

From: [Andy Doves](#)
To: ["South Coast"](#)
Subject: RE: Emerald Lakes Quays BC
Date: Monday, 29 May 2023 9:45:00

Hi Tania & Andrew

Would you please reconsider your position of - "...does not have a view on the merits or otherwise of Caretaker Deed of Variation extensions."?

It is rather disappointing that Stansure do not have a professional opinion to give the Quays BC on this material issue which will impact every Owner.

Both previous BCMs (Peak and even Value) could see no benefit whatsoever for Owners to grant such an extension and advised so. Also, Owners voted against such an extension at the 2021 AGM and since then the industry arguments against long term agreements and premature extension requests have only increased, with legislative changes to limit contracts to 3-5 years expected imminently.

Professionally, can you standby and not give your advice to BC Owners on this material issue, (worth about \$1m for the extra 5 years), knowing full well that granting such a deed of variation is not in the best interests of the BC Owners?

To do so would seem to contradict your obligations under BCCM Act 1997, Schedule 2, Code of conduct for body corporate managers, particularly items 4 and 5.

Likewise, can you standby and allow a committee to propose an AGM Motion that is not in the best interests of the BC Owners?

To do so would seem to contradict the committee's obligations under BCCM Act 1997, Schedule 1A, Code of conduct for committee voting members, item 3.

The only entity to benefit from such an extension is ELR.

Below is information regarding the current views on long term management agreements; and early-requested extensions.

Regards
Andy Doves
Owner Lot 3006

Some previously documented Quays Owners arguments against DoV extensions are:

The current 25-year Agreement commenced on 6 May 2005 and expires on 5 May 2030. ELR are requesting a 5-year extension of the Agreement Term to 5 May 2035.

Unfortunately, the granting of this extension request **does not** include the opportunity for The Quays Committee to renegotiate the terms of the current Agreement and so, we will continue to be burdened with the terms of this outdated Agreement, issued by Nifsan, for Nifsan, 18 years ago.

Furthermore, please consider the following implications for The Quays if the extension motion was to succeed:

- ELR will receive a 5-year saleable asset while The Quays will receive no beneficial variations in return.
- There will be no other benefits to The Quays or its Owners in regard to costs, work quality or work quantity.
- We will continue to pay the predetermined fees without the benefit of an Agreement that details specific requirements for duties, tasks & responsibilities; or, measures performance.
- We will not be able to renegotiate the Agreement for another 124 years.
- We will have a much weaker negotiating position going forward.

A further 12 years is seen as too long as it has been the existing long-term contracts (25

years for Caretakers & Security) that have caused most anxiety and expense for our bodies corporate and owners.

The QLD Government and the Unit Owners Association of QLD are currently in discussion regarding the appropriateness of long term agreements and are working hard to change the legislation.

Some previously documented industry arguments against extensions are:

- Limit all building services contracts to a 3-year term, with no extension provisions, and require multiple quotes from a triennial, open competitive market tender.
- All existing contracts to be retendered on the open competitive market over a 5-year transition period. The review timing is to be decided by the owners.

The UOAQ has always sought reform of management rights in Queensland.

The UOAQ has been calling for major reform to Queensland's management rights (**MR**) regime for decades. The UOAQ has actively campaigned against ability of developers to sell long-term 25- & 10-year contracts, AND we have opposed premature extensions, or 'top-ups', of these contracts. Victoria, for example, has 3-year contracts and competitive price review. Queensland owners do not.

This current legislated regime is designed to favour the financial interests of developers and management rights holders. The effort to keep that favoured situation, does significantly contribute to the deterioration of relationships between owners and their major service providers, including caretakers and letting agents for the scheme.

More recent industry arguments against long term contracts and extensions

The UOAQ is no longer alone.

Recently, a fellow stakeholder joined the UOAQ's leading voice for reform. The body corporate managers' representative group, Strata Community Australia's Queensland (**SCA (Qld)**), added their support by recognising that the current regime of management rights is not working. After many years of uncertainty, we are delighted to see their active effort advocating for the same substantial reform to long-term contracts.

With SCA (Qld) calling for reform, they validate the position of the UOAQ that: **"...shortening the total permissible term for management rights contracts is the most crucial area for any reform."**

The UOAQ recognises the value caretakers contribute and the service they can provide to owners and believe that their adaptation to the UOAQ and SCA (Qld) stance is part of the solution.

Accordingly, the UOAQ is calling for discussion, cooperation, and a joint stakeholder effort to bring the reform to life that is beneficial to all participants of Queensland's body corporate industry.

From: South Coast <southcoast@stansurestrata.com.au>

Sent: Friday, May 26, 2023 2:12 PM

To: Andy Doves <dovesadd@bigpond.com>

Subject: RE: Emerald Lakes Quays BC

Dear Andy

We note receipt of your email query and advise that Stansure Strata does not have a view on the merits or otherwise of Caretaker Deed of Variation extensions.

With respect to the receipt of the Deed of Variation, this was presented to the Committee in February 2023.

Yours faithfully,

Tania Moore

On behalf of your Strata Management Team

Tania Moore and Andrew McGregor

From: Andy Doves <dovesadd@bigpond.com>
Sent: Wednesday, May 24, 2023 9:01 AM
To: South Coast <southcoast@stansurestrata.com.au>
Subject: Emerald Lakes Quays BC

Hi Tania
Does Stansure have a view on the merits or otherwise on Caretaker DoV extensions for Owners please?
And can you please let me when the DoV proposal was first received from the caretaker by the committee or yourselves?

Best regards
Andy Doves
Owner Lot 3006

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