

Recommendations

Recommendation 1, para. 4.30

The Committee recommends that timeshare should continue to be regulated under the *Corporations Act 2001*.

Recommendation 2, para. 4.38

The Committee recommends that:

- **timeshare should be removed as a definitional element of managed investment funds under s.7 of the *Corporations Act 2001*; and**
- **a separate chapter should be inserted into the *Corporations Act 2001* to deal specifically with timeshare.**

Recommendation 3, para. 5.16

The Committee recommends that the Australian Competition and Consumer Commission (ACCC) establish and maintain a watching brief on the level of concentration of the Australian timeshare market.

Recommendation 4, para. 5.27

The Committee recommends that the proposed timeshare chapter in the *Corporations Act 2001* include specific provisions proscribing pressure selling tactics in the sale of timeshare. These provisions should include the remedy of a full refund to any customer who can reasonably show that their decision to enter a timeshare contract was procured by physical, psychological, social or economic threat or intimidation.

Recommendation 5, para. 5.28

The Committee recommends that the Australian Timeshare and Holiday Ownership Council (ATHOC) produce a detailed statement of practice outlining the types of behaviour which should be regarded as pressure selling in timeshare.

Recommendation 6, para. 5.29

The Committee recommends that future training courses provided to timeshare sales personnel should include specific training on the avoidance of pressure selling.

Recommendation 7, para. 5.34

The Committee recommends that the proposed timeshare chapter in the *Corporations Act 2001* state that any approach to a potential timeshare customer,

whether by a timeshare company, a marketing company, or any other agency, must make it clear that:

- the purpose of the approach is, or includes, selling an interest in timeshare; and
- any inducement offered is premised on attendance at such a sales seminar.

Recommendation 8, para. 5.38

The Committee recommends that the proposed timeshare chapter in the *Corporations Act 2001* mandate that:

- any term of any offer made in the course of selling timeshare should be available for one week after the term is offered; and
- such terms should not be offered on the basis that the customer can only obtain the term by signing the contract immediately.

Recommendation 9, para. 5.44

The Committee recommends that timeshare sellers be required to disclose to consumers that an interest in timeshare does not involve any form of ownership of real property. This disclosure should be:

- made prior to contract formation;
- made in clear language; and
- included in relevant Schumer boxes.

Recommendation 10, para. 5.52

The Committee recommends that the proposed timeshare chapter in the *Corporations Act 2001* should include anti-hawking provisions similar to those contained in s.992A of the *Corporations Act*, and should make it clear that those provisions apply to unsolicited contact intended to procure attendance at a sales seminar.

Recommendation 11, para. 5.58

The Committee recommends that the current requirement for Tier 1 level training for timeshare sales personnel should remain, but that the training courses should be developed specifically for timeshare.

Recommendation 12, para. 5.63

The Committee recommends that the proposed timeshare chapter in the *Corporations Act 2001* should include mandatory cooling off periods of 10 business days for all timeshare sales, regardless of whether the timeshare company is a member of the Australian Tourism and Holiday Ownership Council (ATHOC) or not.

Recommendation 13, para. 5.67

The Committee recommends that the proposed timeshare chapter in the *Corporations Act 2001* should require that timeshare customers be advised of their entitlement to a cooling off period by:

- a document of one page approved by ASIC for this purpose; and
- advice of the entitlement and the length of the cooling off period in the contract's Schumer box.

Recommendation 14, para. 5.71

The Committee recommends that the cooling-off period for a timeshare sales contract should be suspended during the interval between the customer asking for further information; and that further information being provided.

Recommendation 15, para. 5.85

The Committee recommends that the proposed timeshare chapter in the *Corporations Act 2001* should require timeshare contracts to have, on their front cover, a prominent disclosure box with the heading 'Important Disclosure Information' and the information detailed in para 5.83 of this report.

Recommendation 16, para. 5.93

The Committee recommends that the proposed timeshare chapter in the *Corporations Act 2001* should require timeshare contracts to include a minimum guaranteed buy back amount.

Recommendation 17, para. 6.14

The Committee recommends that fully sold timeshare schemes should be able to sell interests in their own timeshare scheme without holding an Australian financial services license.

Recommendation 18, para. 6.19

The Committee recommends that the Treasurer consult with appropriate state and territory ministers with a view to implementing the scheme outlined in paragraph 6.17 of this report.

Recommendation 19, para. 6.24

The Committee recommends that any new regulatory scheme should make clear that the board of a fully sold title-based scheme can dismiss the resort manager if the board is unsatisfied with the performance of the manager.

