

Editorial Note

Welcome to the latest edition of the Pilot Directions newsletter.

Welcome to our first newsletter for the new year, and my first as Managing Partner. I'd like to take this opportunity to personally thank Brian McDonald for his enormous contribution to the firm as our Managing Partner for the last two decades plus. With my own tenure with the firm beginning only a couple of years before he took on the role, my experience with Pilot has been almost exclusively working under Brian's stewardship. His legacy will echo in the halls of Pilot for years to come.

Body Corporate Battles: Finding the Peace

There are over 52,000 body corporates in Queensland, where disputes are common.

If you own property, or invest, in this area, knowing your rights is important. Disputes are becoming more common and getting expert advice can help solve issues early.

How to Resolve Disputes

Any dispute should first seek a self-resolution. If self-resolution fails, you can apply for formal dispute resolution process through legal avenues. This is often the point where matters become complex, so seeking professional and legal advice becomes essential.

Who does what in a Body Corporate?

A Body Corporate has key roles:

- Unit/Lot Owners: Pay levies, maintain their unit, and follow rules dictated by the Body Corporate.
- Body Corporate Committee: Are owners within the Body Corporate. Represents all owners and makes decisions as the Committee. Responsible for the overall management of the scheme.

As we turn our minds to the new year and the next chapter in Pilot's journey, it's already been an eventful few months, with the first cyclone seen across SEQ and Northern NSW in several decades.

With the Federal Budget and a Federal election next on the radar, the coming few months will likely be spent helping our clients and their businesses navigate the impacts of these significant events.

Another area of focus will be assisting our clients to better understand the requirements of the Corporations Act with respect to having a whistleblower policy or relevant whistleblowing protection measures in place, and ensuring they are aware of the relevant thresholds and stipulations within this area of legislation, as outlined in our in-depth article this edition.

Recently, we've seen growing demand for our body corporate accounting and advisory services—an area explored in our article below.

Our 'News & Insights' page provides the latest news and updates on a range of topics that we trust you will find useful and interesting.

We hope you enjoy this edition.



MURRAY HOWLETT



- **Body Corporate Manager:** Generally engaged by the Body Corporate to maintain common areas, collect levies, arrange repairs, and handle finances. Assists in communication between the Owners.

Clear communication between these groups is key to avoiding disputes.

Common financial reasons for disputes

Body Corporate disputes can involve a range of issues between various parties. Financial disputes in a Body Corporate commonly arise from:

- Unpaid levies and fees.
- Disagreements with budget allocation and/or spending.
- Lack of financial transparency.
- Mismanagement of funds.

Pilot Partners help resolve complex financial Body Corporate disputes within litigation matters.

In the past year, we have been engaged to:

- Act as a Body Corporate Administrator.
- Review and trace transactions of the Body Corporate to ensure they were appropriate and in accordance with the Body Corporate Agreement.

- Investigate suspected fraud, errors, and financial mismanagement.

Tips for Owners

Some simple tips for Unit/Lot Owners to avoid disputes and costly resolutions include:

1. Ask questions. Don't hesitate to ask questions or for information from your Body Corporate Committee and/or Manager.
2. Choose the right service providers. Do your research before appointing them and ensure they can deliver the service and understand your requirements.
3. Stay involved. Attend meetings and keep yourself informed.
4. Seek legal advice as and when necessary.

Learn More

To learn more about how Pilot Partners can assist with providing solutions for a Body Corporate, contact **Cameron Woodcroft** on cwoodcroft@pilotpartners.com.au or call **(07) 3023 1300**.



Whistleblower Protections

In Australia the Corporations Act 2001, under Pt9.4AAA outlines the requirements for the whistleblower protection regime. Under current legislative provisions the following types of entities are required to have whistleblower policies and protections in place:

- Public companies;
- Large proprietary companies; and
- Proprietary companies that are a trustee (within the meaning of the Superannuation Industry (Supervision) Act 1993) of a registrable superannuation entity.

These provisions also apply to public companies limited by guarantee that operate as not for profit or for charitable purposes. ASIC provides for public companies limited by guarantee that have consolidated revenue of less than \$1 million to be exempt from these whistleblowing provisions.

Policy Requirements

Whistleblowing policies are required under the Corporations Act 2001 and must contain the following details:

- the protections available to whistleblowers, including protections under the Corporations Act;
- to whom disclosures that qualify for protection under the Corporations Act may be made, and how they may be made;
- how the entity will support whistleblowers and protect them from detriment;
- how the entity will investigate disclosures that qualify for protection under the Corporations Act;

- how the entity will ensure fair treatment of its employees who are mentioned in disclosures that qualify for protection, or its employees who are the subject of disclosures;
- how the policy will be made available to officers and employees of the entity; and
- any matters prescribed by regulations.

The legislative provisions give protections to the following groups of individuals of the entity:

- Officers of the entity;
- Employees of the entity;
- An individual who supplies goods or services to the entity (whether paid or unpaid);
- An employee of a person who supplies goods or services to the entity (whether paid or unpaid);
- An individual who is an Associate of the entity. An associate is defined as someone with whom the company would usually act in concert with; and
- Any relatives or dependents of the above.

The act also provides for provisions for those covered where the entity is a superannuation entity.

The provisions stipulate who may receive whistleblowing disclosures. Eligible recipients include:

- a director, company secretary, company officer, or senior manager of the company or organisation, or a related company or organisation;
- an auditor, or a member of the audit team, of the company or organisation, or a related company or organisation; and
- a person authorised by the company or organisation to receive whistleblower disclosures.

Key Points

Identity Protection is Fundamental

A fundamental principle of whistleblower provisions is the protection of the identity of the whistleblower. This includes providing information that is likely to lead to the identification of the whistleblower. Therefore, setting up protocols to deal with the receipt, storage and confidentiality of all information related to the whistleblowing event is essential.

It Is Not Just About Management

Whistleblower policies often only consider protections where employees / management are the subject of whistleblower complaints. However, it is also important to understand that those charged with governance may also be subject to such complaints. Therefore, policies should consider where and how such matters are dealt with when these situations arise.

How Pilot can Help

At Pilot we can assist with these sensitive matters in the following ways:

- Development of policy frameworks;
- Investigating whistleblowing allegations; and
- Acting as an approved recipient of whistleblower allegations.

Contact Us

If you would like to learn more or would like assistance with any of the above matters, please contact **Chris King** at cking@pilotpartners.com.au or **(07) 3023 1300**.

News and Insights



Wealth transfers targeted

The Australian Taxation Office (ATO) has for the first time named succession planning and the associated “tax risks” as the number one focus for its private wealth division in 2025. The ATO advises that this means the largest privately owned groups – all of which have at least \$50 million in net wealth – will be scrutinised for compliance with capital gains tax law, trust laws and Division 7A, which is designed to prevent profits or assets being provided to shareholders or their associates tax-free.

SMSF asset growth

The Self-managed super funds: statistical overview 2022-23 has been released and supplemented with 2023-24 registration information, with the combined statistics showing the Self-Managed Super Funds (SMSF) sector hit a key milestone in 2024, with total assets invested in SMSFs reaching \$1 trillion. On average, SMSFs had assets of \$1.55 million in 2022-23, up 21% over the 5 years to 30 June 2023. It is little wonder that this growing asset pool attracts the attention of tax-hungry politicians.

New NFP reporting

As of the end of 2024, around 14,000 not-for-profits (NFPs) had lodged their first self-review return. However, it is reported that many NFPs have been concerned about new reporting requirement obligations, feeling they had inadequate time to prepare and were unsure about how to complete their self-review return. The ATO has sought to address feedback by extending the lodgement due date to 31 March 2025, which NFPs do not need to apply for to enable them to have this extra time. Please contact us to discuss if you are unsure what this means for you.

Cyber Security Act

Late last year the Federal government passed Australia’s first standalone Cyber Security Act, as part of the 2023-2030 Australian Cyber Security Strategy. The act aims to address cyber resilience gaps and move towards the government’s goal of making Australia the most cyber secure country in the world. The act will execute seven initiatives first introduced under the Cyber Security Strategy. Most notable is the introduction of the “limited use” obligation, which will outline restrictions imposed on the Australian Signals Directorate (ASD) and the National Cyber Security Coordinator for how information shared by organisations that have suffered a cyber-attack can be used, potentially protecting them from being punished and encouraging organisations to report incidents. Businesses need to be actively managing their cyber security risks in the modern day.

Welcome to the Team

Pilot welcomes the following new team members.

Xavier Cole joined as a Graduate Accountant in our Corporate Advisory Team after completing a Bachelor of Business (Accounting) at the Queensland University of Technology.

Folajimi Kazum joined Pilot as an Undergraduate Accountant in our Business Advisory team. Folajimi is currently studying a Bachelor of Advanced Business, majoring in Accounting and Finance at the University of Queensland.

Anna Wells joined as an Undergraduate Accountant in our Forensic & Restructuring Team. Anna is currently studying a Bachelor of Economics and Commerce, majoring in Accounting at the University of Queensland.

Eashan Raju joined as an Undergraduate Accountant in our Taxation Advisory Team. Eashan is currently studying a Bachelor of Business, majoring in Accounting and Finance at the Queensland University of Technology.

Congratulations

Congratulations to our newly promoted Managers **Blair Seaward** and **Stephanie Celere**. Blair joined Pilot a number of years ago as an intern then progressed into our graduate program, and Stephanie joined as a graduate. We thank them both for their hard work and commitment to Pilot and look forward to them enjoying the challenge their new positions bring.

Congratulations also to our team members who have recently graduated from university.

Olivia Lizana completed her Bachelor of Business (Accounting) at the Queensland University of Technology.

Oscar Beattie completed his Bachelor of Advanced Business (Accounting and International Business) at the University of Queensland.

Jay Reid completed his Bachelor of Business (Accounting and Taxation) at Griffith University.

Well done and congratulations also to **Julie Bennett** who recently represented Australia, competing in the Masters Hockey World Cup 2024 in Auckland, New Zealand. Not only did the team place 3rd in the competition, Julie also won the Players' Player and Coaches awards. Well done Julie!

Congratulations to **Blair Seaward** on her engagement to her partner Lach. We wish them all the best.

Happy Pilot anniversary wishes to **Liz Dyett** for an incredible 25 years with us. We thank Liz for her time with Pilot and her contributions to the firm.



Julie Bennett

Socials & Events



Blair and Lach



Foam Fest



Foam Fest



Christmas Pod decorations



Foam Fest



Foam Fest



Christmas Pod decorations



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