

## Members Newsletter – November 2014

The Annual General Meeting of Council was held for the first time in Melbourne on November 3. The leadership team was reconfirmed with President Richie Thornton and his deputy John Davis being reappointed for a second term.

One of the President's first duties was to thank retiring Councillor for Tasmania, Colin Edwards for his contribution to Council's presence in the Apple Isle and to welcome the election of Leigh Henderson of LJ Hooker Kingston to the Committee.

There were a number of highlights noted at the AGM including the continued financial stability of Council, the strong membership renewal rate and the enhanced meeting efficiencies with the online meetings of Council Committee.

This AGM was the first conducted under Council's new administrative structure following the resignation of Council's long term secretariat, the Sydney accounting firm Edney Ryan. The administrative functions of Council are now conducted by a newly appointed Secretary in Carolyn Hughan, working out of Canberra, and Council's own Council Services Portfolio.

Council has been grateful for the sterling service provided by Edney Ryan since its foundation and noted the on-going support of Edney Ryan principal, Stephen Ryan. "We have been very fortunate to have had Stephen's professional and guiding hand supporting Council's administrative activities since its inception and that level of assistance was essential during Council's earlier years and we are thankful for his ongoing availability to Council" Mr Thornton said.

However he went on to say that Council was now mature enough to move to a more internal support mechanism provided it was supported by an arm's length secretary such as the very experienced administrator Carolyn Hughan. Mr Thornton expressed great confidence in this new structure and advised Members to always contact their own representative should they have any issues at all that they believed Council could address.

Following the Annual Meeting the Committee went into a General Committee meeting and a number of important decisions were made and initiatives commenced.

### Highlights from the November meeting include:

- Councillor Mark Spearing advised he had received a commitment from Corporate to work with Council to develop a more relevant set of office financial models on which to base all training, KPI's and reviews. Council was very pleased at this outcome and looked forward to progress.
- Council has a firm desire to have Corporate re-introduce an LJ Hooker Jingle that will have the impact established by our original "Nobody does it better" tune that has established itself firmly into the psyche of a generation.  
Council believes this is critical to maintaining our brand presence and will pursue this matter with Corporate to ensure we have a catchy, memorable and relevant song that will summarise and promote our brand values.
- Council Membership rates are at 82% nationally and rising as Councillors speak directly with those yet to become members and explain the value and benefits of membership
- Council considered the appropriateness of its rules around Committee eligibility and whether there should be term limitations on Committee members and decided the current rules were quite adequate and worked effectively
- Council Services Councillor John Monahan has introduced a new suite of membership collateral that will promote Council more effectively to Corporate, Members and external commercial entities. This collateral reflects the increased professionalism and focus of Council and should impress Members as to the effectiveness of their representatives.
- Council has completed consultations with Corporate on the review of the corflute sign range, It was agreed that the current suite of corflutes were adequate, impactful, clear and relevant

and should be maintained. Consequently it has been agreed that there will be no change to the corflute signage for the foreseeable future.

- Marketing Portfolio Councillor, Shane Colquhoun, advised that agreement has been reached with Corporate on the new range of Photoboards which could be either white font on black background or black font on white on a market-by-market basis as preferred by local offices.  
It was noted that the majority of markets had opted for the black background, however the white signage is equally acceptable provided it is the only photoboard used in that particular market.
- Council expressed its view that the current newspaper layout was very good and was clean, simple and high impact, particularly in its gloss applications.
- Councillor Colquhoun advised that he had worked through a new style guide for Directional, Open-For-Inspection and Office signage which will all be based on black backgrounds rather than the traditional yellow. Council supported this change on the basis that it was a more contemporary look and blended well with the predominantly black background of the logo.
- It was noted that Corporate proceeded with its commitment to increase franchise royalties within the updated Franchise Agreement following a long and detailed negotiation with Council over these changes,  
Whilst Council supported other updates to the Franchise Agreement it remains firmly opposed to these fee changes. However Council acknowledges it is within Corporate's authority to proceed with this amendment in spite of Council's stated opposition to it.
- Councillors considered a request from Corporate to introduce a cap on the total funds held in the Contingency Fund within the Marketing and Business Development Fund. Council believes the original intent of the Contingency Fund is still equally valid and whilst the present balance is not inconsequential it was felt in this day and age of unexpected twists and turns in the Corporate and real estate worlds it was not wise to impose a cap on the Fund.
- Council suggested to Corporate at an earlier joint meeting that we believed the Marketing Funds spent on Yellow Pages advertising could be better spent in the online space. Corporate agreed with Council's suggestion and it has been decided those funds will be invested on search engine optimisation (SEO) in the future. This is a clear and simple example of the level of co-operation between Corporate and Council and the benefits to franchise owners that flow from this relationship.
- Council raised with Corporate its concerns with the uneven response rate to our national marketing campaigns with the initiatives working exceptionally well for a great number of offices but being far less effective for others. Council looks forward to discussing Corporate's findings once it has conducted the research on the subject it undertook to conduct.
- Council is approaching Corporate seeking a review of the effectiveness and promotion of the inter-office referral system that appears to be losing effectiveness across the network. Council is of the firm view this system is a core benefit of belonging to LJ Hooker and should be better promoted and utilised.
- Councillor John Davis reported that Council's Coverforce Professional Indemnity is performing well with claims down in number and loss provisions, and with expectations our premium levels can be held down, even reduced if we can maintain our current results. Members are urged to support the Coverforce policy as it is widely regarded within the industry with several features not present within other policies used by some within our network.
- John Davis was also able to report that our Business Insurance package was receiving strong support with half of the LJ Hooker offices now insuring their general office risks with the Coverforce policy.
- Council has reservations about the worth of the indemnity clauses within the various Institutes Property Management authorities. We have identified various weaknesses in the legal integrity of the clauses and we are working with legal advisers seeking a solution by way of strengthening the enforceability of landlord indemnities. More on this in due course.
- Councillor Glen Petersen, representing the Commercial members of Council, advised that as Corporate is a significant shareholder in the new LJ Hooker Sydney Commercial office and he had been working with Corporate to develop a suite of business rules to ensure there are no inherent conflicts in this structure that are not adequately managed. Corporate is committed to working through this issue with Council.
- Councillor Petersen advised he was very impressed with Corporate's new Recruitment Kit and expressed his view that this was a major step forward in service provision. Mr Petersen urged all offices to attend the training program around this new Kit and commended Corporate on its excellent work in this area.

- Councillor Scott Cameron proposed a new optional method to deal with the relationships between real estate offices and home loan consultants in respect to commission trails and referral fees. Mr Cameron's suggestions are being conveyed to Corporate for consideration. Home Loans members of Council should discuss their views with Scott and provide input into the solution.
- Councillor Mario Bonomi advised that network auction activity is up around 20% and growing however he is seeking more detailed and effective sales data from auction activity and is working closely with Corporate to ensure we capture and use the great results we are getting in this area of activity.

### Upcoming Issues

Issues Council will discuss at future meetings will include:

- The best way to structure marketing campaigns to drive appraisals and sales
- A means of developing a clear LJ Hooker Rural brand
- A means of containing and reducing the cost of Professional Indemnity Insurance to reflect our offices improved loss ratios as offices become more effective in risk management.
- The national roll out of the myLJHooker.com.au business
- The continuation of television advertising to promote brand awareness and to drive appraisals

Please contact your Council representative if you have any comments, issues or suggestions on Council activities.

If you missed the renewal of your

## **2014 Council Membership**

**on your July franchise return, it's not too late!**

*Save the cost of  
membership with our  
members only  
"13 months for 12"  
bonus for PI Insurance*

Contact your Council  
representative for details  
of your payment method

***Your Council, your voice***