

CASE FOR CHANGE

PROPERTY SERVICES (REAL ESTATE) REVIEW

CPP07 PROPERTY SERVICES TRAINING PACKAGE

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ADMINISTRATIVE INFORMATION

NAME OF IRC: Property Services Industry Reference Committee (IRC)
NAME OF SSO: Artibus Innovation
TRAINING PACKAGE: CPP07 Property Services – Property Services (Real Estate)

DESCRIPTION OF DEVELOPMENT OF CASE FOR CHANGE:

Research supported and validated by consultation undertaken with industry confirms that the real estate sector is experiencing significant market disruption caused by:

- new technologies and business models both challenging and changing the traditional agent role;
- disruptive technologies such as the shared economy changing the market for the industry's services exacerbated by the increased accessibility of rich data by consumers;
- globalization of operations, and
- emerging opportunities arising from big data.

Licensing and regulation have had a major influence on the content of the Property Services (Real Estate) qualifications. Working closely with the regulators in each jurisdiction the licensing requirements relating to both current and future occupations have been identified. In particular the *NSW Real Estate and Property Reforms November 2016*, to be implemented in 2018, identified a number of reforms directly connected to the qualifications. This includes but is not limited to:

- identification of the number and type of units of competency required to achieve a licence;
- the creation of a new licence category - "licensee in charge"; and
- a career development pathway from a certificate of registration, to a licence.

In addition, the Commonwealth Government Department of Environment and Energy has advised that regulatory requirements around housing/commercial environmental sustainability are becoming a reality.

The research, analysis of licensing requirements, consultation with key industry employers, training organisations, state and commonwealth governments and industry advisory bodies, resulted in the following recommendations:

- the updating of the qualifications to improve fit for purpose and to better future proof them to meet job roles and occupational outcomes arising from disruption;
- streamlining the qualifications to better support the current and changing licensing and regulatory requirements of the State, Territory and Commonwealth governments; and
- transitioning units to the *2012 Standards of Training Packages*.

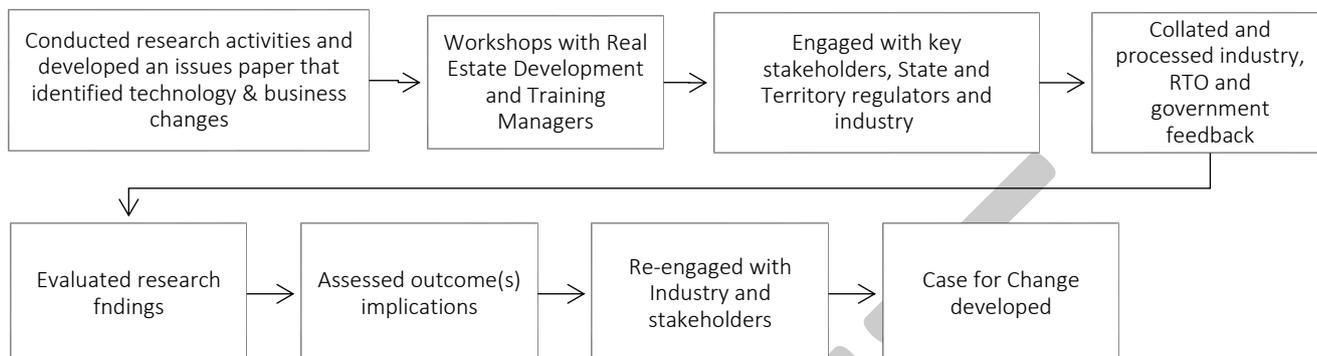
The qualifications to be reviewed are:

Code	Title
CPP30211	Certificate III in Property Services (Agency)
CPP30311	Certificate III in Property Services (Operations)
CPP40307	Certificate IV in Property Services (Real Estate)
CPP40407	Certificate IV in Property Services (Stock and Station Agency)
CPP40507	Certificate IV in Property Services (Business Broking)
CPP40611	Certificate IV in Property Services (Operations)
CPP50307	Diploma of Property Services (Agency Management)
CPP50409	Diploma of Property Services (Business Broking)

THE CASE FOR CHANGE

EVIDENCE ON WHICH IRC RECOMMENDATIONS FOR CHANGE ARE BASED

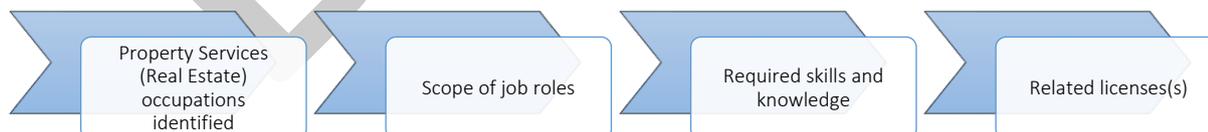
The following research process, consultation, and activities were undertaken to provide evidence of the changes required to the Property Services (Real Estate) qualifications.



The drivers for change identified through this process are:

1. Technological and business models are changing the job roles within the industry. These include:
 - digital technologies and social media that are streamlining and accelerating business processes and changing current job roles and skill requirements;
 - the shared economy – changing business models and service opportunities due to a redefinition of consumer demand;¹
 - big data used to drive commercial and customer insight and relationships and
 - integrated software enabling data driven prospecting and property data management that has enabled direct interaction between buyers and sellers.
2. Licensing and regulation changes being implemented by jurisdictions e.g. *NSW Real Estate and Property Reforms 2016* seeing the introduction of new licenses and regulations relating to online transactions;
3. Introduction of new Commonwealth Department of Environment and Energy regulatory requirements relating to environmental sustainability;
4. The opportunity to better align and future-proof the units of competency and qualifications to support a more agile workforce for the industry;
5. The opportunity to implement policy to transition the qualifications to the *2012 Standards for Training Packages*.

Key occupations and job roles were assessed against emerging skills and knowledge and licensing requirements and the following preliminary analysis was undertaken against the following:



¹ Ernst & Young: Will the Australian property sector seize the upside of disruption p6

The analysis enabled a consistent mapping across all jurisdictions to determine:

- occupation definitions and their variations and related licenses (Real Estate Agent, ‘officer in effective control’ – Licensee in Charge²);
- the scope of activities per occupation; and
- the relationship between the required skills and knowledge and emerging industry demands, and related real estate and stock and station agent licensing across all occupations and jurisdictions.

RECOMMENDATIONS

- The qualifications be reviewed against the changing scope of activities of real estate and stock and station agent occupations and be amended or restructured to align skills and knowledge to meet current and future industry requirements;
- Current usage of the qualifications is assessed to determine obsolete qualifications, under-utilised qualifications due to lack of relevance or poor fit with occupational licensing outcomes;
- Qualifications be updated to optimise flexibility, pathways and occupational outcomes; and
- The units of competency be transitioned to meet the *2012 Standards for Training Packages*.

INDUSTRY SUPPORT FOR CHANGE

Stakeholder Consultation and Industry Engagement - Refer to Attachment B

Through the detailed consultation process outlined in Attachment B and in earlier sections, a number of key issues emerged that has informed the case for change.

1. INDUSTRY

Industry consultation supports a comprehensive review and development of the Property Services (Real Estate) qualifications that will enable:

- qualifications and units of competency to align with the changing industry environment and the roles performed by real estate and stock and station agents;
- greater flexibility within the qualification structure to provide skills agility enabling timely response to change, pathways across and within the sectors; and
- Certificate IV (Real Estate) to contain relevant units that will be fit for purpose and better meet licensing requirements.
- real estate agents and property managers to better understand sustainable house ratings and regulations in terms of “disclosure statements”.

2. REAL ESTATE REGULATORS and STATE AND TERRITORY GOVERNMENTS

Consultation and jurisdictional comparison of training and licensing requirements identified the following:

- a need for the review of qualifications, particularly the Certificate IV in Property Services (Real Estate) and the Diplomas of Property Services (Agency Management and Business Broking) to align them to impending changes in legislation and licensing. It is a high priority for industry and jurisdictions, particularly in NSW;
- mandating units, or incorporating units that respond to changes in key areas such as consumer law;
- the need for an increased understanding of the legal obligations and mandatory disclosure requirements under the Commonwealth Government’s Commercial Building Disclosure Program; and
- an increased understanding of the NABERS and NatHERS energy efficiency performance tools – which can be utilised as valuable marketing tools for industry – “Liveability program”.

² NSW Real Estate and Property Services Industry Reform Paper November 2016

3. Registered Training Organisations

Feedback and engagement with RTOs identified:

- a need to rationalise the number of units in the (Real Estate) qualifications, in particular the Certificate IV (Real Estate) qualification, to make them less expensive to deliver;
- a need to cluster of key skill areas (e.g. sales) to produce a continuous flow through the sales process providing a more realistic job outcome; and
- consideration to combining real estate and stock and station qualifications since majority of units are covered in both courses. This would provide a shorter qualification for units covering stock.

SENSITIVITIES

The ACT raised the following concerns regarding the possible impact of any proposed changes to the qualifications:

- recognition of prior learning may have implications for the licensing of new real estate agents in the ACT; and
- licensed agents must complete at least 12 units of continuing professional development (CPD) across the Property Services Training Package. Significant changes made to units after a licensed agent has undertaken training in a previous year may affect the attainment of their CPD requirement.

WA – need to be aware that licensing is often based on units of competency not full qualifications.

No dissenting views have emerged during the development and consultation of this Case for Change.

IMPACT OF THE PROPOSED CHANGES

As a result of this review, the industry sector, regulators, key stakeholders, and Registered Training Organisations (RTO's) can expect that the changes proposed will:

- provide stream-lined qualifications that will be better fit for purpose and more cost effective to deliver;
- clearly align qualifications to the licences and occupational outcomes and associated accountabilities;
- better reflect the changes occurring in the industry, particularly in relation to new and emerging job roles defined by technological disruption and changing business models;
- increase an understanding of legal obligations and mandatory requirements established by the Commonwealth Department of Environment and Energy; and
- provide units of competency that align to the *2012 Standards for Training Packages*.

The Real Estate industry plays a significant economic role in the Australian economy with over 209,181³ businesses operating in this sector. It is imperative that the real estate qualifications are restructured to meet current and emerging skill demands. Therefore the main risks in not implementing the changes include, but are not limited to:

- the qualifications will not be fit for purpose particularly in relation to future job roles, resulting in skill shortages and continued outdated, unresponsive training delivery; and
- a major industry sector no longer responsive to managing the disruption of technological change and the increasing globalisation of the industry.

The estimated timeframes to implement the proposed changes to the qualifications:

The anticipated timelines for the implementation of the proposed changes will be within 12 months of starting the project.

³ Property Services IRC Four-Year Work Plan p3

IMPLEMENTING COAG INDUSTRY SKILLS COUNCIL (CISC) REFORMS FOR TRAINING PACKAGES

The revised qualifications will enable:

1. Superfluous and under-utilised qualifications to be identified and re-worked or removed;
2. Stream-lined qualifications that provide greater flexibility within the qualification and improved pathways across and within the sectors;
3. Enhanced occupational outcomes that reflect contemporary skills and knowledge and future job roles;
4. A consistent set of qualifications or units of competency that align with licensing requirements across all jurisdictions; and
5. The introduction of skill sets to support the various occupational streams that exist now and potentially into the future.

This Case for Change was agreed to by the Property Services IRC

Noel Hamey

Signature of Chair

Date:

ATTACHMENT A: TRAINING PACKAGE COMPONENTS TO CHANGE**Artibus Innovation**Contact details: david@artibus.com.au Ph: 03 6218 2841Date submitted: 24th March 2017

Training Package Code	Training Package Name	Qualification Code	Qualification Name	IRC Name	Review status	Change Required
CPP07	Property Services	CPP30211	Certificate III in Property Services (Agency)	Property Services		
CPP07	Property Services	CPP30311	Certificate III in Property Services (Operations)	Property Services		
CPP07	Property Services	CPP40307	Certificate IV in Property Services (Real Estate)	Property Services		
CPP07	Property Services	CPP40407	Certificate IV in Property Services (Stock and Station Agency)	Property Services		
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CPP07	Property Services	CPP50307	Diploma of Property Services (Agency Management)	Property Services		
CPP07	Property Services	CPP50409	Diploma of Property Services (Business Broking)	Property Services		

ATTACHMENT B: STAKEHOLDER CONSULTATION METHOD

Stakeholder Consultation and Industry Engagement

The following consultative practices were implemented to provide evidence for this case for change:

- face-to-face consultation with the key stakeholders including the Real Estate Australia Training and Development Managers and industry advisory bodies, employers and employees in the industry and expert consultants in sustainability and liveability;
- telephone discussions with the Industry Skills Advisory Councils NT; regulators in all States and Territories, the Commonwealth Department of Environment and Energy; Victorian State Training Authority and its relevant curriculum managers; key stakeholders and representatives of the Australian Livestock and Property Agents Association Ltd, TAFE NSW.
- discussions and attendance at the REAI training and development managers workshops
- feedback received via online forums and formal distribution of the Case for Change to the STAs and key industry stakeholders.

Stakeholder Consultation	
Name of Stakeholder	Detail method(s) and Scale of Consultation
Property IRC Real Estate member	Face to face meeting to discuss future of the industry, work previously undertaken and requirements of job role
REIA (Real Estate Institute of Australia)	CEO – phone meeting/conversation re expectations of the qualifications, set direction and provided feedback on Case for Change
Real Estate Institute of Australia Training and Development Managers	2 workshops held – aim to review work undertaken to date, discussion to determine relevance of the qualifications from an industry perspective, identification of changes occurring in the industry, job roles and occupational outcomes
Strata Community Australia	Phone discussion with IRC – Chair of Strata Community Australia to confirm their qualifications require different skills to real estate
Australian Livestock and Property Agents Association Ltd	Phone conversation with their representative on the NSW working group for the NSW Real Estate and Property Services Industry Reform Paper Nov 2016 – to develop initial understanding of the differences between Livestock & Property Agents and Real Estate agents job roles and occupational outcomes
Employers	Interview with Ray White Queensland – large employer, First National Real Estate - large global employer, Johnson RE – SME. Discussion regarding expectations and changes in the industry, expectations of outcomes of training
Employees	Interview/conversation with 3 employees currently working in the industry – 1 working for a large company, 1 a SME and the other in rural and regional area – purpose to ascertain skills and knowledge required and how changes in the industry are affecting their job roles.
State Training Authorities (STAs)	First draft of Case for Change provided to all State Training Authorities on October 4 th 2016 with final version provided on 17 th March 2017 for comment due by 27 th March 2017.
Industry Skills Advisory Council	Advised of draft case for change via newsletter requesting feedback via the web, phone conversations and face to face.
All State and Territory Regulators	Phone conversation to establish the position of regulators and the requirements of units of competency and licensing requirement, email to confirm job outcomes and licensing requirements in each jurisdiction to informing the case for change
Commonwealth Department of Environment and Energy	Phone conversation regarding regulatory changes planned – follow up with email and feedback via the web on Cfc
Consultant – Liveability	Face to face interview relating to future changes in sustainability and the knowledge and skills required by real estate workers
Consultant – Futurist	Research paper developed capturing the current and future scenarios of the industry and an analysis of the resulting skills and knowledge requirements for each scenario
Consultant – Digital Technologies	Face to face interview on technological disruption in the industry
Artibus Innovation Stakeholder List	Newsletter distributed to whole stakeholder list (4,200) inviting input and project details added to the Artibus Innovation website. 96 items of correspondence informing the Case for Change

