



**Australian Resident Accommodation
Managers' Association**

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Mr Brook Hastie
Research Director
Legal Affairs and Community Safety Committee
Parliament House
George Street
BRISBANE

8 January 2014

Dear Mr. Hastie,

On behalf of ARAMA and our Queensland branch, the members of ARAMA wish to express support for the two bills which will affect our members, the Property Occupations Bill and the Agents Financial Administration Bill. ARAMA has been active in discussions for a significant period with the Government and officers in the Fair Trading Office and the Body Corporate and Community Management Office and the Service Delivery and Performance Commission, regarding the review of the Property Agents and Motor Dealers Act.

ARAMA has now had the opportunity to study the two Bills tabled in the Parliament in November, the explanatory notes to the legislation and have now had the opportunity to review the transcript of the Public Hearing on 12 December, 2013.

Property Occupations Bill

The initiative through the proposed legislation certainly does much to benefit the focus of the original legislation to a more direct approach in establishing an occupational licensing system for businesses and individuals operating as residential letting agents.

We applaud the administrative approach which forecast at least 20% reduction in regulations across the Queensland economy as it will not affect the service provided to owners, tenants and guests but does offer opportunities to expand the industry and attract further investment.

We have appreciated that there is recognition of initiatives in other States concerning caps and the decision in this legislation for the removing of the cap on commission paid to property agents. As has been pointed out, Queensland is currently the only Australian jurisdiction with a cap on commissions payable to property agents and this has been historically regarded as the norm.

The removal of the requirement to obtain a tick and an additional set of initials to secure the lot owners consent to the assignment of the letting agreement is a positive move which will remove an unnecessary complication in the business sales process while not reducing the lot owners rights to terminate the "Authority to Let" with notice. The removal of the assignment clause will effectively reduce red tape for all concerned, will add certainty to the business sales process and maintain the lot owner's rights. A win-win is achieved for all stakeholders.

The management rights industry was founded and pioneered in Queensland and the new initiatives in the Property Occupations Bill, ARAMA believes will lead to increased interest by Queenslanders and Australians to further invest in the Queensland property industry, in both the tourist accommodation industries and in the high density complexes which are being developed in South East Queensland and major regional centres. The

recognition that resident managers are not required to live on site is recognition of the maturity of the management rights industry and its maturity. We expect a number of resident managers will continue to live on site as that suits the operation of the property, its body corporate committee and its owners. However, the provision of commercial opportunities for resident managers to provide improved professional services in delivering effective 24/7 services with commercial benefits for owners and occupants, whether they be short term tourists or business people, or longer term tenants.

Again we welcome the advice that the Office of Fair Trading will implement and conduct information strategies to ensure that the legislation is designed to keep abreast of the opportunities for economic development and to boost investment in construction in density living complexes and in the accommodation for the Queensland tourist industry. ARAMA is willing to assist in the implementation of any information forums that the department intends to undertake and would be keen to engage with departmental officers to work through a plan that avoids date clashes with the series of ARAMA information & educational events that are already in place for members.

The Government policies to support regional events and foster and support event orientated tourism together with the new development opportunities which will flow from the National Parks Tourist strategy will be enhanced by the Property Occupations Bill.

We support the new licensing process for resident managers to apply for and be granted a licence once they have completed the licensing process and to then be able to negotiate with the body corporate committee or an existing vendor to operate a management rights business. This should provide a more straight forward arrangement than the previous requirement for licensing.

Agents Financial Administration Bill

ARAMA supports the new initiatives provided in this legislation with its provisions pertaining to Trust Accounts and also to the claim fund. We concur with the Government's desire for Queensland businesses to have legislation which is appropriately responsive to the needs of each respective industry and removes red tape.

We believe the Bill provides specific regulatory powers which not only more clearly specify industry requirements but also provide a more simplified approach which provides increased confidence for all parties. We accept that the new legislation provides sound requirements for the establishing, operation and regulation of trust accounts held by the agents regulated under the Property Occupations Bill.

We note that the Bill also sets out the framework for the establishment and operation of a claim fund to compensate persons in particular circumstances for financial loss arising from dealings with agents. Also that the Bill enunciates a number of amendments that addresses operational issues which reduces some current penalties.

Importantly we recognize that the new administrative process is to be developed for principal collection agents who wish to open a trust account. We welcome the commitment by the Government to undertake and incur costs in delivering information and education services to assist stakeholders, including existing licensees in understanding their rights and obligations following the transition from the old PAMD Act.

ARAMA appreciates the opportunity to provide further comment to the Bills that affect our members and the management rights industry. We would be available to appear before the Committee to address any issues concerning the importance of this legislative initiative if required.

Yours sincerely



Trevor Rawnsley
CEO
ARAMA