



AUSTRALIAN TIMESHARE
HOLIDAY OWNERSHIP COUNCIL

ANNUAL INDUSTRY REPORT TO ASIC

For the Calendar Year 2014

Submitted, August 2015

1. PERFORMANCE AS A SUPERVISOR (8.1.5)

Following the election of Directors during the September 2013 AGM (elections are held every 2 years), the Code Administrative Committee elected by the Board for 2013-2014 are:

- Enzo Daquino (Independent Chair)
- Ivan Hill (Board Member)
- Andrew Shields (Alternate Board Director- Wyndham Vacation Resorts) with Kate Roth, (Accor Vacation Club- Alternate Board Director) as an alternate to Andrew Shields on the Code Administrative Committee

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

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

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 issues.

2. SUMMARY OF MAJOR ISSUES BEING ADDRESSED

- CP 212: Licensing: Training of financial product advisers
- RG160- Recommendations for change to update the RG160 – Document attached for further discussion with ASIC

OTHER ISSUES ADDRESSED OR CONSIDERED

- Consultation with ASIC re twice yearly audits – ASIC has since advised that they will not grant relief
- RG160.20(c) and condition 47 of pro forma 209 – 30% Deposits. ASIC has since advised that they will not grant blanket relief to the industry and that companies must apply individually.
- Relief under RG160.20(c) and condition 47 of pro forma 209 – Administration Costs- awaiting outcome

ONGOING UNRESOLVED PROBLEMS

- **Sold Out Schemes** – ATHOC raises this issue every year as the issue of finding delinquent owners is not going away. Meetings have been held with different State Lands Departments with some assisting to try to reduce our problems. The closest ATHOC has come to any resolution is through the NSW Lands Department under a Possessory Application after 12 years of no owner contact. Victoria is 15 and QLD is 30 years. We are currently investigating potential options with the Sheriff's Office in NSW.
- **Splitting of Shares and Titles** – This is ongoing with some sold out Resorts
- **Rogue operators and alleged timeshare resellers** – No incidents reported this year.

- **Licensing of resellers within the industry** – ATHOC raised this issue with ASIC in 2006 and continues to do so each year. We notice that Red Season are still operating as a reseller without a Financial Services License and without being granted the relevant relief in accordance with Regulatory Guide 160.73-77. Even sold out resorts have to seek relief from ASIC to sell a maximum of 5% of their weeks. ATHOC is still of a belief that this needs to be addressed by ASIC. This was also raised recently with the Assistant Treasurer.

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.

3.1 Complaints from consumers/owners against Members

As the Complaints Resolution Committee was dissolved by ASIC due to changes to the PS160 from September 30, 2007, all Resort based complaints are dealt with directly by the Resorts and reported to ATHOC on an annual basis. Any calls received by ATHOC are sent to the relevant Regulatory Body if they are unable to come to an agreement with the Resort.

All complaints concerning the Financial Services Licence holders are dealt with by the Financial Ombudsman Service ("FOS"), and as of June 2011 also with the Credit Investments Ombudsman ("CIO", formerly Credit Ombudsman Service Limited).

Any queries received by ATHOC are either directed to the relevant regulatory body in that State or directly to FOS/CIO dependant on whom the complaint is about.

The office of ATHOC continues to work with State and Federal Regulatory bodies and the consumer protectorate area of ASIC 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

No Changes in the past year.

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 01/01/2014 to 31/12/2014

It is important to note that the complaints contained within this list also include all complaints made within the member Resorts and could be as simple as a cleaning issue.

We once again note a reduction in internal complaints from 2013 calendar year of 704 to the 2014 calendar year of 667 complaints.

Number of Complaints : 667

Number Resolved Internally : 580

No. resolved within 1 month : 633

No. resolved 1-2 months : 1

No. resolved 2-3 months :

No. resolved in 3+ months :

Number Referred Elsewhere : 87

APPENDIX 2 – Disputes Registered with FOS

Calendar Year 2014

Number of Timeshare Complaints and Disputes Received	21
Number of Timeshare Complaints and Disputes closed	16

Complaints and Disputes closed by Outcomes		
Conciliation	3	19%
Decision in favour of Applicant	2	13%
Decision in favour of FSP	1	6%
Discontinued	2	13%
Negotiation	2	13%
Outside Terms of Reference	3	19%
Resolved by FSP	3	19%
Total closed	16	100%

Notes:

1. Data included number of Timeshare Complaints and Disputes Received
2. Data captured as at 23 July 2015.
3. Data variation may occur due to reopens, entered in errors or case actions being back dated.

APPENDIX 3 – Disputes Registered with CIO

Calendar Year 2014

	Timeshare	Finance for timeshare	Total
Number of complaints received	50	33	83
Number of complaints closed	52	55	107

Closed case outcomes	Timeshare	Finance for timeshare	Total
Settled	23	28	51
Decision in favour of Member	16	8	24
Resolved at IDR	4	17	21
Out of jurisdiction	5	2	7
Complaint withdrawn	3	-	3
Decision in favour of consumer	1	-	1
Grand total	52	55	107