

## Retention of Trust Money by Land Agents

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### Terms of Reference

In March 1971 the Committee was asked to consider whether:

- (a) licensed land agents should be entitled to hold in their trust accounts all money paid to them on account of a purchase of land until the availability of a title of land is assured; and
- (b) that all sales of land (other than between private persons not engaged in the business of buying and selling land) must be made through a licensed land agent.

### Background of Reference

The reference arose from concerns, expressed by the Real Estate Institute of Western Australia, about insufficient statutory protection of money held on trust by land agents.

The Committee issued a working paper in June 1972 which was divided into two parts: Part A<sup>1</sup> considered whether the sale of home units should be subject to Part III of the *Sale of Land Act 1970* (WA), or any other appropriate legislation, and Part B considered the issue of retention of trust money by land agents. Comments on the working paper were received from the Mortgage Brokers Association of WA, which expressed a desire that mortgage brokers be controlled by statute.

### No Action Recommended

Given the extensive nature of potential reform to the area of law, the Committee decided that the issue would best be addressed by an extension of its concurrent reference (Project No 37) that dealt specifically with the subject of reform of the *Land Agents Act 1921* (WA) to regulate land transactions.

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<sup>1</sup> This became *Protection for Purchasers of Home Units*, Project 1(III).