



ARAMA QUEENSLAND INC

ANNUAL REPORT 2011



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LONG TERM BENEFITS FOR THE INDUSTRY

The outcomes for the management rights industry during the past 12 months have been significant and I believe will mean improved short and long term benefits for the industry.



There are a range of headlines that can fit this report as we assess the challenges faced by ARAMA and the industry during the year in review and the circumstances that face the national, state and global economy.

The global economic conditions remained serious and the adverse weather conditions of the previous summer period again continued to have long term impacts with not just tourist accommodation centres, but with permanents and long term residents in areas across south east Queensland.

The economic conditions saw Australians seizing the opportunity to travel overseas or take a cruise, rather than holiday in their traditional centres and as a result the Queensland tourist centres and their regional economies suffered adversely.

Queensland suffered a two speed economy, with the mining and resources industries active throughout central Queensland attracting thousands of new workers with major benefits to inland economies, but grim prospects for the rest of the State's industries.

The impact of high water and other utilities charges was a further economic threat to the State's economy along with new charges planned for waste disposal and other rising costs.

Early in 2012, the Bligh Government released a discussion paper posing 43 questions to the Management Rights Industry, responding to representations made by owners to reduce the terms and conditions for the security of the industry.

The State was then faced with two election campaigns, when the Government postponed the quadrennial local authority elections and announced a State Election on March 24.

The election result saw Queensland with a new LNP Government, with a focus on a campaign to stimulate four identified key pillars of the economy.

One of its first initiatives was to stage a high profile tourism forum in Far North Queensland, and ARAMA was strongly represented at the DestinationQ event which drew up plans and agreements to rebuild the tourism industry as one of the key economic drivers of the 21st century Queensland economy.

ARAMA through its network of branches and our alliances with peak industry group bodies will work with the Government and its working party to attain the short and long term goals of re-building the economic platform of the State's tourist industry.

In the lead up to the State election, ARAMA held a

number of branch meetings to provide candidates with the opportunities to present polices, and the State's new Minister for Justice and Attorney General Jarrod Bleijie (Kawana), a lawyer who worked with management rights groups on the Sunshine Coast and the Minister for Tourism, Major Events, Small Business and Commonwealth Games Jan Stuckey (Currumbin) addressed member groups.

Under the leadership of the new Premier, Campbell Newman, the new LNP Government has deferred the bringing down of its Budget until this September following a report from a Committee of Audit's study and assessment of the Queensland Government's financial position.

However, ARAMA members have been provided with some certainty regarding the Management Rights review, with the Attorney General indicating that whilst there were 263 submissions, it was apparent there was no need to alter the management rights aspects of the current legislation.

Indeed in its four pillars program the LNP indicates that there is a major challenge for the economy to be able to provide new forms of density accommodation to meet the needs and challenges of the population increase facing Queensland and the need of the regional cities.



Already many fly in/flyout workers within the resources industry were utilizing accommodation in South East Queensland Centres to base their families.

Following there State election, the Local Government elections were held on April 28 and as a result, a range of new leaders emerged in many of the State's key local Governments.

The Newman Government announced that it intended to develop policies which would give added powers to our local authorities in key areas of planning and development as a key policy to stimulate local economic development based on the development of the four pillars strategy to building on the mining and resources industry, agriculture production, tourism and the key industries servicing growth and development.

We noted that ARAMA and its members were vitally involved in more than 25 elements of the new six month action plan released by the State Government to strengthen the Queensland economy.

While the Australian and global economies still remain very patchy there are some key economic indicators win Australia such as our maintenance of low interest rates, strong control on inflation and unemployment levels under 6 per cent in all States, which demonstrates that whilst people remain conservative and watchful, there remains sound confidence in future opportunities.

The strata and community title industry continues to grow as the both the State and local authorities recognize that density living options are a

key element in the population growth which is forecast for Queensland.

We have seen the move by the bodies corporate association move to a national base organization based in Sydney to prepare for the Council of Australian Government's harmonization program of national training regimes, which has again been deferred but is no doubt a policy which will be implemented later in the decade.

ARAMA has a national presence but will continue to continue to work with the other industry organizations to be part of the co-ordination of appropriate training options for resident managers to meet the new education and training program needs.

There is a recognition that the specialist role of the resident manager in providing 24/7 services is pivotal in managing the community needs of the diversity of complexes now under management and the complexity of the various responsibilities that require the expertise of the onsite manager and his or her team.

For ARAMA its has been a busy year as we have ensured to maintain our service to members and to represent them in the two major State electoral campaigns and on a day to day basis in terms of advice and support.

I urge all resident managers to get behind ARAMA (or our association) to ensure we can continue to provide representation at all levels of government. I encourage members to actively promote the benefits of ARAMA in your local area and if your neighbour is not already a member encourage them

to join your local branch. Remember, Member get Member, by doing so will provide ARAMA with the additional monetary and human resources to continue to achieve positive outcomes, now and into the future.

Our regional branch bases provide genuine hands on support to members and provide positive forums to enable members to canvas local and regional issues as well as whole of industry challenges.

I wish to pay special thanks to our executive committee members who have worked with our CEO Trevor Rawnsley and State Secretariat on the key industry issues as they arise.

Trevor has been active in Queensland and nationally in representing the industry in key government and industry forums with support from the executive committee support of Simon Lill, Bill Kemter and Eric Van Meurs.

To the branch chairman and their executive members I also acknowledge their commitment to the Association.

I also thank our industry supporters, the members of our advisory legal panel and industry professionals who have contributed to our knowledge base with key and strategic advice and issues analysis.

I also thank our sponsors and industry supporters who not only assist in maintaining the operations of ARAMA, but are available to help and support members with their special needs.

It is has been my honour to represent the industry during the past year and look forward to continuing to contribute to the growth of the industry and helping to lead the ongoing growth and maturity of this important industry for the State and for the nation. Thank you all for your support during the year.

Chris Ward



HEADING FOR THIS

The purpose of this report is to provide commentary to ARAMA members on the diversity of activities that have occurred during the last 12 months.

Trevor Rawnsley

ARAMA has emerged from two years of change and evolution into a much stronger position. Our financial indicators are well established. Budgets have been set and regularly reviewed and exceeded and we continue to grow the financial strength of ARAMA while at the same time undertake some really impactful research and development work.

In terms of our financial performance. ARAMA State have posted an annual surplus of \$18,000 + while at the same time investing more of our members funds into research, defence, lobbying and members services. We have grown the Industry Development fund by \$45,000 and grown term deposits by \$65,000.

The greatest financial challenges that ARAMA face in the future will be solved by significant sustainable increases in revenue from Sponsorship (Partnerships) and by recruiting more members. These two are the big issues for ARAMA in the future if we are to secure our future and deliver superior services which our members deserve.

In the last 12 months Management Rights have withstood the toughest challenge from a small but noisy group who hold extreme self serving views. ARAMA has led the way in defending Management Rights against a variety of issues but mainly

the attacks on long term agreements and the threat to the continuation of short term letting in Class 2 buildings. ARAMA has taken a lead role in bringing the entire Management Rights Industry together in a way that has never been achieved before.

I wish to acknowledge the assistance of the Team from Holmans, led by Tony Rossiter and ably supported by Hayley Thiess. Holmans were appointed as the Financial Controllers for ARAMA last year. Their advice and guidance is proving to be invaluable to ARAMA and we appreciate their efforts.

During the last 12 months in particular we have invested heavily in time, technology and training on behalf of our members. We are now into our second full year of uniform membership fees for all members in Queensland regardless of where they reside.

This year for the first time in ARAMA's history there will be no increase in membership fees. While some existing Associate Members have wisely up-graded to Corporate Membership we have almost doubled the number of Corporate Members 44 and held associate members to 39.

These record numbers account for over \$67,000 in revenue and clearly demonstrate an increased level of interest from the many professionals, suppliers and service providers who

associate with our industry. Despite a small drop in membership numbers overall we can report a slight increase in income from membership subscriptions.

Our State Sponsorship pool continues to grow. With thanks to our Gold Sponsors, NAB and EBM Insurance and our Silver Sponsors, ResOnline and M.R. Sales we have grown our Income from sponsorship by 14% on last year.

During the Year ARAMA have conducted road shows into every Queensland branch and have established a new Branch in Townsville in the follow up to our successful road shows last year.

The State and local council elections held earlier this year caused a flurry of activity for our members and a renewed optimism for business. The "discussion Paper" which was hastily released in the dying days of the last State Government has been dealt with by ARAMA and reviewed by our State Government. Recent announcements indicate that major reform in this area is not a priority for this Government. ARAMA acknowledges the renewed business confidence that this announcement brings to the Management Rights Industry.

I cannot go another year without expressing my gratitude to Peter McCall for his guidance, wisdom and steadying hand. He possesses a unique insight and from a strategic sense he



is invaluable to ARAMA and his contribution is enormous.

The ARAMA leadership team is developing nicely. At the 2011 State AGM we farewelled John Hellyer and welcomed Eric Van Meurs and Simon Lill. During the year we also farewelled Gayle Jensen and welcomed Bill Kemter. We appreciate the "extra mile" that these volunteer leaders contribute to ARAMA.

The current senior leadership team (State Executive) of Chris Ward, Eric Van Meurs, Simon Lill and Bill Kemter are developing into a formidable unit which draws on each of its members key skills and attributes. I am looking forward to continuing to develop along with this leadership group which in turn will develop ARAMA and help it grow into the sustainable service model which members want and expect.

I would again like to thank all ARAMA members for their support and encouragement throughout what has again been a very tough year. I cannot be truly effective in this role without your support.

In particular I wish to acknowledge and thank all the Branch Committee members, Branch Presidents, State Management Committee members and the State Executive. All ARAMA volunteers are special people and make such a magnificent contribution to the Industry and all members are special however I again wish to acknowledge Chris Ward in particular who has stepped up yet again to support ARAMA and its members. His unselfish and tireless efforts often go unnoticed and he rarely receives the credit that he deserves. I would have been far less effective in my role without Chris's constant encouragement.

Thank you all for a great year.



BRISBANE PRESIDENT

The network system established by the Brisbane branch for members was tested by the disastrous impact of the January floods across many parts of south east Queensland.

Managing the floods and their aftermath was a challenge for many members who were tested on their practical management skills to manage the pre-disaster issues, the floods themselves and the challenges of the aftermath.

These practical problems were solved in many ways, with ARAMA members who weren't directly affected coming to the aid of their colleagues in the clean-up which included the loan of essential equipment. Together with the diversity of issues following the aftermath managers were tested in their relationships with their owners, tenants and guests alike.

Obviously there have been lessons learnt, and the Brisbane branch will continue to facilitate forums to assist our members in risk and disaster management.

Our members have been able to use the branch network to seek immediate advice on management issues to deal with both the people and building restoration challenges.

The State Government's flood inquiry which is in two parts will firstly report on the prevention and management of natural disasters and early in 2012, the second stage of the report into many of the commercial issues such as body corporate insurance will be brought down.

The resources of the ARAMA members' library has provided a great back-up with the provision of information and practical solutions to facilitate to help solve come of commercial issues that require

urgent resolution.

The regular member information distributed by our CEO (Trevor Rawnsley) provided good positive information and details of how affected members were dealing with the issues that the floods had created.

This disaster highlighted the benefits that have been developed by the Brisbane branch with its regular program of monthly member meetings, which continue to attract strong attendance by members to these important gatherings.

The opportunity to meet informally before the meetings for a meal and the interaction during the meetings and question time continues to reinforce the fellowship that has been generated by ARAMA with its long held aim of having members helping members, providing practical experience in identifying and managing issues.

The Brisbane committee has been active in ensuring that we have been able to have quality speakers provide relevant industry addresses to assist members in their day to day management as well as future business planning.

Importantly we have been supported by members who have attended in good numbers our regular meetings at the two established venues at Kedron Wavell Services Club on the Northside and the Colmslie Hotel at Morningside on the Southside of Brisbane.

We have welcomed a number of new members to our ranks during the past year and it has been the policy of the branch to ensure that they are contacted and personally welcomed to the ARAMA fraternity and encouraged them to maximize their membership by being involved in our services.

There is always a changeover of

committee members around the AGM time and we thank those who are standing down for their dedication and freely given time and we look forward to welcoming new members to our committee team.

We welcome the continued involvement of all members and will continue to work closely with the State Management Team to further expand beneficial face to face opportunities for members as we go forward into an interesting and challenging future for ARAMA.

**Gayle Jensen
PRESIDENT**

SUNSHINE COAST PRESIDENT

It has been another challenging year for ARAMA members with natural disasters and continuing economic downturn both locally and abroad.

It has also been a year where many of our members have shown amazing resilience and fortitude in the face of those problems, particularly the floods, cyclones and Christchurch earthquakes. I also commend those operators who were not directly affected but reached out and offered support and free bed nights to those who were. Well done to all of you.

It has also been a busy year for the association with quite a few 'firsts'.

- The first full year of having a full time paid CEO at state level – Trevor Rawnsley has done an amazing job of lifting the profile of ARAMA among industry stakeholders and the general public while also somehow finding the time to handle dozens of calls per week from members seeking information and answers, co-ordinating the development of the



new website, visiting branches and doing roadshows spreading the ARAMA 'gospel'

- The first full year in the State Presidency for Chris Ward – Chris has also been heavily involved in most of the above as well as personally meeting with Government and Shadow ministers and policy makers to also push the ARAMA banner
- The first full year of centralized collection of membership fees, taking the burden off the branch committees and making for quicker and easier accountability at state level
- The first year of our Sunshine Coast members being given the opportunity to obtain a Certificate IV in Tourism with the aid of a Government grant. My thanks go out to the instigators of the course Maria Duke and Robbie Judge and to the TAFE convener Susan Maynard for their hard work and motivation.

Also on training, thanks again to Maria, and Gerry Lewis for once again organizing the series of introductory workshops for managers. A big thank you also to all of the topic presenters giving their time to foster a better understanding of our industry among new and experienced operators.

Your local committee also organized several Information nights throughout the year for the benefit of members. They included–

- The ARAMA Sunshine Coast Road Show – Kim Cox, Trevor Rawnsley and Chris Ward spoke about past major achievements by ARAMA, Current situations and issues and a vision for the future and Adrian from TA Fastrack spoke about increasing occupancy

- Trevor and John Mahoney discussing the implications of the Unit Owners Association's radical proposal for Management Rights at well attended meetings in Noosa & Mooloolaba
- Tony Rossiter and Robyn Clements from Holmans accountants discussing tax planning.

On a sad note we saw the passing of two former committee members. Ross Dorman and Gordon Page who gave many years of outstanding service to the ARAMA Sunshine Coast Committee and to management rights in general.

Thank you to my local committee members for their help and support throughout the year, they are a small tight bunch that all do a great job, however they do need more support and fresh ideas so I urge you to put your hand up to join them on the committee. We only meet one night a month for a couple of hours so it is not time consuming. If you have not already been nominated please give it your consideration.

Thank you also to our long serving volunteer Stationary Distributors – Brett and Karen at Northcliffe Maroochydore, Richard and Jan Polack at Munna Beach Noosaville and John and Barb White at Kings Way Caloundra.

Another thank you to our ARAMA State sponsors – National Australia Bank, EBM Insurance and NiteL also to our State Silver sponsors MR Sales and Foxtel and to ARAMA State financial controllers Holmans Accounting.

After many years involvement on committees with QRAMA and ARAMA at Branch and State and lately National level I have decided to step down from all committee positions. It is purely for personal reasons, I still believe strongly in this

Industry Association and the direction it is heading and take comfort in the leadership, aims and ideals of ARAMA and will remain a member for as long as I have a building.

I wish my successor as Sunshine Coast President all the best.

John Hellyer
PRESIDENT

PORT DOUGLAS PRESIDENT

The branch continues to work positively to ensure that we maintain the reputation that Port Douglas and the far north tropical coast continues to deliver competitive services to holidaymakers and visitors.

The ARAMA network remains strong and we have worked hard on behalf of our owners and clients to make sure that reputation of the region and its special attractions are available for tourists and holidaymakers to enjoy and promote.

However, the global economic crisis has affected the visitor numbers to Port Douglas, although we are anticipating an improvement as we move into our high season.

Our bench mark season of 2008-2009 has not been achieved and reflect the general nature of the tourist industry throughout Queensland and Australia as we all struggle to face the real competition of the costs of services and the high rate of the Australia dollar and the alternate opportunities that provides for both our domestic and international visitors.

The accommodation industry operating costs have unfortunately increased and our visitor numbers diminished.



Our UK visitation numbers have fallen by 22% and while our visitors from Germany have remained consistent, the European visitations have fallen by 5%.

The trend this year has been for all tourists to look for deals against the listed price.

It has been a challenge for managers to service the clients and to report to owners the economic challenges that currently face holiday rental.

Whilst we were not adversely affected by the weather for any long period the competing holiday options of cruises and international travel has had a significant effect on our industry.

There have been some properties which have gone into liquidation.

The branch has been very focussed on the management of our domestic issues and we are committed to a steady long term recovery as part of the cyclical nature that seems to affect the tourist and holiday industries.

The branch members appreciate the services provided by ARAMA to assist them in the running and management of their businesses but our branch remains very focussed on the local issues to maintain our industry operations.

It is a time for tight management to provide to owners and the holidaying visitors that the region will continue to offer exceptional accommodation as the gateway to the Great Barrier Reef and the unique tropical environment.

Resident managers are now key players in the local campaign to cut the consumption of drinking water as the Cairns Regional Council which is now responsible for our local administration is having to reduce water usage by a minimum of 10% to meet the region's needs.

As ARAMA has done in the past, we

will work with our local authority to ensure that we educate our guests in the need for conservation.

We go forward with the hope that the signs coming from Cairns and further south is that the visitors and holidaymakers are looking to come back into the region because of its great attractions.

Sheryn Blundstone
PRESIDENT

CAIRNS PRESIDENT

The year has been challenging for ARAMA in Cairns as the branch has worked through the adverse impact of the economic conditions on all aspects of the tourist industry in the region.

Our membership remains strong and we have worked with the CEO to help foster the development of a new branch during the upcoming year for Townsville. A well attended meeting in Townsville is indicative of strong industry support there for the growth of the ARAMA branch network.

Our other branch functions have been well attended despite the tough operating conditions being faced by all members.

We have worked to face the many challenges that are impacting on the tourist industry where the high value of the Australian dollar has seen many tourists take advantage of other holiday destinations.

Cairns visitation also suffered from the Cyclone Yasi impact with significantly diminished numbers of holidaymakers and travellers venturing to the far north.

These major commercial issues have been challenging for the branch and its activities.

The ARAMA network is working hard

to play its part in the tourist market in

the region and to sustain operations.

We look forward to improved

commercial opportunities returning

to the region.

Roger Greenway

PRESIDENT



GOLD COAST PRESIDENT

The challenges facing the Australian tourist industry has had a severe impact on the nation's premier holiday destination with accommodation figures down in all sectors of the visitor market.

As a premier national property investment region, the Gold Coast was the victim of the global economic downturn which was highlighted by the investment pundits and their doom and gloom prophecies.

Despite the competition from alternative international holiday destinations and the cruise ship industry, the Gold Coast continues to attract tourists domestically and internationally.

The branch continued to provide forums for members to receive industry briefings and to continue the exchange of strategies and issues facing the management rights industry in the competitive market place.

I am very proud of the work of our committee and its ability to operate for the benefit of branch members.

Under the new financial centralized management arrangements which are administered by the State administration, the Committee canvassed local sponsors to support our events and forums.

We have been able to raise \$19,500 worth of sponsorship which assisted the branch in keeping dinner costs affordable.

This enabled us to operate without seeking any money from the State administration.

During the year we had some very interesting guest speakers this year, including Olympic Gold medallist Kieran Perkins, Gold Coast Suns CEO Andrew Travis and perhaps the next

Gold Coast mayor Susie Douglas.

We continue to play a significant role within the tourist industry fraternity and have already booked a V8 super car driver for our September meeting. The format for our monthly meetings will change next year and we have some exciting news to announce later.

As a result of the natural disasters which impacted so severely on our colleagues in other parts of South East Queensland, we had a fund raising night for the Brisbane flood appeal and raised more than \$3500.

The impact of the natural disasters on the holiday industry was a significant reminder to us all that management has a tremendous range of responsibilities in terms of assessing and planning for risks and adverse events.

The lessons from the floods and Cyclone Yasi will be of significant importance to us all in the management rights industry. The advice and recommendations from the Government inquiry will be of major interest to all branch members in the industry.

The strength of ARAMA membership has been the progressive approach to the issues of the day and the future opportunities for the industry and all its stakeholders.

It remains important that we use the ARAMA network to keep up to date with all the challenges that face the property and accommodation industry and we continue to work to maintain the position and growth of the industry.

Our branch will continue to focus on membership in the forthcoming year, retention and growth.

I advise that our Christmas event will be at the Gold Coast horse races on Saturday, November 12 and all welcome. Events are a continuing major attraction for visitors to the Gold

Coast and other parts of Queensland and we continue to support our colleagues in these areas which attract visitors to such events as the Magic Millions, V8 Super cars, Australian Surf Championships and hopefully the 2018 Commonwealth Games.

**Ian Burt
PRESIDENT**

WHITSUNDAY PRESIDENT

The Whitsunday branch continues to work closely with members utilizing the ARAMA network effectively to deal with local issues.

Our region like other tourist centres in Queensland has been patchy with a dramatic impact last year when bookings fell away as regular holiday visitors took advantage of the high Australian dollar and holidayed overseas.

However there has been a slight recovery in 2011, with the region again attracting its share of holidaymakers and tourists especially in the school holiday periods.

ARAMA works closely with our regional tourist office and has benefitted from the results of the proactive activities of this committed group, spreading the word of the unique attractions of the region with aggressive and tactical marketing programs.

The Whitsunday campaigns have been most effective in bringing more tourists and holidaymakers to the region especially with the international exposure of the uniqueness of the programs.

Branch members have been concerned with the cost challenges to the industry. The new pool legislation requirements have



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