

Industry reforms what does this mean for you?

Our industry. Our future.

INDUSTRY REFORMS

Proposed to commence March 2020.

Whether you're a new entrant to the industry or an existing agent, the industry reforms will change the way you operate.

Here is a breakdown as to what's new – and what it will mean for you.

Training reforms

The new licensing framework will have three levels of licences:

- Licensee in Charge (Class 1)
- Licensed Agent (Class 2)
- Certificate of Registration Holder (Assistant Agent)



	Now	After reforms
You are	New to the industry	New to the industry
	<ul style="list-style-type: none"> • You must complete 4 units of competency to get your Certificate of Registration 	<ul style="list-style-type: none"> • You must complete 5 units of competency to become an Assistant Agent
You are	A Certificate of Registration holder	An Assistant Agent
	<ul style="list-style-type: none"> • You can do all the functions of an agent • You must do 12 points CPD per year • You can hold your Certificate indefinitely 	<ul style="list-style-type: none"> • You cannot sign agency agreements • You must progress to a Class 2 Licence in 4 years • You must do 3 units of competency from your Certificate IV qualification per year, instead of CPD • If you are not licensed in 4 years, you must leave the industry for 12 months
You are	A Licence holder	A Licensed Agent (Class 2)
	<ul style="list-style-type: none"> • You can do all the functions of an agent • You have a Certificate IV qualification • You must do 12 CPD points per year 	<ul style="list-style-type: none"> • You must have a Certificate IV qualification • You must have 12 months experience as a Certificate holder • You must do 6 hours of CPD training per year • You cannot authorise payment of funds from trust accounts
You are	A Licensee in Charge	A Licensed Agent (Class 1)
	<ul style="list-style-type: none"> • You are nominated to this position 	<ul style="list-style-type: none"> • You must have held a licence for a minimum period of 2 years • You must have a diploma qualification • You are the only person allowed to authorise payment of funds from trust accounts • You must do 9 hours of CPD training per year

WHAT DOES IT MEAN FOR ME?

If I am a newcomer to the industry:

Instead of doing four units of competency to get your Certificate of Registration qualification, you will have to do five units. Once you have gained your certificate, you will need to have at least 1 year's experience and the Certificate IV qualification before you can apply for a Real Estate (Class 2) licence. You will need to make this transition within four years, from the date you received your Certificate of Registration qualification. As an assistant agent you will not be able to sign agency agreements.

*If you are looking to undertake strata management related work, you will have to complete 7 prescribed units to receive your Certificate of Registration.

If I am in the industry and hold a Certificate of Registration:

Once these changes commence, you will have until 2nd of March 2021 to renew your certificate of registration, at which point you will be recognised as an assistant agent. This means you will no longer be able to sign agency agreements.

All existing certificate of registration holders who transition to the new assistant agent certificate of registration will have a maximum of four years from the date their new certificate is issued to complete their Certificate IV qualification and apply for a Class 2 licence. If you do not transition within this time, you will have to leave the industry for 12 months.

You can make this transition by completing your Certificate IV through your preferred learning option in your own timeframe. However, you will be required to complete a minimum of three units of competency from the Certificate IV qualification each year until the qualification is complete over a maximum of 4 years. If you are working in the industry you may be eligible for Recognition of Prior Learning which could reduce the number of units you need to complete to obtain your Certificate IV qualification.

If I hold my Real Estate Licence:

Your qualification will be grandfathered under the new reforms to a Class 2 licence. To maintain your licence, you will need to complete 6 hours of CPD training a year. You will no longer be able to authorise payment of funds from trust accounts; this responsibility will fall to the licensee in charge.

If I am currently a licensee in charge:

If you are a licensee in charge or become a licensee in charge before the industry reforms commence, you will be grandfathered to the new system. None of your responsibilities will be altered, however, under the reforms, you will be the only person permitted to authorise the payment of funds from trust accounts.

As a licensee in charge you must do 9 hours of CPD training per year.

Under the reforms a business can have more than one licensee in charge.

If I want to become a licensee in charge after the reforms commence:

If you want to become a licensee in charge after the reforms commence you will no longer be able to be nominated to the position. You will instead have to have held a Real Estate Licence for at least two years, have a diploma qualification and have demonstrated work experience. Once you become a licensee in charge you must do 9 hours of CPD training per year.

Under the reforms a business can have more than one licensee in charge.

If I work in the country and city:

The new legislation will introduce a dual Class 2 licence for people who practise as an agent in both the real estate and stock and station categories. This means you will no longer have to apply for two separate licences. You will have to complete 18 units of the Certificate IV to act as both a real estate agent and as a stock station agent.

Changes to CPD

Only licenced agents will need to complete CPD annually. Under these changes, CPD requirements have been strengthened, resulting in increased hours of training and the division of CPD into compulsory and elective topics.

- Licensed agents will need to complete 6 hours of CPD a year: 3 hours of compulsory topics and 3 hours of elective topics
- Licensees in charge will need to complete an additional 3 hours of CPD focusing on business skills, bringing the total to 9 hours
- Licensees in Charge will be required to ensure that licensed agents complete their respective CPD requirements and assistant agents complete at least three units of competency per year and keep record of their learning for three years

Assistant agents will be required to complete competency units from the Certificate IV qualification for their CPD.

REFORMS TO AGENCY PRACTICE

Disclosure of material facts

Under current legislation, it is an offence for agents to induce a person into a transaction by concealment of a material fact. This law still stands under the reforms, but greater clarity has been given to what constitutes a material fact:

- Whether the property was subject to flooding from a natural weather event or a bush fire in the last 5 years
- Whether the property was the scene of a serious indictable offence in the last 5 years
- Whether the property was the scene of an offence under the *Drug misuse and trafficking act 1985* in the last 2 years
- Whether a person has committed suicide in the property in the last 5 years
- Whether the property proposes a serious health or safety risk
- Whether the property is listed on the loose-fill asbestos insulation register
- Whether the property is on the register of external combustible cladding

Separate trust accounts for sales and property management

Under the announced reforms, agents will also be required to establish separate trust accounts for rent and sales money.

Rental income to be paid monthly

Under the changes, all money received on behalf of the landlord under a tenancy agreement (minus any authorised expenses) must be paid out at the end of each calendar month.

Limits on value for gifts and benefits

The legislation dictates no agent may receive a gift or benefit worth more than \$60 from another person in circumstances that may be considered to give rise to a conflict of interest.

This does not apply in circumstances if the gift is given in gratitude for services provided under the agency agreement.

Quotes for maintenance and repairs

Under the new legislation agents must obtain quotes from three different providers for any repairs or maintenance to a property.

This is not necessary if:

- The work is urgent
- The owner instructs against it
- If the works will be less than \$2,000; and
- If it is not feasible or reasonable to do so, in which case the agent must write to the owner to explain why.

Theft of livestock

Under the legislation an agent who suspects that livestock may have been stolen or illegally obtained must inform police as soon as reasonably practical.

Want more info?

Call the REINSW Helpline on 9264 2343 or visit reinsw.com.au/reforms

Recognition of Prior Learning CPP40307 Certificate IV in Property Services (Real Estate)



You don't need to re-learn things you already know to get qualified

Find out more at reinsw.com.au/rpl