

Body Corporate and Community Management and Other Legislation Amendment Bill 2023

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Submitted by: Australian Resident Accommodation Managers' Association (ARAM)
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**Australian Resident Accommodation
Managers' Association**
PO Box 4953
GCMC Bundall Qld 9726
Tel: 1300 ARAMA Q
Email: national@arama.com.au
www.arama.com.au
ABN: 21 618 111 238

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The Australian Resident Accommodation Managers' Association (ARAMA) is the peak body for the Management Rights industry, representing more than 3,300 buildings throughout Australia which feature the business model also described as Management & Letting Rights (MLR).

MLR is a small to medium business model owned and operated by a management team who usually live and work onsite managing the onsite lettings and the onsite building maintenance (caretaking) functions.

MLR is a significant contributor to Queensland's economy and the accommodation sector. ARAMA members manage short- and long-term rentals of lots within strata and community titles schemes for tens of thousands of individuals and families.

ARAMA members acting as Caretaking Service Providers deliver services to the scheme on behalf of the body corporate. They have a long-term agreement with the body corporate which helps to keep the levies down. These long-term caretaking service agreements result in a superior service delivery model which actually helps to keep the levies down while binding both parties to focus on what is in the best long-term interests of the scheme. Most ARAMA members acting in the Role of a Resident Manager are also lot owners and therefore are members of the body corporate. ARAMA estimates that Resident Managers facilitate the occupation of more than 150,000 beds annually and are responsible for the management of over \$15 billion in property.

In relation to the impacts of reforms to property law and the BCMAA, ARAMA is ideally positioned to provide insight and expertise. As most of our members are licensed real estate agents on behalf of unit investor owners, they are also service providers, unit owner investors and unit owner occupiers. ARAMA members have a vested interest in the repair and maintenance of the scheme and seek harmony in order to undertake the dual and at times difficult role of unit owner (and therefore a member of the body corporate) and a service provider.

ARAMA consider ourselves to be fair and balanced in relation to the input and submissions that we have remitted over the 30+ years of engagement with the Queensland Government.

ARAMA's comments in this brief submission are in addition to the many separate submissions it has made in the past and pays particular attention to the key reforms which were recently announced by the Queensland Government. We refer the reader to the previously remitted submissions most recently via the CTLWG for more detail relating to ARAMA's position.

ARAMA is concerned with any planned reforms that are likely to restrict or inhibit the very high levels of service delivery which are currently provided by the onsite professional manager to the short-term visitor, long term tenant, the unit owners or the body corporate especially those which provide little or no consumer benefit.

1. Scheme termination approval reduced to 75%

- ARAMA agrees with the principles in relation to reducing the approval level below 100% however we maintain that 75% is too low. ARAMA considers that a higher level of about 90% would provide greater protection for those long-term residents such as unit owners and tenants who wish to vote no. In any case and whatever the % threshold careful consideration should be given to the rights of the minority of long-term unit owners, residents and service providers who do not wish to be displaced from their home or workplace.
- **ARAMA recommends** reducing the current 100% threshold to 90% and consider compensating the long-term resident and long term service provider if they have voted no and are displaced against their will. Consideration should be given to locating a comparable dwelling for those long-term residents who have recorded a no vote in relation to scheme termination. The holder of a long-term caretaking service agreement who votes no to scheme termination should be provided with compensation for loss of business. A suitably qualified and independent MLR valuations expert can easily determine the value of a 10 year caretaking service agreement regardless of the term that it has left to run. Careful consideration needs to be given to those schemes who are planning for scheme termination and decide to “wind down the clock” simply to reduce the compensatory costs associated with scheme termination for the caretaking service contractor.

2. By law changes relating to pets & towing of vehicles

- ARAMA is agreeable to the principles contained within these reforms however we assert that any person or service provider should not be forced or coerced to police these by laws against their will.
- **ARAMA recommends** that if a caretaking service provider chooses to assist the body corporate with enforcement of these or any other by laws then a varied agreement should be enacted with additional compensation paid at market rates.

3. By law changes relating to passive smoking

- The Government has already acknowledged that this is a contentious issue and ARAMA believes that this could cause great emotional stress both for the victims of side stream smoke and for those who smoke in their own homes.
- ARAMA recommends that as smoking is a public health issue then the Queensland Government should mandate the rules regarding smoking as it does in commercial premises and not leave it up to an individual body corporate to decide where, when and how smoking can occur in a CTS. A public health issue such as smoking should not be left up to the discretion of an individual body corporate by law and it should be kept out of the courts. ARAMA respectfully suggests that there should be a blanket statute regarding smoking in a CTS and it should be clear and unambiguous.

ARAMA congratulates the Queensland Government and in particular the CTLWG on arriving at these positions and is grateful to be afforded the opportunity to comment.

We are prepared to engage further if required and request that all correspondence be addressed to the writer. We request to be heard in the Committee and would be willing to appear when required.

Kind regards

Trevor Rawnsley
ARAMA CEO

