



AUSTRALIAN TIMESHARE
HOLIDAY OWNERSHIP COUNCIL

ANNUAL INDUSTRY REPORT TO ASIC

For the Calendar Year 2016

Submitted, August 2017

1. PERFORMANCE AS A SUPERVISOR (8.1.5)

Following the election of Directors/ Office Bearers following the September 2016 AGM the, Code Administrative Committee elected by the Board for 2016 to 2017 are:

- Enzo Daquino (Independent Chair)
- Ivan Hill (Board Member)
- Tiffany Rose (Alternate Board Director- Wyndham Vacation Resorts), replaced by Donna Borthwick.

ATHOC has the ability to discipline Members who breach ATHOC's Constitution, Code of Practice or the ATHOC Agreement.

ATHOC has undertaken investigations in relation to consumer issues raised, and regarding public feedback.

The Board of ATHOC is committed to undertaking disciplinary action should the need ever arise.

2. SUMMARY OF MAJOR ISSUES BEING ADDRESSED

All Members have been asked to identify emerging issues which are both specific to their operation and to the Australian timeshare industry. The Board of ATHOC will consider all emerging and ongoing issues.

- **Sold Out Schemes** – as mentioned in previous reports, ATHOC has had much discussion with ASIC on the issue of finding delinquent owners. This is still ongoing. We have tried many avenues with different State Governments with no success so far.
- **RG160-** Awaiting further consultation with ASIC.

ATHOC has made a large number of submissions this year in regards to a number of proposed and recent legislative changes that could have an effect on the industry or its members.

OTHER ISSUES ADDRESSED OR CONSIDERED

- The majority of discussions to date relate to the review of RG160 by ASIC as the result of the sun setting of a number of class orders and update to other requirements within the guidance. These discussions with ASIC are ongoing.
- Clubs winding up. During the reporting period, Surfers Royale Resort in Surfers Paradise had a vote of the members to wind up the scheme and sell the property. This was undertaken by tender and the proceeds of the property after costs were distributed to the members.
- The members of Tiki Village have also agreed at an AGM that the property be sold and it is currently on the market. Once sold and costs paid, the balance of proceeds of the sale will be shared amongst the members.

- Resale of product does remain an issue with constant discussion on how this situation can be improved. One new resale company Timeshare Brokers PTY LTD has opened in the Industry and become a member of ATHOC.
- The Board has been discussing an industry supported policy on hardship. Further details to be discussed in conjunction with the RG160 submissions as this will require relief to be granted by ASIC.

ONGOING UNRESOLVED PROBLEMS

- **Splitting of Shares and Titles** – This is ongoing with some sold out Resorts
- **Rogue operators and alleged timeshare resellers** – No incidents reported this year

3. COMPLAINTS REFERRED TO ATHOC

Complaints from Members against other Members

Under the Code of Practice, written complaints by Members against other Members must be referred to the Board.

- During the last year no formal complaints were received by Members about Members.

3.1 Complaints from consumers/owners against Members

ATHOC members are members of an external complaints resolution scheme - either Financial Ombudsman Service ("FOS"), or Credit Investments Ombudsman ("CIO", formerly Credit Ombudsman Service Limited).

All consumer complaints are dealt with directly by the relevant Members and reported to ATHOC on an annual basis, unless a consumer (or member) raises a specific issue that we feel should be considered under the Code of Practice. Currently there is one complaint under review by ATHOC. Any complaints received by ATHOC are directed to the relevant Member and if they are not appropriately resolved by Members ATHOC will escalate the complaint to the relevant regulatory body in that State or directly to FOS/CIO dependant on which Member the complaint is about.

The office of ATHOC continues to work with State and Federal Regulatory bodies and the consumer protectorate area of ASIC as necessary in providing information and assistance to consumers, and also in reporting inappropriate activity by companies outside of our membership.

Consumers are referred to ATHOC by these bodies to verify membership of the organisation, information about ATHOC'S Code of Practice and Ethics and follow-through with any matters relating to Members.

ATHOC will continue to require that all members complete a complaints log annually.

4. Change in ATHOC Membership

Surfers Royale Resort Surfers Paradise is no longer a member of ATHOC as the scheme has now wound up. The members of the Club determine via vote to sell the scheme and the proceeds of the sale after expenses was distributed amongst the members.

Tiki Village will not be renewing their membership given their pending sale.

Club Noosa (a sold out scheme) did not renew its membership in 2017.

Timeshare Brokers PTY LTD has joined ATHOC.

Appendix 1 lists the number of complaints received by members and the time frame that they are dealt with.

Appendix 2 lists the number of complaints received by FOS and their determinations.

Appendix 3 lists the number of complaints received by CIO and their determinations.

APPENDIX 1

Australian Timeshare & Holiday Ownership Council Ltd

Complaints Report 01/01/2016 to 31/12/2016

The log below is put together from in house complaints received by ATHOC Members. In breaking this down approximately 56% of complaints received are related to sales, but not necessarily in relation to a sale that had taken place within that year. The other 44% is in relation to a resort based issue that has been raised with the companies.

178,000 people own timeshare in Australia, with around 1 million Australians involved in timeshare, either directly or indirectly.

Approximately 175,000 sales presentations were given throughout the calendar year.

Number of complaints	676
Number Resolved Internally	637
Number Resolved within 1 month	432
Number Resolved 1-2 months	69
Number Resolved 2-3 months	36
Number Resolved in 3+ months	61
Number Referred Elsewhere:	39

Note: The above period relates to the time within which the file is closed/remediation made – it does not relate to the date on which the final determination was given by the Member to the consumer. All ATHOC members are aware of the regulatory timeframe within which they must review and respond to all complaints.

APPENDIX 2 – Disputes Registered with FOS

FOS Timeshare Disputes Received and Closed during January to December 2016	
Number of Timeshare Disputes Received	17
Number of Timeshare Disputes closed	19

Disputes closed by Outcomes		
Outside Terms of Reference	8	42%
Resolved by FSP	5	26%
Conciliation	3	16%
Preliminary View in Favour of FSP	1	5%
Assessment	1	5%
Decision in Favour of Applicant	1	5%
Grand Total	19	100%

Notes:

1. Data captured Timeshare scheme disputes only.
2. Data captured as at 1, January 2017.
3. Data variation may occur due to reopens, entered in errors or case actions being back dated.

FOS Timeshare Disputes Received and Closed during January to December 2015
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APPENDIX 3 – Disputes Registered with CIO

CIO Disputes – January 1, 2016 to December 31 June 2016

	Timeshare	Finance for timeshare	Total
Number of complaints received	55	48	103
Number of complaints closed	73	50	123

Closed case outcomes	Timeshare	Finance for timeshare	Total
Settled	52	33	85
Decision in favour of Member	5	4	9
Resolved at IDR	10	5	15
Out of jurisdiction	2	1	3
Complaint withdrawn	4	7	11
Decision in favour of consumer	0	0	0
Grand total	73	50	123