

STANDING COMMITTEE ON PUBLIC ADMINISTRATION

INQUIRY INTO WESTERN AUSTRALIAN STRATA MANAGERS

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
WEDNESDAY, 16 FEBRUARY 2011**

SESSION TWO

Members

**Hon Max Trenorden (Chairman)
Hon Jon Ford (Deputy Chairman)
Hon Ken Baston
Hon Jim Chown
Hon Ed Dermer**

Hearing commenced at 11.22 am**GLASSON, MR GRAHAM****President, Australian Institute of Conveyancers Western Australia, sworn and examined:**

The CHAIRMAN: On behalf of the committee, I welcome you to our hearing. Before we begin, I need to ask you to take an oath or affirmation.

[Witness took the oath.]

The CHAIRMAN: Mr Glasson, you will have signed an “Information for Witnesses” form.

Mr Glasson: Yes, I did.

The CHAIRMAN: You understood the form?

Mr Glasson: Yes, I did.

The CHAIRMAN: These proceedings are being recorded by Hansard. Your transcript of evidence will be provided to you. To assist the committee and Hansard, if you quote from any materials—and I do not see any booklets there, but if you do quote from material—please can you give the title of the material. Just be aware of the microphones, but we will let you know if you are not being recorded. I need to remind you that your transcript will become a matter of public record.

Mr Glasson: That is fine.

The CHAIRMAN: If for some reason you wish to make a confidential statement during today's proceedings, you should request that evidence be taken in closed session. If the committee grants your request, any public or media in attendance will be excluded from the hearing, which you can see is vacant. Would you please note that until such time as your transcript of evidence is finalised, it should not be made public. I advise you that the publication or disclosure of uncorrected transcript of evidence may constitute a contempt of Parliament and may mean that material published or disclosed is not subject to parliamentary privilege. You probably understand that, in here, you have privilege.

Mr Glasson: Yes.

The CHAIRMAN: Outside here, you do not have privilege. Thank you very much for attending. Would you like to give an opening statement? We have read your submission, but would you like to talk to that for a moment?

Mr Glasson: As President of the Australian Institute of Conveyancers, we have a vital interest in all forms of the real estate profession—being real estate salespeople, business salespeople and strata managers. We have a concern that consumers are probably not being very well protected with the current situation with non-licensing of strata managers, in that you can have a very competent strata manager that has a long history in strata management. He sells his practice to someone who has absolutely no experience in the industry at all—no knowledge of the act, no knowledge of the requirements that need to be done—who may outlay some hundred thousand dollars in the business and then automatically takes over the management of those properties. The consumer may not even be aware that there has been a change of manager. That is our biggest concern.

At the same time, things have happened since our submission in the real estate industry and the settlement industry and the licensed valuers with national licensing and so on. With the advent of that, it is probably an opportune time to consider licensing of strata managers.

The CHAIRMAN: You actually say in the second sentence of your submission that it is unregulated, and this is a situation that cannot continue.

Mr Glasson: In our view it cannot continue; no.

The CHAIRMAN: For just the reasons you mentioned or are there any other reasons?

Mr Glasson: There are a number of reasons.

The CHAIRMAN: Could you talk around as you see it?

Mr Glasson: If you look at the trust accounts, there is no requirement for any auditing. There is no requirement for what happens to the interest that is earned on those trust accounts. A trust account typically could have \$240 000–\$250 000 in it for one strata company. That also may have a sinking fund of \$160 000–\$170 000, which attracts a fair amount of interest—bank interest I am talking about. There is no direction as to where that interest goes, whether it ethically should belong to the strata company. There may be no interest on that account. The strata manager may negotiate with a bank that there is no interest and get an offset for that interest. That is clearly wrong.

Insurance is another issue, where many strata managers become agents for insurance companies and actually get payment for taking out the insurance with that particular company.

The CHAIRMAN: Must be pretty close to all, I would say.

Mr Glasson: No, definitely not all.

The CHAIRMAN: Evidence we have from Victoria is that a very substantial amount of the units are strata titled with managers getting commissions from insurers.

Mr Glasson: I would not doubt that. I do not know that that is the case in WA, simply because I am a strata manager myself and I am also a licensed real estate agent. The licensed real estate agents or licensed settlement agents that are also strata managers probably do not take that action because they are controlled by the Real Estate and Business Agents Act or they are familiar with the Settlement Agents Act, and they have probably been educated as to the error of their ways, whereas an accountant or a butcher or someone like that who just buys the strata management, he is probably not aware of any of those. Because it is a done thing, he continues to do it. They are two major areas.

The other major area of our concern is education—or the lack of it. There is absolutely none. The Strata Titles Institute of Western Australia does its best with limited funding, or with no funding, to run CPD courses of some sort or other. They have got an accreditation course. That is the only requirement, and it is definitely not compulsory for people to keep abreast of the changes in the industry, albeit some of those people in the industry did not understand it in the first place when they first came into it.

There are also times when particularly smaller strata companies lose money either through deliberate action or through negligence or lack of knowledge, where sinking funds actually get transferred back into administrative funds without authority and that money gets spent. People are quite content that they have got \$10 000 or \$15 000 in a sinking fund, and the next thing they find there is none there.

[11.30 am]

The strata manager closes up and goes away. The police get involved. It is a minor situation from the fraud squad point of view and one that is very hard to police, and no action is taken against the strata manager.

The CHAIRMAN: We have had some evidence along that line. Can I just talk to you about the submission that you presented? On page 3 you say —

A Strata Company is a corporate body that is not subject to Corporation Law.

Mr Glasson: That is correct, yes.

The CHAIRMAN: And then you go on to say —

As members of the Strata Company each registered proprietor becomes liable for any losses and or debts of the Strata Company.

Mr Glasson: That is correct.

The CHAIRMAN: You go on —

This liability is the single most evident reason for the need for proper management of the functions of the Strata Company.

Do you mind just talking around that for a moment?

Mr Glasson: There are some concessions for residential schemes of five or less and single tier, and people use those concessions as a guide that insurance may not be required and things like that.

Hon JIM CHOWN: Do you mean public liability insurance?

Mr Glasson: Any insurance—public liability or building. The biggest concern is that the building insurance, in a lot of those situations, is not essential, as long as everyone is aware that the strata company does not cover the building. Therefore, they take their own insurance. But you have usually got common property somewhere along the line in this, and, if that is the case, the common property is not insured. So if there is an accident or an injury and there is a personal claim, that is taken against the five individual owners, or three individual owners, or whatever number of lots there are in the scheme. It is a situation that we experience as settlement agents. When the agent sells the property and we try to do an inquiry, there is no-one to do an inquiry of, because there are five individual owners, and you virtually have to say to your client, “Go out and insure because we’re not sure whether you’re covered or you’re not.”

The CHAIRMAN: And professional indemnity insurance is not a requirement in Western Australia?

Mr Glasson: Definitely not.

The CHAIRMAN: And should be?

Mr Glasson: Definitely should be. If I can just expand on that, that could be an avenue where you could fund the regulation of the strata industry. It runs in New South Wales in the conveyancing industry, and it is something we would like to move into the conveyancing industry here. So the peak body for the stratas is the main policyholder of the professional indemnity insurance, and then everyone sub-insures underneath them. In New South Wales they use that as a method of CPD, or compulsory professional development, in that your premium is set for the number of courses you attend or the number of courses your staff attend, so you get discounts back. So people are encouraged or there is something in it for them to go and do the course. The insurer also audits the office. So when they apply for the insurance, an auditor goes out, goes through a risk management program with them and ensures that all these things are in place. If they get 100 per cent of that, they get a discount of, say, \$1 000, or whatever the discount might be, and progressively down as the risk is higher.

Hon ED DERMER: In that instance, who pays for the expense of the audit?

Mr Glasson: The principal body, the peak body—the head holder. In the New South Wales model, they get paid an administration fee, and they get paid a management fee from the insurer, and they get to set the premium. So if the insurer wanted, say, a premium of \$1 000, the peak body could charge that practitioner \$3 000, and then give back the \$2 000 as they go along, because they only have to transfer the \$1 000 to the insurance company. It is like a discretionary trust. The fewer the claims, the more money the institute gets from the insurance.

The CHAIRMAN: On page 4 of your submission you say —

... all practitioners in the real estate sector should attain a level of competency ...

Do you have a view of that level?

Mr Glasson: In the real estate industry and the settlement agents industry, we are trying to go to a diploma rather than a certificate IV. Currently, with the national licensing for the real estate industry, the national body is looking at a certificate IV. From our point of view, it is dumbing down the qualification, not increasing the qualification, and we are averse to that, and we would be very, very disappointed if that came into settlement agencies. Cert IV—no disrespect to other industries that can work on a cert IV—is just not good enough.

The CHAIRMAN: What is your expectation of what is going to happen here under the new national scheme, or proposed national scheme?

Mr Glasson: It has got to be accepted in WA in the first place. I am not 100 per cent sure that that is a foregone conclusion by any means. It is going to come back to you gentlemen. Are you going to give up that sovereignty to Victoria or are you going to keep it in WA?

The CHAIRMAN: That is an issue for some debate.

Mr Glasson: Yes. I cannot see any advantage in giving it to Victoria—that is the lead legislation—when our act and our way of doing things, our contract of sale as opposed to theirs, are all entirely different. If it does happen, so you get a national licence, it means I can do a settlement in Victoria or New South Wales. How am I going to be insured in those states? So do I have to buy a policy for that particular deal, limited to that deal? And if that policy is \$500, my fee is going to be \$500 higher than the Victorian fee. Why is anyone going to use me? With electronic conveyancing, it will allow banks and so on to actually effect settlements in WA from New South Wales or Victoria or Brisbane or South Australia or wherever. I cannot see anything wrong with that, but actually preparing the settlement, doing the work for the settlement, basically has to be done in WA, otherwise you have got someone in the eastern states who does not know our Transfer of Land Act and all the other acts that go along with it or the titles office procedures.

The CHAIRMAN: Do you see a range of similarities between your own profession and that of strata managers, conceding that strata managers are licensed and unlicensed?

Mr Glasson: Strata managers are licensed and not licensed, did you say?

The CHAIRMAN: We have been told today that there are 47 unlicensed managers.

Mr Glasson: In WA?

The CHAIRMAN: In WA.

Mr Glasson: I am not sure where that figure came from.

The CHAIRMAN: It does not really matter what the figure is.

Mr Glasson: No, it does not.

The CHAIRMAN: Do you see a range of similarities between the way you operate and how you would expect them to operate?

Mr Glasson: Yes, we do a lot. The real estate industry has, with licensed salespeople, somewhere around 18 000 or 19 000 participants in it who all pay fees and all become licensed in one way or the other. There is a real estate agent's licence, there is a salesperson's licence, there is a property manager's licence. This numbers somewhere around close to 20 000 people. So the real estate supervisory board or the peak body or whoever is going to control that is self-funded by its members. The Settlement Agents Supervisory Board or the commissioner—whoever is going to control that—is also self-funded through fidelity funds and interest. Two-thirds of the interest on our trust accounts goes to the controlling body, so we are all self-funded, and we are relatively easy to fund because we deal with actual transfers of land. So if the government felt that there was a shortage of money, they could actually tax the sale by a \$20 fee or whatever fee, and it is a self-generating, or it can be a self-generating, fund. Strata titling is not that situation, unless we link it to

the registration of strata titles or something like that, which would not be a difficult thing to do, and the numbers are growing all the time. The consequence of a real estate agent is that the deal comes in, it basically gets done and it is out the door. That can be a period of anywhere between 10 days and, say, six months in a normal situation, whereas a strata manager is a strata manager probably for somewhere around three or four years on average—in some cases a lot longer. Therefore, their knowledge and their understanding of the property that they are managing have to be a lot greater, and they have to have a much wider knowledge of the changes in the Strata Titles Act as they happen, because there could be three or four changes in the act during that term of the management, whereas if a real estate agent makes a mistake, hopefully the settlement agent or the solicitor will pick it up. If they do not pick it up, the deal is done within 60 or 70 days, and everyone moves on. That is not the case with strata managers.

The CHAIRMAN: We have had a fair bit of evidence. Your argument is clearly that there needs to be an administrative process for strata management.

Mr Glasson: Yes, definitely.

The CHAIRMAN: Do you have a view on what should be in that, or is it just a licensing process you are talking about?

Mr Glasson: No. It is a licensing process and it is an insurance issue. We think it should be compulsory that they have professional indemnity insurance. It is then an education program, and that is probably the difficult one, because how do you fund it and who should run it? It has not proved successful in the real estate and settlement agency industry with boards running it. CPD is relatively new and not very well accepted in Western Australia because it is irrelevant, and it is the bottom scale. There has to be some incentive for people to attend these courses. They get their licence in the first place. There is incentive for that. Then you can trade as a settlement agent. Then you have to give them incentive to keep moving up the scale and keeping themselves up to date with all the changes. That can be done, as we suggested, through possibly the PI system. With the strata titles, the funding of it is the difficulty. It has to be built in so it is a self-funding exercise. There could be a partnership structure with the conveyancers. We have got roughly 400 licensed conveyancers in WA and about 300 of those are practising, and probably 95 per cent of those are members of our institute. The Strata Titles Institute has probably got somewhere around 230 or 240 members—I am not sure on that figure. Again, the smaller numbers make it hard to fund all these things, but maybe there could be a combination where education officers or public sector legal officers could be housed within those two institutes but be able to offer advice to the general public over the whole spectrum of the real estate profession.

You have got a problem in that if I am your strata manager and you are—I will not say unhappy with me, but you are not sure that I am doing things the way they should be done, at this stage you can only really make an inquiry of another strata manager. So you can only really ring another strata manager and say, “Listen, Graham is doing this and doing that and doing that. Is that correct?” There is no incentive for that strata manager to say, “Yes, he’s doing a wonderful job for you. That’s exactly what he should be doing.” In that way he does not get an opportunity to pick that up into his own portfolio. So even if he just taints it a little bit and he says, “Well, Graham is possibly not a member of the Strata Titles Institute”, if that was the case, that is nearly enough to make someone think, “Well, gee, we’ve got to change strata managers.” The change may not, at the end of the day, be to the detriment of the consumer in the first place, but there is nowhere he can go and get independent advice on what action the strata manager is taking or is not taking.

The CHAIRMAN: We have had evidence to that effect. There would need to be an income stream, as you say. There is the Stamford report and other reports. We have just been to Victoria and talked to the compliance agencies in Victoria, and there is an attitude in strata management that you have to keep the cost down. In fact, everywhere we looked there was pressure, saying, “Don’t load this industry up with costs.” Do you have a view?

Mr Glasson: Yes, that is correct, but there is somewhere around about 77 000 strata schemes in WA at the moment, broadly speaking, but a small tax on that would raise a hell of a lot of money. More and more strata units—not schemes—or schemes and then the units within the scheme, are being developed every year, as opposed to green titles. If the developer was taxed one way or the other, say, \$20 per lot in a registration fee through Landgate—so when he applied for the title there was a \$20 per lot fee on that—that is quite a minimal tax. That would go a long way to running the strata titles regulator, or whoever that happened to be.

[11.45 am]

The CHAIRMAN: So do you believe there would be enough new lots coming in annually to fund that, or do you think that there has to be an ongoing charge, tax, levy or fee?

Mr Glasson: I think that if you did it that way, it would go on every year. For every registration, people would contribute to the maintenance of the regulator of the strata titles industry.

The CHAIRMAN: Do you think that time has moved on? It has been several decades, quite a while, since people started the alternative living style of infill and all those planning-type arguments. Is it time now to make strata title professional, or is there a really strong argument that every person and every tenancy has a right to expect strata management costs to be kept down?

Mr Glasson: No, I do not, if there is value for money. Costs go up in everything. If there is value for money, I do not think people will argue that. Insurance goes up, and in strata management at the moment, the biggest issue of increasing costs is insurance. QBE has pulled out of residential strata insurance, and that will probably put, on average, a minimum of 20 per cent and in some cases double on strata properties. The individual lot owner has to accept that. He has to insure; the act says he has to insure. They can run around all they like, but they are still going to end up with a minimum premium and they are going to have to pay that.

Hon KEN BASTON: Why did QBE pull out? Is it not a profitable business?

Mr Glasson: They felt it was very profitable up until then, but insurance is quite complex. They could have had a number of claims through different other areas, and why they picked stratas I do not know. It is a little difficult to say. There are probably a couple of insurance companies that employ agents, if you like, who happen to be strata managers and get the insurance basically at whatever premium they nominate, and QBE has been competing with that for a number of years. Maybe they just got tired of competing with it.

The CHAIRMAN: Like your own industry, we are looking at a complex situation. We are told that insurance is a significant amount, as I have already told you. The commissions are a significant amount of the management's income. There are questions, then, about the competency of strata title managers to make decisions about insurance, because they are not experts, but there are questions about agencies and other matters. We are getting a lot of evidence saying that the time has come, but we have to decide what sort of mechanism we will recommend; what sort of regime, how it will work, how you would raise money, and what would be in it. Many of the complaints are very fundamental, about how the manager goes about running accounts, how transparent those accounts are, and who votes and who does not vote. Those are the sorts of issues we are hearing about; not so much structural issues.

Mr Glasson: At the moment, the Department of Commerce is looking at the regulators for the real estate industry, the settlement agents' industry and the motor vehicle industry and all those that are going away. We are having a property sector for which the Real Estate Institute will have two members on the advisory board, settlement agents will have two members on it, and the valuers will also have two. We have now agreed for strata managers to have one member on that panel and for business brokers to have one member on that panel, so they will be part of that advisory committee and they will advise the commissioner on all those matters. That body has a pretty good knowledge of the whole of the real estate industry. The problem is that there is going to be many millions of

dollars transferred to that Department of Commerce, that property sector, via the settlement agents and real estate agents, and there will be funds and all sorts of things there. The valuers have none of that; they are funded out of government revenue at the moment, and probably to a minimum. There is no funding to the strata industry at all. If we bring them in, will they automatically take a share of the settlement agents' income, if you like? Although it is not derived personally from the settlement agents or the real estate agents, do they take a share of that and do they continue to do that for the rest of their being, or do they somehow have to come up with a method of at least contributing something to that? If trust accounts were compulsory—in other words, they had to open a strata managers' trust account, similar to a settlement agent or a real estate agency—and the institution that that was held at had to pay two-thirds of the interest earned on that account to the regulator, that would go a long way, from a strata manager's point of view, to funding of. A strata manager, over a year, holds a tremendous amount of money, whereas a settlement agent holds more than a real estate agent, but holds it for a much shorter period. A real estate agent holds less money per deal, but holds it for only 30 or 60 days. A trust account that was a regulated trust account would go a long way towards funding it, and possibly the developer of these strata schemes. One of the problems with the developer is that if you are doing a big resort-type development or something that is going further and further into strata titling, because it is a more convenient and cheaper way of doing it, they pre-sell the contracts, so at the start, the resort has all the bells and whistles you could want, because it is hard to sell. As more and more people get sold, and if you pre-sold your whole development prior to starting construction, will all those bells and whistles still be there, or will they fall off some way through construction? Once you have sold, the only way you can increase your profit from what you have anticipated at this stage is to build the building and settle on what you have already agreed to settle on. If prices in the building go up or down, if they go down, there is probably some incentive to add all the bells and whistles. If costs go up for staircases, lift wells and all those things, to fund them, you might drop off some of the other things.

The CHAIRMAN: Yes, we have heard a bit of that. The question is: what do we do about it? Without question, there is a lot of money held in trust accounts, but whether you are talking to the Victorians, the Western Australians or the Tasmanians, nobody knows how much money, and nobody seems to know how many people are in the industry. In Victoria we have a reasonably close figure, but they also have unlicensed strata managers and we have unlicensed strata managers; nearly every state has unlicensed strata managers, so it is not an industry like yours where we know precisely who is in there and basically what you are doing. Is it time for this?

Mr Glasson: Yes. With the lack of the boards that have been abolished, it appears at this stage that a lot of the education will actually go back to the peak body. The courses will probably be drawn up; it is not set in concrete, by any means, but this is the way is going. The industry will actually educate itself. That will not be just a case of going ahead and doing it; there will be controls on it and standards will be set. If we go back to the professional indemnity insurance, there is a way of having a record of who is in the business and how much money they hold. Every time you renew your professional indemnity, you have to give the number of properties that you manage, schemes that you manage, units that you manage, your gross turnover in fees and your average per unit. That gives a fair bit of information to any regulator, and then you have to give an estimate of what you think your fees are going to be the following year. If you are in a developing area and you feel you are going to get more and more schemes, then you have to predict that, because you are actually insuring on last year's figures for the 12 months hence. If we can make that professional indemnity insurance something that the strata manager sees as an advantage to him because he gets his education and all this guidance from it, they are going to be willing to do all those sorts of things, whereas at the moment, they go to the insurance company that gives them the least hassles to get the insurance cover that they need, and a lot of them get the insurance cover only because they cannot be an accredited member of the Strata Titles Institute without it. It is a requirement put on them by their own institute. It is definitely not the case now, but it would be a sad day for all those

industries we mentioned, if the peak body drifted off that aim of improving the profession every year that they are around.

Hon KEN BASTON: If you do bring in a degree or a diploma or something for strata managers, would there be a grandfather clause for the ones that are in existence, or would you accept that they —

Mr Glasson: Preferably not, but you would have to. There are two issues there. There are so very knowledgeable, very experienced, very good strata managers out there; at the other end of the scale, there are some very poor ones. In the middle, you have another problem in that you have real estate agents. When we talk about licensing, I assume that they are the licences you are talking about. They are licensed through the Real Estate and Business Agents Act.

The CHAIRMAN: Correct.

Mr Glasson: It was a long time ago when I got my real estate licence, but strata titles are not high on the agenda, and the Strata Titles Act is not high on the agenda for real estate agents. The complaints that come back are, from the settlement agent's point of view or a strata manager's point of view are just standard, normal complaints. I have issue in Broome. A guy bought a property probably three years ago and has only now discovered that he has been paying all the power because he did not know that there were sub meters there. He has been getting the bill and paying it, and he is now just realised that there are two extra sub meters and he should have been billing the others, because there is no manager in place. This is information that a real estate agent should be able to make available; the real estate agent would not know, and there is no incentive to find out.

Hon ED DERMER: It has been suggested to us by some people that having a licence as a strata manager for that particular purpose, the strata manager's licence, would lift standards because if the strata managers had to have a licence to operate, they would then be at risk of losing their licence if they were to present any malpractice in what they do.

Mr Glasson: That is correct, but you still have another situation. I got my real estate licence in 1983 or thereabouts. Compulsory professional development has only come in in the last two years. There are plenty of real estate agents and settlement agents out there who got their licences a long time ago, and up until the most recent times have never done a course. We run courses for settlement agents and strata managers. If you go to those courses, you will see the same 70, 80 or 90 people there. Every now and then you will run a GST course or another course of particular interest, and the 70 or 80 people will grow to 120. Next time, you run a course on strata boundaries, something that agents consider that they know about, and the number will be back to 70 or 80. If someone runs a course, you do not learn for the first time everything that is in that course; but if you can pick up two or three things that you were not sure about or you get a better understanding of that, that is all you can achieve. People do not like paying for that on a regular basis because it is the same people. They are the ones who are actually keeping the industry together, whereas the other guys do not go to those courses. Our act came in substantially in 1966, changed in 1984 and again in 1997. For some of the people who were practicing in 1997, it has changed tremendously.

Hon ED DERMER: If there was a risk of losing your licence, and you needed that licence to operate, would that be a motivation for people to attend the courses?

Mr Glasson: It would definitely be a motivation to attend the courses, whether they attend and learn something, or attend just for the sake of attendance. An example with the CPD that we have at the moment is that in our industry, it is free to real estate agents, because there is only 400 of us and only 300 practising, so it is very difficult to get too many commercial RTOs to deliver these courses, so they contract one. I have to do that for real estate agents and settlement agents. My settlement girls—I use my wife as an example—she has been in the industry for as long as I have, but she has never been licensed. She does the trust account and has done for the last 20 years. In a three-year period, I have done the trust account course and it has not changed one iota probably four

times, because I live in Broome and you try to work these courses when they are there. Yet my wife, who does the trust account, is not allowed to attend those courses because she is not licensed. In our industry, all our staff, from the regulator's point of view, do not exist, yet the staff probably do 99 per cent of the deals. If the AIC were in charge of it, it would encourage the staff. If you do it through your PI, you get a discount for the number of staff members that come to those courses.

The CHAIRMAN: The quality of your office.

Mr Glasson: Yes, and it is about sitting there listening to the course and at the end of the day answer a few questions, so we know that you have actually learnt something from it. If you fail the test—it is a 15 minute question-and-answer thing—they do not get a rebate off their insurance. I have been down here for the past fortnight on different things—strata meetings and so on. If someone rings my office, the staff answer 90 per cent of the questions, yet the staff are not allowed to attend the courses. If the peak body does it, the peak body encourages involvement from everybody, then you have to look at the regions. Where is the incentive for someone in Broome to come to Perth for a CPD course that he has already attended three times?

Hon ED DERMER: And may not expect to learn much new.

Mr Glasson: Yes. I could go on forever, but our CPD is six points. If you blew that out to 60 or 600 points and said that if someone attended an address by the Treasurer on the budget, that is worth 10 points, 10 in 600 is not a lot in. If you attended an ATO course on GST, it might be worth 30 points to you. When you only have six to give away, you cannot give someone a point for something that is a little wayward, but the trust account course has not changed in the three years it has been there, so there is no incentive for anybody to keep those courses up to date.

Hon ED DERMER: Another matter for consideration.

The CHAIRMAN: Yes, interesting information. Thank you very much for your interest and for coming to give us your testimony. We will be looking at this matter closely and you will see a response at some stage within the Legislative Council; it will be a public process and it will go to the council, and you will be able to see what comes of it. You will receive a copy of the Hansard transcript. You have an opportunity to correct that, but the final decision of what the corrections are is the province of Hansard. Thank you for your attendance.

Hearing concluded at 12.02 pm
