.

The PAMDA legislation review will be undertaken later this year and QRAMA will be continuing discussions to support issues raised in previous submissions.

President Kim Cox and Secretary/Treasurer John Anderson said their initial meeting with the new Minister was very positive and cordial.

"The Gold Coast based Minister is well across key issues in the industry and is keen to work with the Association and its members to achieve more positive future outcomes," Mr Cox said.

"As QRAMA, we stressed the desire to discuss potential solutions to the identified issues in the current PAMDA legislation whilst they were in the discussion stage so that the final implementation can be more effective," he said.

QRAMA is continuing to tackle the key issues that include:

- ♣ The problems created with the archaic "living on site" licensing requirements that are a compromise to an issue from the 1980's
- ♣ The resulting need to determine who should be licensed and the requirements associated with the need for licensing
- ♣ An improvement in the process of assignment of appointment (when the agent sells)
- ♣ Holiday bookings that are cancelled when an owner withdraws a unit from the letting pool at short notice, which is currently under investigation by the Office of Fair Trading.

Mr Cox said that with regards to the BCCM Act, QRAMA raised some further issues.

"While the legislation works well in a very high number of buildings there remains issues which as an industry we believe can be improved," he said.

Mr Cox said these included:

- ♣ The illogical application of the transfer fee
- ♣ The need for a code of conduct for committee members
- ♣ QRAMA support for the work of the Policy Coordination Committee which is looking at the future community living issues
- ♣ Additional conflicts that occur in buildings with mixed occupancy.

Mr Cox said that in regard to transfer fees, we accept the validity of a disincentive for managers who buy and sell for a quick profit. But the ongoing nature of the transfer fee that is applied when a manager satisfies the requirements of the financial institutions needs attention.

Our concern with the code of conduct is especially in cases where a building has a committee chairman who exercises executive authority that they do not have. Only the committee has executive power but the present legislation does not provide a compliance requirement for errant chairmen.

The Department's Policy Coordination Committee is investigating the process for the termination of schemes that have reached the end of the viable life. QRAMA believes that a resolution without dissent is not an adequate mechanism.

The mixed building issues with additional conflicts that occur where owner-occupiers and investors have diverging objectives is a significant issue for debate and resolution.

branch numbers

Gold Coast.....	150
Brisbane.....	99
Sunshine Coast.....	243
Hervey Bay.....	16
Whitsundays/Mackay.....	19
Cairns.....	38
Port Douglas.....	35

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QRAMA has provided members with a 1300 phone number to reach the State Secretary.

Members throughout Queensland can now phone the State Secretary from a fixed phone for the cost of a local call. Many matters are best put into an email, where some consideration is needed in a reply. There are also times when a phone call is more appropriate and now all members can call for the same cost.

To use this additional member benefit, members can call the State Secretary on

1300 367 202.

Media Release from Mr Kim Cox, State President – 3 June 2004

The current poaching war in the holiday letting industry challenges the regulatory code of practice and threatens the reputation of the Queensland tourism industry.

State President of QRAMA Kim Cox said the battle within the corporate management sector threatens the reputation of the Queensland tourism industry as units and resorts under management provide the bulk of holiday accommodation in the tourist centres throughout the State.

"This is a battle that impacts on the quality of service - the corporate management sector versus the traditional on site resident management service provided by individual management rights providers typically a husband and wife business team," Mr Cox said.

"We believe that the current campaign is an attack on the privacy of owners and also breaks the Code of Conduct set out in the Property Agents and Motor Dealers Act.

"While QRAMA is not opposed to fair rigorous marketplace competition, we are concerned that these poaching campaigns are not in the best interest of owners and not in the best interest of the tourist industry.

"We contend that owners get better service and better quality of service from the on site manager who is also an investor in the building or property.

"We also contend that the on site manager provides a focussed and higher quality of service on behalf of owners for the holiday visitors and guests. Guests appreciate and expect the services of an on site manager

Calculation of Commission

A North Queensland QRAMA Cairns member was told by his auditor that he was not calculating commission correctly when he collected the full amount from the guest and paid a commission to the travel agent as an expense. The auditor claimed that the member should deduct the travel agent's commission before calculating his own commission. The issue is a variance on "commission on net" and "commission on commission" discussions.

The member wrote to the Office of Fair Trading, which led to a meeting being called by OFT to discuss the issues with QRAMA State Secretary John Anderson. The position has been clarified and a letter from Commissioner for Fair Trading Matt Miller dated 29 April 2004 to Restricted Letting Agents in North Queensland sets out some examples.

PAMDA Section 116 (2) states:

"The restricted letting agent must not claim commission worked out on an amount more than the actual amount collected".

It was agreed that the words "for accommodation by the restricted letting agent" are implied at the end of the sentence and will possibly be added to clarify the Section at the next review of PAMDA.

Where a booking is taken by Qantas Holidays or Sunlover and the guest pays \$1,000 to the travel agent, a sum of \$750 is collected from the wholesaler by the RLA. Commission is calculated on \$750.

Where a travel agent collects \$100 and the guest pays the balance of \$900 to the RLA, the commission is calculated on \$900. These examples have been clearly defined previously.

However, OFT agrees that if the guest pays \$1000 to the RLA and the RLA later pays \$100 to a travel agent, a dot com booking service, tourist information centre or another party who has referred the booking to the RLA, \$1000 has been collected by the RLA and the commission is calculated on \$1000. It is realised that the RLA is charging commission on a commission amount but OFT agrees this is correct. The RLA must make the payment and has the administrative costs for paying the booking agent. The payment to the booking agent is treated as an expense.

The Form 20a must reflect this structure before it can be applied, but Section 5.1 of PAMDA Form 20a would usually allow this process.

OFT make the point that commission is only payable on the accommodation component. If a guest pays \$1500 to the RLA of which \$1000 is for accommodation and \$500 is for river cruises and theme park tickets, the commission is calculated on the \$1000.

The issue is that commission is charged on the amount collected by the RLA - not the amount paid by the guest.

who can address any holiday needs and provide advice on excursions and activities."

Guests have shown that they are less interested in collecting a key from an off site agent who does not provide support during their holiday

Mr Cox said that the Queensland tourism industry was built on the commitment by individuals who make up the on site resident managers group that have evolved a system over recent decades that has served the needs of owners and guests in holiday accommodation throughout the State.

"The corporates are out to grab the management of properties for the benefit of their shareholder investors as their prime objective and then economically manage the actual property owners and the tourist and visitor interests.

"We remind property owners that in their marketing programs they are offering free bonus nights of accommodation in the properties they manage, which has to be at somebody's cost." he said.

Mr Cox said that QRAMA members will continue to remind their owners of the realities of the industry and the need to continue to support on site management practices for both the quality of the tourist industry and the best ongoing management of the building asset.

Gold Coast Branch News

Two special QRAMA meetings for Gold Coast members were held this month to develop a more regional representation structure for the branch.

The meetings, held on Wednesday June 9 and Thursday June 10, presented a range of geographical area representation to make up restructured Gold Coast branch operations.

State President Kim Cox and State Secretary John Anderson both spoke at the meeting, which was called by retiring Gold Coast President, Graeme Beattie.

Mr Beattie said that the Gold Coast branch had been reviewing its representation on the Gold Coast.

"We have studied the models of the Sunshine Coast and other branches which have representation on a geographic basis. These structures have proven most effective in involving resident managers in the activities of QRAMA and providing representation for managers. We then reviewed the position on the Gold Coast," he said.

"Traditionally the Gold Coast branch, which was formed in 1988, has been located in Surfers Paradise, whereas the new structure will see five Gold Coast districts formed.

"The Gold Coast area was that birthplace for QRAMA and the need to expand from that small base to a State wide operation and to have key networks to ensure that we remain a grass roots organisation helping managers deal with both the issues of the day and the whole of industry matters.

"The Gold Coast has grown so much in the past generation that it is time we refocussed our operations because there are different needs in the area."

Gold Coast Vice President Tom Taggart explained the proposed changes to the meetings.

The regions have been identified as:

- ♣ Northern - north from Southport bridge
- ♣ Central Surfers - from Southport bridge to Fern Street
- ♣ Broadbeach / Miami - south from Fern Street
- ♣ Burleigh / Palm Beach
- ♣ Southern - Currumbin to Coolangatta

Each district starts at the ocean and runs back to the hinterland and there will be two representatives from each of the 5 districts, with each district to have one representing holidays and one representing permanents.

"With this representation, the committee will be much more effective in addressing issues of concern to all members," Mr Taggart added.

President Talks

President Talks by *Kim Cox, President*, *Kim Cox*
Queensland Resident Accommodation Managers Association

The property industry is a very attractive investment for Australians and many people avidly read as much information as they can in the most popular form of investment.

Thus the current market brawl between the two corporate management right operators is focusing a lot of attention on the system for managing Community Title Schemes known as "Management Rights".

Community title and strata title schemes will become more and more the property investment and ownership situation in Australia as owners and investors buy for position, position, and position.

The desire for strategically positioned sites will see a great deal of rebuilding in key coastal, CBD and well serviced areas.

Hence an emerging major issue of an attention grabbing marketing activity may reflect competition but not necessarily positive competition.

The issue of attacking another operators 'letting pool' is not to be encouraged and in fact is against the law for a Restricted Letting Agent (RLA).

Thus, QRAMA clearly does not endorse this sort of activity and considers it to be an unethical practice.

A public attack of this type is capable of destabilizing the industry. A foreseeable consequence could be that financiers and other professionals may reconsider the 'safety' or 'security' of such a business. At the end of the day, a reduction in the multiplier may be the likely outcome.

Many managers will have already experienced similar attacks upon their own letting pools by local real estate agents. As such, we are used to defending ourselves and when you think about it, it is nothing more than simple competitive forces at work. In our view, competition is good for an industry and we must learn to continue to better promote our system or method of management.

We must know what the benefits of our management are and we must ensure our unit owners are aware of these advantages. An off-site agent simply cannot match the level of service offered by an on-site agent.

What happens to the guest who, after a long and tiring day, checks into the complex and after getting themselves settled, cannot enjoy their bottle of wine because the corkscrew has broken?

The off-site agent is not contactable; however the on-site manager simply provides a new corkscrew from his stock in a very real demonstration of service.

Whilst this may seem to be a trivial issue, it is very 'real' to the customer who appreciates the high level of service the on-site manager has just delivered.

Of course there a number of these 'service issues' that do occur regularly, from blown light globes and tuning the television to emergency help and security.

QRAMA is clearly of the view that whilst there are a number of ways to manage a Community Title Scheme, our system of "Management Rights" is the best.

Queensland has led the way in regard to the management of Community Title Schemes. Whilst our industry is highly regulated, the legislation is certainly a leader in Australia and in our view, likely a world leader.

Queensland has been required to 'manage' strata titled units for the past 30 years.

People have been coming to Queensland for holidays during this time and our system has evolved over this period out of necessity rather than from any proactive action.

It is easy to understand why we have led the other States – more people travel to Queensland than the other States and besides the sun, surf and sea, investors have recognized the need to have committed management as the imputative edge for the property.

One of the things we managers often fail to do is "sell ourselves". Some managers forget exactly what the main advantages are of having an on-site resident manager.

The traditional owner operator of "Management Rights" is a husband and wife team. Generally, they have sold the family house, cashed in their superannuation, bank accounts, shares, and other investments and in effect, invested their life savings and their future into the business known as "Management Rights".

It is therefore easy to understand that the husband and wife team is intrinsically motivated.

If the business at their building does not go well, they will suffer a much worse fate than the unit owners who generally have other investments.

QRAMA is in the process of compiling a form which outlines a number of the benefits of on-site versus off-site letting. The form will be available to members in the Information Library on the QRAMA website. This form will be invaluable when dealing with owners who are considering using the services of an off-site agent.

If you are not a member, please call (07) 3257 3927 and check our comprehensive website www.qrama.com.au.

Fair Trading Update

Build credibility by registering your business name.

Queensland traders are being reminded to register their business name with the Office of Fair Trading. People who have registered companies that trade under a name different to the ACN, often fail to register the trading name with the OFT.

If you have an ACN but trade under a different name, you must register it as a business name.

The benefits of registering your business name:

- ♣ Registration helps establish and give credibility to a business identity
- ♣ Many organisations, including credit providers, are wary of fly-by-night operators and require proof of registration
- ♣ Banks need to sight a business name certificate before they'll allow you to open a business account
- ♣ New customers and suppliers are more likely to deal with someone registered with OFT
- ♣ You avoid being fined under the Business Names Act 1962.

All business names are collected on a public register which can be searched by consumers and suppliers. To register your business name, call OFT on 1300 658 030.

Accommodation Blues Can Spoil Holiday

Fair Trading Minister Margaret Keech on 4 April 2004 issued a media statement to urge Queenslanders to shop around before booking accommodation, to reduce the risk of holidays turning sour.

The advice provided by the Minister is a good check list for resident managers when they respond to enquiries or booking confirmations. Holidays are going to be happier for all if the guest knows at the time of booking the details of what is being provided. Most disputes arise from misunderstandings where assumptions have been made, the appropriate questions have not been asked and details have not been described. Members should consider the points raised in the Minister's media statement for inclusion on their web sites as well as in confirmation letters.

Mrs Keech advised holidaymakers to always compare prices to ensure they get value for money.

"We want our holidays to provide us with relaxation, adventure and happy memories but things can quickly turn sour if there is drama associated with the place we have chosen to stay," she said.

"Shopping around, comparing prices and considering what you will get for your money could save heartache.

"Whether renting directly from the property owner or through a licensed agent, make sure you sign a written agreement that clearly sets out the rights and responsibilities of both parties."

Mrs Keech advised people to talk to the owner or agent about anything they are unsure of – before signing an agreement. Before you arrive, check:

- ♣ Does the owner have the right to enter the property while you are staying there? If so, in what circumstances?
- ♣ Is there anything in the property which you cannot use? (eg garage, cupboards).
- ♣ Are any of the facilities (eg bathrooms) shared?
- ♣ Is the accommodation fully furnished, including cutlery, bedding and towels?
- ♣ Is the accommodation serviced and if so, how often?
- ♣ How close are the premises to points of interest and transport?
- ♣ How will disputes be settled? Does any formal dispute resolution system exist?
- ♣ Who do you call in the event of an emergency?
- ♣ Is there a cancellation fee?

"It's also important to make sure you always get a receipt for any rental payments, or your deposit," Mrs Keech said.

"If you change or cancel your booking, you may be charged a fee or lose your deposit. Make sure you check the booking terms and conditions.

"If the agent or owner cancels your booking, you should receive all your money back and if they transfer you to inferior accommodation different to your original booking, you should receive compensation equivalent to the difference in the standard of accommodation."

Mrs Keech advised holidaymakers to inspect their accommodation as soon as they arrive and report any damage immediately.

"If you accidentally cause any damage to your apartment, remember you are liable for any repair or replacement costs. Ask the agent or owner to inspect the apartment before you go," she said.

"If there is a problem during or after your stay, try and work with the manager or booking agency to reach agreement.

"Accommodation agents must have a complaint handling process in place, and you should immediately lodge a complaint in writing if you feel you have been treated unfairly. If you are unable to resolve the issue, contact the Office of Fair Trading."

Accommodation managers (also known as 'letting agents') must be licensed as either real estate agents or restricted letting agents by the Office of Fair Trading and must operate according to their Code of Conduct under the Property Agents and Motor Dealers Regulation 2001.

The Codes of Conduct require accommodation managers to have a documented complaint handling procedure freely available to all tenants and outlining:

- ♣ how a complaint should be lodged (verbally or in writing);
- ♣ who the complaint should be lodged with; and
- ♣ provision for a complaint to be investigated and a response delivered within seven days.

"Among other things, agents are prohibited from engaging in false or misleading advertising or other communications and cannot claim membership or

endorsement with any organisation or association when they don't actually have it," Mrs Keech said.

"Disciplinary action can be taken against agents found to have breached their Code of Conduct."

Agents can obtain more information about their legal obligations in the Restricted Letting Agents Good Business Guide. Telephone the Office of Fair Trading on 1300 658 030 or visit www.fairtrading.gov.au and search under 'Business Publications'.

Education Requirements – Amendments

The *Property Agents and Motor Dealers Act 2000* goes a long way towards ensuring that new managers have a basic understanding of the industry, the Act and Regulations, and the manager's rights and responsibilities.

The educational qualifications prescribed by the *Property Agents and Motor Dealers Regulations 2001* for a restricted letting agent's licence were amended in December 2003 on the recommendations of the Office of Fair Trading and following changes nationally by the Australian National Training Authority (ANTA). The changes are covered in the *Property Agents and Motor Dealers Amendment Regulation (No. 2) 2003* as Subordinate Legislation No. 369.

Section 4 of the Regulation states:

"The prescribed educational qualifications for a restricted letting agent's licence are the successful completion at, or assessment of competency by, a registered training organisation of the following units from the Property Development and Management Training Package – PRD01 approved under the *Australian National Training Authority Act 1992* (Cwth) –

- (a) PRDRE10A (Manage agency risk);
- (b) PRDRE18A (Lease property);
- (c) PRDRE19A (Provide property management services);
- (d) PRDRE28A (Maintain trust account);
- (e) PRDRE37A (Perform and record property management activities and transactions);
- (f) PRDRE39A (Prepare and execute documentation).

There is a **transitional period** as the industry and registered training organisations move from the set of units defined in the 2001 Regulations to the new set defined in the 2003 amendments.

Until December 2004, either set of units can be delivered. Training organisations will need time to prepare the new units and will change when their course material is available.

Until 18 December 2005, either set of units will be recognised as valid for a licence application. From that date, only the "PRDRE" set will be the sole qualification.

These modules are available through several bodies both by classroom and remote learning delivery. For further information, please refer to "Licence Requirements" on the QRAMA website (www.qrama.com.au).

QUEENSLAND TITLES STATISTICS

The latest statistics from the Queensland Titles office indicate that there are now over 30,000 community management schemes in Queensland.

Commissioner of Body Corporate and Community Management, Fiona Fitzpatrick said that the grand total to the end of April this year has been 30,910 schemes.

These schemes were responsible for 288,881 lots.

Premier Names 2004 Year of the International Tourist

London: Premier Peter Beattie today declared 2004 the Year of the International Tourist and pledged his Government's support for a new tourism focus to maintain jobs in the tourism industry.

The Premier launched Queensland's Year of the International Tourist at a function held in London, hosted by Tourism Queensland Chairman Terry Jackman and attended by about 50 key United Kingdom and Ireland-based tourism trade partners.

Mr Beattie said Queensland's aim in 2004 was to increase international tourism to the State.

"Queensland is already known to be the best holiday and leisure destination in the world, and this year we are making sure international visitors understand this fact," he said.

Mr Beattie said his Government, through Tourism Queensland, working strategically with the State's regional and local tourism operators and stakeholders, would invest a substantial amount of time, resources and money into making Queensland the number one Australian destination for international tourists.

"Our job will be made easier through landmark agreement reached this month between the Australian Tourist Commission (ATC) and other State and Territory Tourism Organisations.

"Tourism Queensland played a key role in the evolution of the concept, Tourism Australia (Europe), which took two years to develop and is based on extensive research and planning.

"Under this agreement, the new partnership will reshape trade and marketing programs for Australia across Europe.

"Tourism Australia (Europe) will benefit Queensland's tourism industry by enabling it to better align our marketing activities to reduce duplication and overlap between other states in an increasingly competitive international tourism market.

"Most importantly, it will maximise the industry's marketing dollars.

"We currently welcome more than 1.8 million international visitors each year, which is around 42% of the total international visitors to Australia.

"For international visitors on holiday or visiting friends, Queensland holds around 48% of Australia's share, with 1.65 million in the year ended September 2003.

"This year, we hope to grow these figures to exceed market expectation.

"We extend an invitation to our friends from the UK and other markets to come and visit us in Queensland. We'll guarantee you a warm Queensland welcome and a great time."

Mr Beattie said international tourism offered much greater long-term potential for Queensland than interstate or intrastate tourism.

"Tourism is one of Queensland's most important industries and its benefits are far-reaching to all sectors of the economy," he said.

"It contributes \$6.3 billion to the State's economy and 6.4% of Queensland's Gross State Product.

"Tourism generates \$3.5 billion annually as an export earner and is the second largest earner for Queensland.

"It also increases employment, with one job created in Queensland for every 65 international visitors."

Mr Beattie said Queensland already offered highly competitive standards in tourism accommodation and infrastructure.

"Several major destinations within Queensland are already experiencing development booms through the refurbishment of award-winning resorts and the development of 5-star boutique resorts and spas," he said.

"The focus now will be on developing the state's resources and tourism product to support tourism growth.

"Another tourism boon is the recent capacity increases to the state's aviation industry.

"Total international inbound direct seat capacity into Brisbane Airport has increased by 30% on last year, making Queensland more accessible than ever before for international visitors.

"International access also improved with the start of Pacific Blue's trans-Tasman services and Qantas' addition of three new services from Brisbane to Los Angeles, bringing a total of 10 services each week.

"In October last year, Emirates Airlines started flights to Brisbane, which added an additional 5,300 seats in both directions from the UK and Europe to Queensland, increasing capacity by almost 20 per cent per week.

"Qantas, British Airways, Singapore Airlines and Emirates Airlines have an extensive network of services in Europe, which will help secure additional access and services from Europe to Queensland," he said.

"In this Year of the International Tourist, I am committed to ensuring Queensland continues to be the ideal holiday destination for international holidaymakers.

"A renewed focus and investment in this important market will, I'm sure, bring a great return," he said.

Mr Beattie is leading a 10-day trade and investment mission aimed at creating new business opportunities and strengthening Queensland's ties in Israel, the UK, Ireland and the Continent.

ANZ Increases Support to the Management Rights Industry

In making recent changes to its Lending Policy, ANZ Bank has clearly indicated its support of the Management Rights Industry in Queensland. Changes to the Body Corporate & Community Management Act in 2003 resulted in a balanced outcome for stakeholders and provided the Industry with confidence to grow. In addition, a low interest rate environment has enabled the business owner to maximise returns and increase borrowings with confidence in meeting financial obligations.

In announcing changes to their Lending Policy, ANZ has identified a number of key improvements that will provide greater access and flexibility for purchasers of new and existing Management Rights businesses. These improvements include:

- ♣ An increased level of borrowing against the real estate and business assets.
- ♣ Longer loan terms against the real estate asset.
- ♣ Reduced costs in many instances, when Legal Due Diligence by the Bank's lawyers may not be required.

Flexible Borrowing Limits

To ensure that small, medium and larger businesses are catered for, ANZ has introduced a two-option approach:

1. Maximum 65% of the combined Management Rights business and real estate asset **or**
2. Maximum 55% of the Management Rights business and 80% of the real estate asset.

Longer Loan Terms

Irrespective of the remaining term of the Management and Letting Agreements, ANZ will provide funding up to 80% of the value of the residential real estate over a maximum term of 30 years. When borrowing against the value of the business asset a maximum term of 15 years is available, however this will be governed by the unexpired term of the Agreements with the Body Corporate.

Reduced Establishment Costs

A significant cost associated with entering into the business purchase may be the cost of the Legal Due Diligence reporting undertaken by the Bank's Lawyer on the Management and Letting Agreements and associated documentation. ANZ will assist in reducing these costs in many instances by not passing on the cost of Legal Due Diligence by its own Lawyer where reliance against the business asset is equal to or less than 55% of its value, and the amount of the total lending to the customer is less than or equal to \$1,000,000.

In considering these improvements ANZ was encouraged by their experience in lending to the industry over the past 20 years and the growth potential in the Queensland market. It is expected that the industry will embrace these changes, providing borrowers more flexibility and greater opportunity to raise the necessary funds to complete the Management Rights purchase.

Paul Geary
ANZ Banking Group Limited

Code for Committee Members – Keep Pushing

by Alan McKernan, Parter Mahoney Lawyers

QRAMA and its President, Kim Cox, should be congratulated for their efforts in seeking to have a **Code of Conduct** for committee members incorporated into the Body Corporate and Community Management legislation. Under the current legislation, resident managers are subject to a **rigorous** Code of Conduct under both the Body Corporate and Community Management Act and the Property Agents and Motor Dealers Act.

A quick glance at the obligations placed on resident managers indicate just how **onerous** these Codes of Conduct are. For example, a resident manager must:-

- ♣ Have a good working **knowledge and understanding** of the Body Corporate and Community Management Act.
- ♣ Act honestly, fairly and professionally.
- ♣ Act in the **best interests** of the Body Corporate and individual lot owners.
- ♣ Not engage in misleading conduct.
- ♣ Not exert **undue influence** on nor use **unfair tactics** on the Body Corporate of a lot owner.

Failure to comply with these Codes of Conduct can in certain circumstances lead to a loss of the restricted letting licence and/or the termination of a manager's agreements with the Body Corporate. This is an **incredibly heavy penalty** for the manager.

Not surprisingly, I and QRAMA have been calling for a **similar set of rules for committee members**. Whilst the majority of committee members perform their tasks well and have the interests of their complex and the other unit owners at heart, there is an obvious **need to protect unit owners and resident managers** from those that do not. Some committee members are driven by ego or the perceived power they have as a committee member or chairperson.

Whilst fortunately these "condo commandos" or "high rise hitlers" are in minority, the impact they can have on the life of a resident manager can be enormous. Owners rarely get to see the true side of these types of people yet it is well known that owners will regularly follow the advice and suggestions given by their chairperson or committee.

It is time that the legislation imposed on these people a set of rules comparable to those under which resident managers must operate. The Code of Conduct for committee members must be such that prevent them from being involved in the following types of activities:-

- ♣ Frivolous/unsubstantiated complaints to the Office of Fair Trading or others about the conduct of a manager's letting business.
- ♣ Encouraging owners to remove their units from the agent's letting pool or not placing them in the letting pool in the first place.
- ♣ Unduly influencing a Body Corporate manager as to how the Body Corporate manager should deal with the resident manager.
- ♣ Deliberately withholding expenditure of Body Corporate sinking funds on required building upgrading so as to disadvantage an onsite manager seeking renewal of agreements.
- ♣ Making oppressive demands on a resident manager before granting new agreements.
- ♣ Circulating misleading material to owners so as to influence their voting, particular in relation to the negotiation of new management agreements.

The Body Corporate Commissioner's Office should be empowered to deal with allegations of breaches by committee members of the Code of Conduct. If proven, the committee member should be **removed** from the position and should be precluded from being a member of the committee for that Body Corporate, or any other Body Corporate, for a period of 3 to 5 years.

I encourage QRAMA and all of its members to continue to lobby the State Government strongly for the introduction of a fair and enforceable Code of Conduct for committee members.



Code of Conduct

As members of the Queensland Resident Accommodation Managers' Association (QRAMA), we recognise the significance of professional conduct and our responsibility to clients, fellow members and unit owners. We:

Conduct our professional activities by not knowingly doing harm in respect to our clients and the general public.

Pledge our efforts to ensure that all members operate honestly and competently and in adherence to all applicable laws and regulations.

Act at all times with integrity in our dealings with clients, fellow members of the Association and with the general public.

Understand the manager is responsible to the owner for the tenants' quiet enjoyment by maintaining the property in good tenable repair and complying with health and safety standards.

Provide a superior standard of service to guests.

Understand the laws in relation to the letting and management of apartment buildings.

Pledge to uphold the highest professional standards in the work of all members including:

- meeting contractual and agreed obligations
- engaging in honest advertising practices without misleading information
- providing fair pricing related to season and availability
- providing clear information concerning style and quality of accommodation
- not seeking to manipulate or take advantage of situations for personal gain that will result in unfair deprivation or damage to others
- treating clients and fellow members fairly.

Ensure that all accommodation offered is fitting with the standard advertised. This includes ensuring:

- all upkeeping functions are performed to ensure accommodation is clean and well maintained
- any problems with upkeep which may arise are dealt with immediately
- any false or misleading statements about the accommodation are avoided
- consistent and regular checks of security and safety standards are maintained
- provisions of a high standard of care in dealing with noise levels and provisions of guest privacy.

QRAMA Member Benefits

by Kim Cox, President

As an industry association, QRAMA representatives have developed and are implementing a strategic business plan designed to ensure that our elected stakeholders, as a group, understand better the impact of permanent and holiday life style living in Australia in buildings which have on site residential management.

We have sought to embrace our other stakeholders including owners, investors, our regional support service industry, our professional colleagues, the tourist industry and the local community to the extent of our business and the influence that strata and community title living has in a city and town.

Hence our simple mission statement 'to serve the corporate and industry needs of members in order that QRAMA can properly represent the interests of all stakeholders and the resident accommodation industry as a whole.'

This is what we will be undertaking during the next crucial 12 months as new laws and regulations will be considered by new politicians charged with the responsibility of the strategic planning for our future, one that we certainly want to have a major say in and influence on.

Here are our aims:

- ♣ Promote the concept of owner operated Management Rights as the most effective method of serving the interests of unit owners, bodies corporate, tourists and tenants
- ♣ Provide the necessary lobbying, submissions and representation required for all legislation covering multi-unit living and particularly the protection of Management Rights
- ♣ Promote the industry generally and specifically the letting of units within buildings on behalf of owners
- ♣ Keep members informed of industry developments and activities
- ♣ Represent members on relevant professional bodies
- ♣ Maintain a Code of Ethics of members to enhance standards of operation and behaviour within the industry
- ♣ Provide a source of regular bulletins, publications and media releases concerning industry issues
- ♣ Improve the professional and educational standards within the industry through effective training and licensing requirements.

One of the greatest benefits (which often goes unnoticed) is representation to government. Our industry is highly regulated and depends on two main Acts. In 2002, we saw proposed changes to the Body Corporate & Community Management Act that had the potential to significantly diminish the value of members' investments.

You may not recognise all the benefits that your QRAMA membership fee is achieving for you. In fact, I am certain that many managers are oblivious to the changes that are happening every day. Hopefully, most managers have kept abreast of changes through industry publications and accept the requirement of their licence conditions to have a working knowledge of the legislation. What I can say with the utmost certainty is that the value of your business is today worth a lot more than it would have been without the lobbying by QRAMA.

What's In It For Our Members?

Benefits (in no particular sequence) include:

- ♣ Attractive EFTPOS rates on credit cards plus options of Bonus Points schemes, terminals that split between accounts, and RentCard.
- ♣ Stationery for sale from local selling points (save postage costs) for trust account receipt books, guest registration cards, requires notices for Traveller Accommodation Providers (Liability) Act and warning notice (duty of care) about securing doors.
- ♣ Gross settlement options for Diners Club and American Express so that trust account receive the full payment.
- ♣ Free listing on the Accommodation website operated by Jasons with options to upgrade. This website provides data to Channel 9 Getaway, Telecom NZ and other websites.
- ♣ Website with practice notes on many subjects, including risks with accepting credit cards, procedures for appointing relief managers, issues to address when a manager owns a unit in the building, insurance issues, draft Cancellation Policy and draft Conditions of Booking & Occupancy.
- ♣ Key documents on GST issues where manager acts as an agent
- ♣ Results of Costs & Charges surveys among members
- ♣ Model PAMDA Form 20a together with recommended Addendum
- ♣ PAMDA issues that must be addressed
- ♣ Key issues of the Body Corporate & Community Management legislation
- ♣ Liaison with police, especially where units are being used for illegal drug activities
- ♣ Website links to other websites with helpful information
- ♣ Current wage rates and draft appointment letters for engaging casual, part time and permanent staff
- ♣ Draft issues to consider in engaging contractors for cleaning, garden maintenance, etc.
- ♣ Access to committee members for advice on day-to-day problems
- ♣ Quarterly Newsletter with articles on industry issues
- ♣ Representation on committees and delegations considering legislative and other industry issues.

The Value of the Internet

by Di O'Shea - Quality Matters Pty Ltd

Some of my holiday letting clients are now reporting that more than 50% bookings are coming from the Internet. While this is an excellent statistic, there are many marketing techniques that will have contributed to it – all of which must be analysed before determining those that are more successful than others.

Some of the more basic yet extremely important aspects of a successful web presence for holiday accommodation providers are summarised below in the hope that they will help you to gain success from your web presence.

- 1. Maintain your web site.** That is, ensure **ALL** information is current and accurate at all times, including:
 - ♣ Tariffs
 - ♣ Links
 - ♣ Local information
 - ♣ Images
- 2. Provide as much information on your site as you think your guests may want.** That is, think about the questions you are commonly asked and put that information on your site.
- 3. Ensure your site is easy to navigate.** Try to avoid extra long web pages and navigation that isn't obvious.
- 4. Avoid having pages that cause long download times.** Remember, yours is one of many web sites that a potential guest will be viewing. If it takes too long to download, they will halt the download and move on to the next site. Slow downloads can be caused by too many or too "flashy" graphics. Until everyone is on broadband, this must be considered.
- 5. List your site in Accommodation directories that will include your Web address along with all other contact details.** This includes web based and printed lists.
- 6. List your site in Accommodation directories that get results.** The first listing will be based on unknown facts but if you analyse the results for the term of that contract, you will be making an informed decision at renewal time.
- 7. Access your Web site statistics.** If you are not sure how to do this, speak to your web developer or hosting service.
- 8. Do not assume anything.** Telephone enquiries could be a direct result of your web site, while email enquiries could be a direct result of print marketing.
- 9. Ask your Guests for feedback.**
- 10. Respond immediately to enquiries.** I mentioned this in the last newsletter but it is worth repeating because cable and ADSL are becoming more and more popular for home and business computer users, so an almost immediate response is becoming the standard expectation.

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Jasons
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Level 2, 46 Edward St,
Brisbane QLD 4000
Phone (07) 3221 3810
Fax (07) 3221 6985

Contact List

State

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

State Secretary

Phone: 1300 367 202
Email: secretary@qrama.com.au

Branches:

Sunshine Coast

PO Box 311
Maroochydore QLD 4558
Phone: 07 5448 7568
Email: sunshinecoast@qrama.com.au

Gold Coast

PO Box 7902
Gold Coast MC QLD 9726
Phone: 0414 014 295
Email: goldcoast@qrama.com.au

Port Douglas

PO Box 429
Port Douglas QLD 4871
Phone: 07 4099 6055
Fax: 07 4099 5713
Email: portdouglas@qrama.com.au

Cairns

PO Box 7712
Cairns QLD 4870
Phone: 07 4081 6900
Fax: 07 4081 6918
Email: cairns@qrama.com.au

Whitsunday

406 Shute Harbour Drive
Airlie Beach QLD 4802
Phone: 07 4948 2288
Fax: 07 4948 2266
Email: whitsunday@qrama.com.au

Brisbane

49/583 Wondall Rd
Tingalpa QLD 4173
Phone: 07 3890 5544
Fax: 07 3890 5588
Email: brisbane@qrama.com.au

Hervey Bay

PO Box 7072
Urangan QLD 4655
Phone: 07 4128 3494
Fax: 07 4128 3616
Email: herveybay@qrama.com.au

Secretariat

McCalls' Public Relations
PO Box 2477
Fortitude Valley BC QLD 4006
Phone: 07 3257 3920
Fax: 07 3257 3932
Email: info@mccallspr.com