

PROPERTY AGENTS BOARD

Annual Report
2013-2014

Statement of Compliance

Dear Minister

In accordance with Section 92 of the *Property Agents and Land Transactions Act 2005*, ("the Act"), I submit for your information and presentation to Parliament the Annual Report of the Property Agents Board ("the Board") for the financial year ended 30 June 2014.

Complaint handling and complaint investigations form part of the core activities of the Board and consume the majority of the Board's resources. The number of complaints received during the course of the reporting period was 52.

The Board finalised 39 complaints within the reporting period. As at 30 June 2014, the number of continuing complaints was 26, compared with last year's end of year total of 14.

Further statistical information for complaints and investigations may be found on pages 11 to 14 of the Report

The Board is required to advise a complainant and the property agent of its decision in relation to the Complaint submitted by the complainant. The Board provides this by way of a written determination and the reasons following its final consideration of the complaint. The Board produced 24 written decisions during the reporting period. The writing of decisions is undertaken by me as Chairman.

A total of 331 examinations were administered by the Board in 2013-14 for prospective property consultants and assistant property managers, compared with last year's total of 254. During the reporting period, the Board received and processed a total of 543 applications for registration from Real Estate Agents, Property Managers and General Auctioneers which has reduced from the 561 processed during 2012-2013.

There are 255 trust accounts held in Tasmania. Trust Account Reports, completed by the managing property agent and Annual Audit Reports, prepared by external auditors, were reviewed during the reporting period.

This Report has been prepared in accordance with the provisions of the Act.



John Upcher
Chairman
Property Agents Board
Level 2, 172 Collins Street
Hobart Tas 7000

Organisational profile

The Property Agents Board is an independent statutory authority established under *the Property Agents and Land Transactions Act 2005* ("the Act") to regulate the real estate industry. The Board administers the Act, the *Property Agents and Land Transactions Regulations 2006* ("the Regulations") and the Code of Conduct developed in accordance with Section 82 of the Act.

The Board acts as the supervisory authority for property agents in Tasmania. The stated object of the Act is to regulate property agents and certain auction and real estate practices. "Property Agent" is defined by the Act to mean a real estate agent, a property manager, a general auctioneer, an assistant property manager or a property consultant.

The duties of the Board are set out in Section 81 of the Act and include:

- a) to maintain the Register in accordance with the Act, which involves ensuring that only people who have the necessary experience and qualifications to do so and are not otherwise unfit to do so, are permitted to act as property agents;
- b) to administer the approval of qualifications for property agents;
- c) to ensure that property agents comply with the requirements of the Act relating to their conduct in carrying on their businesses or in carrying out their functions and, where they fail to do so, to take such appropriate disciplinary action to protect the interests of the public and to discourage such conduct;
- d) to ensure that people who are not permitted under the Act to do so do not act as property agents;
- e) to develop and ensure compliance with a Code of Conduct for property agents;
- f) to receive, investigate and determine complaints against property agents;
- g) to supervise the trust accounts of real estate agents named in Part 1(1) of the Register, property managers named in Part 2(1) of the Register and general auctioneers named in Part 3 of the Register;
- h) to advise property agents on appropriate standards of conduct;
- i) to monitor, identify and report to the Minister trends and issues that emerge within the property agents industry;
- j) to carry out educational functions in relation to the property agents industry;
- k) to advise the Minister on matters relating to the Act including its efficacy and on any other matters relevant to the Board's functions or to the property agents industry; and
- l) to carry out any other function imposed on the Board by the Act or any other Act.

To carry out these duties the Board may: -

- give advice to the Minister with regard to the regulation of the real estate industry;
- make recommendations regarding rules and regulations etc. relating to –
 - the handling of trust money;
 - courses of instruction and examinations; and
 - the professional conduct of property agents;
- refer alleged serious breaches of the Act, Regulations or Code of Conduct to the Property Agents Tribunal;
- issue or refuse the registration of real estate agents, property managers and general auctioneers;
- cause to be inspected and audited the trust accounts of general auctioneers, property managers and real estate agents; and
- establish, administer and process claims against the Property Agents Guarantee Fund.

The Board seeks to achieve:

Accountability:	The Board aims to serve the needs of the public in a professional, responsible and accountable manner.
Integrity:	The Board seeks to deal with its members and staff, with the industry and the public on the basis of trust, understanding and respect for differing views and interests. The Board aims to perform its functions in a fair and transparent manner.
Professionalism:	The Board endeavours to perform its services to the best of its ability with optimum use of resources at its disposal and with a focus on continuously improving quality, productivity and professional development.
Responsiveness:	The Board endeavours to provide high quality information and services to the government, industry and the public.
Integrity of Registration:	The Board monitors the qualifications of those seeking to enter the real estate industry and those already registered or qualified.
Compliance:	The Board endeavours to ensure that property agents comply with the relevant legislation and trust account reporting requirements.
Education and Awareness:	The Board's aim is to encourage awareness of "best practice", through activities such as inspections, continuing education, publications and through the Board's website.

BOARD STRUCTURE

The composition of the Board is set out in Section 71 of the Act. There are five members of the Board of whom one (who is the Chair) must be a legal practitioner of at least five years standing who has legal experience in areas of law relevant to the position, two members who must be property agents who have at least five years' experience as property agents (one of whom is nominated by the body representing the property agents industry), and a further two members who must not be property agents.

Organisational Chart



Board Members

The members of the Board are:

John Upcher - Chair

Mr John Upcher retired from active legal practice in 2012, having practised for over 40 years in the areas of commercial and property law as well as wills and estate planning. Mr Upcher is also a member of the Legal Profession Board of Tasmania.

Mr Upcher was reappointed as Chair of the Board on 14 October 2013.

John Soundy - Member

Mr John Soundy is a leading Real Estate Agent, Trainer and Auctioneer with experience in large, small and franchised offices. He is a Life Member and former President of the Real Estate Institute of Tasmania. He was involved in developing the Industry's side of the current legislation. He has an active involvement in the training of auctioneers in the State. Mr Soundy was reappointed to the Board on 14 October 2013.

Ian Wells - Member

Mr Ian Wells is a Real Estate Agent, Auctioneer and Land Valuer. He is a Fellow of the Real Estate Institute of Australia and a Fellow of the Australian Property Institute.

He is a past National President of the Real Estate Institute of Australia.

Mr Wells' appointment expired on 13 October 2013.

Belinda Webster—Member

Ms Belinda Webster is University Secretary at the University of Tasmania. She has 20 years' experience in tertiary education as well as 15 as Parliamentary Counsel. Ms Webster is also Treasurer of the Australian Association of University Secretaries and a member of the State Council of Governance Institute and has board experience in the health regulation, sport and community sectors.

Ms Webster was appointed to the Board on 4 July 2011 for a period of three years.

Kim Backhouse - Member

Ms Kim Backhouse was admitted to the Supreme Court of Victoria and the High Court as a Barrister and Solicitor in 1995. Subsequently Ms Backhouse has worked for top tier law firms in Melbourne. She joined the ombudsman office in Tasmania in 1999 in a senior role as Assistant ombudsman and senior investigations officer. Ms Backhouse is currently a lecturer in law and corporate governance with the Faculty of Business at the University of Tasmania and Chair of the Code of Conduct Panel for Alderman at the Clarence City Council.

Ms Backhouse was appointed to the Board on 4 July 2011 for a period of three years.

Adrian Kelly - Member

Mr Adrian Kelly was appointed to the Board on 14 October 2013 for a period of three years replacing Mr Wells. He is the current President of the Real Estate Institute of Tasmania and board member of the Real Estate Institute of Australia. He is also the proprietor and CEO of a Tasmanian real estate firm which has six offices in Tasmania.

Board member attendance at meetings for 2013-2014.

Meeting Date and Number	J Upcher	J Soundy	I Wells	B Webster	K Backhouse
10 July (71st)	1	1	1	1	1
14 August (72nd)	1	1	absent	1	1
18 September (73rd)	1	1	1	absent	1
No October meeting	-	-	-	-	-
			A Kelly		
13 November (74th)	1	1	1	1	1
4 December (75th)	1	1	1	1	absent
12 February (76th)	1	1	1	1	1
12 March (77th)	1	1	1	1	1
9 April (78th)	1	1	1	absent	1
14 May (79th)	1	1	1	1	1
18 June (80th)	1	1	1	1	1
Meetings attended	10	10	7	8	9

Board Staff

During 2013 - 14 the Board directly employed three staff:

- i) the Executive Officer;
- ii) a part-time Executive Assistant/Exam Coordinator; and
- iii) a part-time Complaints Officer.

A Board Inspector was also engaged on a part-time basis and conducted state wide inspections of the trust accounts of general auctioneers, real estate agents and property managers.

The Board also engaged appropriately qualified persons to conduct investigations into conduct complaints.

Executive Officer

The Executive Officer of the Board is responsible for providing advice and assistance to the Board in its day-to-day operations. The Executive Officer is also responsible for ensuring that the Board's policies and strategies for regulating the property industry are implemented and monitored.

The Executive Officer is required to ensure the overall efficient operation of the Board and staff in the administration of the Act, the Regulations and the Code of Conduct, and to report to the Board on policy, legislative and operational issues that may have impact on the Board's operations or its ability to meet its legislative duties and functions.

The Executive Officer endeavours to build and maintain a cooperative and effective working relationship with the Minister's office and industry and consumer organisations, to develop and maintain contacts with similar regulatory authorities throughout Australia, and to represent the Board at conferences and seminars, and on relevant committees and working parties.

The Executive Officer briefs external counsel to provide advice or legal representation where necessary, and oversees financial and human resources.

The Executive Officer is also the Registrar of the Property Agents Tribunal, Secretary of the Property Agents Trust, and the Board's RTI Officer.

Executive Assistant/Exam Coordinator

The Executive Assistant of the Board is responsible for providing assistance to the Executive Officer in running the Board's day-to-day operations. She provides the initial point of contact for face-to-face and telephone enquiries, manages correspondence, maintains the statutory database and tracks legislative compliance of property agents.

The Executive Assistant took over the Exam Coordinator position during July 2012 and was responsible for the management of the exam process for property consultants and assistant property managers. She coordinates the examination venues and exam supervisors, maintains a list of candidates, prepares all papers and distributes them to regional locations. The Exam Coordinator also notifies candidates of results and maintains a register of examination results.

Complaints Officer

The Complaints Officer conducts assessments and prepares reports and initial action for the Board regarding complaints.

As directed by the Board, the Complaints Officer conducts investigations, or facilitates more complex investigations, and prepares reports on investigations for the Board.

The Complaints Officer is required to maintain effective communication and relationships with complainants and other parties, including the preparation of necessary correspondence and dealing with telephone enquiries relating to complaints.

Ms Samantha Webster resigned as complaints officer in July 2013 and was replaced by Ms Chery McCulloch in January 2014.

Board Finance

The Board is funded by the industry, in the form of registration revenue, and interest earned on retained funds.

The Board's financial reporting is prepared in accordance with Australian Accounting Standards.

Financial statements are provided to and reviewed by the Board on a monthly basis. The financial reporting includes analysis of income and expenditure to budget and a comparison with the previous year's figures.

The Board's accounts are audited by the Tasmanian Audit Office each year.

Registrations

All real estate agents, property managers and general auctioneers require registration in order to carry on business in Tasmania. The registration effected by the Board must be renewed every year.

The Board assesses registration applications to ensure that only suitably qualified people enter the industry as registered property agents. The Board assists people seeking to obtain or renew a registration and to process applications in accordance with the Act.

While there is no registration of property consultants or assistant property managers, these categories of employees in real estate or property management businesses must be qualified before entering the industry by successfully completing the examination administered by the Board.

A purpose-built database is used to record registrations.

During the reporting period, the Board received and processed a total of 561 applications. Of those, 534 applications were from real estate agents, 4 for property manager registrations and 23 for general auctioneers. The figure for real estate agents was higher than 2011-12 (499). Details of applications processed are as follows:

Registrations	2013-2014		2012-2013		2011-2012		2010-2011	
	new	renewal	new	renewal	new	renewal	new	renewal
Real Estate Agent (Part 1 Division 1)	25	160	28	165	30	154	21	162
Real Estate Agent (Part 1 Division 2)	43	283	35	306	48	267	48	289
Property Manager (Part 2 Division 1)	3	2	2	1	1	1	1	1
Property Manager (Part 2 Division 2)	3	1	0	1	0	0	0	0
General Auctioneer (Part 3 Division 1)	2	9	2	10	3	9	2	10
General Auctioneer (Part 3 Division 2)	3	9	3	8	*			

* A legislative amendment changed Part 3 of the Register to include Division 2. Figures unavailable before 2012.

Registration Fees for 2013-2014

Fees for application and registration of property agents		
Application fees	Company	\$265.70
	Individual	\$132.85
Registration fees	Real Estate Agent Part 1 Div 1	\$398.60
	Real Estate Agent Part 1 Div 2	\$132.85
	Real Estate Agent, additional fee for each Property Consultant or Assistant Property Manager	\$67.15
	Property Manager Part 2 Div 1	\$332.90
	Property Manager Part 2 Div 2	\$132.85
	Property Manager, additional fee for each Property Consultant or Assistant Property Manager	\$67.15
	General Auctioneer Part 3 Div 1	\$398.60
	General Auctioneer Part 3 Div 2	\$132.85

Applications and Objections

The Board received 7 applications during the reporting period for a real estate agent to manage more than one authorised place of business. All were approved for a 'trial' period of 3 months only, after which the real estate agent was requested to re-apply.

One objection was received by the Board with regard to a person entering the real estate industry as a property consultant.

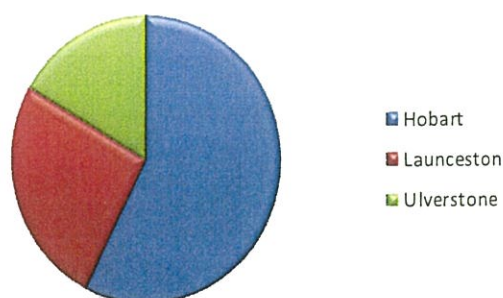
There was one appeal to the Tribunal of a decision of the Board not to recognize the qualification of a property consultant.

Examinations

Regulation 42 of the Property Agents and Land Transactions Regulations provides that the qualification required for a property consultant or assistant property manager is the successful completion of an examination administered by the Property Agents Board.

The Board conducts exams in Hobart, Launceston and Ulverstone each month to service each region of the State.

Examinations by Region



Exam questions relate to the following areas:-

All candidates

- Real Estate and Property Management—Basic Concepts
- *Property Agents and Land Transactions Act 2005* – general understanding
- *Property Agents and Land Transactions Regulations 2006* (including the Code of Conduct)
- Contract Law – Basic concepts
- Australian Consumer Law – general understanding
- Agency and Property terms and definitions
- Trust Accounting – Basic concepts

Property Consultants

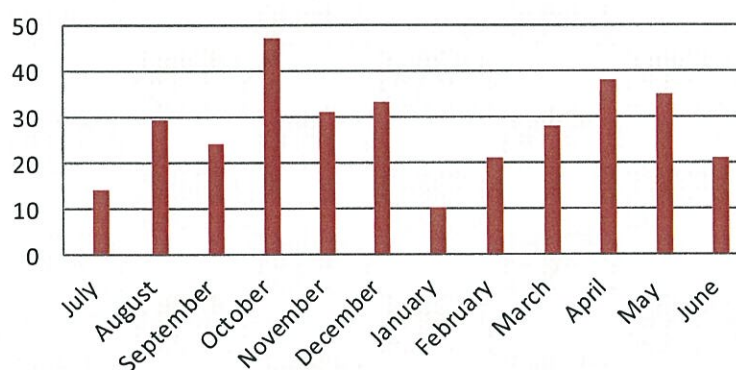
- Selling – general understanding
- Land Titles, Documents, Land Transfer legislation & Forms of Occupancy, land classification
- Sales Documentation
- Trust Accounting – dealing with funds
- Types of agency agreements

Assistant Property Managers

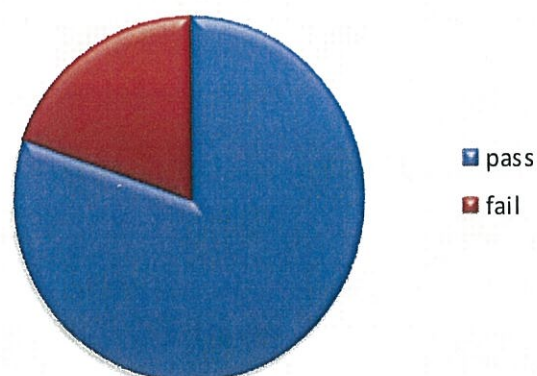
- Property Management -general knowledge
- Documentation – Management Authority, Residential Tenancy Agreement, Condition Reports, Inspection Reports
- Property Management Processes
- Property Investments
- Trust Accounting - general understanding

A total of 331 examinations were conducted by the Property Agents Board in 2013-14. Of those, 162 were to gain qualification as an Assistant Property Manager and 169 as a Property Consultant.

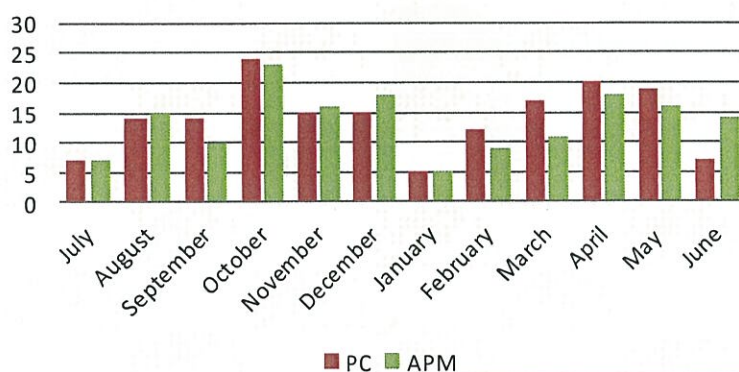
Total Examinations by Month



Success rate



Examination types



Conduct

The Board strives to ensure:

- all property agents comply with the requirements of the Act, Regulations and Code of Conduct;
- complaints are investigated promptly and dealt with by the Board in a timely manner;
- prompt accurate advice is given to industry members and the public; and
- audit reports and trust account reports are received on time and all qualified reports are investigated.

Conduct complaints procedures

A complaint may be made about the conduct of a property agent by any person. The complaint must be in writing. The complaint form established previously has been modified during the year to assist the complainant and the Board in identifying the particular concerns being complained about.

When a complaint is received by the Board, a copy of the complaint is sent to the property agent seeking an explanation as to the conduct. When a response is received, the property agent's explanation is provided to the complainant for further comment.

The complaint is then assessed and summarised by the Board's Complaints Officer, and the material is considered by the Board which decides whether the complaint is to proceed to investigation or should be dismissed under Section 98.

On the completion of an investigation, the Board need not refer a complaint to the Tribunal if it considers that there is insufficient evidence to substantiate the complaint or that the evidence appears to indicate that the conduct only amounts to minor misconduct. It may deal with minor misconduct itself pursuant to Section 109. In all other cases, it must under Section 108 refer the complaint to the Tribunal.

Complaint Handling

The Board recognises the importance of dealing effectively with complaints especially at the initial enquiry stage. There is an opportunity, on occasion, to resolve a problem before it results in a formal complaint. The majority of complaint enquiries are dealt with initially by telephone. Dealing with enquiries in this way represents a significant part of the workload of the Board's Officers.

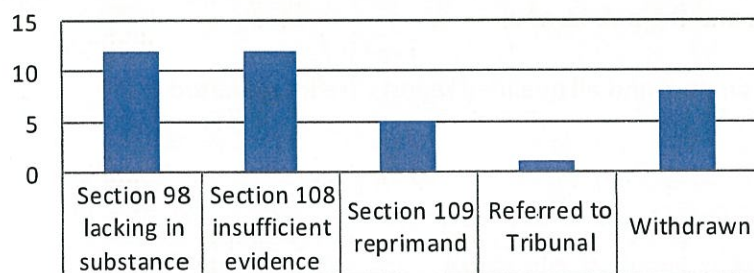
On average 50 telephone complaint enquiries are received each calendar month.

Overall complaint management during 2013-2014

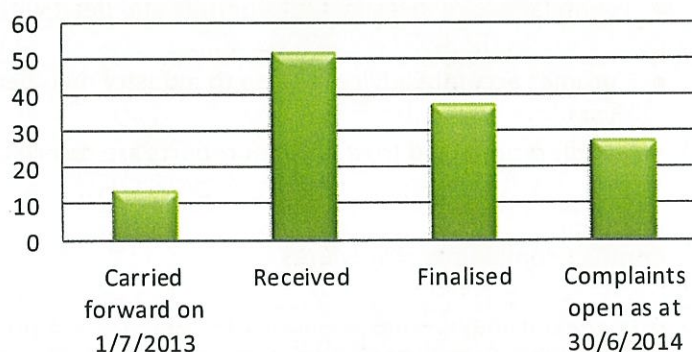
38 matters were concluded during the reporting year. A total of 21 investigations were undertaken. From those matters investigated 12 of the complaints were dealt with under S108 as the Board was satisfied that there was insufficient evidence to substantiate the complaint. Five complaints amounted to minor misconduct that could be adequately dealt with by the Board and one matter was referred to the Tribunal. Three (3) matters in which an investigation had commenced were withdrawn by the complainant.

A total of 12 matters were dismissed pursuant to Section 98 of the Act as the Board was satisfied that the complaint was misconceived or lacking in substance, and 5 matters were withdrawn by the complainant.

Overall Complaint Management 2013-2014



Complaint turnover



Complaints received 2013-2014

The following statistical information regarding conduct complaints is for the twelve month period 1 July 2013 to 30 June 2014.

There were 52 conduct complaints received by this office. 25 complaints were resolved and 27 complaints are under investigation.

Of the 25 complaints determined this year, 12 matters were dismissed pursuant to Section 98 of the Act as the Board was satisfied that the complaint was vexatious, misconceived, frivolous or lacking in substance.

Six complaints were dealt with under Section 108, as the Board was satisfied that there was insufficient evidence to substantiate the complaint. One complaint was dealt with under Section 109 as the Board was satisfied that there was sufficient evidence to indicate that the conduct complained about only amounted to minor misconduct that could adequately be dealt with by the Board.

Six complaints were withdrawn by the complainant, and the Board was satisfied that it was not in the public interest to continue to investigate these complaints.

Complaints carried forward

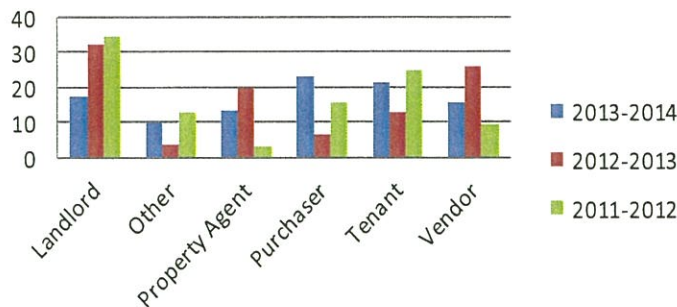
14 complaints were carried over from the previous reporting period. Only 1 of these matters has not yet been finalised.

Of the 13 complaints finalised, 6 of these complaints were dealt with under Section 108, as the Board was satisfied that there was insufficient evidence to substantiate the complaint or the evidence appeared to indicate that the conduct complained about only amounted to minor misconduct that could adequately be dealt with by the Board. 4 matters were dealt with under Section 109 as minor misconduct and the property agents were issued with a caution or reprimand, 1 matter was referred to the Tribunal and two matters were withdrawn.

As at 30 June 2014 there were 28 complaints unresolved.

Statistical Information for the complaints received for the past three financial years

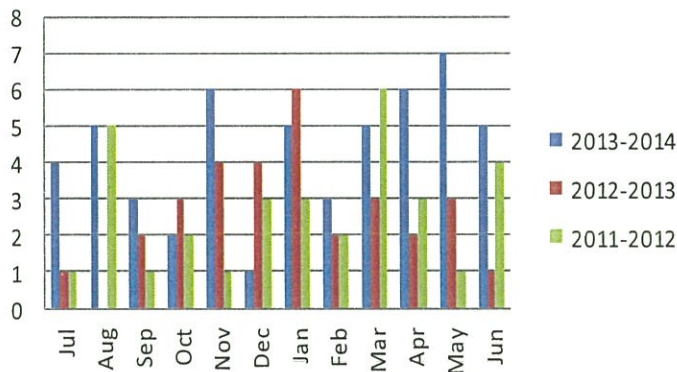
Category of Complainant
as % of year total



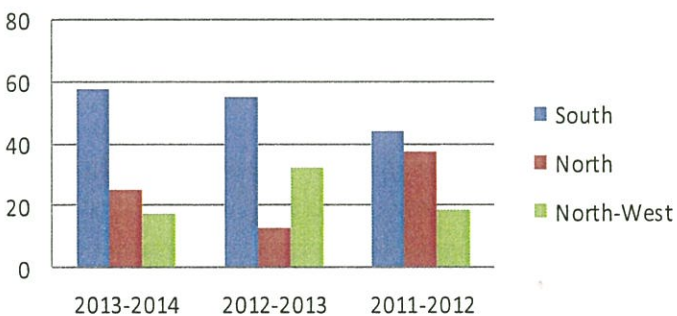
This graph indicates the categories of complainant as a percentage of that current year’s total.

The number of complaints received by month is shown as follows:-

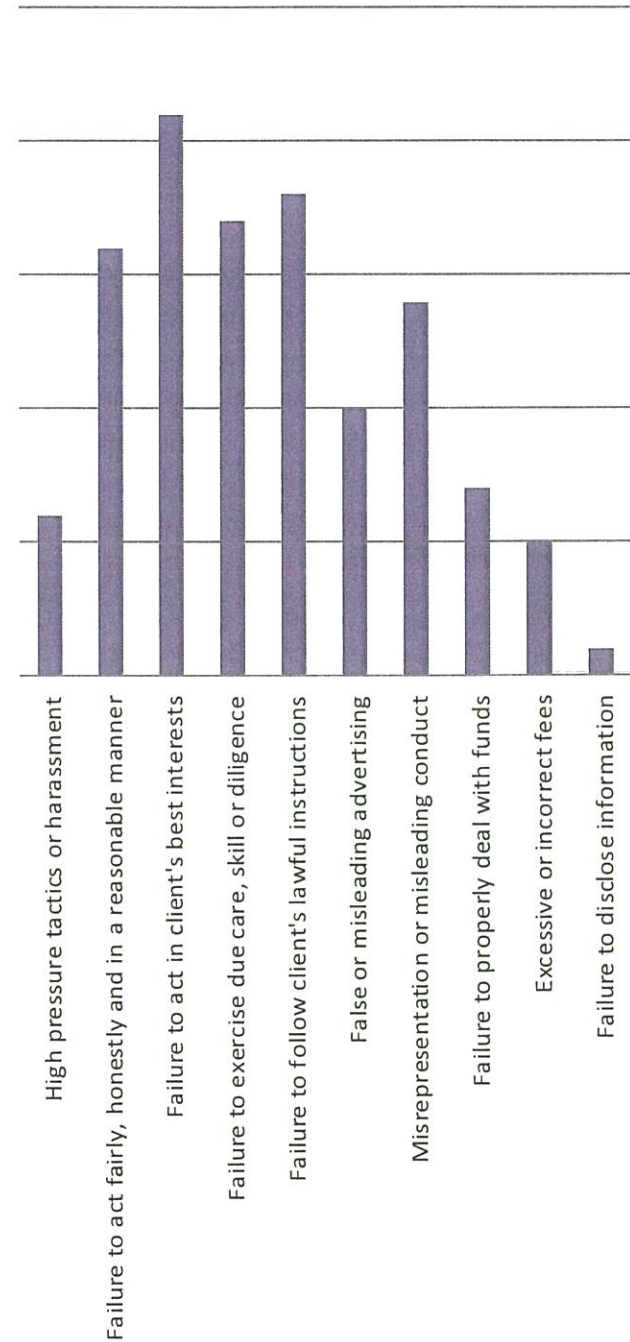
Complaint received by Month



Complaint by Region
as % of year total complaints



Many complaints were based on multiple allegations of wrong doing, but a summary of what the complaint related to is set out below. These figures are the aggregate of three years.



Property Agents Tribunal

The Tribunal's report is attached.

Complaint process

The Board considers that amendment is required to the legislation to assist with the facilitation of the complaint process. The Board has spent substantial time considering what amendments could be made to achieve this, and has made submissions to the previous Minister.

TRUST ACCOUNTS

The Act and Regulations set out how property agents are to maintain their trust account records. The Board has maintained its policy of requiring full compliance with the trust account provisions.

Property agents are required to submit a trust account report to the Board by 31 December and 30 June, and by 30 September each year an audit report as to the property agent's trust account(s). This audit is performed by an independent auditor.

Reviews of trust accounts are shown in the table below:

Form 7 Review	2010-2011	2011-2012	2012-2013
Dec	309	250	244
Jun	309	250	246

Trust account reports

244 Trust Account Reports were received from the 184 property agents holding trust accounts in Tasmania. Two property agents failed to submit the Trust Account Report and the Board initiated disciplinary action against them.

Audit Review	2010-2011	2011-2012	2012-2013
	254	250	240

Qualified Audit investigation	2010-2011	2011-2012	2012-2013
	12	10	13

Annual audit reports

246 annual audit reports were to be received for the 2012-2013 period. A total of six audit reports were outstanding and disciplinary action taken against those property agents. Of the 240 annual Audit Reports reviewed, 13 were qualified. Audit investigations were initiated and completed.

Full Inspection	2011-2012	2012-2013	2013-2014
	2	4	1

Part Inspection	2011-2012	2012-2013	2013-2014
	3	2	5

Review	2011-2012	2012-2013	2013-2014
	11	17	12

Courtesy	2011-2012	2012-2013	2013-2014
	50+	35+	30+

Property agents were given assistance when required to ensure compliance. Some Property agents were requested to provide copies of monthly reconciliation statements and accompanying supporting documents so that compliance could be monitored. This resulted in approximately 70 reconciliations being reviewed.

The Board has initiated further changes to the audit report and checklist which are designed to increase awareness of areas of concern to be identified by the auditors. Direct advice has been given to major audit providers regarding the audit process as well as a review of the annual audit reporting requirements and background information to assist auditors with the conduct of audits.

Inspections

The Board has an ongoing Inspection program which includes the review of trust account reports, audit reports and a checklist for undertaking investigations and inspections.

The inspections are conducted at different levels and are categorised as follows:

- **Full** - Comprehensive inspection review of compliance with relevant legislative requirements
- **Partial** - Inspection reviewing within defined parameters
- **Review** - Property agents forward defined monthly reconciliation documents to the Board for inspection
- **Courtesy** - Inspector contact - to clarify trust account enquiries or follow up after compliance issues

As well as qualified audit reports being received from auditors or from the inspection program, there are three other ways that non-compliance with the trust account provisions may come to the attention of the Board:

- during an investigation into a conduct complaint;
- through a complaint directly relating to a Property Agent's operation of the trust account; and
- through financial institutions notifying the Board when a trust account becomes overdrawn.

The Board has provided assistance to over 30 property agents with regard to their statutory reporting requirements. Most of the assistance has involved newly qualified agents, property agents who have changed accounting software packages or taken over the responsibility for trust account reconciliations, or the answering of queries with regard to legislative compliance.

A risk-based annual inspection program continues and is able to provide assistance to property agents who require it.

Amendments to trust account regulations were proclaimed on 30 June 2011, the result of which was administrative changes to property agent's processes. The impact of these changes became apparent in the 2012-2013 audit year. The number of accounts held by approved financial institutions are as shown in this table:

	2011-2012	2012-2013
ANZ	117	106
Bendigo	30	33
CBA	54	55
Heritage	1	2
Macquarie	2	3
NAB	28	24
WBC	36	32

Guarantee Fund Claim

The Property Agents Guarantee Fund was established to maintain money it receives to meet claims for loss suffered by people as a result of certain acts or omissions of real estate agents named in Part 1 (1) of the Register, property managers named in Part 21(1) of the Register or general auctioneers named in Part 3 of the Register, their directors and people employed or engaged by them, or acting on their behalf.

During the reporting period the Board was made aware that an amount of money had been stolen by an employee of a real estate agent named in Part 1 (1) of the Register. The money stolen concerns some 132 security deposits and money owing to creditors, the total amount being estimated as in the vicinity of \$135,000. At the end of the reporting period 43 claims had been made totalling \$30,831.15.

Professional Indemnity Insurance

The Board continued to monitor professional indemnity insurance held by real estate agents, property managers and general auctioneers. Property agents are required on application or renewal of registration to provide a copy of a Certificate of Currency for professional indemnity Insurance. The Board maintains a register of this information.

Right to Information Requests

The Board received one application pursuant to the *Right to Information Act* 2009 which was processed under the assessed disclosure provisions.

Legislative Amendments

Section 81 of the Act provides that the Board is to advise the Minister on any matters relating to the Act. In previous reporting periods, the Board has provided to the incumbent Minister a list of proposed amendments and maintains an up to date and expanding list of proposed changes. The following are matters which still require attention and were brought to the attention of the Acting Director of Consumer Affairs and Fair Trading in late 2013:

Advertising provisions

Sections 27, 28 and 37 provide that the name and address of the property agent is to be included in an advertisement that is published in connection with the business.

The Board has noted some impracticalities in imposing these provisions as they are currently drafted in regard to certain promotional items used by property agents and has received a number of submissions from property agents regarding the difficulty of compliance. The promotional items include items such as pens, coffee mugs, sponsorship clothing items etc. Difficulties have also been raised in relation to signboards, directional signs etc.

Complaints & Discipline

Sections require amendment as the current process is at times cumbersome.

The process requires simplification. Suggested amendments have been put forward.

Employment of Assistant Property Manager by Real Estate Agent

The interpretation of Section 10 does not provide for the case of a person undertaking the functions of an "assistant property manager" being employed by a real estate agent rather than a property manager.

Property Consultants and Assistant Property Managers - licensing to allow for recognition by other jurisdictions.

National licensing (NOLS) is not proceeding. This being the situation, States and Territories will continue with the Mutual Recognition process.

The key issue relates to the recognition of licences across jurisdictions that apply different regulatory models. Due to the deregulation of property consultants and assistant property managers in Tasmania there is no recognition of a Tasmanian "licence" to enable other jurisdictions to grant an equivalent licence. This is a disadvantage to Tasmanian property consultants and assistant property managers moving from Tasmania to other jurisdictions.

Property Consultants and Assistant Property Managers - Continuing Education

Section 67 (Continuing Education) is specific to those people named in the Board's Registers and does not apply to property consultants or assistant property managers. The Board believes that it is appropriate to ensure that the industry as a whole maintains its knowledge and therefore believes property consultants and assistant property managers should also be included within this Section.

Property Consultants and Assistant Property Managers qualifications (Regulation 42)

As currently drafted a person who has successfully passed an examination by the Board, but does not obtain employment as a property consultant or assistant property manager for many years, or who has worked in the industry and then leaves (and being out of touch with the industry or current legislation or requirements) may remain qualified when seeking employment many years later.

Recovery of Guarantee Fund Payment

Section 175 of the *Property Agents and Land Transactions Act* 2005, states that before the Board can make a determination whether there has been a loss, (and if so how much), it may require an applicant to “*institute proceedings to recover any sum under professional indemnity insurance*”.

The Section appears more directed to the misapplication of substantial sums, for example, a sales deposit . The Board could require a person to make a claim in a Court against the agent for the recovery which might be covered under the agent’s professional indemnity insurance. Clarification of the intent and effect of the Section is required, as it maybe impractical to use it in the case of smaller sums such as security deposits.

Termination of Agency Agreement

Section 18(8) deals with a written appointment that is an agency agreement which is not valid for a period exceeding 90 days beginning on the day on which the relevant disclosure documents have been supplied to the real estate agent. This subsection refers to disclosure documents in section 190 which is contained in Part 10 of the Act which has still not commenced as legislation. It creates problems for a vendor who wishes to list a property with another agency.

It is suggested an amendment to subsection (8) should provide: “Insofar as a written appointment mentioned in subsection (1) is an agency agreement, it is not valid for a period exceeding 90 days beginning on the day on which the agreement is signed”.

Tribunal President

Currently the Act only provides for the current President to preside at a Tribunal.

If the President of the Tribunal has a conflict of interest there is no provision for the President to delegate his powers and functions to an Acting President.

Trust Money – Definition irregularity

The Property Agents Board has during the course of obtaining a legal opinion been advised that there is an irregularity within the definition of “trust money”.

Section 3 of the Act defines “*trust money*” as having the meaning assigned to that expression by Section 144. That section provides that money received by or on behalf of a real estate agent, property manager or general auctioneer *on behalf of the party to negotiations in which the property agent is involved* or money received by such property agent as stakeholder, is trust money while it is in the possession of, or under control, of, the property agent.

In the circumstances of property management, however, the receipt by a property manager of rent would not seem to fall within the definition of trust money. This is because it is not money received as stakeholder because the owner of the property is entitled to it, nor is it received "*on behalf of a party to negotiations in which the property agent is involved*". The Board considers that it would be appropriate to have this definition amended to refer to rent as being held in trust.

Code of Conduct

Another of the functions of the Board is keeping the Code of Conduct, which is a Schedule to the *Property Agents and Land Transaction Regulations* 2006, under review. The Board undertook a significant review of the Code of Conduct during the reporting period. The document has been forwarded to Government for the appropriate approvals with a view to being implemented in September 2014.

Education and Awareness

The Board provided:

- Over the counter information service to members of the public and industry;
- A telephone information service to members of the public and industry;
- Support and funding through the Property Agents Guarantee Fund for education programs for the professional development of property agents; and
- Information by way of bulletins and memos to the industry.

Education

The Board provided support for education and professional development. Funding from the Property Agents Guarantee Fund was provided to the Real Estate Institute of Tasmania (REIT) a Registered Training Organisation for this purpose.

They are accredited to deliver and assess certain qualifications. The REIT provides entry level and continuing professional development training courses based on the National Training Package (CPP07 Property Services Training Package) and other accredited unit of study. The REIT's programme receives extensive support by the way of funds from the Property Agents Trust, administered by the Board.

Continuing Education

The continuing education program has been designed to increase the knowledge, skills and professionalism of individual property agents. The continuing education program forms part of the regulatory framework. All individual real estate agents, property managers and general auctioneers who hold a registration are required to complete 8 hours of approved continuing education each registration year.

Through the continuing education program, registered property agents are expected to undertake ongoing training and professional development related to their legislative obligations under the Act, Regulations and the Code of Conduct.

A dedicated section of the Board's website allows property agents to access up-to-date information about continuing education and courses available.

The Board expects and enforces full compliance. Property agents must give an undertaking to complete any outstanding hours in the following year if there is a shortfall at the time of renewal.

Dated: 23 September 2014
Property Agents Board

TRIBUNAL

Document to the Property Agents and Land Transactions Act 2005

Level 2, 172 Collins Street

Hobart Tas 7000

Telephone 03 6281 3479

registrar@propertyagentstribunal.com

8 August 2014

The Chairman
Property Agents Board
Royal Engineers Building
2 Davey Street
HOBART TAS 7000

Dear Mr Chairman

In accordance with S.117 of the *Property Agents & Lands Transaction Act 2005* ("the Act") I am pleased to provide this report on the activities of the Tribunal for the period 1 July 2013 to 30 June 2014.

Yours faithfully



DAVID WALLACE
President

TRIBUNAL

Subsidiary to the Property Agents and Land Transactions Act 2005

REPORT ON ACTIVITIES 2013-2014

1. References 2013-2014

The Tribunal has received three (3) references in respect of conduct complaints.

Each matter has been heard during the reporting period, two decisions have been published and one decision is still to be published.

1.1 The first reference involved alleged unsatisfactory professional conduct.

It was alleged a breach of Section 7(1) of the *Property Agents and Land Transactions Act 2005* and clause 5(1)(a) of the Code of Conduct had occurred. The Property Agent was said to have carried on real estate agency business from an address which was not an authorized place of business and failed to diligently supervise the work of all other persons employed or engaged at those premises.

The Property Agent declared itself guilty of conduct amounting to unsatisfactory professional conduct within the meaning of s93 of the Act.

Counsel for the Board and the Property Agent asked the Tribunal to make particular orders of a disciplinary nature to which the Tribunal was satisfied the proposed orders were appropriate with its disciplinary function to uphold the scheme of the Act.

The Property Agent was fined \$5,000 and ordered to pay costs of the proceedings set at \$5,000.

1.2 The second reference involved management of a property which was 'outsourced' to another related organisation.

There were two (2) complaints of unsatisfactory professional conduct. Both complaints concern the Property Agent's employee's unsatisfactory delay.

The first related to not responding to the tenant in the termination of the tenancy and secondly failing to carry out the final inspection or return to bond in a reasonable timeframe.

The Property Agent pleaded guilty to both complaints of unsatisfactory professional conduct.

The Property Agent was fined \$500 and issued with a reprimand. The Property Agent was also ordered to pay the Board's reasonable legal costs.

2. References brought forward

Two (2) matters have been brought forward from previous reporting periods. One (1) of those matters has been finalised during the year and the other has been heard. The decision is yet to be published.

2.1 This reference involved alleged unsatisfactory professional conduct.

It was alleged a breach of clause 5 of the Code of Conduct in that the Property Agents failed to supervise the work of an employee and particularly failed to have in place an adequate administrative system or regime.

The Tribunal found the Property Agent guilty of unsatisfactory professional conduct and ordered that the Property Agent be reprimanded. The Tribunal also ordered that the Property Agent pay the Board's costs of the proceedings fixed at \$3,000.

3. Appeals

There have been two (2) appeals to the Tribunal from decisions of the Property Agents Board ("Board").

3.1 The first appeal related to whether a person was qualified to be a property consultant pursuant to the *Property Agents and Land Transactions Act 2005*.

The Tribunal upheld the decision of the Board and the appeal was dismissed.

3.2 The second appeal was made by the Complainant. As President of the Tribunal I identified a conflict of interest and declared I was not able to preside at a Tribunal.

Due to a deficiency in the legislation to allow this appeal to proceed the Minister must appoint another qualified person.

4. Functions of the Tribunal

3.1 All hearings have been held in Southern Tasmania.

3.2 All references have involved legal argument and submissions as to the interpretation of and application of "the Act".

3.3 The Tribunal adopted procedural directions hearings which continue to facilitate the efficient conduct of hearings of the Tribunal.



DAVID WALLACE
President

Property Agents Board

ABN 93 793 560 726

Financial Statements
For the year ended 30 June 2014

Scanlon Richardson Financial Group Pty Ltd

Level 2, 172 Collins Street

Hobart 7000

Phone: (03) 62313448 Fax: (03) 62233973

Email: reception@srfg.com.au

Property Agents Board
ABN 93 793 560 726

Contents

Board's Report

Statement by Members of the Board

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements

Independent Auditor's Report to the Members

Property Agents Board
ABN 93 793 560 726
Board's Report
For the year ended 30 June 2014

Your Board members submit the financial accounts of the Property Agents Board for the financial year ended 30 June 2014.

Board Members

The names of Board members throughout the year and at the date of this report are:

John Upcher
John Soundy
Ian Wells (tenure ended 13/10/2013)
Belinda Webster
Kim Backhouse
Adrian Kelly (appointed 14/10/2013)

Principal Activities

The principal activities of the Board during the financial year were: to maintain the Register of property agents in accordance with the Property Agents and Land Transactions Act 2005; to ensure acceptable standards of practice by auctioneers, real estate agents and property managers and those employed by them; and to investigate and determine complaints against property agents.

Significant Changes

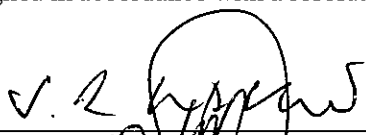
No significant change in the nature of these activities occurred during the year.

Operating Result

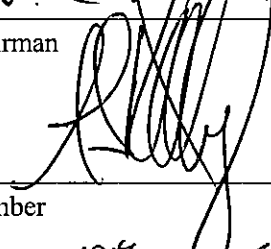
The deficit from ordinary activities amounted to

Year ended	Year ended
30 June 2014	30 June 2013
\$	\$
(37,509)	10,697

Signed in accordance with a resolution of the Members of the Board on:



Chairman



Member

Dated this 19th day of September 2014.

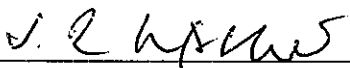
Property Agents Board
ABN 93 793 560 726
Statement by Members of the Board
For the year ended 30 June 2014

The Board has determined that the organisation is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.


In the opinion of the Board the Financial Statements:

1. Presents fairly the financial position of Property Agents Board as at 30 June 2014 and its performance for the year ended on that date.
2. Complies with Australian Accounting Standards and Interpretations except for AASB 7 Financial Instruments: Disclosure; AASB 124 Related Parties; AASB 132 Financial Instruments: Presentation; AASB 139 Recognition and Measurement.
3. At the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:



John Upcher
Chairman



Alicia Hutton
Executive Officer

Dated this ^{19th}..... day of ^{September}..... 2014.

Property Agents Board
ABN 93 793 560 726
Statement of Comprehensive Income
For the year ended 30 June 2014

	Note	2014 \$	2013 \$
Income			
Application fees		13,746	13,013
Examination fees		23,957	18,307
Fines		15,300	500
Interest received		16,061	26,765
Late fees collected		9,801	4,293
Miscellaneous Income		3,060	195
Photocopying		1,150	2,551
Property Agents Trust - Research/NOLS/Ed		83,600	90,800
Property Agents Trust - Distributions		459,848	620,165
Property Agents Trust - Reimbursements		2,757	3,638
Property Agents Trust - Secretarial Fees		30,000	20,000
Registration fees		190,889	189,411
Rental Adjustment		-	16,207
Secretarial Services - RESB		-	2,000
Sundry Income		5,093	116
Total income		855,262	1,007,961
Expenses			
Accountancy		3,341	4,547
Advertising and promotion		2,546	1,548
Audit fees		5,390	4,165
Bank Fees And Charges		379	369
Depreciation - plant		6,591	4,037
Debtors Adjustments		2,927	-
Entertainment		1,451	958
Examination expenses		7,752	8,507
Fines		-	458
Inspections		10,516	15,025
Insurance		3,609	2,409
Investigations		18,928	21,897
Legal fees		46,985	36,025
Meeting expenses - sitting fee		9,438	8,410
Meeting expenses - travel & accom		1,582	557

The accompanying notes form part of these financial statements.

Property Agents Board
ABN 93 793 560 726
Statement of Comprehensive Income
For the year ended 30 June 2014

	Note	2014 \$	2013 \$
Moving expenses		9,265	-
Occupancy costs		43,235	24,632
Postage		4,336	4,898
Printing & stationery		7,850	7,169
Provision for employee leave benefits		303	9,904
Property Agents Trust Distributions to REIT - Training & Seminars		140,767	146,171
Property Agents Trust Distributions to REIT - Research & Training		316,394	323,277
Property Agents Trust Distributions to REIT - Training Material Rewrite		2,971	28,639
Property Agents Trust Distributions to REIT - RESB		-	102,079
Property Agents Trust Distributions to REIT - Department of Justice		-	20,000
Repairs/maintenance/equipment		3,141	5,446
Salaries - ordinary		171,896	163,578
Salaries - Board Chairman		16,000	16,000
Security shredding		193	164
Staff amenities		-	435
Subscriptions		1,267	558
Sundry expenses		3,060	523
Superannuation		18,230	17,565
Telephone		12,459	9,193
Travel, accom & conference		1,818	-
Tribunal expenses		18,434	8,124
Total expenses		<u>892,771</u>	<u>997,264</u>
Net surplus/(deficit) for the year		<u>(37,509)</u>	<u>10,697</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u><u>(37,509)</u></u>	<u><u>10,697</u></u>

The accompanying notes form part of these financial statements.

Property Agents Board

ABN 93 793 560 726

Statement of Financial Position as at 30 June 2014

	Note	2014 \$	2013 \$
Assets			
Current Assets			
Cash and cash equivalents	2	-	86,488
Receivables	3	140,591	6,587
Current tax assets	4	630	518
Investments	5	450,000	450,000
Other	5	6,160	-
Total Current Assets		597,381	543,592
Non-Current Assets			
Property, plant and equipment	6	10,501	15,705
Total Non-Current Assets		10,501	15,705
Total Assets		607,882	559,297
Liabilities			
Current Liabilities			
Payables	7	47,730	9,619
Overdraft	2	40,886	-
Current tax liabilities		9,479	2,684
Total Current Liabilities		98,095	12,304
Non-Current Liabilities			
Provisions	8	37,934	37,631
Total Non-Current Liabilities		37,934	37,631
Total Liabilities		136,029	49,934
Net Assets		471,854	509,362
Equity			
Accumulated surpluses		471,854	509,362
Total Equity		471,854	509,362

The accompanying notes form part of these financial statements.

Property Agents Board
ABN 93 793 560 726
Statement of Changes in Equity

	Retained Profits	Total
Balance at 01/07/2012	498,666	498,666
Net Surplus/Deficit	10,697	10,697
Subtotal	509,363	509,363
Balance at 30/06/2013	509,363	509,363
Net Surplus/Deficit	(37,509)	(37,509)
Subtotal	471,854	471,854
Balance at 30/06/2014	471,854	471,854

Property Agents Board
ABN 93 793 560 726
Statement of Cash Flows
For the year ended 30 June 2014

	Note	2014 \$	2013 \$
Cash Flow From Operating Activities			
Receipts from fees and registrations		266,585	224,832
Receipts from Property Agents Trust		438,612	791,355
Payments to Suppliers and employees		(432,188)	(447,001)
Distribution of Property Agents Trust receipts		(421,737)	(620,165)
Net cash flow from GST		6,683	-
Interest received		16,061	26,765
Other receipts		-	4,862
Net cash provided by/(used in) operating activities	B	<u>(125,984)</u>	<u>(19,352)</u>
Cash Flow From Investing Activities			
Purchase of property, plant and equipment		<u>(1,389)</u>	<u>-</u>
Net cash provided by/(used in) investing activities		<u>(1,389)</u>	<u>-</u>
Net increase/(decrease) in cash held		(127,373)	(19,352)
Cash at the beginning of the year		<u>86,487</u>	<u>105,839</u>
Cash at the end of the year (note 2)	A	<u><u>(40,886)</u></u>	<u><u>86,487</u></u>

The accompanying notes form part of these financial statements.

Property Agents Board
ABN 93 793 560 726
Statement of Cash Flows
For the year ended 30 June 2014

	Note	2014	2013
Note A. Reconciliation Of Cash			
For the purposes of the statement of cash flows, cash includes cash on hand and in bank.			
Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:			
Cash At Bank		(52,131)	75,370
Payroll Cheque Account		10,000	10,681
Petty cash		170	170
Undeposited funds		875	66
Exam float		200	200
		<u>(40,886)</u>	<u>86,487</u>

Note B. Reconciliation Of Net Cash Provided By/Used In Operating Activities to Net Surplus/(Deficit)

Net surplus/(deficit)	(37,509)	10,697
Non-cash flows in surplus:		
Depreciation	6,591	4,037
Changes in assets and liabilities:		
(Increase)/decrease in trade and term debtors	(134,116)	(692)
(Increase)/decrease in other assets	(6,160)	40,546
Increase/(decrease) in trade creditors and accruals	44,096	(83,842)
Increase/(decrease) in employee entitlements	304	9,902
Net cash provided by/(used in) operating activities	<u>(125,984)</u>	<u>(19,352)</u>

The accompanying notes form part of these financial statements.

Property Agents Board
ABN 93 793 560 726
Notes to the Financial Statements
For the year ended 30 June 2014

Note 1: Summary of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Property Agents & Land Transactions Act 2005. The members have determined that the Board is a not-for-profit entity for financial reporting purposes.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

In addition to complying with the financial reporting requirements of the Property Agents & Land Transactions Act 2005, this special purpose financial report complies with Australian Accounting Standards and Interpretations except for AASB 7 Financial Instruments: Disclosure; AASB 124 Related Parties; AASB 132 Financial Instruments: Presentation and AASB 139 Recognition and Measurement.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(a) Comparative Figures

Where appropriate, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(b) Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the Board commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation Rates

The depreciation rates used for each class of depreciable assets are:

Plant & Equipment	10% - 33%
-------------------	-----------

(c) Employee Benefits

Provision is made for the Board's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

(d) Provisions

Provisions are recognised when the Board has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reasonably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Property Agents Board
ABN 93 793 560 726
Notes to the Financial Statements
For the year ended 30 June 2014

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(f) Revenue and Other Income

Registration income is recognised over the period to which the registration relates.

Interest revenue is recognised over the period for which the funds are invested.

Revenue from the provision of services is recognised upon delivery of the service to the customers.

Property Agents Trust Distribution income is recognised when the services, which the Board is contractually obliged to provide, are delivered (refer Note 1 (j)).

All revenue is stated net of the amount of goods and services tax (GST).

(g) Income Tax

No provision for income tax has been raised as the Board is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the assets and liabilities statement are shown inclusive of GST.

(i) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Board during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(j) Unspent Property Agents Trust Distributions

It is the policy of the Board to treat Property Agents Trust distributions as unexpended funds liabilities in the Balance Sheet where the Board is contractually obliged to provide services in a subsequent financial period to when the grant is received.

(k) Critical Accounting Estimates and Judgments

The Board evaluations, estimates and judgments incorporated into the financial report are based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Board.

Property Agents Board
ABN 93 793 560 726
Notes to the Financial Statements
For the year ended 30 June 2014

	2014	2013
Note 2: Cash assets		
Bank accounts:		
Cash At Bank	(52,131)	75,370
Payroll Cheque Account	10,000	10,681
Other cash items:		
Petty cash	170	170
Undeposited funds	875	66
Exam float	200	200
	<u>(40,886)</u>	<u>86,488</u>

The overdrawn bank account arises from a payment of \$95,015 for training and associates expenses drawn 30 June 2014. This is contraed by monies of the same amount due from the Guarantee Fund and is shown in the accounts as trade receivables.

Note 3: Receivables

Current

Trade debtors	140,591	6,425
Accrued Income - Property Agents Trust Distributions	-	162
	<u>140,591</u>	<u>6,587</u>

Note 4: Tax Assets

Current

GST payable control account	(27,933)	(507)
Input tax credit control account	27,191	2,443
ATO Integrated Client Account	1,372	(1,418)
	<u>630</u>	<u>518</u>

The accompanying notes form part of these financial statements.

Property Agents Board
ABN 93 793 560 726
Notes to the Financial Statements
For the year ended 30 June 2014

	2014	2013
Note 5: Other Assets		
Current		
Long term deposits (maturity date greater than 3 months)	450,000	450,000
Rental bond paid	6,160	-
	<u>456,160</u>	<u>450,000</u>
Note 6: Property, Plant and Equipment		
Leasehold improvements:		
- At cost	3,730	3,730
- Less: Accumulated depreciation	(3,730)	(1,732)
	<u>-</u>	<u>1,998</u>
Plant and equipment:		
- At cost	21,951	25,572
- Less: Accumulated depreciation	(11,450)	(11,866)
	<u>10,501</u>	<u>13,707</u>
	<u>10,501</u>	<u>15,705</u>
a) Movements in Carrying Amounts		
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:		
Balance at the beginning of year	15,705	19,742
Additions	954	-
Adjustments	433	-
Depreciation expense	(6,591)	(4,037)
Balance at end of year	<u>10,501</u>	<u>15,705</u>
Note 7: Payables		
- Trade creditors	47,730	9,619
	<u>47,730</u>	<u>9,619</u>
	<u>47,730</u>	<u>9,619</u>

The accompanying notes form part of these financial statements.

Property Agents Board
ABN 93 793 560 726
Notes to the Financial Statements
For the year ended 30 June 2014

	2014	2013
Note 8: Provisions		
Current		
Provision for annual leave	15,096	18,778
Provision for super on annual leave	1,434	1,690
Non Current		
Provision for long service leave	19,140	15,337
Provision for super on long service leave	1,818	1,380
Provision for unclaimed monies	445	445
	<u>37,933</u>	<u>37,631</u>

Note 9: Other Liabilities

Unexpended Property Agents Trust Distributions		
Opening balance	-	-
Property Agents Trust Distributions received	501,726	620,165
Property Agents Trust Distributions redistributed	<u>(501,726)</u>	<u>(620,165)</u>
	<u>-</u>	<u>-</u>

Note 10: Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

a) Provides services to related parties

The Board provides secretarial services to the Property Agents Trust. The fees received from each are separately disclosed on the face of the Income and Expenditure Statement.

b) Distributions made to related parties

The Board manages the distribution of Property Agents Trust funds to the Real Estate Institute of Tasmania for the provision of education and training as approved by the Minister and Board each financial year. Distributions are based on actual claims received as evidence of services provided.

Property Agents Board
ABN 93 793 560 726
Independent Auditor's Report to the Members

Note 11: Contingent Liabilities and Contingent Assets

There are no contingent liabilities or contingent assets at reporting date to be disclosed.

Note 12: Capital and Leasing Commitments

There are no capital commitments at reporting date to be disclosed.

Note 13: Events After Balance Date

There are no events after balance date affecting these financial statements to be disclosed.

Note 14: Organisation Dtails

The registered office of the Board is:

Property Agents Board
Level 2, 172 Collins Street
HOBART TAS 7000



Tasmanian Audit Office

Independent Auditor's Report

To Members of the Tasmanian Parliament

Property Agents Board

Financial Report for the Year Ended 30 June 2014

I have audited the accompanying special purpose financial report of the Property Agents Board (the Board), which comprises the statement of financial position as at 30 June 2014 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Statement by Members of the Board.

Opinion

In my opinion the financial report of the Board presents fairly, in all material respects, its financial position for as at 30 June 2014 and its financial performance, cash flows and changes in equity for the year then ended.

Basis of Accounting and Restriction on Distribution

Without modifying my opinion, I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared solely for the purpose of fulfilling the Board's financial reporting responsibilities under the requirements of the *Property Agents and Land Transactions Act 2005*. As a result, the financial report may not be suitable for another purpose.

The Responsibility of the Members for the Financial Report

The Members are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1, which is a special purpose framework, is appropriate to meet the financial reporting provisions of the *Property Agents and Land Transactions Act 2005*. The Members' responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

...1 of 2

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Members' preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Members, as well as evaluating the overall presentation of the financial report. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the Board.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. The *Audit Act 2008* further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

Tasmanian Audit Office



A J Knight

Manager Financial Audit

Delegate of the Auditor-General

HOBART

23 September 2014

...2 of 2