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## **Modules**

- Module 1. An Introduction to Management Rights
- Module 2. The BCCM Act and Relevant Legislation
- Module 3. The Agreements
- Module 4. The Scheme
- Module 5. By-laws
- Module 6. The Regulation Modules
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Proposed Modules – Volumes Two and Three

**Proprietor**

Proprietor of a lot means a person entitled to an interest in a lot, whether or not the person is in possession.

**Reallocation Agreement**

Reallocation agreement means an agreement in writing under which 2 or more owners of lots for which allocations are in place under an exclusive use by-law agree to redistribute the allocations between the lots.

**Records**

Records, for a body corporate, means the rolls, registers and other documents kept by the body corporate under the Act (including under the regulation module applying to the scheme).

**Register of Assets or Asset Register**

The body corporate must keep a register of body corporate assets and record in it all body corporate assets of more than \$1000 in value.

**Register of Engagements and Authorisations**

The body corporate must keep a register of each engagement by the body corporate of a person as a body corporate manager or service contractor, and each authorisation of a person as a letting agent.

**Register of Reserved Issues**

A body corporate must keep a register of reserved issues if the body corporate, by ordinary resolution, reserves an issue for decision by ordinary resolution of the body corporate.

**Registered Owner**

Registered owner of a lot means the person recorded in the freehold land register as the person entitled to the fee simple interest in the lot.

**Registered Proprietor**

Registered proprietor of a lot means a person recorded in the freehold land register as a proprietor of the lot.

**Reserved Issue**

Reserved issue means an issue reserved, by ordinary resolution of the body corporate, for decision by ordinary resolution of the body corporate.

**Resolution Without Dissent**

A motion is passed by resolution without dissent only if no vote is counted against the motion.

**Secret Voting Paper**

The secretary must prepare a voting paper (a secret voting paper) for a motion to be decided at the meeting by secret ballot.

**Services Location Diagram**

Services location diagram means a diagram, complying with the registrar's directions about its required format, showing the location of service easements for a community titles scheme.

## **Building Manager**

As a Building Manager may either be classified as a Caretaking Service Contractor (under a Caretaking Agreement) and/or a Letting Agent (under a Letting Agreement) there are two sections covered of Codes of Conduct.

As the Body Corporate Manager are also engaged under a Service Contractor arrangement, this Code of Conduct extends to their scope also.

For both, there are provisions to remedy any matters and these processes vary greatly with strict timelines and stages that are too complex to cover within this training handbook.

In saying this, the process to terminate a Management Rights agreement by a Body Corporate Committee is not something that happens easily. It is always in the best interest of both parties to work with each other in a compliant and transparent manner to ensure both parties are working together in the best interests of the Owners of the Scheme.

The Act is not an easy read but within the 400 odd pages, the rules are outlined in black and white as to what obligations all parties have to each other. In a legal dispute relating to Management Rights, this is generally the reference that is made.

## **Property Occupations Act 2014**

<https://www.legislation.qld.gov.au/view/pdf/2014-09-26/act-2014-022>

The Property Occupations Act 2014 (referred now in this training handbook as the POA) replaced the previous Act, known as the *Property Agents and Motor Dealers Act 2000* (Qld) ('PAMDA').

The introduction of the POA removed much of the rigidity in the rules of the prior Act.

This POA relates to anyone operating within the Real Estate Industry and if Letting is a part of the scope of undertaking, this Act and its requirement applies to your business.

As with all Acts and Regulations, there are severe penalties for major breaches that include imprisonment.

The POA covers how an Owner appoints you as their Letting Agent, what license(s) you require to operate a Letting business, what prior criminal offences prevent you holding a license.

Additionally, the POA changed the approved form used to act as an agent on behalf of an Owner (Appointment to Act.)

The new form – POA Form 6 – as replaced with version 5 on 1 August 2016 – is the current form in use.

The transition from the PAMDA Appointment to Act Form to the POA Form 6 is covered elsewhere within this training handbook.

The Form 6 is used for entering into an Appointment to Act as the selling agent of a property – if you hold the appropriate qualification and license.

The POA also has a suite of approved forms used within the Management Rights Industry, including:

- Licensing – new and renewing (covered in depth elsewhere within this training)
- Trust Accounts - opening and closing (covered in depth elsewhere within this training)

## **Agents Financial Administration Act 2014 (AFAA)**

<https://www.legislation.qld.gov.au/view/pdf/2014-05-21/act-2014-018>

This Act applies to a Letting Agent who is required to open and operate a Trust Account.

As with other Acts, there is framework for the operation, compliance and audit of these trust bank accounts.

Trust account operation is covered in depth elsewhere within this training handbook.

The AFAA covers the requirement and design of the trust account receipts, how they are issued and where backup copies are stored for a mandatory trust account audit.

It also covers the scope and timeframe for the audit process of the Trust account and who carries out this audit.

The AFAA outlines what monies can be deposited into the Trust Account and which monies, and when monies, can be withdrawn from this account.

Record keeping (an audit trail) is required to be kept for five years and the AFAA outlines how this information is stored.

## **Other Legislation**

There are numerous other pieces or sections of legislation and Australian Standards that impact the operation of Management Rights.

Many affect other businesses too, so don't think that this is solely focused in on this Industry.

There also additional aspects relating to your responsibility as a Director of a Company (Pty. Ltd.) that will be covered elsewhere within this training handbook.

These are just some of the these:



## **Australian Standards**

AS 1926-2007 Australian Swimming Pool Safety Standards

AS1657-1992 Fixed platforms, walkways, stairways and ladders

AS1668 Mechanical ventilation of buildings

AS1735.1-2003 Lifts, escalators and moving walks

AS1851-2012 Routine servicing of fire protection systems and equipment

AS2118.1-1999 Automatic fire sprinkler systems

AS2293.1-2005 Emergency escape lighting and exit signs for buildings

AS2419.1-2005 Fire hydrant installations and commissioning

AS2845-2010 Water supply – backflow prevention devices

AS3000-2007 Electrical installations and wiring rules

AS3633 Water Quality Private Pools

AS3666-1995 Air handling and water systems of buildings

AS3760-2010 In-service safety inspection and testing of electrical equipment

## **Acts and Regulations**

Building Act 1975 (updated December 2014)

Building Fire Safety Regulation 2008 (updated July 2015)

Building Regulation 2006 (updated July 2015)

Electrical Safety Act 2002

Fair Work Act 2009

Fire & Emergency Services Act 1990 (updated May 2015)

Fire & Emergency Services Amendment (Domestic Smoke Alarms) Act 2016

Fire & Rescue Service Regulation 2011 (updated July 2015)

Pool Safety Standard, Queensland Development Code Mandatory Part 3

Queensland Building & Construction Commission Act 1991 (updated July 2015)

Queensland Code of Practice for the Building Industry

Queensland Development Code

Safe Work Australia – National Fact Sheets

Safe Work Australia – National Guidance Material

WHS Act 2011 (updated September 2014)

WHS Act Codes of Practice 2011 (updated May 2014)

WHS Regulation 2011 (updated July 2015)

**Codes of Practice covering:**

Confined Spaces

Construction Work

Demolition Work

Emergency plans

First Aid in the Workplace

Hazardous chemicals requiring health monitoring (List)

Hazardous Manual Tasks

Health monitoring for exposure to hazardous chemicals

Health monitoring for exposure to hazardous chemicals

How to Manage and Control Asbestos in the Workplace

How to Manage Work Health and Safety Risks

How to Safely Remove Asbestos

Labelling of Workplace Hazardous Chemicals

Managing Electrical Risks at the Workplace

Managing Noise and Preventing Hearing Loss

Managing Risks of Hazardous Chemicals in the Workplace

Managing Risks of Plant in the Workplace

Depending on the changes being made, the voting resolution may be 'Without Dissent' – that is, with no lot owner objecting, by 'Special Resolution' or by 'Ordinary Resolution.'

Once successful, a new CMS is submitted to the Land Titles office. Once they have recorded this, the intent of the changes become enforceable.

Within the CMS is the breakdown of the total entitlements the original owner (the Developer) established, when the CTS was established, to allocate amongst other things the proportion of the total Body Corporate operational fees, that each lot owner will contribute to.

## Lot entitlements

Two entitlements are calculated:

1. The **Contribution Schedule lot entitlements**, which is used to calculate:
  - Each owner's share of most body corporate costs (some costs, like building insurance premiums, may be divided differently)
  - The value of an owner's vote if a 'poll' is called for when voting on an ordinary resolution.
2. The **Interest Schedule lot entitlements** which are used to calculate:
  - Each owner's share of the common property and body corporate assets if the scheme ends (e.g. a scheme could be terminated if all lot owners agreed to dispose of the scheme because they wanted to redevelop)
  - The value of the lot for calculating local government rates and charges, and other costs.

In an ideal world, in a Scheme with 10 x 2-bedroom apartments and there are ten lot entitlements; each lot owner would have one share and all lot owners would make an equal contribution. This does not always happen and in Schemes with variation to this, such as a where there is a variety of lot sizes – one bedroom, two-bedroom, Penthouse, studio, lots without car park space – the lot entitlement schedule will reflect individual contributions.

Lot on Plan	Contribution	Interest
Lot 811 on SP234524	935	412
Lot 812 on SP234524	935	473
Lot 813 on SP234524	944	424
Lot 901 on SP234524	1019	541
Lot 902 on SP234524	1043	627

To formalise a By-law, the body corporate must, in a general meeting, consent to a new CMS.

A new CMS identifying the changes to the By-laws must be consented to by special resolution.

An exclusive use By-law requires the permission of the lot owner in writing and a resolution without dissent, consenting to the recording of a new CMS.

This can mean if a Body Corporate commences action to retract an exclusive use By-law, the Owner of that Lot affected would have to agree, for 100% of the vote to be affirmative.

### **Restrictions**

A By-law cannot:

- be inconsistent with the Act, in other words, it cannot contract out of or override existing legislation.
- A By-law cannot state the type of people who can buy a unit
- It cannot discriminate over the type of occupier – such as families with children, however “age” is one item not protected under the Fair Housing Act, so complexes marketed to specifically ‘over 50’s,’ are quite legal to do so.

### **Enforcement (Form 1)**

If a By-law requires to be enforced, this is a duty of the Body Corporate, under the administrative duties of the Committee.

Action against an offender can be taken either by the Body Corporate or by any Owner, if certain conditions are met.

In most circumstances, a notice is issued, but this does not apply to all situations.

The Act (s.182, s.183, s.184) provide that contravention notices must be issued before any action is taken.

Often, a person may be unknowingly contravening a By-law. New tenants may not have read the By-laws or another Owner may have an in-depth understanding of the Act. Affirmative action is necessary to discharge the duty of compliance by the Body Corporate.

The decision to issue a contravention notice is made by the Committee or the Body Corporate.

There are two type of contravention notices:

- Continuing contravention notice
- Future contravention notice

### **Continuing contravention notice (Form 10)**

Examples:

- an Owner is parking their vehicle in the car wash bay without approval
- a tenant has stored furniture in their car space.
- a commercial employee is emptying their dirty water from a mop bucket in the garden

In these examples, they are By-law contraventions that are on-going – happening on a regular basis or an on-going basis and are likely to continue without intervention.

In this instance, as directed, the Body Corporate Manager would issue a BCCM Form 10, (overleaf.)

Section 182 (4) of the BCCMA specifies the required details to be entered.

### **Future contravention notice (Form 11)**

This notice is served in circumstances where a periodic contravention of the By-laws occurs that an Owner could be reasonably believe would occur again.

Noise and parties are common occurrences for this type of notice to be issued.

This notice places the owner or occupier of a lot with a warning that a future contravention would result in an application being made immediately to the Magistrates Court, bypassing any mediation with the BCCM.

The main purpose of this notice is to require the person not to repeat the same contravention.

Section 183 (4) of the BCCMA specifies the details to be included on the BCCM Form 11 (overleaf.)

A future contravention notice is effective for three months after it is given to the person.

### **Failure to Comply with Contravention Notice**

If an owner/occupier fails to comply with a contravention notice, the Committee or the Body Corporate at a General Meeting can decide to commence enforcement proceedings through the Magistrates Court or the BCCM Office. Financial penalties could be imposed for a party in contravention if they fail to comply.

### **Procedure to be undertaken for enforcement**

1 – An owner or an occupier reasonably believes that either:

- Another owner or occupier has contravened the By-laws; or
- It is likely the contravention will continue or happen again.

2 – An owner or occupier cannot commence proceedings in a Magistrates Courts

3 – Preliminary steps must be taken before action in the BCCM Office

4 – The complainant (the person advising of the contravention) must ask the body corporate to issue a contravention notice to the person contravening the By-laws.

This is done on the BCCM Form 1 (overleaf)

5- If the Body Corporate does not within 14 days advise the complainant that a contravention notice has been issued, the matter may be taken up directly to the BCCM Office.

# The Regulation Modules

Five regulations modules exist to meet the needs of different types of community titles schemes:

- Standard
- Accommodation
- Commercial and
- Small Schemes
- Two lot (this module is not discussed in this book)

The most common in holiday and permanent letting are the Standard and Accommodation modules.

It is imperative you know which module your Scheme operates under, even before purchasing your Management Rights, as differences in the rules and regulations under each module, determine such items as the maximum length your Caretaking and Letting Agreements with the Body Corporate.

As there are thousands of various Schemes from 2 lot to 700+ lot schemes, from owner-occupied to short-term holiday to student accommodation, there is also the need for the law to provide as best as it can. The crux of the initial choice of which Regulation Module should be the predominant use of the Scheme.

As this training handbook is aimed at the multi-lot, managed Scheme, we discuss the:

- Standard Module Regulations (SM); and the
- Accommodation Module Regulations (AM)

For information regarding the other module types, refer to the Body Corporate and Community Manager website for more information about Commercial, Small Schemes and Two Lot Schemes.

<https://www.qld.gov.au/law/housing-and-neighbours/body-corporate/legislation-and-bccm/services>

## The Basics

The Standard Module is highly regulated and suited for buildings that are predominantly resident owners, however, there are many 100% investor holiday buildings operating under this module.

The Accommodation Module is less regulated and suited to building where there is more short-term holiday letting or letting of lots. Conversely some building may be 100% owner occupied, being operated under the regulations of the Accommodation Module.

The regulation module is chosen by the developer when the original registration of the Scheme takes place.

There are pathways to migrate a Scheme from one module to another, but it is very involved, expensive and all comes to voting by the lot owners – one to talk your Industry Professional Lawyer about. Costs would all be borne by the Management company, if you raised this request, unless there was a reason the BC wished to contribute.

Conversely, there are pathways that a BC can take to migrate from Accommodation to Standard modules, however the remaining term on your agreements continue – one definitely for your Lawyer, if this topic is raised.

The Standard Regulation Module commenced in 1997 and was replaced with the Standard Module Regulation (2008.)

The Accommodation Regulation Module commenced in 1997 and was replaced with the Accommodation Module Regulation (2008.)

## **Module Differences**

The main overarching difference is the maximum term permitted of the Caretaking Agreement.

Standard Module – 10 years

Accommodation Module – 25 years

Banks impose a minimum term remaining on Agreements as a part of the loan approval process and make this a condition precedent to extending a loan term, or will set a minimum expiring term then the loan conditions change.

This will apply to both modules discussed.

For Bodies Corporate who have the Standard Module regulating their Schemes, there will be a history in the Body Corporate records of the manager submitting a motion to have their agreements extended (usually) to the maximum term.

Many managers do this annually to ensure the maximum term is retained.

Common practice would be never to allow the term to drop below 7 years under the Standard Module.

The maximum term extension under the Accommodation module is 5 years.

Some initial terms may have been less than 25 years – say 20 years – but the Act permits this to be topped up to 25 years, with the approval of the Body Corporate.

Many agreements are initially granted with an initial term and options.

10 years + 5 years + 5 years + 5 years, a total of 25 years.

The initial date will be stated (the commencement date) and the end date of the first term.

Each option then will be stated with a start and end dates.

It is critical that a Caretaker comply with the requirements stated in the agreement on exercising the option.

An option not exercised, could trigger an end to an agreement – it has happened before.

Requesting an extension to the agreement – adding more years to the original term(s) - is a process covered elsewhere within this training handbook. – Body Corporate Procedures and Formalities.

## **Committee voting**

Committee members make decisions by voting at committee meetings or outside committee meetings for schemes registered under the:

- Standard Module
- Accommodation Module

## **Making a decision at a committee meeting**

Each voting member of the committee has one vote on any matter decided by the committee. Even if an executive member holds more than one position on the committee, they still have only one vote. For example, if a person is both a secretary and a treasurer, they only have one vote on the committee.

To vote, a voting member of the committee must be present at the meeting, or represented by a proxy.

## **Conflict of interest**

If a committee member or their proxy has a direct or indirect interest in a matter to be decided by the committee, and this could affect the way they do their duties they must tell the committee and must not vote on the issue.

## **Passing the motion**

A motion is passed at a committee meeting if a majority of voting members present, entitled to vote and are voting are in favour of the motion . If there is a tied vote the motion is lost.

For example, if there are seven voting members present, a majority is four members. If there are six voting members present, four votes will still be needed to pass a motion.

## **Proxies**

A voting member of the committee can appoint another voting member of the committee as their proxy. The proxy can then vote for the committee member at a committee meeting.

To appoint a proxy, the voting member must complete the proxy form and give it to the secretary before the start of the committee meeting (or at an earlier time if one is set by the body corporate).

## **Restrictions**

There are restrictions on the use of proxies.

Restrictions include:

- A voting member of the committee can only hold one proxy.
- The secretary or treasurer can only appoint a proxy with the committee's approval.
- A body corporate manager or a caretaking service contractor cannot hold a proxy for a voting member of the committee (because they are non-voting members).
- A proxy lasts for 1 committee meeting and ends after the meeting



The body corporate can pass a special resolution to limit or ban committee proxies.

### **Voting outside a committee meeting**

The committee can make decisions without holding a formal committee meeting. This is sometimes called a 'flying minute' or a 'VOC'.

To vote outside a committee meeting, notice of the motion must be given to all committee members. The committee members must vote on the motion in writing. The legislation does not say how much notice must be given for the motion or when the votes must be made, but advice of the motion must be given to lot owners at the same time that committee members are notified of the motion.

### **Passing the motion**

To pass a motion a majority of all voting members who are voting and are eligible to vote (not just a majority of those who return a vote) must be in favour of the motion.

Committee members can contact one another before or during the vote.

When notice of the motion is given to the committee members, advice of the motion must also be given to lot owners.

A record of the motion voted on must be given to all committee members and all owners within 21 days after the motion is decided.

### **Emergency vote**

In an emergency, notice of the motion only needs to be given to those committee members that it is reasonably practical to contact.

Votes can be made verbally or in some other form. Advice of the motion can be given to owners when it is reasonably practical to do so.

Any motion voted on outside a committee meeting must be confirmed at the next committee meeting.

## **The Caretakers Role at a Committee Meeting**

The Caretaker should provide a Caretakers Report to the committee as a means of tabling projects which have been undertaken since the last meeting or those that are proposed. A pro-active Caretaker will be proposing projects to keep ahead of committee requests, and also to keep the common property in the best possible condition.

Any quotes that are required, should be with the committee at least a week before the meeting so they read and assess any proposals along with your report.

Good practice is to send your completed report to the Chairperson for a read through and request permission to send to the BCM for their distribution with the Committee Meeting package to the Executive Committee. Your report forms a part of the meeting notes and are available to Owners and future Managers, as a part of an inspection of the Body Corporate records during due diligence on a purchase.

Expanded elsewhere within this training handbook - Workplace, Health and Safety - a Safety Report should be included within your report advising the Executive Committee of any or no safety items. A sample report is shown at the end of this module.

# Partnerships

Many Management Rights businesses are valued in the multi-million dollar price bracket, they generally have significantly higher net profits, large caretaking remuneration and large letting pools.

As an individual purchaser, they may be out of your reach financially, but within a Partnership arrangement, they could be accessible.

Partnerships are a financial business arrangement between two or more parties to jointly own a business in varying proportions.

As the Manager, you will spend the same amount of time on-site but operating a significantly larger business with more diversity in your role, and generally higher overall compensation.

The mechanics of the partnership can be simple or complex, depending on the agreed structure of the Partnership.

Some Partnerships operate with just the financial and operating reporting back to the Partners by the Managing Partner. Some Partnerships are more involved with more input by the Partners.

Getting things right in the structure of the Partnership Agreement is essential and these need to be documented in the Agreement, prepared by your Industry Specialist Lawyer.

The lending bank will also review this document to ensure it provides balance and operational viability to the proposal.

The term 'Managing Partner,' is the partner who will operate the Management Rights Business and be the key contact person with the Scheme Body Corporate. This person is a financial contributor to the purchase of the business and operates the business on behalf of the named Partners.

A Partner can be a person or an entity, that entity can be an individual, a group, a Trust etc.

The secret to all of this is finding the right person or people to meld in with. In the case of silent partnerships, you are basically earning the partner (investor) a passive income on their funds and they are gaining additional return with the capital growth of the manager's residence and increases in the net profit.

They need for you to succeed as much as you do and they are risking considerable amounts of money backing you if you are a newcomer to Management Rights.

Partnerships are more complex in the setup but once you are over the line, you can put the Partnership Agreement away and should only need to refer to it when you are moving on. Many times, the partners will reinvest in your next venture.

If you are considering a partnership speak with a specialised financial broker or specialist bank for their early input as they are the ones who hear of and speak to investors wishing to invest their funds.

Management Rights are an increasing valuable asset, as they are seen to be in a very stable industry and are solid income producing businesses by both banks and buyers.

26 Sundry Income - Day Spa	\$332	
27 Sundry Income - FOBs Replace	\$1,467	
28 Sundry Income - Games Room	\$1,376	
29 Sundry Income - General	\$60,712	
30 Sundry Income - Key Replacen	\$1,240	
31 Sundry Income - Washing Ma	\$967	
32 Sundry Expenses	<u>-\$7,175</u>	\$58,919
33 Telephone - Calls	\$1,509	
34 Telephone - Internet Cards	\$10,725	
35 Telephone - Facsimile	\$23	
36 Telephone - PABX Hire	<u>\$6,144</u>	\$18,401
37 Tour Income	\$11,490	
38 Tour Costs	-\$8,344	\$3,146
39 Gross Operating Profit		<u>\$823,238</u>
40 Accountancy Fees		\$4,113
41 Audit Fees		\$1,800
42 Bank Charges		\$4,022
43 Computer Software Support		\$4,200
44 Insurance		\$3,230
45 License Fees		\$1,800
46 Motor Vehicle Expenses		\$1,200
47 Photocopier Rental		\$3,986
48 Printing Postage and Stationer		\$4,451
49 Repairs and Maintenance		\$1,431
50 Telephone Expenses - Calls	\$8,880	
51 Telephone - Afterhours Answ	\$2,291	
52 Telephone Costs - Internet	\$2,240	\$13,411
53 Utilities Allowance		\$2,283
54 Wages- Contractor Costs	\$80,794	
55 Wages - Front Office	\$55,077	\$135,871
56 WorkCover		\$1,248
		<u>\$183,046</u>
57 Net Management Rights Income		<u>\$640,193</u>

## Breakdown of Components

The PNL is broken into two sections – lines 1-39 to derive Gross Operating Profit, then lines 40-57 to deduct operational administration costs to derive Net Operating Profit.

In section one, certain items are grouped together that give clarity to an operational costs centre, such as housekeeping.

If all of the items were shown as single line items in a random order, the result would still be the same, just harder to analyse.

Each costs centre or section is broken down in this section:

Lines 1 and 2 – These are works undertaken on behalf of the body corporate that are undertaken outside of the Caretaking remuneration, then the repayment from the body corporate is shown at line 2. The profit is shown in column two.

Line 3 - the Body Corporate remuneration is the fee paid by the Body Corporate to the managing company for undertaking the caretaking duties, outlined in the Caretaking Agreement. As there is no cost of goods to offset, it is shown in its entire amount.

Some larger businesses may show an offset of wages here for this component.

Lines 4 to 7 - in this section is the Housekeeping department costs. The income from the departure cleans are on line 4 and the income for the service cleans on line 5.

The cost to supply this labour – in this case an external contractor - performing the duties and the cleaning products are deducted on lines 6 and 7. The profit for this cost centre shown in column two.

Lines 8 and 9 – this is the fee deducted from the tariff for the use of a credit card in guest payments, additionally any other income from the use of credit card in general transactions are grouped here.

The merchant fee shown on line 9 are the charges that the bank will make for the use of this merchant card. The profit is shown in column two.

Lines 11-12-13-14 - are from the income derived from the hire of various items of items to guests, most commonly rollaway bed hire. The costs on line 14 relate to the supply of these items. The profit is shown in column two.

Lines 15-16-17-18 - represent income from the operation of a small food outlet within the property. The income is shown on lines 15 and 16 with the operational costs of the purchase costs of the food and drinks, on lines 17 and 18. The profit is shown in column two.

If the property has an alliance with a local restaurant, this may also be the profit from Breakfast vouchers or similar.

Lines 19 and 20 - these are for the linen supplied to each departure clean or service clean; this is charged to the owners. The profit is shown in column two.

Lines 21-22-23-24 – this is the cost centre for Maintenance. Repairs and maintenance are undertaken on behalf of owners that is paid for these services. Where a repair has been done, within the agreement of the appointment to act, or a replacement is made, this is

## The Physical Handover

Within the sales contract will be a term relating to the training that the outgoing manager (seller) will provide for the incoming manager (buyer.)

Generally, once the contract is unconditional a settlement date is chosen and training will start one week before that date and conclude one week after settlement.

**Critical point** – once settlement occurs, YOU are responsible for the duties and obligations that fall under the Caretaking and Letting Agreement.

The training you receive is determined by the outgoing manager and we strongly suggest you also have a list of questions that are prepared to ensure as many aspects of the role are included.

- Use the Caretaking and Letting agreement duties and responsibilities as dot points.
- Determine if a daily/weekly/monthly/annual maintenance timetable is available.
- Obtain the preferred/approved contractors list and ask what each person does – this will lead to further questions.
- Before taking up residency:
  - ensure you know where the water shut off valves are in each apartment type
  - where basement and other pumps are located and what alarms are connected to each
  - where each local fuse box is in an apartment and the location of the master fuse boxes
  - how to reboot the server
  - the passwords for the server and reservation system
  - the duties required to assist the Fire Brigade
  - that your mobile contact number is given to Nitel and QFS (for the alarm panel) and the elevator maintenance company

During the time together with the outgoing manager, you should take every opportunity, to walk, talk and listen.

In the first week, you will also be planning your actual move into the on-site managers apartment.

This will occur on or as close to settlement as possible. It pays to be flexible in this period of time without conceding to all requests.

You should be carrying out the tasks that each party does on a daily basis, so your start time and finish time will be dictated by the duties of the manager that day.

If you are a management couple, the second person will be working within the administration/reception of the building, understanding the flow of business from this role.

It can (usually is) a stressful period of time as everything and everyone will be coming to you.

Guests are on holiday, or residents are living on-site and all will be watching the new managers, not from a spying point of view, but as you are new, they want to see how you react and deal with situations.

BSBSMB406	Manage small business finances
CPPDSM4006A	Establish and manage agency trust accounts
CPPDSM4007A	Identify legal and ethical requirements of property management to complete agency work
CPPDSM4010A	Lease property
CPPDSM4015B	Minimise agency and consumer risk
CPPDSM4016A	Monitor and manage lease or tenancy agreement

## **Corporate Resident Letting Agent License**

### **Business operations**

You may trade under your corporation name or registered business name. If you use your registered business name, you must register the company as the owner of the business name.

If you are partners with another company, the other company must also have a current licence.

### **Personnel**

Your personnel must have individual licences too if they are:

- directors of the company and carry out the work of a resident letting agent themselves
- officers in charge of a place of business.

A Director does not need a licence if they do not act as a resident letting agent

### **Eligibility**

To be eligible for a corporate resident letting agent licence, your company must have an individual licensee in charge at each place of business.

### **The Full Real Estate Agents License (Qld).**

The full real estate agents license has further scope, to include real estate services into your business and operate an agency to resell lots. (subject to no restrictions placed by the Body Corporate)

There are 19 study units in total which will take more time and study to complete.

We offer this on face to face or online business.

This license is not required if you just require entry level training sufficient to satisfy licensing requirements.

This checklist is provided in two formats to assist a new Caretaker undertake a comprehensive handover with the outgoing Caretaker.

In part two; further detail is provided on each section and any specific items on which to focus your questioning.

### **Section 1 Garbage Bins**

When are they lifted?

Where do they get lifted from?

How do you move them to that location?

Who pays for any tractor/vehicle operational, registration, replacement cost?

How many lifts are allowed for?

Can additional lifts be organised?

Who cleans the bins, where is the wastewater discharged?

Who is the bin lifting company and their contact details?

### **Section 2 Garbage Chute**

How does the chute operate?

Who cleans the chute?

Who repairs the chute?

Chute rooms on each level - cleaning?

Chute rooms - removal of rubbish?

Chutes - air freshener/ozone?

### **Section 3 Recycle Bins**

Is there separate recycle bins?

When are they lifted?

Where do they get lifted from?

How do you move them to that location?

How many lifts are allowed for?

Can additional lifts be organised?

Who cleans the bins?

Who is the bin lifting company and their contact details?

### **Section 4 Daily Cleaning**

Which areas are cleaned daily?  
What is the cleaning routine?  
Is this the responsibility of the Caretaker?  
If not, who is responsible?  
Completion time for open up?  
Where is the cleaning equipment kept?  
Who pays for the equipment?  
Who pays for the consumables?  
What is the ordering/purchasing method?  
Asset register - body corporate supplied equipment?  
Electrical leads on vacuum cleaner's test and tag?  
Elevator cleaning?  
Elevator safety lockout?  
Stairwells clean down?  
Landings - vacuum frequency?  
Landings - utility cupboards?  
Other common area facilities - games room, TV room, cinemas?  
Pool shower, toilets, basins?  
Common area carpets-vacuuming and steam cleaning?

## **Section 5 Pool Cleaning**

Which pools are cleaned daily?  
What is the cleaning routine?  
Is this the responsibility of the Caretaker?  
If not, who is responsible?  
Where is the cleaning equipment kept?  
Who pays for the equipment?  
Who pays for the consumables?  
What is the ordering/purchasing method?  
Is the pool vacuumed daily?  
Where is the testing equipment kept?  
What is the testing method?



## 1. Garbage bins

Essential to a multi-dwelling complex, the garbage bins tend in high-rise buildings to be of the large industrial type, on four wheels with closing doors and tow-point for the main rubbish and similar or wheely bins for recycling rubbish.

- ⇒ What time they are you bins picked up or 'lifted' daily - this is generally in a one or two hour time period
- ⇒ Where do they lift the bins from, how do you move the bin to and from that location?
- ⇒ Does the driver have keys to access the bin room?
- ⇒ Who pays for the tractor or the vehicle, (if applicable) to move the bin to that location?

The operation, registration, insurance and replacement costs are generally a Body Corporate cost, unless this is stated otherwise in the CLA.

- ⇒ How many lifts are allowed for? Generally, the Body Corporate pay the disposal company to pick up x amount of bins per week. If it is one per day, this is seven per week.
- ⇒ In high use periods such as school holidays, can additional lifts be organised?

On days where you may require an additional lift, this will be done generally at the same time as the first lift and relies on you having at least two garbage bins of the commercial nature.

- ⇒ Who cleans the bins? The sanitisation of the bins may be carried out by the caretaker under the CLA or it may be done by an industrial company.
- ⇒ Where are the bins cleaned and where is the wastewater discharged?
- ⇒ Who is the bin lifting company and their contact details?

## 2. Garbage chute (multi-storey buildings)

There is generally a garbage chute leading from the top floor to the basement, under which the commercial garbage bin is placed. There will be a mechanical flap to close over the chute end to prevent rubbish coming out when the bin is being moved.

The chute is an integral part of the infrastructure. It can be a fire hazard and a health hazard from the smells discharged from the garbage.

- ⇒ How does the chute operate?
- ⇒ Are there closing devices on the bottom end to prevent garbage coming down the chute when you're either moving the bin or when there is no bin place?
- ⇒ Who cleans the chute, given this is a confined space access area? There are specialised companies who will come and steam clean the chute periodically- usually once or twice per year.
- ⇒ Who repairs the chute if damaged from items falling down the chute and general wear and tear on the doors on each level?
- ⇒ Who cleans the chute rooms on each level and how often are they done?

The chute rooms can be an area for guests to leave rubbish

- ⇒ How often are these checked and who removes this rubbish?

- ⇒ Is there a method of running from the top to the bottom for collecting this rubbish in an elevator?

Air fresheners and ozone machines are quite often used on the chutes to minimise the smells that originate from the garbage room and the garbage bins themselves.

- ⇒ Is there a company responsible for supplying this equipment and the maintenance thereof?

### **3. Recycle bins**

- ⇒ Are there separate recycle bins for glass and paper?
- ⇒ If so, when are they lifted and where do they lift them?
- ⇒ How do you move them to that location?
- ⇒ How many lifts are allowed for?
- ⇒ Can additional lifts be organised?
- ⇒ Who cleans the bins?
- ⇒ Who is the bin lifting company and their contact details?

### **4. Daily cleaning**

The cleanliness of the premises and the Body Corporate common areas is an essential part of the CLA. These areas are a display case, where you are showing your level of competence in maintaining a clean and safe environment for owners, tenants and guests.

- ⇒ Which areas are cleaned daily?
- ⇒ Is this the responsibility of the caretaker, if not who is responsible?
- ⇒ What is the cleaning routine?
- ⇒ Does this need to be completed by a certain time - potentially for opening hours?
- ⇒ Does this cleaning need to be done more than once a day, or as required during the day?
- ⇒ Where is the cleaning equipment kept?
- ⇒ Who pays for this equipment?
- ⇒ Who pays for the consumables?
- ⇒ What is the ordering/purchasing method?
- ⇒ You need to obtain the asset register.

An asset register is a list of the assets owned by a business. It contains pertinent details about each fixed asset to track their value and physical location. The register shows the quantity and value of things like office equipment, motor vehicles, furniture, computers, communications systems and equipment. There will be a business register (yours) and one for the Body Corporate.

- ⇒ If your business does not have one, you need to commence one for your accountant.

Where applicable, check the equipment that is on the Body Corporate Asset Register matches what is on site. This register will be obtainable from the Strata Manager.

- ⇒ Electrical leads on vacuum cleaners need to be tested and tagged for safety reasons - the cost of this falling onto the entity that owns the equipment.

# Proposed Modules – Volumes Two and Three

## Volume Two - Professional Management Rights

Module	1	Insurance	Insurance – business, personal, Directors Directors Liability and Responsibility
	2	Technology	Reservations system Computer systems and servers
	3	IP	IP – identifying and protecting Appointment to Act overview and updating Documenting owner changes Website Domain
	4	Finance	PNL review and actions Cashflow Trade Debtors Financial reporting Banking process Leases Contracts End of Month Procedure Owner payments MYOB and the Chart of Accounts and use Bank Accounts Understanding the managers monthly report MYOB + CRS interaction End of Month PNL review
	5	WHS	Workplace Health and Safety

### **Volume Three - Professional Management Rights**

Module	1	Guest Service	Guest Service Process and procedures
	2	HR	Staffing HR manual Contractors Tradesman contacts Body Corporate contractors Employment procedures Duties Matrix Workflow planning Outsourcing housekeeping or other areas Policy manual Establish processes and procedures - Operations / HR
	3	Maintenance	Maintenance – process & procedure, compliance Scheme plans Renovations and Refurbishments Building condition
	4	Housekeeping	Housekeeping process and procedures
	5	Marketing	Marketing Marketing review of existing Rates OTA strategies Timetable for upcoming events Other income opportunities Marketing Plan - sports, events, school holidays Bundling per occupied night
	6	Other	PABX Stationery, uniforms, branding
	7	Exit Strategy	Preparing for resale or re-entry Buying larger, buying smaller, reinvesting