



**The Real Estate Institute
of Queensland**

15 April 2005

Mr Matt Miller
Commissioner for Fair Trading
Office of Fair Trading
GPO Box 3111
BRISBANE QLD 4001

Dear Mr Miller

During a meeting held on 24 March 2005 to discuss the implementation of the "trainee" registration process outlined in the Minister's report to Parliament, the parties (the Real Estate Institute of Queensland, the Property Sales Association of Queensland and the Real Estate Employers' Association) undertook to provide you with joint written comments.

Recommendation One:

We strongly recommend that the proposal be referred to as **Provisional Registration**.

This terminology more accurately describes the process as the registration will be issued conditional upon the applicant meeting certain obligations such as attainment of the relevant competencies within a defined timeframe.

It will also avoid any confusion that might arise as a result of similar terminology but with different meanings under the Property Management and Property Sales Awards and traineeships offered by the Department of Employment and Training.

We also wish to suggest an alternative to the proposal contained in the report to Parliament which we believe will achieve the stated policy objectives, be simpler and cheaper to administer, allow provisionally registered real estate salespersons to earn income sooner, and at the same time offer appropriate community safeguards.

The Government's policy objectives contained in the report are:

"Trainee registration would provide greater access to youth employment and would afford young people the opportunity for practical experience as soon as they leave school. Trainee registration will also enlarge employment opportunities for those at the other end of the work force - retirees or those made redundant or retrenched.

It is proposed that trainee registration would form part of the full registration process for salespersons under the PAMD Act, whereby trainees apply for a certificate of registration, pay the existing fee of \$212 and are registered as real estate salespersons or motor dealing salespersons (with conditions attached about completion of training within 6 months and operating under direct employer supervision) without having to satisfy qualification requirements. Once they have completed training and can produce proof of assessment of acquired competencies, the conditions on their registration would be removed administratively and they would continue as registered salespersons. No new fee would be required for this policy approach nor would it attract further application or registration fees during the currency of the registration.”

The current proposal would still require an applicant to make application for registration and to wait while the normal administrative processes are completed before a provisional certificate would be issued.

Competency courses only take a period of 5 days so the only real gain is that an applicant can work under supervision in the industry for a period before deciding that they wish to continue in the industry. However, individuals can already undertake work experience under supervision without applying for a certificate provided that they do not themselves perform any of the functions of a real estate salesperson and therefore cannot earn commission. This has not proven to be popular with employers and the current proposal is unlikely to be any more attractive.

The objective of the three industry organisations is simply to ensure that qualified persons wishing to engage in residential sales and property management are able to gain employment and earn income without experiencing the inevitable delay in the physical issue of a certificate of registration.

Recommendation Two:

We recommend that the process of Registration after completion of the present five modules (or equivalent) be streamlined by deeming the applicant to be Provisionally Registered immediately upon receipt of the application and payment of the required fee pending verification of the particulars of the application (including Police checks).

The Provisional Registration would be valid until confirmed or withdrawn by the OFT (if the applicant fails suitability checks) within a prescribed period (say 3 months).

If a Certificate of Registration is denied, the applicant should be prohibited from making a further application within a defined period (say 12 months) and penalties should be imposed if an applicant makes any false declaration.

The advantages of this proposal are:

1. It achieves the Government's objectives and satisfies industry concerns.
2. No additional processing by OFT is required and there is therefore a cost savings compared to the current proposal which would require two documents to be issued.
3. It allows an applicant to immediately begin earning commission.
4. It provides consumer protection by requiring competencies to be obtained.

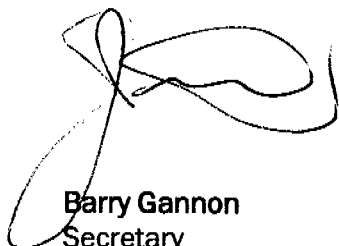
5. It eliminates the additional supervisory burden on agencies (particularly small businesses) while maintaining the current requirements that a principal be responsible for the actions of employees.
6. It will be easier to enforce industry compliance and discourage avoidance.

Please direct any correspondence in relation to this matter to:

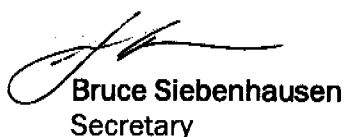
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Yours sincerely,



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Secretary



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Property Sales Association of
Queensland

Real Estate Employers'
Association

The Real Estate Institute
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