

26 November 2008

Occupational Licensing  
C/-The Better Regulation Office  
GPO Box 5341  
SYDNEY NSW 2001

Dear Sir/Madam

I refer to the issue paper regarding licensing of particular occupations and in particular the proposal to remove licensing for Strata Managing Agents.

I would like to express my strong objection to any deregulation of the licensing requirements in NSW.

#### **Consumer Protection and Confidence in Professional Industry Standards**

As a provider of Strata Management Services we take great pride in assuring our clients that their affairs are being handled by ethical professionals. Our staff are given the time to keep abreast of changes to legislation through Continuing Professional Development and through this knowledge and education they are capable of being accountable for handling millions in trust funds.

Consumers in NSW currently enjoy the position of being assured that the government is providing them protection by ensuring that their Strata Managers are licensed and identifiable.

If a consumer decides to lodge a complaint with the Office of Fair Trading, they are safe in the knowledge that if it is proven that that Strata Manager has acted inappropriately their license will be removed. This is satisfactory direct result of a complaint process which would be lost if licensing regulations were removed.

The removal of the necessity of licensing would allow less ethical operators to stop providing training for their staff which is essential to navigate the constantly evolving and sometimes complex world of Strata Management

#### **Compliance Cost**

The major cost of compliance for Managing Agents is Continuing Professional Development but the market does allow for a range of investment.

The cost of compliance for government is funded through the Fidelity Fund.

Compliance costs pale in comparison to the potential complaints from consumers which may result from unethical operators being unidentifiable and having no real consequence to their inappropriate actions which would prevent them from reentering the industry and committing the same offences.

#### **Alternative Ways to Protect the Consumer**

Protecting the Consumer through the industry's own self regulation would be ideal; however this needs to be borne from greater education of Strata Managers and their participation in tertiary education. Although the industry is moving in that direction it

has currently not matured to the degree where it could sustain adequate self regulation.

By removing licensing now, the professional ground which has been gained in NSW will be lost.

**Licensing in NSW and not in other States**

This brings us to the point that as the most mature segment in strata in Australia, NSW has recognized and proven that standards of professionals are linked directly to education and licensing.

By encouraging and allowing other States to move towards licensing as they currently doing, national standards of professionalism and accountability will improve consumer confidence in the industry generally and in the long run avoid complaints and the potential for funds to be mishandled.

Removing licensing is not in the interest of the consumer as it offers no safe guards nor does it in instill confidence in the consumer in regard to the industry.

Rather that removing licensing COAG should recommend other States adopt the same educational frameworks and licensing as NSW so that the industry continues to move forward rather than descend into a deregulated wilderness which can become paradise for shoddy operators.

Trust funds held for strata plans provide consumers with insurance against future expenses which may be costly and prohibitive if not managed and planned for properly by a dedicated and accountable Manager.

I urge you to consider the position of consumers seeking confidence in the management of their Strata in the face of what can be economically difficult and uncertain times.

Retaining trade licensing will ensure greater education and improve the quality of professionals seeking to work in the industry which can only be to the benefit of consumers long term.

If you have any questions about our submission, please do not hesitate to contact me on 9716 8686.

Kind regards

Mario Cipollone  
Conti Property Group