

IN THE FAIR WORK COMMISSION

FOUR YEARLY REVIEW OF MODERN AWARDS

REAL ESTATE INDUSTRY AWARD 2010

AM2016/6

SUBMISSION BY THE REAL ESTATE EMPLOYERS' FEDERATION OF SOUTH AUSTRALIA AND THE NORTHERN TERRITORY

INTRODUCTION

1. The Real Estate Employers' Federation of South Australia and the Northern Territory (**REEF SA/NT**) is a registered employer association under the Fair Work (Registered Organisations) Act 2009. REEF SA/NT represents approximately 300 employer members across SA and NT.
2. REEF SA/NT makes this submission in response to the Directions issued by Vice President Hatcher on 30 May 2016 in relation to the outstanding substantive issues in the Real Estate Industry Award 2010 (**the Award**).
3. The submission responds to the submissions of the Real Estate Salespersons Association of South Australia (**RESA**) dated 27 July 2016 and the Australian Property Services Association (**APSA**) dated 25 July 2016.

WORK VALUE CLAIM

4. The Award currently provides the following minimum wages:

“14.1 *The minimum weekly wage for an adult employee engaged on a full-time basis is set out below:*

Classification	Minimum weekly wage
	\$
<i>Property Sales Associate—first six months of employment at this classification</i>	672.70
<i>Property Sales Associate—after six months of employment at this classification</i>	696.20
<i>Property Sales Representative</i>	713.20
<i>Property Sales Supervisor</i>	820.30
<i>Property Management Associate</i>	719.20
<i>Property Management Representative</i>	759.90
<i>Property Management Supervisor</i>	872.60
<i>Strata/Community Title Management Associate</i>	719.20
<i>Strata/Community Title Management Representative</i>	759.90
<i>Strata/Community Title Management Supervisor</i>	872.60

14.2 *The minimum weekly wage in clause 14.1 is not payable to an employee engaged on a commission-only basis pursuant to clause 16—Commission-only employment.”*

5. RESA has submitted that the minimum rate of pay should be increased on work value grounds.

6. RESA argues that the *'wages rates for each classification was based simply on applying the highest rate of pay in each of the 3 jurisdiction jurisdictions which had a NAPSA, namely NSW, QLD & SA'*.
7. In 2009 the draft Real Estate Industry Award was put before the AIRC as a consent award. It is submitted that the minimum wage rates as it currently stands should not be considered to be inadequate simply because the parties at the time of the making of the award consented to the award, but, any argument seeking support of the Fair Work Commission (**the Commission**) to establish a work value case should be based on merit with strong evidence establishing support for the work value case.
8. When the award was made in 2010 RESA was part of the negotiations and all unions and employer associations considered and agreed the NSW NAPSA to be the most appropriate wage level for a salesperson for the new federal award. As will be shown in the submissions following nothing of note has occurred since 2010 that would warrant a work value wage increase.
9. Section 156 of the Fair Work Act 2009 (**the Act**) states:

“(3) In a 4 yearly review of modern awards, the FWC may make a determination varying modern award minimum wages only if the FWC is satisfied that the variation of modern award minimum wages is justified by work value reasons.

*(4) **Work value reasons** are reasons justifying the amount that employees should be paid for doing a particular kind of work, being reasons related to any of the following:*

- (a) the nature of the work;*
- (b) the level of skill or responsibility involved in doing the work;*
- (c) the conditions under which the work is done.*

Each modern award to be reviewed in its own right.”

10. REEF SA/NT submits that there has been little or no significant change in work value to satisfy the relevant tests required in the Act. The nature of work performed in the real estate industry and the skills and responsibilities of those employed in the real estate industry have not seen any significant change or net addition to work.

11. A Full Bench of the AIRC in the Metal Industry Award case¹ held that *'The strict test for an alteration in wage rates is that the change in the nature of the work should constitute such a significant net addition to work requirements as to warrant the creation of a new classification or upgrading to a higher classification'*.
12. The submissions of RESA do not adequately address the factors that would support a work value case or wage increase. Factors such as the work being performed, the level of wages at the time the consent award was made, the qualifications required, responsibilities, and technological changes should be borne in mind when determining if a work value case is justified.
13. REEF SA/NT submits that since the establishment of the Award, there has been no significant net addition of work to warrant a work value case or upgrading of the current classifications despite the changes in the way work is performed. The nature of the work performed in sales and property management remains relatively unchanged and the responsibilities have remained relatively unchanged. In addition, the continual progressive and evolutionary advancement in technology has created greater connectivity between employer, employee and clients reducing time and laborious administrative efforts required to satisfactorily achieve the role responsibilities.
14. The attached statements from Mr Mark Burns, Ms Nella Kikianis and Mr Andrew Harvey highlights that there has been no significant change or net addition to work to warrant RESA's application for an increase in wages for all classifications under the Award.

COMMISSION-ONLY MINIMUM INCOME THRESHOLD

15. The Award currently requires several conditions to be met before an employee can qualify to be remunerated as a commission-only employee.

"16.2 Minimum requirements for commission-only employment

A person may only be a commission-only employee when all of the following conditions have been satisfied:

(a) the employee has agreed in writing with the employer to be remunerated on a commission-only basis and has entered into a written agreement (commission-only agreement) with the employer that sets out the basis upon which the entitlement to commission will be calculated;

(b) the employee has been issued with a real estate agent's licence or is registered or permitted to perform the duties of a real estate salesperson under real estate law;

(c) the employee has been engaged as a real estate salesperson (with any licensed real estate agent) or was an active licensed real estate agent for an aggregate period of at least 12 months in the five years immediately prior to entering into the commission-only agreement;

(d) the employee is at least 21 years of age;

(e) the employee is not engaged as a casual, a junior, a property sales associate or a trainee; and

(f) the employee can demonstrate (with the present or any past employer) that they had achieved the minimum income threshold in clause 16.3. Provided that the minimum income threshold will not need to have been achieved if the employee has operated their own real estate business within the last five years."

16. RESA has submitted that the minimum income threshold should be increased, claiming the current threshold is far too low and allows moderately successful salespersons to qualify to work on a commission only basis.

17. RESA has recommended that the current minimum income threshold be increased to be sufficiently high enough to ensure that employees who work on a commission-only basis have the capacity to earn significantly more than the award wage and other allowances.

18. REEF SA/NT supports RESA's application to increase the minimum threshold to an amount equivalent to 160% of the minimum award wage of an adult property sales

representative and understand that is the position of all other employer groups except for REEF WA. The support is with a caveat in that if the minimum wage is increased through a work value case REEF SA/NT reserves its position to argue for a lower percentage than 160%.

COMMISSION ARRANGEMENTS – DEBIT/CREDIT COMMISSION ARRANGEMENTS

19. Clause 15 of the Award allows an employee and employer to mutually agree to commissions in addition to the minimum weekly wage and, specifies that such agreement must be made in writing specifying the method of calculation or any formula for calculating the amount of commission that will be payable.
20. Clause 16 of the Award subject to certain minimum requirements at clause 16.2, permits an employee engaged in a property sales classification to be paid on a commission-only basis.
21. A commission-only employee currently has a safety net under the Award of a minimum commission-only rate calculated as 35% of the employer's net commission.
22. RESA has submitted that the debiting of vendor authorised advertising, marketing expenses, superannuation contributions and long service leave from commissions should not be permitted and that the Award should make specific that such debits would not be permissible.
23. REEF SA/NT submits that whilst the Award currently expressly permits commission arrangements it is important to recognise that such commission payments for a wage earner and any commission in excess of the award minimum of 35% for a commission-only salesperson are in excess of the minimum award entitlements and the parties to a commission arrangement should be free to determine how the commissions will be managed.
24. It is respectfully submitted that it would be inappropriate for the Commission to prescribe how commissions should be managed when commissions are agreed to in excess of the minimum award entitlements. It would be intrusive if the award were to regulate above award commission payments.

25. For commission-only employees, at the time of the making of the award in 2010 RESA was part of the negotiations and all unions and employer associations considered and agreed that a 35% minimum commission rate was a necessary safety net for commission-only employees and that 35% was a fair minimum rate.
26. Commission-only employment is an important feature of the real estate industry and is a common form of remuneration for salespersons. Commission-only employees generally command a higher share of the employer's net commission than an employee who receives wages and commissions.
27. A strict prescription in the Award on what debits are or are not permissible would create an Award that is impractical. Clause 16.2(a), 16.6 and 16.5(a) specifically states that a written agreement must set out how commissions will be calculated and requires that commission-only employees receive a minimum of 35% of the employer's net commission. It would be intrusive and we respectfully submit that it is beyond the Commission's power to create prescriptive rules on entitlements that are above the minimum award entitlements.
28. REEF SA/NT submits that debits of a salespersons commissions are simply a method of balancing out the cost of obtaining the sale to the cost of time and resources spent on generating the sale. A salesperson does not suffer any reduction in their minimum award entitlements through any debit arrangements from their commissions and in fact a commission-only employee receives a guaranteed 35% of the employer's net commission despite any debit arrangements.
29. A salesperson's commission structure or arrangements should remain as is and any agreements to debits should continue to be managed by agreement between the employer and employee only. This is the sensible and practical way to handle a salesperson's commission in real estate.
30. If certain debits are disallowed what happens to the current written commission agreements that have been negotiated between the employer and the salesperson because the commission percentage that the employer has offered is part of a commission package. Interfering with that package would mean that the package would lose its integrity and have to be negotiated all over again which would cause its own multitude of problems. There are significant numbers of commission agreements across Australia.

31. Commission agreements come in a variety of forms and structures, not only the debit/credit system, and it would be impossible for the award to cater for all commission structures. For this reason and also for the reason that a salesperson's commission is an above award agreement it would become a drafting nightmare to pick an isolated aspect of commission arrangements like debits and set an expectation for the award to regulate debits while all the other multitude of aspects of commission arrangements go unregulated.
32. A salesperson, on a debit/credit system, who averages 2 settlements a month earns a comfortable amount of commission. It's the low producers who find their debits increasing against credits and if it goes on for an inordinate amount of time the employer has no choice but to let the person go due to poor performance. If a salesperson who leaves either through dismissal or resignation has a large debit there is nothing the agent can do about it because all it signifies is that the salesperson has not had enough settlements for credits to outweigh debits. The point is that what debits are agreed to by the parties is factored into the amount of commission percentage that is offered and if the salesperson cannot produce it may simply mean that selling real estate is not for everyone. It is probably a rare selling industry where the salesperson has to find their own stock before they can sell it and many new entrants to the industry just find this too difficult and either drift away from the industry or get the call from the employer that their employment is unsustainable. This industry would have one of the highest turnovers of any industry because having to find their own stock before selling it comes as rude shock to many new entrants no matter how often they have been warned beforehand.
33. The only practical way to structure over award commission arrangements is to leave it up to the parties for a written agreement and this is why the parties in their wisdom (including RESA) consented to the current award back in 2009.

GUARANTEED WAGE FOR COMMISSION-ONLY EMPLOYEES

34. APSA in its submission is seeking a make-up of the minimum wage for commission-only employees if their commission does not at least equal the minimum wage over a certain period on the belief that certain employees working on a commission-only basis may not have achieved at least the award wage in commissions and need the protection of the award minimum wage.

35. REEF SA/NT submits that the award already provides a safety net of 35% of the employer's net commission for a settlement. An employee cannot therefore earn less than 35% of the employer's net commissions.
36. When a salesperson goes onto commission-only then under the award it must be by written *mutual* consent and the salesperson must pass a historical income test. These 2 criteria ensure that a salesperson is not forced into commission-only under any duress or pressure and the passing the historical income test ensures a sound presumption that the salesperson will earn a living well in excess of award minimums.
37. If it can be shown that a salesperson was pressured into commission-only and signed under duress then the Fair Work Act provides for remedial action against the employer. In addition, the passing of a historical income test is a matter of fact – if a salesperson does not pass the test they must receive the award wage.
38. Commission-only is a time honoured method of payment in the real estate industry and has been there since the beginning of selling real estate. Many salespersons request commission-only because they know it gives the opportunity of earning more income. Underpinning commission-only with the award wage does not make a whole lot of sense and really destroys the concept of commission-only as a salesperson either receives the minimum award wage or they receive commission-only with the already built-in award protections.
39. If a commission-only salesperson's performance is so poor that it becomes obvious that their commission payments are not sustaining at least the minimum wage two far more practical solutions are:
- i. For the award to give the employee the right to withdraw their consent to be on commission-only. The employer would then have the choice of either putting the salesperson on a wage or performance managing the salesperson because it is performance is the key issue here. This then would preserve the meaning and integrity of being on commission-only; and/or
 - ii. Strengthening the criteria to go onto commission-only.

40. It's the same for a waged or commission-only salesperson in that a salesperson's performance is the key to their employment viability. A salesperson not averaging a certain number of sales say per month is a financial drain on the employer because an employer pays a salesperson out of that salesperson's productivity – for the employer to pay from another source (if there is one) means the agent is “robbing Paul to pay Peter” which can't go on for long with any employer.

Filed on behalf of: Real Estate Employers' Federation of South Australia and the Northern Territory

Address: 249 Greenhill Road, Dulwich SA 5065

Filed by: Arvin Bisbal – Chief Executive Officer

28 September 2016

¹ [1991] AIRC 1122.

WITNESS STATEMENT OF MARK BURNS

IN THE FAIR WORK COMMISSION

4 YEARLY REVIEW OF MODERN AWARDS REAL ESTATE INDUSTRY AWARD 2010 AM2016/6

1. I am a Director of One Earth Designs Pty Ltd, which trades as LJ Hooker Blackwood. The company carries on a business as a real estate agency in and around Adelaide. It employs 6 people.
2. I have worked in the real estate industry for 15 years and am actively involved in the real estate industry as a selling principal with a large rent role.
3. I am a Board Member of the Real Estate Employers' Federation of South Australia and the Northern Territory (REEF SA/NT) and have held that position since 2005.
4. I have been asked by REEF SA/NT to make this statement in connection with the 2014 Real Estate Industry Award review.
5. I have been informed by REEF SA/NT that the Real Estate Salespersons' Association of South Australia (RESSA) is seeking for an increase in minimum award wages.
6. I have considered the submission of RESSA and make this statement on my own knowledge, information and belief unless stated otherwise.

Qualifications

7. The time commitments and qualifications required to become a selling agent or property manager in South Australia have not changed since 2009. If at all these requirements have actually slightly decreased.

Training and Skills

8. The cert IV in Property remains the basic qualification required to perform as an agent in South Australia. This can be done full time or as a trainee with the exact same time periods required as per 2009 (actually a slight decrease in modules required). The property managers course if done separately (a selling agent covers property management in the Cert IV course) remains identical in time commitments.

Responsibilities of Individual and Team

9. A sales agent in South Australia continues to actively list a property for sale and negotiate the sale of that property. While most agents continue to write up contracts for sale, very few now perform the Form 1 duties. This is now largely farmed out to conveyancers resulting in less administration type work for a

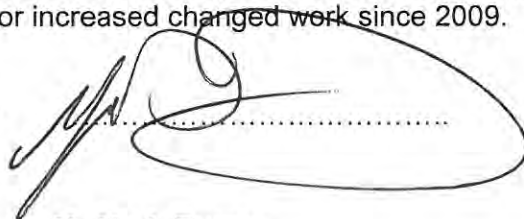
selling agent. Selling agents now also have far more flexibility in their work times and places with cloud based computer systems.

Property Managers roles have not changed in any way. It can include all or part of listing new rentals, advertising said rentals and sourcing tenants. Property Managers then inspect said properties, help with any maintenance needs and collect and distribute that rent to landlords. In larger rent roles the management of a portfolio can be split into very specific areas. Since 2009 the advent of modern CRM programs has greatly reduced the paper needs of a Property Manager and streamlined the administrative tasks of the role.

Technological Changes

- 10. The industry has gone through a complete change with technology since 2009. With modern CRM programs, cloud based systems and server's, agents are not tied to a desk. This has resulted in a lot of administrative tasks and double handling of information being reduced. This has also allowed many agencies the ability to outsource these tasks to external workers who do not need to be physically present in an office.
- 11. Based on my experience and knowledge there has been no significant net addition to work requirements in sales or property management since the establishment of the Real Estate Industry Award. I believe there has actually been a reduction.
- 12. The nature of a salesperson or property managers work has not resulted in any new or increased changed work since 2009.

Signed by

A handwritten signature in black ink, appearing to be 'M. Burns', is written over a dotted line. The signature is enclosed within a large, hand-drawn oval.

Mr Mark Burns

28 September 2016

WITNESS STATEMENT OF NELLA KIKIANIS

IN THE FAIR WORK COMMISSION

4 YEARLY REVIEW OF MODERN AWARDS REAL ESTATE INDUSTRY AWARD 2010 AM2016/6

1. I am a General Manager of Pak Property Pty Ltd which trades as Ray White Semaphore. The company carries on a business as a real estate agency in and around Adelaide. It currently has 12 employees.
2. I have worked in the real estate industry since about 2003 and am actively involved in the real estate industry.
3. I am a Board Member of the Real Estate Employers' Federation of South Australia and the Northern Territory (REEF SA/NT) and have held that position since 2010.
4. I have been asked by REEF SA/NT to make this statement in connection with the 2014 Real Estate Industry Award review.
5. I have been informed by REEF SA/NT that the Real Estate Salespersons' Association of South Australia (RESSA) is seeking for an increase in minimum award wages.
6. I have considered the submission of RESSA and make this statement on my own knowledge, information and belief unless stated otherwise.

Qualifications

7. Requirements required to practice as a Salesperson are attached and no significant changes have been made since 2009. There are currently no qualification requirements to practice as a property manager in SA.

Training and Skills

8. Skills include: Marketing, effective negotiation and general office duties. These skills are generally learned on the job and ongoing training should be provided by the office and at head office level. There has been no significant changes to training and skill requirements since 2009.

Responsibilities of Individual and Team

9. Sales Person :To act legally and ethically and in the best interests of Vendor.

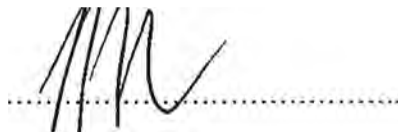
Property Manager: To act legally and ethically and in the best interests of the landlord.

Team: To act in the best interests of the Office and Peers

Technological Changes

10. With significant advances in technology, the administrative functions of a salesperson or property manager have been streamlined resulting in a reduction of administrative tasks and double handling that once consumed a lot of time in sales and property management.
11. The increase in social media activity has improved direct sales and marketing activities to clients for both property sales and property management resulting in less travel and less time to achieve what once was a time consuming exercise for salespersons and property manager.
12. Changes in technology have created flexibility and reduced administrative tasks that once consumed a lot of a salespersons and property managers time.
13. Based on my experience and knowledge there has been no significant net addition to work requirements in sales or property management since the establishment of the Real Estate Industry Award.
14. The nature of a salesperson or property managers work has not resulted in any new or changed work since the Real Estate Industry Award 2010 was established.

Signed by

A handwritten signature in black ink, consisting of several vertical strokes followed by a large, stylized 'N' and a horizontal line extending to the right. The signature is written over a horizontal dotted line.**Ms Nella Kikianis****16 September 2016**

Sales Representative Registration Qualifications

For unconditional registration as a Land Agent, satisfactory completion in one of the qualifications listed below

Option One

Completion of, or status granted in, units forming part of the **CPP40307 Certificate IV in Property Services (Real Estate)** from the CPP07 Property Services Training Package:

CPPDSM4003A	Appraise property
CPPDSM4005A	Establish and build client-agency relationships
CPPDSM4007A	Identify legal and ethical requirements of property management to complete agency work
CPPDSM4008A	Identify legal and ethical requirements of property sales to complete agency work;
CPPDSM4009A	Interpret legislation to complete agency work
CPPDSM4010A	Lease property
CPPDSM4012A	List property for sale
CPPDSM4014A	Market property for sale
CPPDSM4015A	Minimise agency and consumer risk
CPPDSM4017A	Negotiate effectively in property transactions
CPPDSM4018A	Prepare and present property reports
CPPDSM4019A	Prepare for auction and complete sale
CPPDSM4022A	Sell and finalise the sale of property by private treaty
CPPDSM4079A	Work in the business broking sector
CPPDSM4080A	Work in the real estate industry
CPPDSM5012A	Develop a strategic business plan in the real estate industry
CPPDSM5032A	Market the agency

Option Two

Completion of, or status granted in, the following subjects offered by the **University of South Australia** as part of the course for the degree of **Bachelor of Business (Property)** or the degree of **Bachelor of Business in Property**:

- (i) One of: Introduction to Law; or
Foundations to Business law; or
Business Law; or
Property Law 1 and 2;
AND
- (ii) One of: Law of Property; or
Fundamentals of Property Law; or
Property Law 3 and 4;
AND
- (iii) One of: Property Management and Agency; or
Property Agency and Management ; or
Property Asset Management; or
Property Management; or
Property Agency; or
Real Estate Management and Agency Practice; or
Property Studies 2 and 3 AND Property Fieldwork 1 and 2;
AND
- (iv) One of: Property Utilisation and Sustainability; or
Land Use, Planning and Sustainability; or
Physical Aspects of Real Estate,

If the date of completion or the granting of status in any of the subjects referred to in paragraphs (i) and (ii) above is on or after 1 January 1995;

- AND
- (v) One of. Real Estate Documentation 1 (or Conveyancing 1),
If the date of completion or the granting of status in the subject Real Estate Management and Agency Practice referred to in paragraph (iii) (B) above was on or after 1 January 1999 and on or before 31 December 2006 inclusive

Option Three

A qualification entitling the person to be registered as a Land Agent under the *Land Agents Act 1994*. Refer to the Land Agents Qualifications Guideline for further information.

Option Four

Satisfactory completion of, or status granted in, the following subjects offered by the University of South Australia as part of the course for the Graduate Diploma in Property or Master of Business (Property) or Mast of Business in Property:

- (i) One of: Law of Property G; or
Fundamentals of Property Law G; or
Property Law 2M; or
Property Law 1G and 2G;
- AND
- (ii) One of: Property Agency G; or
Property Management and Agency; or
Property Agency and Management G; or

if the date of completion or the granting of status is on or after 1 January 1999, one of

- (a) Real Estate Management and Agency Practice G AND Real Estate Documentation G; or
- (b) Real Estate Management and Agency Practice G AND Conveyancing 1 G; or
- (C) if the date of completion or the granting status is before 1 January 1999, one of
- (a) Real Estate Management and Agency Practice G AND Conveyancing 1G; or
- (b) Real Estate Marketing AND Property Case Studies.

Option Five

Satisfactory completion of the **PRD40101 Certificate IV in Property (Real Estate)** from the PRD01 Property Development and Management Training Package conferred by a Registered Training Organisation registered to deliver the qualification together with a Statement of Attainment showing satisfactory completion of, or status granted in, the following units of competency:

- | | |
|---|--|
| PRDRE10A Manage agency risk; | PRDRE18A Lease property; |
| PRDRE11A Provide property appraisal; | PRDRE22A Present and explain property reports; |
| PRDRE12A Establish and expand client base; | PRDRE26A Conduct property sale by auction; |
| PRDRE13A Obtain property listings; | PRERE30A Implement personal marketing plan; |
| PRDRE14A Market property; | PRDRE37A Perform and record property management activities and transactions; |
| PRDRE15A Undertake property sale by private treaty; | PRDRE39A Prepare and execute documentation; |
| PRDRE16A Monitor sales process; | PRDPOD62A Clarify and confirm property information requirements. |

Other options

- Held a registration as a sales representative, or Manager, or, land agent under the repealed *Land Agents, Brokers and Valuers Act 1973* immediately before the commencement of the *Land Agents Act 1994* on 1 June 1995.
- Satisfactory completion of the course of instruction approved by the Industrial and Commercial Training Commission in relation to the declared vocation "Customer Servicing (Real Estate Operations-Sales)" under the *Industrial and Commercial Training Act 1981*.
- Satisfactory completion of a course accredited under the *Tertiary Education Act 1986* in relation to the Certificate in Real Estate Operations (Sales Consulting).
- Certificate IV in Business (Real Estate Sales) conferred by the Department of Education, Training and Employment (TAFE SA) or the former Department for Employment, Training and Further Education.
- Certificate IV in Business (Real Estate Sales) conferred by the Real Estate Industry Training Centre (being a body registered under Part 3 of the *Vocational Education, Employment and Training Act 1994* as a provider of an accredited course for that certificate).
- Certificate IV in Business (Real Estate Sales) conferred by Training Education Systems (SA) Pty Ltd trading as Training and Education Systems South Australia/The Real Estate Training College (being a body registered under Part 3 of the *Vocational Education, Employment and Training Act 1994* as a provider of an accredited course for that certificate).
- Certificate in Real Estate Sales conferred by the Department of Education, Training and Employment (TAFE SA) or the former Department of Employment, Training and Further Education.

For more information

Email	Website	Phone	In person
occupational@sa.gov.au	www.cbs.sa.gov.au	Ph 131 882	Customer Service Centre 91 Grenfell Street ADELAIDE SA 5000

Land Agent Registration Qualifications

For unconditional registration as a Land Agent, satisfactory completion in one of the qualifications listed below

Option One

CPP50307 Diploma of Property Services (Agency Management) from the CPP07 Property Services Training Package showing completion of, or status granted in, the following units of competency.

- | | | |
|-----|--------------------------|---|
| 1) | CPPDSM4003A | Appraise property; |
| 2) | CPPDSM4006A | Establish and manage agency trust accounts; |
| 3) | CPPDSM4007A | Identify legal and ethical requirements of property management to complete agency work; |
| 4) | CPPDSM4008A | Identify legal and ethical requirements of property sales to complete agency work; |
| 5) | CPPDSM4009A | Interpret legislation to complete agency work; |
| 6) | CPPDSM4010A | Lease property; |
| 7) | CPPDSM4011A | List property for lease; |
| 8) | CPPDSM4012A | List property for sale; |
| 9) | CPPDSM4013A | Market property for lease; |
| 10) | CPPDSM4014A | Market property for sale; |
| 11) | CPPDSM4015A | Minimise agency and consumer risk; |
| 12) | CPPDSM4016A | Monitor and manage lease or tenancy agreement; |
| 13) | CPPDSM4017A | Negotiate effectively in property transactions; |
| 14) | CPPDSM4018A | Prepare and present property reports; |
| 15) | CPPDSM4019A | Prepare for auction and complete sale; |
| 16) | CPPDSM4022A | Sell and finalise the sale of property by private treaty; |
| 17) | CPPDSM4079A | Work in the business broking sector; |
| 18) | CPPDSM4080A | Work in the real estate industry; |
| 19) | CPPDSM5012A | Develop a strategic business plan in the real estate industry; |
| 20) | CPPDSM5032A | Market the agency; |
| 21) | BSBFLM505A or BSBMGT515A | Manage operational plan; |
| 22) | BSBMGT502A or BSBMGT502B | Manage people performance; |
| 23) | BSBMGT504A or BSBFIM501A | Manage budgets and financial plans; |
| 24) | BSBMGT506A or BSBHRM402A | Recruit, select and induct staff. |

Option Two

PRD50101 Diploma of Property (Real Estate) from the PRD01 Property Development and Management Training Package showing satisfactory completion of the following units of competency:

- | | | |
|-----|------------|---|
| 1) | PRDRE01A | Develop a strategic business plan; |
| 2) | PRDRE02A | Manage agency performance; |
| 3) | PRDRE03A | Develop and implement client services strategies; |
| 4) | PRDRE04A | Manage and monitor effective client service; |
| 5) | PRDRE05A | Market agency; |
| 6) | PRDRE06A | Manage human resources; |
| 7) | PRDRE08A | Manage efficient financial systems; |
| 8) | PRDRE09A | Implement and monitor financial management systems; |
| 9) | PRDRE19A | Provide property management services; |
| 10) | PRDRE28A | Maintain trust account; |
| 11) | BSAFIN501B | Manage payroll records for employee salaries and statutory record keeping purposes; |
| 12) | BSAFIN502B | Monitor and control disbursements within a given budget; |
| 13) | BSXFMI504A | Participate in, lead and facilitate work teams (at level 5), |
| 14) | BSXFMI511A | Contribute to the development of a workplace learning environment; |

together with

The following units of competency forming *part of the PRD40101 Certificate IV in Property (Real Estate)* from the PRD01 Property Development and Management Training Package

- 1) PRDRE10A Manage agency risk;
- 2) PRDRE11A Provide property appraisal;
- 3) PRDRE12A Establish and expand client base;
- 4) PRDRE13A Obtain property listings;
- 5) PRDRE14A Market property;
- 6) PRDRE15A Undertake property sale by private treaty;
- 7) PRDRE16A Monitor sales process;
- 8) PRDRE18A Lease property;
- 9) PRDRE22A Present and explain property reports;
- 10) PRDRE26A Conduct property sale by auction;
- 11) PRERE30A Implement personal marketing plan;
- 12) PRDRE37A Perform and record property management activities and transactions;
- 13) PRDRE39A Prepare and execute documentation;
- 14) PRDPOD62A Clarify and confirm property information requirements.

Option Three

A degree in law conferred by an Australian university, or a degree in law conferred by a person authorised to confer a degree by the Training and Skills Commission established under the repealed *Training and Skills Development Act 2003* or the *Training and Skills Development Act 2008*;

and

Admission, or entitlement to admission, to practice law in South Australia;

and

A Statement of Attainment showing satisfaction completion of the following units of competency form the **CPP07 Property Services Training Package**:

- 1) CPPDSM4003A Appraise property;
- 2) CPPDSM4011A List property for lease;
- 3) CPPDSM4012A List property for sale;
- 4) CPPDSM4013A Market property for lease;
- 5) CPPDSM4014A Market property for sale;
- 6) CPPDSM4019A Prepare for auction and complete sale;
- 7) CPPDSM4022A Sell and finalise the sale of property by private treaty

or

Satisfactory completion of the following units of competency forming part of the **PRD40101 Certificate IV in Property (Real Estate)** from the PRD01 Property Development and Management Training Package:

- 1) PRDRE11A Provide property appraisal;
- 2) PRDRE13A Obtain property listings;
- 3) PRDRE14A Market property;
- 4) PRDRE15A Undertake property sale by private treaty;
- 5) PRDRE26A Conduct property sale by auction.

Option Four

A degree in law conferred by an Australian university, or a degree in law conferred by a person authorised to confer such a degree by the Accreditation and Registration Council established under the *Vocational Education, Employment and Training Act 1994*;

and

Admission, or entitlement to admission, to practice in law South Australia; and

and

A Certificate of Attainment in the following modules conferred by a training provider registered by the Accreditation and Registration Council established under the *Vocational Education, Employment and Training Act 1994*:

- 1) Property Appraisal State Market code CFZD; National market code ABH524; Discipline code 0903205
- 2) Methods of Sale State market code CFZC; National market code ABH523; Discipline code 0903205
- 3) Property Selling State market code CFZF; National market code ABH526; Discipline code 0903205

Option Five

Diploma of Business (Real Estate Management) conferred by TAFE, the Real Estate Industry Training Centre (REITC) or the Training Education Systems (SA) Pty Ltd trading as Training Education Systems South Australia/Real Estate Training College.

Option Six

Certificate of Real Estate Agency conferred by the Department for Employment, Training and Further Education.

Option Seven

Degree of Bachelor of Business (Property) or degree of Bachelor of Business in Property conferred by the University of South Australia, including satisfactory completion of (or status granted in) the following subjects:

- (i) One of: Property Management and Agency; or
Property Asset Management; or
Property Agency; or
Property Management; or
Property Agency and Management; or
Commercial Property Management;
- AND
- (ii) One of: Real Estate Business and Marketing Management G; or
Real Estate Business and Marketing Management; or
Property Marketing AND Real Estate Field Work 1 and 2.

Option Eight

Degree of Bachelor of Business in Property conferred by the University of South Australia, together with satisfactory completion of (or status granted in) the following subjects offered by the Department of Employment, Training and Further Education as *part* of the course for the Certificate in Real Estate Agency:

- (i) Practice II; and
- (ii) Practice III.

Option Nine

Graduate Diploma in Property, or Master of Business (Property) or Master of Business in Property, conferred by the University of South Australia including satisfactory completion of (or status granted in) the following subjects/courses:

- (i) One of: Law of Property G (also called Fundamentals of Property Law G) ; or
Property Law 2M; or
Property Law 1G and 2G;
- AND
- (ii) One of: Real Estate Business and Marketing Management G; or
Real Estate Business Management and Real Estate Case Studies;
- AND
- (iii) One of: Property Valuation G; or
Real Estate Valuation G; or
Real Estate Valuation 1 and Property Case Studies.

For more information

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WITNESS STATEMENT OF ANDREW HARVEY

IN THE FAIR WORK COMMISSION

4 YEARLY REVIEW OF MODERN AWARDS REAL ESTATE INDUSTRY AWARD 2010 AM2016/6

1. I am a Director of Salisbury Real Estate Pty Ltd which trades as Raine & Horne Salisbury. The company carries on a business as a real estate agency in and around Adelaide. It employs 14 people.
2. I have worked in the real estate industry since about 1990 as a salesperson and are actively involved in the real estate industry as a Principal / Director since 1998.
3. I am a Board Member of the Real Estate Employers' Federation of South Australia and the Northern Territory (REEF SA/NT) and have held that position for one year.
4. I have been asked by REEF SA/NT to make this statement in connection with the 2014 Real Estate Industry Award review.
5. I have been informed by REEF SA/NT that the Real Estate Salespersons' Association of South Australia (RESSA) is seeking for an increase in minimum award wages.
6. I have considered the submission of RESSA and make this statement on my own knowledge, information and belief unless stated otherwise.

Qualifications

7. The qualifications required to be licenced as a real estate salesperson are approximately 60 hours of schooling whereby one learns the basics of contract law, document preparation and real estate sales practices. There is no licence requirement, qualification or education required to be a property manager however most employers would require and expect their property manager to have completed certificate 3 in property management which can be achieved with approximately 20 hours of schooling. The qualifications and experience required have not changed since 2009.

Training and Skills

8. Once a salesperson or property manager completes the initial education, there is no requirement to attend further education thereafter. Further training and skills are learned "on the job" and taught by the office manager or other experienced staff. Some choose to do further study and most employers will provide intermittent training from time to time however it is not usually compulsory.

Sometimes changes in legislation require that the salesperson or property manager attend a brief training session. This is done during normal working hours. Since the establishment of the Real Estate Industry Award, the training and skills required has not changed.

Responsibilities of Individual and Team

- 9. The product of a salesperson or a property manager is the same as it has ever been. The salesperson lists and sells real estate. The minimum real estate sales an employer expects from an individual is comparatively low when compared with what many consistently achieve. The property manager manages people's investment properties. Working in a team environment has always been a factor in the real estate office. In my 28 years of experience, these positions and the responsibilities of them have not significantly changed, certainly not since 2009, other than in technology.

Technological Changes

- 10. Without doubt all industries have become more streamlined and productive due to the continued technological advances in the fields of communications and computing. In retrospect, I wonder how we succeeded without computers and the array of helpful software available. The real estate workplace, as a result, now enjoys higher productivity with less work. The laborious practices of the past are replaced with efficient and more accurate methods resulting decreased anxieties and uncertainties. Since 2009 there have been further advances in this field, which I believe has lessened the burden on employees.
- 11. Based on my experience and knowledge, there has been no significant net addition to work requirements in sales or property management since the establishment of the Real Estate Industry Award.
- 12. The nature of a salesperson or property managers work has not resulted in any new or changed work since 2009.

Signed by

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16 September 2016

Mr Andrew Harvey