

**ECONOMICS AND INDUSTRY  
STANDING COMMITTEE**

**INQUIRY INTO KARRINYUP LAKES LIFESTYLE VILLAGE**

**TRANSCRIPT OF EVIDENCE TAKEN  
AT PERTH  
MONDAY, 5 MAY 2008**

**SESSION TWO**

**Members**

**Mr R.C. Kucera (Chairman)**  
**Mr G.A. Woodhams (Deputy Chairman)**  
**Dr J.M. Edwards**  
**Mr M.P. Murray**  
**Mr A.J. Simpson**

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**Hearing commenced at 1.13 pm****COOPER, MS GLENDA LORRAINE****Real Estate Representative, Mal Dempsey Real Estate,  
examined:****COOPER, MR GRAEME JOHN****Real Estate Representative, Mal Dempsey Real Estate,  
examined:**

**The CHAIRMAN:** This committee hearing is a proceeding of Parliament and it warrants the same respect that proceedings in the house itself demand. Even though you are not required to give evidence on oath, any deliberate misleading of the committee may be regarded as a contempt of Parliament. I have to ask you a couple of formal questions and would you please answer “yes” or “no” verbally so that it can be recorded by Hansard. Both Loraine and Vanessa are our research officers, and Hansard is recording everything that we say.

Have you completed the “Details of Witness” form?

**The Witnesses:** Yes.

**The CHAIRMAN:** Do you understand the notes at the bottom of the form? If you could answer “yes” or “no”?

**The Witnesses:** Yes.

**The CHAIRMAN:** Thank you.

Did you receive and read the information for witnesses briefing sheet regarding giving evidence before parliamentary committees?

**The Witnesses:** Yes.

**The CHAIRMAN:** Thank you.

Do you have any questions relating to your appearance before the committee today? I am talking about procedural questions now, not about issues to do with what we will be talking to you about.

**The Witnesses:** No.

**The CHAIRMAN:** Thank you.

Would you please state the capacity in which you appear before the committee?

**Ms Cooper:** I am representing Mal Dempsey Real Estate. I am a registered real estate agent.

**Mr Cooper:** Graeme Cooper, I am also a licensed real estate representative representing Mal Dempsey Real Estate who were part of Residential 55.

**The CHAIRMAN:** Thank you.

The committee has received your submission. Do you wish to put any amendments to the actual submission itself?

**Ms Cooper:** Yes, I would like to add three more pieces of paper.

**The CHAIRMAN:** All right, but just before we do that and before we ask any questions, do you want to make a separate statement in addition to it or do you just want to add some amendments to it?

**Ms Cooper:** One is an original advertisement, one is a clubroom layout and one is just a copy of the actual site plan, but I am not sure whether it is in there; I just want to make sure it is.

**The CHAIRMAN:** All right, as part of your evidence today we will take that on notice as a second submission, if you like?

**Ms Cooper:** Okay.

**The CHAIRMAN:** Would you like to explain, for the purpose of Hansard, what those additional pieces of information are?

**Ms Cooper:** One is an original *Stirling Times* advertisement for the Karrinyup Lakes Lifestyle Village, and that was advertised on 11 March 2003. I thought that it would be appropriate because it is an original.

**The CHAIRMAN:** Who would have placed that advertisement?

**Ms Cooper:** I imagine it was Ces Phipps from Residential 55 as part of the selling agencies, but what their advertisement contained would have been approved by Karrinyup Lakes.

**The CHAIRMAN:** And the other pieces?

**Ms Cooper:** One is a drawing of the Karrinyup Lakes Lifestyle Village, which shows some that are taken and some of the actual villas that are reserved, and that would have been an original site plan provided to us by Mr Martin.

**The CHAIRMAN:** And that was part of the promotional material that you have been using?

**Ms Cooper:** Yes, part of the handouts to show where the villas were.

**The CHAIRMAN:** I see, yes.

**Ms Cooper:** The third piece is an actual clubroom drawing of Karrinyup Lakes Lifestyle Village, Lot 36, Gribble Road, Gwelup. It is a picture of the clubhouse and it does not contain a date.

**The CHAIRMAN:** Can you hold that up so we can see? We might just pass that around to committee members so they can have a look.

**Ms Cooper:** It is very faint.

**The CHAIRMAN:** Thanks for that. You mentioned 55. There were two groups, and that was the original real estate group that was involved, I think, in selling.

**Ms Cooper:** No.

**The CHAIRMAN:** Could you tell us exactly what the situation was?

**Ms Cooper:** Karrinyup Lakes had employed Don Allen Real Estate originally before we became part of it.

**The CHAIRMAN:** When would that have been?

**Ms Cooper:** Twelve months before we came on board.

**The CHAIRMAN:** You came on board when?

**Ms Cooper:** 26 October 2002.

**The CHAIRMAN:** Residential 55 Real Estate and Mal Dempseys, with whom you are involved—

**Ms Cooper:** They both then took on selling at that time.

**The CHAIRMAN:** Was it an exclusive authority to sell?

**Ms Cooper:** Yes.

**The CHAIRMAN:** That was an agreement with Moss Glades Pty Ltd to secure lease loans for homes in the Karrinyup Lakes Lifestyle Village. Let us call it the KLLV because that makes it easier.

Essentially, you were the lead agent in terms of Mal Dempsey, so you would have had most of the initial contact?

**Ms Cooper:** I should point out that Mal Dempsey is my father.

**The CHAIRMAN:** Of course, yes.

**Ms Cooper:** Mal Dempsey and Alma Dempsey are both licensees in their own right. I work for mum and dad. I had already been involved in selling a couple of other villages with them. I was put in charge of this one because we live in Carine and it is close. Graeme helped on weekends because he actually works full-time in another job. My cousin Leanne also helped me during the week.

**The CHAIRMAN:** You said you were involved in some others. Is this the only development that Moss Glades had?

**Ms Cooper:** This is the only development that we will ever be involved in with Moss Glades.

**The CHAIRMAN:** Okay.

**Ms Cooper:** Ever.

**The CHAIRMAN:** Okay. To your knowledge, at that stage were they involved in any other lifestyle villages that you knew of?

**Ms Cooper:** No.

**The CHAIRMAN:** So this is the only one?

**Ms Cooper:** This was their first, which is why they needed our help.

**The CHAIRMAN:** As the lead agent, what did you understand the village to entail and what facilities it would provide for the residents?

**Ms Cooper:** It would have the homes, we would be involved in the sale of the first 20 and it would provide a clubhouse with a pool. After the first meeting, it was changed to be a two-storey building to provide a residence for someone to live upstairs, which was going to be built at the completion of the twentieth villa.

**The CHAIRMAN:** When you say somebody was to live upstairs, was that another resident?

**Ms Cooper:** A caretaker.

**The CHAIRMAN:** A caretaker for the village was it?

**Ms Cooper:** For the village. Can I add anything?

**The CHAIRMAN:** Yes, please; it is your evidence.

**Ms Cooper:** At one of the original meetings, Mr Bob Ascott, who was a potential resident, asked how they would be able to keep the budget to a certain level. Dad stood up and explained that at previous villages they had a caretaker on site, such as at the Lawley Park village, because then they could pay a wage. That way, rather than calling in someone to do the pools or to do the gardening, the caretaker could do it as part of the work he does for his wage for the year and it would not be as expensive. They would know what the budget was for that year because they had a maintenance-type man on site. His wife might be a nurse and work full-time work, but be on duty at night.

That was originally how it then became a two storey rather than a one storey.

[1.20 pm]

**The CHAIRMAN:** When you first signed the agreement, was there an understanding that there would be a caretaker living on-site when you first went into it, or was this something that developed —

**Ms Cooper:** Not that I remember.

**The CHAIRMAN:** You said “meetings”; what meetings are you talking about?

**Ms Cooper:** We had some information nights. The very first one was held at the North Beach bowling club. The second one was held in the lounge room of the display home, and people asked questions about what lease for life was because it still was not that well known, and we had been doing information sessions when we were involved in the other villages. The third meeting was for people who already were so close to deciding to move into the village that they just wanted final questions answered. Seven of the original 10 were at that night-time meeting. Where it was is in my list of people. I could actually look back to my notes and tell you the date, but they were at the meeting and that was when it was changed—after that meeting.

**The CHAIRMAN:** Did that grow out of a need for a caretaker being identified, or was the caretaker not part of the original agreement?

**Ms Cooper:** When we first started, the caretaker was not, but it looked as though it was going to be the cheapest option to make sure that the budget for residents did not keep increasing each year.

**The CHAIRMAN:** And the idea was then to put his or her residence on top of the —

**Ms Cooper:** To put a residence on top of the clubrooms for them to have somewhere to live. That way they also had that as part of whatever amount of wage they were paid per year; that would be part of that.

**The CHAIRMAN:** I have a copy of the original brochures here. This one is from Residential 55-Mal Dempsey Real Estate.

**Ms Cooper:** Yes. Is that the one that has a sticker sticking over the top of the Don Allen sticker?

**Dr J.M. EDWARDS:** Probably; it feels like it.

**The CHAIRMAN:** Yes.

**Ms Cooper:** They were their original ones that we made use of.

**The CHAIRMAN:** That shows the clubhouse as —

**Ms Cooper:** Single storey.

**The CHAIRMAN:** —a single storey. That would have been in the original agreement—the single storey. Was it agreed to at that meeting with the residents that it would be increased for the reason you said, or was it just a statement made by —

**Ms Cooper:** At the meeting a statement was made from dad that this is how it is done in other villages; this is the way in which it becomes cost effective. It was after that time that it came to be known that it was going to be a two-storey clubhouse, but it was after that that Graeme was involved in helping.

**Mr Cooper:** I do not believe there was any consultation as to whether that should be the right way we would go; it was just sort of something the next time we had a site meeting or something. Bear in mind the information you have there on the brochure. My background is with graphics and things like that. The posters and stuff that were in our selling area were done by me. There was nothing there before that. I was asked, “Can you do something like this?” It was no skin off my back; it was easy for me to reproduce what they had from that brochure up to something that was a wall-sized thing that people could look at and browse. When you had a lot of people in our display area, it was very helpful to do that sort of thing. We all like talking to a picture or something like that. Subsequently, as things rolled on and we sold some places, I updated the layouts or plans. In the

subsequent ones, they have some foldouts in them that have the whole village layout and then the individual little houses. In the original one you will find A, B, C, D or E or something like that. The subsequent ones have actual type names to them. That was all my work. I got some intimate information from Eion Martin from his CAD system, which I enhanced. Subsequent to that meeting that Glenda is talking about, he said, "Look, this is what we're going to do; we're going to put in a two-storey one." I will not say that he ever asked me to do any of this work, but it was certainly something that I took on board as information to all the people who were our potential customers so that they had up-to-date information—visually at least.

**The CHAIRMAN:** When you first became involved in the selling, was there a plan for the development of the village? Firstly, was there a schematic plan? Secondly, did that change at all during the process? Thirdly, was there any plan for the operation of the village? In other words, you mentioned being involved in other lifestyle village sales. Speaking personally, having been on the boards of these kinds of programs, my experience is that the development is proposed, and even before you get to the selling stage you have an idea how that is going to be run, how it is going to be managed, whether it is going to have residents committees and all these sorts of things. There are specific requirements under the code.

**Ms Cooper:** They had a lease-for-life document—is that what you mean?

**The CHAIRMAN:** Yes.

**Ms Cooper:** Yes, they had a lease-for-life document that had been drawn up by a lawyer called Adrian Padgett, who actually is quite involved with drawing up other leases, which we know are not always that easily explained. One of the prospective residents took the wording from the lease to task in a very detailed letter that I have supplied. He was very unhappy with the fact that Eion Martin would not address some of the issues in the first place. Eion tended to get rid of people from the books, which is consequently why we sold 39 to get our first 19, because every time somebody seemed to be a very strong character or quite forceful with wanting to know things, they somehow disappeared off our books. Either their house was not built or it was extended out an extra four or five months or he just returned the deposit money.

**The CHAIRMAN:** He was picking and choosing.

**Mr Cooper:** Yes. That is, I suppose, from the documentation side of things. You mentioned the layout of the village. When we first came online, if you look through the documentation from that original one there, you will see that there are a number of two-storey villas in there. As we went along, I think from a financial point of view, it was decided, "Okay. We're not going to do this one; we're going to put something else there." There was a rationalisation of how the villas and the number of different styles would be accommodated on the site. There was quite a lot of massaging, for want of a better word, of the site as it went along, and bits and pieces came in and out at somebody's whim.

**The CHAIRMAN:** If I can just go back to that, because what was originally decided is important. I give an example of the RSL homes in my electorate. When the original plan was put together to redevelop the RSL homes, there was a full schematic that was put there for all the residents who were already living there who had to be moved out to do the redevelopment. However, there was a final schematic that said that when all the houses and the pool are built and the club is finished, this is how the village will look.

[1.30 pm]

**Ms Cooper:** There was never a three-dimensional diagram—if that is what you mean. There was the map that I have just handed over to the committee. That was it. That map showed the extent of where the properties were going to be. The two-storey properties were taken out. We found out later that there had already been negative public comment and that people in the neighbourhood around

the village had been objecting to a two-storey development. When we first started, we did not know that such a development was even on the cards.

**The CHAIRMAN:** In terms of the management of the home itself—how would it be managed?

**Mr Cooper:** A manager was to be appointed.

**Ms Cooper:** We believed that a manager was to be appointed.

**The CHAIRMAN:** Yes, that equates with what I was told. Can you recall what gardens were to be provided?

**Ms Cooper:** Yes. There was to be a strip of lawn and residents were to be given \$600 to plant their own gardens. I do not think they were ever provided with \$600. I think they were given \$300. At the very first residents' committee meeting people wanted to know where their strip of lawn was and Mr Martin said that there was never going to be any lawn because it was not cost effective. I told the residents that maybe I had got it wrong. I know exactly what was first discussed and I know that there was going to be lawn. However, I thought that maybe I had made a mistake, so I stood at that meeting and told the residents that maybe it was my fault and that I was sorry that there was not going to be any lawn, and that they had probably got the idea from me that there was going to be a lawn. I went to make the tea and coffee and two or three minutes later Mr Wyman asked if I had realised it had always been intended to provide lawn, but that Mr Martin had made a mistake and put in the wrong size water bore. The water pressure would not be sufficient to service lawns. He told me that if I ever said this, he would not back me up. Deliberately, then and there, Mr Martin had decided not to have lawn because the bore would not service it.

**Mr A.J. SIMPSON:** Do you see that quite often; that is, in the case of Mr Martin and Mr Wyman, do you often see one pushing the other?

**Ms Cooper:** Mr Martin seems to have a very big hold over Mr Wyman and I know of no reason why he should. On one occasion Mr Wyman had employed someone to dig soak wells. Mr Martin embarrassed Mr Wyman in front of the worker, made the worker leave and told Len—Mr Wyman—that he should be digging the holes. It was penny wise and pound foolish. It did not make sense, in a massive project like that, to have a director digging soak wells—not when you have thousands of dollars being charged in interest. It is as though Mr Martin likes to be in control and does not want anyone else to know what is happening. That applied to a lot of things. When we would ask Mr Martin questions about different things he would play mind games. On one occasion we were half way through negotiating with someone. We had people there on the Monday and on the Wednesday and they were due to come back on the Thursday. Mr Martin said, before they came back on the Thursday, that the price had gone up \$30 000. I told him that he could not do that because the people we were negotiating with had already seen us on two or three occasions and were coming back. He disagreed. I explained that we were in the middle of negotiating with these people and that they already knew the price. He agreed that we would not put up the price until Monday. He had asked me to suggest when I would put the price up. I indicated that it was normal to put the price up from, say, the first of the next month. That was the normal practice in the institutions that we have dealt with in the past—the Freemasons etc. He agreed that the price would not go up until the Monday, but then told me we could not sell a property until Monday.

**Dr J.M. EDWARDS:** Really!

**The CHAIRMAN:** Before we get off the topic of gardens: was there ever an agreement for there to be a communal veggie garden or for an area to be set aside for one?

**Ms Cooper:** Yes, there was to be an area left for a communal veggie garden.

**The CHAIRMAN:** Was that marked on the plans?

**Mr Cooper:** Yes.

**Ms Cooper:** It was to be behind one of the villas that came off Agnew Loop. It was to be down through a walkway and there was to be an area left for a community —

**Mr Cooper:** It was to be half way between the display unit and Karrinyup Lake. There was meant to be a communal veggie garden and also a walkway through from there that met up with the next street across—I cannot recall the name of the street.

**The CHAIRMAN:** But there was provision made?

**The Witnesses:** Yes.

**The CHAIRMAN:** What was your understanding of the time frame for the completion of the village and the provision of facilities and services? Was there a set time frame that you agreed to? Obviously, if you are selling, you need to be able to tell people what they are getting and when they are getting it.

**Ms Cooper:** Mr Martin told us that construction would commence after the first 10 were signed up and deposits were paid.

**The CHAIRMAN:** At any stage, did Mr Martin indicate when the common facilities would be completed?

**Ms Cooper:** Common facilities were to be started at the time the twentieth sale was completed. Mr Martin extended that to the completion of construction of the twentieth property; that is, when the residents move in. He was always able to say that he had meant the twentieth completion.

Did you ask how long we intended to be there?

**The CHAIRMAN:** I wanted to know the development time frame.

**Ms Cooper:** We assumed—wrongly as it turns out—that it would be similar to the Freemason development that we were involved in. In that development, 60 properties were sold and we had moved out in 18 months. The whole building had been completed and 60 residences had been built. We were only employed to sell 20 properties, so we had assumed that we would have most of those properties signed up by the end of the year. If Mr Martin had commenced building them straightaway, people could have seen what was going to be on site—as often happened in other villages. It should have been the best village in Perth.

**The CHAIRMAN:** Did you tell us that you did the design work?

**Mr Cooper:** No. I did not do any of the building design, but I did do the subsequent display material put up in our display home. There are some photographs in which you can see a double garage. On the garage walls there were some posters of the different house designs, and other small posters—I think the member is holding one now—that I put together. Those were all things that I have done. They were either scanned or enhanced from the original art work, that I think was probably commissioned through Don Allen or, perhaps, through Ces Phipps.

**The CHAIRMAN:** Apart from those brochures and the other work that you did, was any other material provided to inform your agency about the village and its amenities?

**Mr Cooper:** A yellow two or three-page brochure was included. It gives a little bit of background information about the “lease for life”. Glenda has a copy of the document here.

[Document tabled.]

**Mr Cooper:** That document was supplied by Moss Glades. It was available at different times with price lists and other such things. Sometimes it was available and sometimes it was not available. Moss Glades insisted on supplying all that information, and on many occasions we had to go and get the brochures ourselves—even though it was information that they insisted on supplying: “This is our information, we will give it to you.”



**The CHAIRMAN:** The exclusive authority to sell warrants that the required memorial had been lodged. You were involved in other villages—what is your understanding of a memorial and what it is required to be?

**Ms Cooper:** It is an overall protection that is provided by the government under the statute of the Retirement Villages Act. It ensures that the land cannot be touched by any developer and that it cannot be reclaimed by anybody selling the houses. It was something that Ces from Residential 55 made sure was in the agreement—that is, the owners warranted that the memorial was in place. It was unusual, when checked by Ces, to find that the memorial was only over the middle third or half of the land and that it did not cover the whole site.

**The CHAIRMAN:** Okay. The memorial was over only one section of the site. It did not go over the entire block—all thirty-six.

**Ms Cooper:** It was over only one section of the site.

**The CHAIRMAN:** Did you raise that with them at all?

**The Witnesses:** Yes.

**The CHAIRMAN:** That would have to be a concern if you are selling leases.  
[1.40 pm]

**Ms Cooper:** We could never have the section that we were selling taken away. He said the only reason it was not there was that the banks needed to be able to have some hold over them for providing the money for the building of the first ten. When they had paid some of the initial capital back to the bank they would then be able to apply for the other memorial. Most villages are developed by groups or organisations because the money involved is huge.

**The CHAIRMAN:** They have the total development money in the pocket.

**Ms Cooper:** Yes, for the total development and often they already own the land —

**The CHAIRMAN:** It is vested.

**Ms Cooper:** It is vested to them by the shire or whoever.

**The CHAIRMAN:** What is your understanding of the situation in relation to the Western Australian Planning Commission approval required for the leases that were being sold?

**Ms Cooper:** I do not know exactly what you mean. I think you are asking whether I thought the leases were already in place.

**The CHAIRMAN:** Were the leases endorsed by the WA Planning Commission? Was their a requirement for them to be endorsed?

**Ms Cooper:** I know that the leases have to be approved to be able to build on them. We assumed Mr Martin would have done all that, because legally that is what is required before you start building on them.

**The CHAIRMAN:** Was that an assumption on your part? Did you assume that that would be the case?

**Ms Cooper:** As a selling agent you do not get to see what the developers are doing. They apply to have the laws apply that are relevant to each shire through the WA Planning Commission. They must have those in place before we come in.

**Mr Cooper:** To expand on what you are asking, in the initial stages Glenda sat down with potential residents and would go through the lease agreement. As per the act, they were given the required one week or 10 days to take the lease agreement away to seek advice on it. They would get back to Glenda and would sign the lease agreement and it would go to the owner-developer, in this case Moss Glades Pty Ltd.

**The CHAIRMAN:** Was there an assumption on your part that those requirements had been fulfilled?

**Mr Cooper:** Yes. After a period of time he would not allow Glenda to do that. It was because he believed that we were giving potential residents the wrong information about the facilities and amenities that would be provided, the kind of housing and that stuff. He insisted on doing that sort of thing himself and from that point on we had no way of knowing whether he was getting them registered properly.

**The CHAIRMAN:** Evidence has been presented to the committee along the lines to which you are referring to suggest that there was some initial confusion around the titles and whether residents would receive individual titles to their homes. What is your understanding of the development of each house and the title that might apply to it?

**Ms Cooper:** Each individual house was a lease for life and that was already part of the Karrinyup Lakes Lifestyle Village for which planning approval had been given. It was protected by a memorial on the title, which was then protected by the government as a whole because of the Retirement Villages Act.

**The CHAIRMAN:** What led you to that understanding? Was it simply an assumption on your part?

**Ms Cooper:** Because the lease-for-life documents were provided to us with all Adrian Pagett's words in it, which were the same as I had dealt with previously. With the other villages I had dealt with, everything that was in those leases was given the protection of the memorial.

**The CHAIRMAN:** Did you understand that Moss Glades had completed all the appropriate planning approvals, WA Planning Commission issues and everything else?

**Ms Cooper:** Yes, it had applied for and completed everything. Moss Glades always told us that it had already applied for everything before it started to build.

**The CHAIRMAN:** I understand that there was another agent prior to you, but he did not sell anything.

**Ms Cooper:** He did not sell anything. It was a big wasteland at that time.

**The CHAIRMAN:** Do you know whether the brochure that was provided, which is attachment B to your submission, was the first brochure that was released?

**Ms Cooper:** Yes, if that is the one that you can see through our sticker. It has "Don Allen" written underneath. That was the first one.

**The CHAIRMAN:** I understand that at some stage you lost your exclusive authority to sell.

**Ms Cooper:** I do not think that we ever lost it. It sort of petered out because Mr Martin did not like the fact that we kept asking him questions. We would never get told the truth and he would always evade what we were asking. He would say that something would get done when it gets done. He hated being pulled up. Some of our notes said, "Lies. Get rid of Eion." That is what the residents wanted us to do. Our notes also said, "It would be a great village without Eion in attendance". However it was difficult trying to pin him down to when things would be finished or built. Some people had been on the books for 12 to 14 months and he would not give us a start date for their homes. He would not tell us anything. We would do up a document and take it to the office. He would take the lease document and we never got to see it again. I had a letter brought to me by one of the residents that said he noted—he did not even get the company name right after I had worked there every Wednesday, Saturday and Sunday for two years—that Glenda Cooper from Mal Davey, Davey Real Estate, and I am sure he would not be thrilled to know that he has been brought into it, has been asked to keep me off site because I was telling residents the wrong thing and did not fill in the document correctly even though he sat down and filled in the first document with me. His letter said that with other villages what normally happens is that until the clubroom facilities were built the half-price amenity fees applied. In this case, at an early morning meeting with Mal Dempsey,

Ces Phipps and me Mr Martin and Mr Whyman said that if that was the case they would have it done within six months and would not charge anything until it was completed.

When you are given that information verbally, you assume that the project will be finished fairly quickly. It was always extended—it would take another two months but they could not get anyone there. Next to where it said “Amenities” in the document we wrote, “No fee to be paid until completion of the clubrooms.” I sat and wrote the first document with Eion Martin in the display house; therefore, anything in the document was approved by him. Each time we filled out a document I took it to him that night or the next day. I gave him both copies of the document. When we were doing the Freemason documents they went to the office and they would keep them until settlement of that property. Both copies were then sent to the stamp office to be stamped and one copy went back to the resident and the other copy stayed in the office of the company involved. However, Mr Martin did not allow the settlements to be done through WA Settlement Services or anybody else that we tried to get him to do them through; he did it himself. We thought that was highly unusual and he charged people for the right to do that.

**The CHAIRMAN:** Who was at the 19 March meeting that you mentioned? Was that the first meeting at North Beach?

**Ms Cooper:** Was that for interested people at which we had an information session?

**The CHAIRMAN:** It was the information evening on 19 March. It was to help people understand the lease-for-life process. Who was at that meeting?

**Ms Cooper:** We did not keep a record of the attendees at that meeting.

**The CHAIRMAN:** There were tenants and —

**Ms Cooper:** Mr Whyman, Mr Martin—both wore a suit—Mal Dempsey, Ces Phipps, Glenda and Graeme Cooper, Alma Dempsey, Leanne Brayne and, I think, Gerald Major.

**The CHAIRMAN:** Some prospective residents would have been there.

**Ms Cooper:** And also people who were interested in finding out where Karrinyup Lakes Lifestyle Village was actually situated. At that that stage there was only one display house in the complex.

**The CHAIRMAN:** Were people told that they would be getting the things that were referred to in the brochure?

**Ms Cooper:** Yes.

**The CHAIRMAN:** Were any estimates of weekly, monthly or annual operating costs given to prospective residents at either that meeting or at any other time?

**Ms Cooper:** In the yellow sheet it gives an estimate of costs; that is, in the retirement industry it is an average of \$72 per week and it is based on the actual figures; it would be any more than \$72 per week. At that stage I think it was \$69. I am not exactly sure because I do not have that paperwork in front of me.

**The CHAIRMAN:** How would you describe the tenor of that first meeting?

**Ms Cooper:** Very excited. We thought that they would sell straightaway. There seemed to be a lot of interest from people from the coastal areas who were rapt that a village would be close by.

[1.50 pm]

**The CHAIRMAN:** In the final page of your submission you said that Mr Martin sat with you and dictated how he wanted the “lease for life” contracts worded. Can you tell us about that process in a little more detail. How did he dictate that and how was the document produced?

**Ms Cooper:** I was not referring to the lease for life booklet; that was already there. We filled in the section that said what the amenities would be and next to that we wrote that no amenities would be paid for until completion of the property.

**The CHAIRMAN:** That was —

**Ms Cooper:** It was written in handwriting, usually my handwriting.

**The CHAIRMAN:** That was dictated by Mr Martin to you?

**Ms Cooper:** The very first one was dictated to me by Mr Martin.

**The CHAIRMAN:** Did that then form the basis right the way through for all the leases that you were involved in?

**Ms Cooper:** Yes.

**The CHAIRMAN:** Was that the only information you had to provide to the residents regarding leases? I realise that there are statutory requirements you had to give them under the code.

**Ms Cooper:** Yes. We had to give them the yellow fair practices book and we had to give them the lease. That was always after they paid their initial deposit. They had the books for at least 10 days, during which time they could come back and ask us any questions or have any matters clarified about the leases because we had already been involved in quite a lot. They could ask whatever questions they liked. Most people did not sign up until after the very first night meeting inside the display house and until the issues that Mr Ascot asked about the budget were clarified. That is where they asked whatever questions they wanted to. We based it on how other villages had been run, and what was the expected norm. Because Mr Whyman and Mr Martin had not done a village before, they were using a lot of our guidance on what should be done.

**The CHAIRMAN:** Did you follow the retirement village code of fair practice?

**Ms Cooper:** Yes, we did.

**The CHAIRMAN:** Did your brochures include that kind of information?

**Ms Cooper:** They did not ever take the lease for life book unless they took a fair practices book with them.

**The CHAIRMAN:** Unfortunately Tony has to leave us at 2.00 pm. Judy and I will carry on for the time being.

Do you know whether those documents were ever checked for compliance with the retirement villages legislation?

**Ms Cooper:** They had been done by Adrian Padgett. I have no idea whether they were checked by —

**The CHAIRMAN:** Your assumption from the dealings that you previously had with other villages is that because Padgett had done it, it would comply?

**Ms Cooper:** Yes.

**Dr J.M. EDWARDS:** And he was a lawyer.

**Ms Cooper:** And he was a lawyer and he had already done other documents for other villages that we had been involved in.

**The CHAIRMAN:** You were agents from approximately October 2002 to September 2004, almost two years. How would you describe your experience during this time in relation to selling?

**Ms Cooper:** It was a good learning curve. We sold 40 properties, 19 signed up and we got paid for 14. It was a good experience.

**Dr J.M. EDWARDS:** Can you just explain that again.

**Ms Cooper:** We took 38 deposits. We had 19 definite sales. At any one time we had a lot of definite sales but people kept pulling out because he would never start the houses. In the end, we

were only paid for 14. Did we worry about chasing Eion for it? It was a case of bad money after good. I have better things in my life to do.

**The CHAIRMAN:** What was your experience of people who decided against buying into the village? You said that quite a few did not go forward and complete.

**Ms Cooper:** I ended up selling three or four of their houses anyway because they went to other villages that we were involved in with Brightwater, including the Kingsway Court one in Madeley. Two or three people went there. To a couple of others we said, "We don't blame you" when they got handed things back that we had already finished, or when Mr Wall pulled out or was given back his deposit. We could not promise them that they would get in there because he kept lying about what he was going to do.

**The CHAIRMAN:** He chose who would go in and who would not. Is that what you are saying?

**Ms Cooper:** No, not with the first people. After certain people signed their leases and had their houses, he would have preferred to have got rid of them once he realised they were quite strong characters. Mr Wall only had a signed reservation; he did not have the actual follow-up document done because he was travelling for seven months, and so had two of dad's friends.

**The CHAIRMAN:** How many other villages have you been involved in selling?

**Ms Cooper:** Kingsley, Ashlar Glen and Lawley Park, which are all Freemasons, Arcadia Waters in Maddington and Brightwater in Kingsway Drive, which is the big one.

**The CHAIRMAN:** How does your experience of dealing with Moss Glades compare with those?

**Ms Cooper:** There is no comparison. They are totally unprofessional. They lie about what they say they are going to do. They put things off, they are evasive. They promised the world and gave nothing. I feel very sorry for the residents who are there because we became very good friends with them over two years of waiting for properties to even be built. They could come and have coffee and look at what was happening. Mr Sheridan, Mr Marsh and Mr Hollywell used to come down once a week with their wives. Since then four of the residents never even got to see any facilities. They are the ones who have already died. It is just a dreadful situation. If anyone can make them do it, that would be fantastic.

**The CHAIRMAN:** You mentioned the residents. What has been the relationship between the management and the residents over those two years you were involved and since then? Have you had much to do with them since?

**Ms Cooper:** I still see quite a few of the residents. They were friends of my parents. Some of them still play bowls with me. I have just started playing bowls.

**The CHAIRMAN:** You are not old enough.

**Ms Cooper:** I am. I still see Alre Davies and a couple of other people.

**The CHAIRMAN:** How would you describe the relationship between management and the residents?

**Ms Cooper:** They cannot stand him because he has not delivered on what he promised.

**The CHAIRMAN:** Who do you mean by "him"?

**Ms Cooper:** Mr Martin. I know that they feel that Mr Whyman is just as bad now because he backs Mr Martin up. He obviously does have half control of the property, or somehow he has control of it. He is part owner. He should have the gumption to stand up to Eion and get on with it.

**The CHAIRMAN:** Anybody who has been involved with the management of residential villages knows that there are obviously issues that come up with management and there is often fault on both sides. Is this a case -

**Ms Cooper:** It is definitely not a vendetta. It is a frustration over no facilities being provided, over Mr Martin having a camera that overlooks the whole village and of having a central road that is so narrow, I have absolutely no idea how that road was ever passed. That should have been looked at right at the very start because it is smaller than every other road in any other village we have been involved in. It looks like the width of the road is illegal. Only one car can go up there. I hope an ambulance never has to go up the central road because it would be very difficult for them to get in and out. It is a very sad situation that they do not have the facilities they were promised.

**The CHAIRMAN:** I wish to touch quickly on the clubhouse. You originally understood that it would be single storey.

**Ms Cooper:** It changed very early in the piece.

**The CHAIRMAN:** There seems to be a reasonable explanation of what has occurred. The idea was floated on the nineteenth but it was not done in consultation with others; it was put forward. How did that idea get a genesis? I think you were talking about Lawley Park.

**Ms Cooper:** Lawley Park is one of the Freemasons villages. A caretaker lives above the clubhouse. It was built specifically for the caretaker. Accommodation would be provided without taking out a residence which would then take away the share of the amenities fees. Everything is worked out on one-sixtieth.

**The CHAIRMAN:** So that could become one-fifty-ninth.

**Ms Cooper:** Therefore, they built it above an area that was to be vacant anyway, which was the clubhouse. It seemed to be a great solution to keep the fees down. Unfortunately, it has not worked out that way. There was no consultation as far as we are aware but an outside manager did not seem to be something that was not agreed to.

**The CHAIRMAN:** On the face of it, it is an eminently sensible proposition because it saves the residents money.

**Ms Cooper:** But it would never have been approved if it was thought that Mr Martin would be the person living there because Mr Martin had already been antagonistic and obstructionist.

[2.00 pm]

**The CHAIRMAN:** Was that the suggestion, that he would remain on site and —

**Ms Cooper:** Never. Never, ever in the time that we were there did Mr Martin suggest that he would live above that house.

**Dr J.M. EDWARDS:** But has that idea come up since?

**Ms Cooper:** It is what he is suggesting now, apparently; but it was never, ever there while we were there.

**The CHAIRMAN:** In terms of looking towards future solutions, as I say that has obviously come through your dad, and it is working in other areas.

**Ms Cooper:** Yes. It would have been a great solution if it was the right person.

**The CHAIRMAN:** The issue is; who is going to live there.

**Ms Cooper:** That is right, yes. It has always been somebody who—I could never imagine Mr Martin being the one. He never even uses a screwdriver on the property. He sits and watches Len do stuff, or he rides his bike around and annoys people.

**The CHAIRMAN:** You mentioned earlier on about the clubhouse being built until the sale, or I think you said the completion of the twentieth unit.

**Ms Cooper:** We took it to be once the twentieth property was sold, but Mr Martin changed that and told us he meant it to be when the twentieth one was completed.

**The CHAIRMAN:** Either way, there was an expectation that it would revolve around the twentieth home.

**Ms Cooper:** Yes, yes

**The CHAIRMAN:** Can I just go on quickly to the facilities fee?

**Ms Cooper:** Yes.

**The CHAIRMAN:** That was part of the selling process. Evidence to the committee suggests much confusion and concern over facilities fees being paid by some residents and not others.

**Ms Cooper:** Yes.

**The CHAIRMAN:** There seems to have been different agreements for different groups of residents. How did that come about?

**Ms Cooper:** The people that we sold to, and that I filled out the books for, were the first people in there. After that, Mr Martin started telling some of the people that they had to then pay the amenities fee.

**The CHAIRMAN:** As I recall it, you said that the amenities fee would kick in when the clubhouse was built, I think it was.

**Ms Cooper:** When the clubhouse was built.

**The CHAIRMAN:** That has been the reason for the difference as you see it, brought about by Mr Martin changing it.

**Ms Cooper:** Because in the first place, Mr Martin led us to believe the clubroom would be built very shortly, and therefore there would not have been a big deal with the amenities fees anyway; everybody would have been paying them because the clubrooms would have been a constructed.

**The CHAIRMAN:** The understanding that the residents got from you was based on what you said earlier on about the dictating of the conditions?

**Ms Cooper:** They knew they did not have to pay it from the time the first one was done, because I copied the first one each time.

**The CHAIRMAN:** How do you understand the current confusion that has arisen then, where there seems to be an argument between—would we assume that it is the newer residents then that would have been given those instructions?

**Ms Cooper:** The newer residents would be upset because they would have filled out their forms with Mr Martin, and that would not have been on there and they would be paying for facilities they do not have.

**The CHAIRMAN:** Are you aware that Mr Martin has refunded some of the facilities fees?

**Ms Cooper:** No.

**The CHAIRMAN:** You are not?

**Ms Cooper:** No

**The CHAIRMAN:** When Moss Glades engaged your company to sell leases for the village, what information were you given about the management of the village? I touched on this earlier on. For example, did you understand that a manager would be employed by Moss Glades? What was your understanding of how it would be managed?

**Ms Cooper:** We were under the understanding that a manager would be employed by Moss Glades to run that village. Nothing to do with the owners. Totally separate.

**The CHAIRMAN:** You did not have any indications from Mr Martin that he would perform that function?

**Ms Cooper:** Absolutely none, because the village would not have sold if people had thought Mr Martin was going to be the manager.

**The CHAIRMAN:** Did Mr Martin ever say to you things like, "I'll do the job to save money while we are doing this"? Was that comment ever made to you?

**Ms Cooper:** Mr Martin always was trying to save money, but taking longer than—it would have taken more money to keep putting it off and to be paying the interest than to get the job done and have people living there, paying the facilities fee, to have paid for the houses. His whole way he went about business just does not make financial sense.

**The CHAIRMAN:** Due to your involvement with Ashlar and those—and I know the Ashlar Glen people fairly well because I see them quite often in my electorate, but they have a very rigid process of management, where the residents —

**Ms Cooper:** Fantastic.

**The CHAIRMAN:** — have a residents' committee, they have a president, they all have input etc.

**Ms Cooper:** Yes.

**The CHAIRMAN:** Under the legislation, potential residents are given information and there is a statement containing details of the premium, the other costs that are payable, the operating costs, the amenities and services, and any other such rights and obligations of residents and owners. Our reading of the documents that residents were provided shows that whilst most of the information is being provided, it does seem to be in an unusual or different format to what one would perhaps expect or one has seen in other of these kinds of developments. Given your experience in the industry, could you make any comment on the lease documents and the information statement that they have got? Is it similar to what you would see in other —

**Ms Cooper:** It is similar—probably not as detailed. Having worked in the industry, you would think that the man would morally be doing the right thing and doing it the same as what has been done in other villages.

**The CHAIRMAN:** For instance, the act, in form 1, schedule 1, states that there has to be a prescribed form that must be used. In that case, it does not appear that that has been used by Moss Glades.

**Ms Cooper:** A form for them to sign as a prospective resident, or what sort of form?

**The CHAIRMAN:** It is the actual information statement that has to be in a set format.

**Ms Cooper:** No. It may not have been handed out. I cannot ever remember seeing a form like that.

**The CHAIRMAN:** This is probably an unfair question, but I am going to ask it anyway.

**Ms Cooper:** Go ahead.

**The CHAIRMAN:** How does your experience with Moss Glades generally compare with those other villages that you have talked about, such as Ashlar Glen?

**Ms Cooper:** How does it compare?

**The CHAIRMAN:** Yes.

**Ms Cooper:** Very disappointing. Very unfavourable. Mr Martin promised so much at the start, and he is very, very plausible. When you first meet him, Mr Martin is so nice, but it is not until you have been there two or three months that we realised that what he said, he did not really mean. He seems to play mind games. He seems to have fun playing the mind games with people. I would now hate to be having to be involved with him. If he was to be in control of you as a group, as a manager, that would be just what I would think to be the worst living condition. He is quite intimidating when he becomes angry. I have been down in the office with Kay when he has become really angry about something —



**The CHAIRMAN:** Kay is?

**Ms Cooper:** The secretary who has been there 18-odd years and who has told me —

**The CHAIRMAN:** Kay Vladich?

**Ms Cooper:** Kay Vladich, yes.

**The CHAIRMAN:** That is the secretary to Moss Glades, is it?

**Ms Cooper:** Yes. She has often stated that the only reason she is there is for Len. That is the only reason she has stayed. Her own husband, I think, is a real estate agent as well, and he was never involved in selling Lease for Life because you would need to obviously understand the reasons why there are sinking funds and other facilities that come out at the end of a lease. Yes, in answer to that question, it has been a very bad experience. Every other village has been fantastic. The only really good part is the residents are fantastic. Their houses are nice. Why he did not get on and build them is beyond us because the designs are nice and it could have been fantastic. I am sure the reason he has put up one wall is so that they cannot say he has not started it, the clubrooms.

**Dr J.M. EDWARDS:** Did you lose money?

**Ms Cooper:** Did we?

**Dr J.M. EDWARDS:** Yes.

**Ms Cooper:** It depends on how much you value my time, yes.

**Dr J.M. EDWARDS:** What about your reputation?

**Ms Cooper:** No, we did not lose our reputation. I think most people knew that we stuck by what we believed to be what the truth was. I am sure we were the peacemakers with the neighbours who were in Wiltshire Gate, because when we met them in the first place they were so aggro about the village going ahead. We used to say to them, "It'll be fantastic. It will be like your kids will have 50 lots of grandparents."

**The CHAIRMAN:** Absolutely.

**Ms Cooper:** Being 45 myself at that stage, I could see 50 was coming up pretty quick. Not only that, I —

**The CHAIRMAN:** Do not worry about it; 50 is the new 40 nowadays.

**Ms Cooper:** Exactly right. We knew that most people—out of all the people we have dealt with out of all the villages, there would probably only be one or two people I would never feel free to drop back and have a cup of coffee with.

**The CHAIRMAN:** Just a broader question in terms of selling real estate generally: when you are selling new homes or you are selling these Lease for Life arrangements, what is your understanding of the approvals—obviously there needs to be —

**Ms Cooper:** You mean the time taken for someone to decide?

**The CHAIRMAN:** No. The necessary consents to develop should be in place prior to any sales promotion being taken. In other words, would you expect, for instance, that the council would have ticked off on the approval, the planning commission would have ticked off on the subdivision, the building licences would have been approved; all those kinds of things?

[2.10 pm]

**Ms Cooper:** Yes; absolutely yes.

**The CHAIRMAN:** Were you told that was the case?

**Ms Cooper:** We were told that he had the approvals. We were told that part of the reason he had to wait was because when the road had not gone through he would not open that road until the City of

Stirling cleared it and the City of Stirling would not clear it because it was not quite correct in its construction, and he kept that small 400-metre —

**Mr Cooper:** No.

**Ms Cooper:** About 400 metres, was it not, or 100 metres? I am not very good on distances. But he would not open that little section of road to allow people on, who were not residents but people who were neighbours, and to stop them travelling two and a half to three kilometres. He kept that locked and bolted and then put drums across it for probably seven months, eight months—we are not talking just weeks. On one weekend a resident was cutting through the village and Mr Whyman tried to stop him and that person continued and it nearly had somebody run over out of pure obstinacy to open that section of road; to use every little bit of —

**The CHAIRMAN:** Were you aware, at the time you were signing people up for leases you said he was still waiting on some approvals from the city —

**Ms Cooper:** No, the very early ones were, we assumed, all in place because he had already employed a builder to go ahead and start building. So that was six to eight months afterwards he started building the first ones, and we were all waiting with bated breath to see something poured. I mean we had photos of the original pour because it was such a highlight after months down there with a dirt patch.

**The CHAIRMAN:** So your assumption —

**Ms Cooper:** Was that he would have every licence and every plan in place. We have never dealt with anyone before who would not do that just as a matter of course.

**The CHAIRMAN:** In terms of the day-to-day running of the village, and I understand that there are commercial confidentialities in terms of the overall company which residents are not entitled to, but there seems to have been some evidence that suggests to us there are significant problems surrounding the provision of financial information to residents. I am talking about the normal day-to-day —

**Ms Cooper:** And to us.

**The CHAIRMAN:** And to you also?

**Ms Cooper:** Yes, no information. Nothing that Mr Martin did not want us to know did we know.

**The CHAIRMAN:** So what did you expect to get from him in terms of financial arrangements? What did you expect as their selling agents to be told?

**Ms Cooper:** When the start dates were, when the completion dates were, when people could expect to move in, when the clubrooms would be finished, what would be in the clubrooms, starting dates. We expected people to be in that village able to have a Christmas party the second year, and they are still —

**The CHAIRMAN:** In terms of other villages that you have sold on, the amenities fees, the services fees, all those sorts of things, is there an understanding as far as you are concerned, being a selling agent, that they should be given certain information on the income that comes in from those to the village corporate etc? Should there be some reporting back to them?

**Ms Cooper:** You mean the amenities fees so that they know what the budget is going to be?

**The CHAIRMAN:** Yes, all that sort of thing.

**Ms Cooper:** Yes, of course. The residents should know that. How else can they set the budget if they do not know what the fees are?

**The CHAIRMAN:** Is there a requirement, as you understand it, under any legislation?

**Ms Cooper:** Yes, under the Fair Trading Act you should know what the budget is and be able to forecast it. Even with the other leases, we have always had a forecast budget in the books that give

at least an approximation and after the residents committee take over, then they get to set the budget because they know exactly what the prices are.

**The CHAIRMAN:** If you had a little magic wand or you were Solomon, how would you fix this problem today? What would you do to fix it? When I say “this problem”, it seems to this committee from what we have seen that there is almost an irreconcilable breakdown between the management of the place and the residents. How would you fix it?

**Ms Cooper:** How would I fix it? Can I get rid of Mr Martin first?

**The CHAIRMAN:** Given that he is an owner, though, how do you do that?

**Ms Cooper:** Okay. I would have somebody buy Mr Martin out, who can get him off the site because I do not think there will ever be any way that people could get on to live with him unless, of course, the only way would be if the clubroom was built and people had their facilities, because the rest of the residents still have social occasions in the street. They sit in the street with their tables and chairs and have their Christmas party. It is a very uneven road. At the moment so far, touch wood, nobody seems to have fallen over and broken a leg. I am not sure whether anyone has, but it will be a safety issue later on if it does happen. Getting rid of Mr Martin off the site would be probably the only way to resurrect the whole village; and even if the clubroom was built, I do not think you could ever have Mr Martin living there with what I perceive to be his personality. He seems to have a very narcissistic personality. He has fun playing with people’s minds.

**The CHAIRMAN:** And you see that as the main problem area, as you said, the village itself and from what we saw of it —

**Ms Cooper:** If the clubroom was there and the people had their facilities and the rest of the building was finished so that there was no more construction site there, then I think it would be a fantastic village still. We will never have the big facilities that Arcadia or Ashlar Glen have got, but at least they would have somewhere, which is what they bought. They bought thinking they had facilities. They were assured they were going to have a clubroom with a swimming pool in it. Now they have a slab of concrete and one wall.

**The CHAIRMAN:** You had two years involved with it and you have seen what has gone on since. Everybody blames the government for everything; I mean regardless of which government is in power. Is there any legislation or any changes that you think could have assisted this situation?

**Ms Cooper:** I cannot believe that the early residents committee went to see people about having something done to make the management committee get on and do things. They just seemed to have no teeth, and then they kept saying, after they had been out to see us, “Well, no. we can’t use those people because that’s out of the time statutes.” They did not seem to do anything in the first place, so of course it was out of the time statutes. They sat on their backsides and did nothing to help the people who were asking for help.

**The CHAIRMAN:** This was the government departments they went to; do you know which government departments they were?

**Ms Cooper:** I did know but I just cannot think of the name of them.

**Dr J.M. EDWARDS:** Consumer affairs?

**Ms Cooper:** Consumer affairs and protection, okay, yes.

**The CHAIRMAN:** What about the council?

**Ms Cooper:** The council seemed to have enough problems with Mr Martin on his own, even about getting different drainage pipes in and things like that, which he would not do the right sizes; and because he had been a City of Stirling councillor he seemed to know all the little ways to get around things or to be able to extend it out and they did not seem to be able to do anything about shutting him down or stopping it.

**The CHAIRMAN:** How do we better protect these people in the future? How do we make sure this does not happen again?

**Ms Cooper:** You would hope there are not many people like Mr Martin out there.

**The CHAIRMAN:** I must admit this is the first one that this committee —

**Ms Cooper:** Ever had, yes.

**The CHAIRMAN:** — has encountered.

**Ms Cooper:** I do not think there would be many people that you would ever meet at face value who you think is really nice who is like this. I mean morally and ethically he is totally in the wrong.

**The CHAIRMAN:** Should there be the capacity within government to step in and remove someone or at least put a barrier in between residents and a manager when this happens?

**Ms Cooper:** In this instance, yes.

**The CHAIRMAN:** Who would pay for that?

**Ms Cooper:** Well, there is a good question.

**The CHAIRMAN:** Because you talked about keeping the budget down for the residents as it is. I mean, what often happens in strata arrangements and so on is that there is capacity under certain legislation for the government to put in an administrator, but obviously the administrator's wages have to be paid.

**Ms Cooper:** I think the residents as a committee should be able to vote for and choose who the manager is. They employ them. They pay everything. When you own a village you actually pay for everything. For anyone who does not know, they pay for the upkeep of the roads, the lights, the power, the rubbish removal, everything. If that is what pays, then they should as a committee be able to employ the manager and pay them.

**The CHAIRMAN:** Or at least have a say.

**Ms Cooper:** Or at least have a majority say, because it is their lives that he is mucking around with. But if I had a magic wand I would get somebody to come in and buy it off Mr Martin at a fair and given price and have him off the site.

**Dr J.M. EDWARDS:** So that yellow insertion—could you just hold it up—says that the rates are about \$600 a year; given that is not council rates, as we know, because people are not actually ratepayers.

**Ms Cooper:** At that stage there was the talk of council rates happening because I think the Catholic Church have only just won the right not to pay. They took the government to task because —

**The CHAIRMAN:** Yes, blame me for that.

**Ms Cooper:** Good lad; okay! Well, they should not have to pay it either, but —

**The CHAIRMAN:** But this is different.

**Dr J.M. EDWARDS:** But this talks about a \$600 figure. I mean, when you read it at first you think it is your council rate; but is that the rate the management entity was going to strike to cover all those costs?

[2.20 pm]

**Ms Cooper:** Sorry, the one in the handout that Ms Abernethie is holding covers the council rates because it was not a church or charity; it was a private one.

**Dr J.M. EDWARDS:** Did it cover the other things you talked about?

**Ms Cooper:** No.

**Dr J.M. EDWARDS:** Not the upkeep of the road.

**Ms Cooper:** No. That is on the amenities fee.

**The CHAIRMAN:** In the past the ones that I have been involved in showed a percentage breakdown of the overall rating costs for a block. Normally X amount of dollars was set aside for common amenities and fees and then there was a proportionate rate, which was charged to each resident. Here it reads that council rates were estimated to total \$600 and that water rates would be \$450 per annum, subject to pensioner discount rates.

**Dr J.M. EDWARDS:** They would not actually get that because they are not the ratepayers.

**Ms Cooper:** That is right; not now they do not.

**The CHAIRMAN:** That is what the issue raised.

**Dr J.M. EDWARDS:** They would not have back then either, because it is one lot and only one rate notice would have been issued.

**Ms Cooper:** I am led to believe that it is cheaper when it is issued for the whole block than it is when it is issued for smaller portions of that block of land.

**The CHAIRMAN:** I need to clarify something. Coming back to that, one would expect that a set of accounts would be given to the residents on an annualised basis.

**Ms Cooper:** I would expect there would be, yes.

**The CHAIRMAN:** I would not expect Moss Glades to provide copies of the company's operating accounts. That is its business.

**Ms Cooper:** That is right. But they should at least know what they are paying out that \$600 for. In that way, if they get hit with a \$50 000 bill, they know what their proportion is by dividing the number of residents.

**The CHAIRMAN:** As far as you were concerned, were all the issues to do with maintenance and everything else included?

**Ms Cooper:** Yes.

**The CHAIRMAN:** There was no variation from what you gave them other than the information that was supplied.

**Ms Cooper:** That handout and the sheet that stated approximately what the takeout costs were afterwards, so the sinking fund, the maintenance fee etc.

**The CHAIRMAN:** I refer to parking for vehicles, caravans, boats and trailers. Can you recall whether different provisions were made?

**Ms Cooper:** The bays were visitor bays. We were led to believe that anybody who wanted to use them could use them.

**The CHAIRMAN:** What about residents who had caravans? Were provisions made for them?

**Mr Cooper:** You mentioned earlier the residents' vegie garden in the planning phase. I seem to recall at some stage part of that ended up, with the rehash of the houses, out on the block. Part of that got gobbled up and another bit got gobbled up by saying that it was going to be a caravan parking area. Mind you, I do not know whether there was ever done at all.

**The CHAIRMAN:** It is something that could have been addressed through negotiation.

**Mr Cooper:** Certainly.

**The CHAIRMAN:** When we visited the lifestyle village, there was some conjecture over individual parking areas that are now being used for caravans. There is argument over that. There is no actual provision —

**Ms Cooper:** There was originally going to be a caravan parking area up by Gribble Road. People would have had to apply for it, I guess, like they have at other villages. Some properties, such as Mr Marsh's property, were big enough to fit a caravan. He is not here anymore. I am not sure whether they use the caravan or not. I have seen caravans parked in some of the bays. The residents were led to believe that they would be able to park their caravans there.

**The CHAIRMAN:** But no formal agreement was made.

**Ms Cooper:** No.

**The CHAIRMAN:** That is something that should have been negotiated with management.

**Ms Cooper:** Yes.

**The CHAIRMAN:** Thank you very much for coming in today. Is there anything else you want to tell us?

**Ms Cooper:** Ces Phipps, who will be appearing before the committee next, helped write the Retirement Villages Act. He would have been very aware of everything that should have been done and he would have expected Mr Martin to do all those things. We did not get to look at any agreement drawn up between Mal Dempsey Real Estate; we were just the selling agents on-site. We did not expect such an awful outcome. We thought that people would have had homes to live in and that they would have been able to enjoy the great facilities at the retirement village.

**The CHAIRMAN:** Thank you for your evidence before the committee today. A transcript of the hearing will be forwarded to you for the correction of minor errors. Please make any corrections and return the transcript within 10 days of receipt. That is important, because if the transcript is not returned within that period, it will be deemed to be correct. Thank you both for coming in. This is a vexed issue. The committee can deal with some things. However, other things will be more formally and properly dealt with by the State Administrative Tribunal. No doubt that will occur in due course. Please send to Loraine anything else that you think would be of assistance to the committee. The issues that we have discussed today are confidential and must remain within the committee until such time that we report. Thank you for cooperation; you have been most helpful.

**Hearing concluded at 2.26 pm**