

## RESORT NEWS

### ARTICLE BY JOHN PUNCH, SHORT PUNCH & GREATORIX

#### FORMS 20A UNDER PAMDA

*APRIL, 2013 EDITION*

I hope all management rights operators are aware that the Queensland Government is taking the positive step of presenting new legislation to break up the current Property Agents and Motor Dealers Act broken into several new Acts specifically designed to cater for the particular types of activities required to be licensed.

A draft Property Occupations Bill 2013 has been prepared and submissions from interested parties called for. This Bill covers all forms of real estate agents licences and is an attempt to reduce red tape, as well as to provide proper rules for licensing and conduct of the various types of real estate agents activities. Resident letting agents licences are, of course, maintained and included in the Bill "in very much the same format", which exists under PAMDA.

I was fortunate enough to join Bill Kemter and Trevor Rawnsley of ARAMA in a meeting with the Honourable Jarrod Bleijie MP who, as the Attorney General, is the Minister in charge of the process.

In that discussion I was able to raise some concerns on behalf of the management rights industry concerning the form of the Letting Appointment in the standard Form 20a.

This form is really a rather strange piece of material, as the law requires every real estate agent letting properties to have the specific form, properly completed, and signed by every letting owner, before undertaking any letting of the owner's property. Whilst it is therefore a very important form, assuring business arrangements for a management rights operator, it is strange in that any owner can easily terminate the appointment on 90 days notice, or an earlier date if stated in the form. Therefore, it does not give much of a protection for an ongoing business arrangement, where the onsite Letting Manager has to make long term commitments for other aspects of the Letting business. However, that is not likely to change.

The most concerning aspect of the current form is that it is only automatically assignable, when the management rights are sold to a new onsite letting agent, if a particular section of the form is completed and separately signed by the owner. Otherwise, the arrangements in the Act for assignment are very cumbersome and unlikely to be utilised.

Seeing that most management rights operators tend to sell their businesses and move on every 3 to 5 years, the law should be more realistic, particularly when, as I have said, an owner can always terminate on 90 days notice if they are dissatisfied with the service they are receiving from a new manager.

This point has been submitted now in writing to the Attorney General by Short Punch & Greatorix, with a recommendation that the Act proposed in the Bill have a provision for automatic assignment when a letting agency business is transferred to a new licensed operator.

As there are other items which could be simplified and cleaned up in the wording of the current Form 20a, we have also recommended the formation of a working party with the

Department of Fair Trading to determine how the form could be redrawn to overcome other issues.

The Attorney General is obviously very keen to clear up many aspects of the current legislation affecting the business of real estate sales and management and to cover issues in relation to strata title arrangements. **Short Punch & Greatorix** looks forward to playing a role in a constructive manner where our knowledge can be put to good use.