



# Investing for the Future of Management Rights



ARAMA QUEENSLAND INC  
**ANNUAL REPORT** 2014



## A YEAR OF REFORM

The 2013-14 year has been one of great significance for ARAMA and the residential management industry as significant reforms for the corporate long term benefits for the management rights industry were determined through a major review of the Queensland State legislation.



The introduction of change is so often a protracted process but the initiative to divide the old Property Agents and Motor Dealers Act into four distinct industry sectors was a major initiative for all sectors of the industry, certainty for the management rights industry and for our members.

Importantly this was just one of the new legislative initiatives which occurred during the year and we can look forward to further administrative changes in Queensland as the independent QUT legal group work on providing a review and recommendations for the Body Corporate and Community Management legislation in the upcoming year.

The ongoing review of the NSW legislation continues to progress as Government's across the nation continue to address the growth and importance of density living across modern Australia in both residential and holiday and tourist accommodation.

The new State Development legislation in Queensland is also opening up new opportunities for recreational accommodation in national parks and tropical islands to offer domestic and international visitors new holiday and recreational challenges with appropriate accommodation and management.

Regional events are now a key strategy being implemented across Australia as Government's at all levels seek to boost the domestic economy with competitive holiday destinations and programs for national and international visitors.

While legislative review and reform are important administrative milestones for

the management rights industry, the day to day operational opportunities remain the bread and butter matters for members and the industry.

Whilst the recovery after the global economic crisis has been steady, it was not until the 2013-14 season that our industry began to see the real benefits of the national and international turnaround, strongly support by not only good weather conditions, but more confidence in the economic marketplace.

**There is greater confidence in the future for the density living environment. Despite continuing uncertainty in the international markets of the northern hemisphere, developers and investors are targeting the development of high rise accommodation in regional centres and cities.**

The Queensland Government has specially targeted construction and tourism as vital pillars in its 4 pillar policy and tower cranes are producing new construction at levels not seen for at least 30 years and new projects continue to be put forward at an unprecedented level across the east coast of Australia.

The Queensland Government's 30 year plan provides for a record growth



in regional centres as it seeks to provide attractive opportunities for visitors and residents to live and explore regions outside the South East corner of the State.

The growth of new development opportunities in key centres of Brisbane which sees an expanded Southbank, the redevelopment of old industrial sites at West End, Newstead and Hamilton along with unique proposals for permanent accommodation on Eagle Farm race complex are indicative in the new era of 21st century living.

Such plans are being implemented in other regional centres of Queensland as Australians continue to live longer and look for new lifestyle living opportunities.

This also includes the desire to travel and holiday and Governments are actively supporting a wide variety of major and specialist events and celebrations to attract visitors to holiday and explore new tourist attractions and activities.

The diversity of new investment opportunities for developments in National Parks and Barrier Reef Islands will ensure that important new resources and locations are available to add support to the traditional destinations.

For resident managers in means new business and new business opportunities in terms of real growth in the need for expert and experienced on site management. ARAMA and its corporate partners continue to put together regular training and educational programs and trade expositions in all areas to help members keep abreast of the challenges and opportunities.

These events are also being supplemented by the Queensland Government and its programs to take the legislative changes to the regions and make sure that our members and industry employees are made aware of the requirements and responsibilities of administering the new legislation.

ARAMA branches continue to be active in providing local forums for networking within the membership which has always been an important factor in the operation of management rights. The interchange of issues and incidents is important in this busy world and having support and the opportunity to provide alerts and discuss issues remains an important function for the Association.

This year we employed a second full time staff member and our membership officer Tina Turner continues to support CEO Trevor Rawnsley in providing day to day assistance for members and to co-ordinate meetings and events on behalf of members.

This year we have also upgraded our information website with new technology and additional information within the library and resources centre for members, along with the popular discussion forum facility.

The discussion forum continues to be actively used by members and reinforces the opportunities for members to help members with those peculiar issues which seem to arise from time to time and need special resolution. Experience and advice is a great commodity available to members.

ARAMA continues to meet regularly with senior officers within key State Government departments to discuss operations and activities within the management rights and body corporate and community management industry as well as involvement with policy programs and ongoing reviews of legislation and regulations.

ARAMA is supported by its advisory legal panel and thanks the members of the group who contribute regularly to provide advice and recommendations on a diversity of industry matters.

I wish to also thank our corporate partners and other industry providers for their support during the year to ensure that we are able to have plenty of opportunities to meet with members and to maintain face to face relations across the regions.

ARAMA will continue its commitment to work with the resident managers in all States to ensure that our industry fraternity remains active in national issues associated with tourism, events and 21st century living issues.

There are exciting times ahead for resident managers and the management rights industry with industry insiders reporting considerable growth and investment underway. It is important for members to remain involved in this new wave of industry progress and growth.

We look forward to another challenging year for our industry. Thank you all for your support and interest.



Bill Kemter

## REPORTS FROM THE CORPORATE PARTNERS

### MESSAGE TO RM's FROM EBM

We have seen a growing trend of managers contacting us recently enquiring as to if their public liability insurance will cover them for activities that are not in their agreement that the body corporate would like them to take on. These calls have included topics such as cutting back large tree branches, cleaning gutters and windows at height and other things that would not be considered the norm for RM's and more in the realm of specialist contractors.

If the committee requests you to take on extra duties that aren't stipulated in your agreement it is always prudent to consider whether or not these duties will be covered by your insurance. A tree branch or ladder falling onto a child may sound like a rare occurrence (and it is) however you want to make sure that if it does happen your insurance cover will respond and protect you and your business. If there are any of your duties that you are concerned about the implications when it comes to your insurance coverage I encourage you to give EBM a call to discuss in further detail.



# ARAMA CONTINUES TO BUILD A BETTER ASSOCIATION

The purpose of this report is to comment on the overall performance of the association during the past year and to bring members up to date with some of the association's activities that have occurred during that period.



**ARAMA continues to work through the changes which were first identified and agreed to by our senior leaders in 2009. We continue with our efforts to build a better industry association which will serve the industry well into the future.**

Our financial indicators are well established. Budgets have been set and are regularly reviewed and we continue to search for ways to increase our membership number and our revenue from membership subscriptions and sponsorships.

This last year has seen the Management Rights Industry become heavily impacted by legislative change, in particular the split of PAMDA and the commencement of the BCCM review.

Both of these acts have huge impact on the industry especially in Queensland. ARAMA has been in the thick of the reform outcomes to ensure that any change delivers a beneficial

outcome for the entire industry.

While ARAMA is understandably Queensland centric we have members from every Australian State and territory as well as New Zealand and Fiji. The legislation surrounding Management Rights in Queensland is regarded as world's best practice so any changes to the Queensland legislative framework could have wide ranging impact in the emerging markets.

ARAMA is mindful therefore to defend what protects us in Queensland and to look for ways to grow the industry in the emerging markets.

In terms of our financial performance, ARAMA State has posted a deficit of \$35,837 for the 2013-14 financial period. Some of this deficit can be attributed to the write-off of bad debt which was carried over from previous years (\$12,500) and the misalignment of revenue between the 13-14 financial years and the 12-13 financial years. In this respect ARAMA State has achieved an un-allocated surplus of \$11,322 over the last two years and a surplus of \$29,989 over the last 3 years.

We have grown our expenditure of the Industry Development fund

considerably and have provided major funding to cover the costs of our major projects which were undertaken during the year including the much anticipated new ARAMA website and data base management system which is still being embedded and which will lead ARAMA well into the future.

Our income from membership subscriptions is down by 4.8% and our overall sponsorship income is down by 9.5% and while other revenue streams are on the rise, an overall drop of 5% for State revenue is unsustainable and a reflection that the tough economic times continue for some.

**We have frozen our membership subscription fees for the past four years now however unless we obtain a significant lift in membership numbers soon, the association will need to lift its membership fees just to keep pace with the growing demand for services from members and other industry stakeholders.**

We will not be able to enter into a fifth year with a freeze on membership subscription fees unless we lift membership numbers significantly or reduce services.

ARAMA continues to lead the way in defending Management Rights against a variety of issues that if left unchallenged could do irreparable damage to our industry and affect the value of the businesses that our members work so hard to grow.

**ARAMA continues to take a lead role in bringing the entire Industry together in a way that has never been achieved before.**

ARAMA has been yet again heavily involved in producing submissions for various Government Departments during the year including:-

- Review of the Residential Tenancies and Rooming Accommodation Act 2008. ARAMA have made 14 recommendations including the change to the 2 months v's 2 week notice to leave provisions. ARAMA hold a strong view that it should be equal for both the lessors and



lessee and no more than 1 month for each. The RTA is still considering the review.

- Input into the various property law amendments in consultation with the QUT review council appointed by State Government.
- *Property Occupations Bill 2013*. ARAMA has made detailed submissions into what are effectively a split of PAMDA into 4 separate parts and the creation of two new Acts called the *Property Occupations Act* and the *Agents Financial Administration Act* both acts are in the final stages of release. The Acts have been approved and we are just waiting for the new forms and regulations to be released so that ARAMA can complete its final review. Included in the 7ARAMA submission was a simplification of the authority form including the removal of the assignment clause.
- Review of the *Body Corporate and Community Management Act*. The Queensland Government has indicated that a major review of this act will commence this year and the Attorney General has indicated that ARAMA will be invited to be a key contributor. We have been working on preparing for this major legislative reform for the best part of this year.

- The handling of trust monies has been a point of major consternation this year. ARAMA are continuing to work with Government and other stakeholders to ensure that sensible outcomes prevail.

Bringing information and education to members, unit owners, body corporate managers and other industry stakeholders has been at the forefront of ARAMA's efforts this year.

We have visited each Branch at least twice throughout the year and brought with us a host of professional speakers and educators to help keep members informed and up to date about the issues that matter to the industry. ARAMA has produced or participated in over 50 events state-wide which have been open for our members to attend.

**This year for the first time, ARAMA has delivered the Management Rights Induction Training Program which is designed to prepare new entrants into the industry far more effectively than ever before.**

I would again like to thank all ARAMA members for their support and encouragement throughout what has again been a very demanding 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 wish to acknowledge Bill Kemter our State and National President 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 Bills constant encouragement and guidance. Thank you all for another great year.



Trevor Rawnsley

## REPORTS FROM THE CORPORATE PARTNERS

### HIRUM REPORTS GROWTH CHALLENGE FOR MANAGERS

This year has been an interesting one for those managers in the strata industry. An increase in occupancy across most properties has also led to an increase in the focus on compliance.

Undoubtedly the two go hand in hand and it is easy for a busy manager to let procedures slip, often unknowingly due to lack of clarity of the present legislation or perhaps even lack of time to train new staff.

In light of this, HiRUM has focused on running training sessions for operators across the country and we have also held information sessions on compliance issues which may not have been clearly interpreted.

Our focus for the year was to inform, inform, inform and we believe we have delivered upon our goal well. Anything from how to handle sundry monies into general accounts and where the on line accommodation industry is heading.

Our spotlight on one particular on line agent following our initial prediction almost 3 years ago has been spot on, allowing many in the industry to plan ahead.

We would like to thank ARAMA for assisting us in delivering these messages over the course of the year to the wider industry, allowing our message to spread further in the process.

Watch out for a very interesting year ahead!





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