



ALPA

Submission

Review of training for licensed occupations in the New South Wales property services industry

To:

Property Training Review
Real Estate & Property, NSW Fair Trading
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8/1/16

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ALPA General Introduction

The Australian Livestock & Property Agents Association Ltd (**ALPA**) submission is in response to a review of training in the New South Wales property services industry, commissioned by the NSW Commissioner for Fair Trading, Mr Rod Stowe.

We understand a panel has been appointed to undertake the review.

The key role of panel members is to make recommendations on matters detailed in the terms of reference for the review as per Appendix 1 of the Consultation Paper.

The key issues to be considered are:

- Entry level standards and minimum education requirements for the property services industry;
- Continuing professional development;
- How and by whom training is provided and assessed; and
- Mutual recognition and cross border issues for stock and property auctioneers.

Australian Livestock & Property Agents Association (ALPA)

ALPA is the national peak industry body for livestock and property agents.

ALPA represents more than 1,200 agency businesses across Australia. Collectively this group plays an important role in livestock, wool, merchandise and rural property sales and marketing.

ALPA members handle in excess of 97% of rural agency business Australia wide.

ALPA is one of the largest national organisations of small rural business men and women, relied on to protect the interests of agents and producers nationally.

ALPA national membership includes Elders, Landmark, Ruralco and private livestock agencies across Australia.

ALPA appreciates the opportunity to provide this submission to the NSW Commissioner for Fair Trading.

ALPA Comments

ALPA notes that it met with the panel on Wednesday 9th December 2015.

ALPA believes that the review is timely and we appreciate the opportunity to participate in the review process. Within this submission our comments will focus mainly on the stock and station agent sector of the industry.

It must be clearly understood that the stock and station agent sector is entirely different to the real estate sector, as stock and station agents have an ongoing relationship with their clients. By this we mean that we sell livestock and wool for these vendor clients continuously throughout the year, year on year, and on occasion across generations. Often we supply insurance products to them as well as rural merchandise, agronomy services, livestock advice, agistment, general biosecurity information and more. This multifaceted ongoing agent/vendor relationship is in vast contrast to a real estate agent who sells the residential property and that is usually the last contact they have with the vendor and buyer.

ALPA strongly believes that a person who holds a Certificate III in Agency Support for the stock and station agency sector must be able to continue to auction livestock under the supervision of a licensed auctioneer. As has been the case in some reviews and changes, some things tend to get overlooked or dropped off. Case in point being the recent amendment to Queensland auctioneer licensing legislation which has seen the trainee auctioneer category overlooked and now no longer exists. Based on this we would like to advise that the following statement from page 15 of the Consultation Paper "Queensland requires a trainee auctioneer to conduct five auctions under the supervision of a qualified auctioneer" is incorrect. From this experience we must ensure that the current auction under supervision provision remains part of the certificate.

The panel seeks responses from stakeholders on the following questions:

1.1 Are there additional risks that should be included in an assessment of training standards?

1.2 Are there other issues that should be considered in assessing training standards? If so what are they?

1.3 What do you think should be the minimum educational standard for each category and why?

ALPA believes that any risks to the industry are not only associated with the minimum educational and entry standards for new entrants to the industry, but also the quality of the trainers and training organisations delivering the qualification. The training standards and assessment of individuals who offer training and qualifications needs to be reviewed to ensure they can provide the appropriate standard of training to trainees.

As an industry we claim to be professionals, we should have an entry level of licence to match that claim after a period at certificate level whilst training.

ALPA is of the very strong view that no form of real property sales, including commercial property be undertaken by non-licensed people. That is, no exemptions for any real estate dealings.

As discussed previously **ALPA** maintains a Certificate III in Agency Support for the stock and station agency sector is an appropriate minimum standard to auction livestock under the supervision of a licensed auctioneer.

2.1 Although it is clearly possible to enter the property services industry without any experience, how often does this occur?

2.2 What are the practical consequences of the absence of a time based requirement to enter the property services industry?

2.3 What does time based experience achieve?

ALPA has a very strong view that people should not be entering the property services industry with a licence and no experience. This position has not changed since Fair Trading decided to remove the two year experience away, much to our opposition at the time.

Prior to 2003, people in NSW were required to work in the industry for two years before being eligible to qualify as a licensed agent. This meant that a person would need to secure employment with an existing licensee's business as a certificate holder before being eligible to apply for a full licence. We still stand by this process and want to see it reintroduced. To suggest that an individual is competent without gaining experience is implausible. This is like suggesting a driver can receive their open licence after they have answered the theory questions.

ALPA believe that training undertaken to gain entry into the workforce at certificate level should be seen as possible apprenticeship training, progressing to a full licence after two years and completing the course.

This time line gives people the opportunity to gain experience without having the full responsibilities of a licensed person. It gives them the opportunity to find out if this career path is for them prior to spending time and money on a course and licence they may never use.

Time based experience provides trainees the opportunity to demonstrate their potential as an auctioneer. The stock and station agency industry is unique in that companies pay for the training and licensing of their employees. If employees have the makings of an auctioneer the companies would invest in the necessary training and licensing to progress them through to a fully licensed auctioneer. For our larger members, such as Elders and Landmark this could be a considerable saving of time and money.

3.1 What needs do the current CPD requirements meet?

3.2 What are benefits of CPD and what are the costs to business?

3.3 What are the problems or issues with the existing CPD regime in NSW?

3.4 Are the current requirements relevant?

ALPA have a strong view on "compulsory" CPD that it is in some cases a waste of time and money. The stock and station sector does not change as much as the

residential real estate sector. There would be a majority of stock and station agents that never have and never will sell a rural property and they only deal with livestock. When there are changes within the livestock industry they generally need to be implemented immediately and the attendance at a CPD course is not the answer.

The costs of attending CPD in rural areas is sometimes prohibitive. It is not simply the training cost, but the many hours out of a business to travel to a regional area to complete CPD is a huge cost to a small business for little to no benefit to the person attending. The problem with CPD in NSW is the way it was introduced with no regard given to the relevance for participants. Fair Trading decided what they thought was best for agents to learn and made it mandatory with no understanding of the differences within the industry.

ALPA as an industry organisation are often asked by our licensed members, what CPD do the people who administer our licenses and industry do? Should they be doing CPD to understand the business they administer and make decisions about? The answer, "YES" they should to understand the industry.

ALPA delivers CPD where possible, to our members that is relevant to the livestock sector. In most instances there is no new information to disseminate as most livestock industry changes that occur require immediate adoption by stock agents, as we are dealing with live animals. The CPD course becomes a farce as it merely reiterates the changes the agent is aware of and has adopted, but this prior practical on-the-job learning is not recognised. As an example of the iniquity of the CPD point recognition process, agents attending livestock handling courses that are not delivered by an RTO can only gain a maximum of 4 CPD points, however, livestock handling is a key professional requirement of a livestock agent.

The livestock sector is highly regulated under various state and federal legislations including the Stock Diseases Act; various animal welfare standards and guidelines; land transport standards and guidelines; livestock traceability requirements; biosecurity requirements; WH&S; and live export protocols to name just a few, which are administered by numerous bodies including the federal DAFF, NSW DPI, Local Land Services, , NSW Police Force, NSW Food Authority, and so on. Stock agents are complying by understanding and keeping up to date with these various laws dealing with livestock. To do so requires ongoing professional development to keep abreast of these changes without it being an actual course and as such there is no CPD point recognition.

ALPA believes that compulsory CPD should be done by the Licensee-in-Charge. All other licensed/certificate people under this licensee, their CPD should be voluntary.

4.1 What are the current problems with the delivery and assessment of training for the property services industry?

4.2 What problems have arisen and what are the impacts on the industry?

4.3 What changes should be made to the delivery and assessment of training for the property services industry?

ALPA have a real problem with incompetent people (assessors) giving other incompetent people (trainees) the tick of approval of being competent. Merely doing a course does not make someone competent. Using the drivers licence as an

example, doing all the written tests does not make someone a competent driver. We have seen so called competent people with limited practical experience assess a person on livestock handling and given that person the tick of approval. As discussed in Question 1, the quality of the trainers and training organisations delivering the qualification needs to be reviewed together with the competency of the assessors.

Livestock is a very specialised part of the industry and on the job training is essential. Refer back to Question 2. Giving someone a licence as a stock and station agent with no experience is detrimental to the industry.

5.1 What are the key issues in relation to cross border operations of property and achieve?

5.2 What are the current barriers to achieving mutual recognition?

5.3 How might we improve mutual recognition for auctioning of property and livestock?

ALPA would like licensed/accredited auctioneers to be able to cross borders and conduct auctions. An auctioneer is an auctioneer no matter what state they are in. Whilst the laws surrounding it may vary, the art of auctioneering is the same.

In Victoria there is no licence for an auctioneer of livestock, so any NSW auctioneer person can cross into Victoria and conduct livestock auction sales. A Victorian cannot come into NSW and conduct livestock auctions, as livestock auctioneering is regulated in NSW. To conduct real estate/rural property auctions, Victorians can do both under one real estate auctioneers licence, similarly NSW can do both if they have a real estate licence and stock and station agent licence, with both being accredited with auctioneer.

In Queensland a person needs a chattel auctioneers licence to sell livestock and a real estate agents auctioneers licence to do real estate/rural property auctions. In NSW they can do both if they have a real estate licence and stock and station agent licence with both being accredited with auctioneer.

The sale of livestock throughout Australia follows many pathways both intra and interstate. It is our firm belief that agents should be able to conduct auctions in other states without going through the costly red tape and time consuming act of receiving mutual recognition.

Many parts of rural Australia are experiencing severe drought conditions, putting tremendous strain on people's lives and livelihoods. We believe that some people are at breaking point and to intrust their livestock to another person they do not know puts extra pressure on them. In some cases livestock may be sent to another state for agistment purposes and cannot return home due to drought and need to be auctioned in that state. As explained earlier, stock and station agents have an ongoing relationship with their vendor clients and it is in these very circumstances that the dependence on such a relationship is paramount.

The larger companies, such as Elders and Landmark have specialist auctioneers who sometimes may need to cross a border to conduct an auction at little notice due to a number of reasons. We believe these auctioneers should be able to conduct

auctions in another state if they hold a qualification from another state that allows them to auction.

A drivers licence in one state allows us to drive in other states even though there are different motor traffic laws. We believe this should be the same for auctioneers.

ALPA recommends that Fair Trading seriously review these issues. Many of the problems we are facing now are due to Fair Trading either not consulting with industry or imposing changes that industry did not support.

ALPA believes it is fair to say that whilst Ministers may change and want change, sometimes industry is dealing with the same advisors or bureaucrats who will not listen and have their own agenda for the direction of the industry and profession.
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ALPA membership is a signature of professionalism in the industry