

12 August 2020

To - Consumer Affairs

Re Real Estate Agents Act – new education rules

I note Consumer Affairs are updating education requirements to obtain a Real Estate Agents licence.

From looking at the revised requirements the education objectives largely address residential real estate training, skills and protecting the public.

As you may be aware Commercial Real Estate Agents are required study the same curriculum as Residential agents and are issued with the same licence.

The objectives of the proposed regulations is to ensure that estate agents and agents' representatives undertake training that equips them with the necessary skills to perform their duties competently, and render services with the expected level of due care and skill.

Given Victoria is now Australia's largest commercial market and Australia is a major international market with its success based on ethics and transparency, protecting this reputation and educating participants is necessary. Commercial agents transact across all states, territories and internationally.

Education requirements for commercial agents are vast and necessary to equip participants with the skills and training to provide ethical, competent and professional service to clients. The annual turnover for commercial leasing, sales, valuation, property management, tenant representation and capital transactions is likely to exceed the annual residential turnover.

This legislation does not address the extensive needs of a commercial real estate agency and does not meet the stated objectives. Most other jurisdictions provide a distinctly separate curriculum and qualification.

All of my staff are required to complete the training provided under this legislation which delivers an insight into residential practice and includes an understanding of relevant legislative requirements. However, a large proportion of the curriculum is irrelevant to commercial agents.

Consideration should be given to

- Providing a separate commercial qualification.
- Ensuring interstate participants understand Victorian legislation
- Addressing professional conduct rules that are not adequately defined by rules based on residential real estate
- Ensuring on going education and improvement.

The above and other benefits could be achieved by mandating an industry body to educate, issue qualifications, set standards and self-regulate relieving Consumer affairs of a neglected responsibility.

I'm sure the various existing industry bodies would welcome and work with a joint State government / Federal government initiative to mandate a national industry body funded by the years of fees paid by commercial agents to Consumer Affairs. We expect these funds are waiting in the relevant account for the right initiative.

The outcomes of a recognised industry body would include a substantial lift in professional and education standards, peer reviewed across a highly motivated industry. This initiative would further improve Victoria's/ Australia's international reputation. (not to mention a couple of 100 jobs)

Regards

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