



15 January 2016

Property Training Review  
Real Estate and Property  
NSW Fair Trading  
PO Box 972  
PARRAMATTA NSW 2150

By email to: [propertytrainingreview@finance.nsw.gov.au](mailto:propertytrainingreview@finance.nsw.gov.au)

Dear Chairperson

**RE: A REVIEW OF TRAINING FOR LICENSED OCCUPATIONS IN THE NSW PROPERTY SERVICES INDUSTRY**

We welcome the opportunity to make a submission to this very important review. Our submission confirms most of the issues put forward at the stakeholder meeting in Dubbo on Wednesday 16 December 2015.

Our division covers an area from Rylstone in the East to Bourke and Cobar in the West which takes in some of the most remote towns in the state. Our concern since CPD was introduced in 2003 is the lack of accessibility of face-to-face training for our members and agents generally in our region. Our fears in 2003 that the CPD law discriminated against country agents were spelt out to David O'Connor, then Director General of Office of Fair Trading at the REINSW State conference at the Swiss Grand Hotel Bondi have been realised, and it is now extremely difficult for agents to obtain face-to-face training in even the major regional centres such as Dubbo.

When the then Minister for Fair Trading, Hon. Reba Meagher, addressed an early morning state conference of REINSW at Parramatta in 2003 she stated "she was on her way to parliament that day to introduce the regulations to the Property Stock and Business Agents Act." She went on to explain the new Act and Regulations are predicated on two main objectives.

- a) Consumer protection
- b) Increased professionalism of agents

The thinking was based on the introduction of Compulsory Professional Development Training, achieving these objectives however it appears those objectives have not been achieved and that is why the current review has been necessary.

The lack of access to CPD training for many agents in rural and regional NSW has resulted in the only option to obtain CPD points being online courses. There is clear evidence, which was presented to the committee, that online training is not providing the specific skills courses required, particularly for persons from the entry level to three years employment in real estate, and particularly in Residential Property Management. There is also widespread acknowledgement that in many cases the person signed-in for the online training and gaining the points is not the actual person completing the course online.

Our division, prior to the introduction of the CPD training, undertook at least two courses annually provided by the professional development program (PDP) of REINSW. These were selected courses in sales and property management which targeted the subjects required by our members at the particular time and reflected demands created by changes in legislation, particularly under the Residential Tenancies Act.

We now refer to the consultation paper;

***Page 7&8 – Entry Level Standard;***

We also support the concerns raised about the level and depths of the educational standards for entry-level candidates and this remains the biggest issue for the real estate sector.

***Page 13 – A hierarchy of risks;***

OFT appears reluctant to act on any agent reporting of agent, notwithstanding that the respondent agent may be a repeating offender.

***Page 15 – Applying the model;***

The panel seeks responses from stakeholders on the following questions.

1.1 Yes

1.2 Yes

1.3 Certificate of Registration – minimum 5 day face-to-face course and exam.

License – 2 years practical working experience with record of performance in core activities of leasing/sales (As was required in NSW prior to 2003).

***Page 16 – Experience;***

2.1 Regularly

2.2 Not skilled/leave the industry

2.3 Basic knowledge and experience in the practical core duties of the work being undertaken.

***Page 19 – Whose responsibility is CPD?;***

3.1 To obtain a renewal of certificate or license, not necessarily to undertake skills training.

3.2 There is little tangible evidence of the benefits of CPD training, arising from the difficulty in accessing at the time persons are required to renew certificate or license. Costs are not a factor.

3.3 It discriminates due to the lack of access against non metro areas of the state. Sydney based agents can virtually access CPD training throughout the year whereas most rural and regional areas have at best restricted access to training. (It is noted that REINSW which for over 30 years has been a leader in providing PDP training has now restricted training courses to Sydney, with an annual “Road show” throughout rural and regional NSW).

3.4 A change needed is to require CPD training on a calendar year basis, not to have the requirement the training must be completed before renewal of certificate or license. Calendar year requirement would enable the Registered Training Organisations to develop annual courses in the relevant towns or cities to service the whole of NSW allowing all persons to attend the relevant training at the same time each year. Unless changes are made such as suggested, face-to-face training will disappear largely from most rural and regional areas and stakeholders will be limited to online training.

***Page 21 – Stakeholder issues;***

4.1 Currently the delivery and assessment in most cases does not train staff, who go to get their CPD points. Due to the lack of choice of courses in regional areas, staff attend any course to comply with PSBA Act, even though the course may not be relevant to their occupation or skills level.

4.2 Training is not available to develop the skills particularly in the entry to 3 years employment level. It is generally considered by our members that the skill level, particularly in property management, is lower than when CPD was introduced in 2003.

4.3 Allow a broader scope for the provision of training skills, particularly in property management which is always the area of the greatest need. Sales training generally can be done within an office and there is always high quality skills training offered in the sales sector. Stock and Station Agents carry out their own training as they go about their regular weekly livestock sales activities in the sale yards, and there is little value for employees in this sector wasting 3 hours at a CPD course relating to real estate practice.

**Page 22. – Stakeholder issues;**

5.1 Not applicable generally to our area

5.2 Not applicable generally to our area

5.3 Ensure by licensing, qualification and experience that Auctioneers are capable and competent in auctioning property and livestock.

Current training does not utilise the experiences and skills of long time agents, whether they are Stock and Station Agents, Real Estate Agents or Strata Managing Agents.

A category should be created for mentors who can provide training workshops in their area, whereby a simple Q&A session will provide more training and information, particularly for younger staff, other than the structured CPD courses now undertaken. A condition for a mentor could be a minimum of 25 years as a licensed agent, with a clean record of compliance. (Stock and Station Agents of NSW successfully conducted such training, from 1988 onwards). A mentors program would fill a role in rural and regional areas for skills training.

Legislation changes generally, including training requirements are typically skewed towards metropolitan market places and residential real estate with little consideration given to regional marketplaces and other markets sectors.

Funding and government incentive arrangements for Registered Training Organisations appear to encourage volume over quality. Many RTO's promote themselves by providing the cheapest and fastest qualification courses resulting in a 'race to bottom' in terms of the quality of training provided to the student and subsequently their understanding and suitability to practise in the industry.

It would appear to be common sense that you can't continue to erode professional education and training standards on the one hand and ratchet up legislation and accountability on the other hand (e.g: for your agency agreement what constitutes a 'material fact') or and think that professional standards will not be severely impacted.

A "hot" Sydney residential market is an attractive proposition to anybody that fancies themselves as slick salesperson. Pre 2002 entry qualification requirements provided a barrier to entry for those looking to enter the industry to make a quick buck. Current requirements mean that a person can be 'qualified' as a licensed agent as quickly as they can copy and paste answers into the cheapest on-line course and the OFT processes their application. Suddenly they are a Licensed Agent with no legal distinction between them and the Licensee with 20 years experience.

A rigorous entry qualification and a relevant and well implemented CPD program will take pressure off an under resourced OFT which we imagine may have little capacity to pursue anything other than the most serious of complaints and breaches.

**One of the issues facing the property industry is OFT is not fully competent in knowledge of the facets of each area of property agency practice, and has a rear vision view of the operation of agency, particularly given the changes in procedures and marketing brought about by the revolution of the internet. OFT should be concentrating on trust account audit needs and compliance, and let the industry carry out appropriate training.**

OFT is too often influenced by “issue beat ups” of the Sydney media and “shock-jocks” without taking a measured state wide view of a perceived problem. In many property industry issues OFT is the problem not the solution.

Yours faithfully

**Real Estate Institute NSW (Orana Division)**

**Bob Berry  
Acting Chairperson**

**Graeme Stapleton  
Acting Deputy Chairperson**

**Shayna Chapman  
Secretary**