

**Property Agents Board
Annual Report**

2019-2020

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21 October 2020

Hon Elie Archer MP
Minister for Building and Construction
GPO Box 123
Hobart Tas 7001

Dear Minister

Property Agents Board - Annual Report 2019-2020

I submit for your information and presentation to Parliament the Annual Report of the Property Agents Board for the financial year ended 30 June 2020, in accordance with Section 14 of the *Property Agents and Land Transactions Act 2016*.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Ann Cunningham", with a stylized flourish at the end.

Ann Cunningham
Chair
Property Agents Board

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This overview provides a snapshot of the Property Agents Board's activities
2019-2020

Licences

Real Estate Agent carrying on business	223
Real Estate Agent individual	435
Property Manager carrying on business	8
Property Manager individual	5
General Auctioneer carrying on business	15
General Auctioneer individual	17
Property Representatives	1215

1918

CPD

699

Continuing Professional
Development
activities approved

Complaints

55

16 complaints were carried forward;
55 new conduct complaints received;
52 complaints were concluded;
19 complaints remained outstanding as at 30 June.

14 investigations were undertaken -

- 8 were dismissed with insufficient evidence;
- 4 were minor misconduct;
- 2 were referred to the Tribunal;

32 matters were dismissed -

- 3 were considered misconceived;
- 29 were considered lacking in substance;

6 matters were withdrawn

255

Examinations

252 property representative exams
3 enabling examinations
76% were successful on first attempt
21% required a second attempt
3% required a third attempt

Hobart 131
Launceston 82
Ulverstone 39

44

Inspections

The Board's Inspector
inspected Trust Accounts
and Statutory Records of
44 Property Agents

271

Trust Account Audits

271 audit reports and
checklists were reviewed

77 audits were qualified

Claims

7

6 claims were made against the
Property Agents Guarantee Fund
totalling \$4,520.

1 claim of \$16,539 was refused

8

Infringements

8 Infringements were issued
from
32 Show Cause letters

Contacts

4,066 phone calls
13,213 website visits
97 website enquiries
334 exam bookings

Report of the Chair

It is with pleasure that I again present, in my capacity as Chair, the Annual Report for the Property Agents Board (the Board) for the year ending 30 June 2020.

The Board has maintained a consistent workload during the reporting year and has overseen a number of changes as outlined in the Annual Report. A key challenge for the Board and its staff was responding to COVID-19 restrictions and how it continued to work to ensure that the property agents industry remained regulated. A more detailed discussion to the response is contained later in this Annual Report. I wish to take this opportunity to highlight the dedication by the Board members and its staff to ensure that there was no interruption to the varied services that the Board provides to the property agents industry and its consumers and the Board as the regulator maintained its presence in the community.

Membership of the Board

The Board membership continued without change in this current reporting year ended 30 June 2020. One Board member's term was re-appointed in August 2019, three Board members' terms expired in February 2020, including my own term and a further member's term was due to conclude in August 2020. Three Board members were re-appointed for a further three years until 1 June 2023 with my term as Chair extended to 22 June 2023.

This continuity in membership of the Board will provide great stability for the momentum of the Board's work.

Workload of the Board

The Board sustains a considerable workload and combines discussion and review of all its statutory duties into scheduled meetings held monthly to reduce time and costs which also increases efficiency. However, when urgent matters arise, out of session meetings are conducted in between scheduled meetings.

A total of twelve formal Board meetings were convened during the reporting period, with another six matters resolved by resolution via email/teleconference between Board meetings. Due to COVID-19 social distancing protocols and restrictions the Board held four meetings via teleconference.

Board meetings discuss and review a variety of topics including but not limited to matters relating to licensing, complaints, trust accounting, inspections, applications to the Property Agents Guarantee Fund for compensation, confirmation and review of policies and processes, operational review and financial oversight, code of conduct, legal advice, legislative amendments to the Act, right to information requests and responding to correspondence received from the Board from its variety of stakeholders.

During the year the Board implemented its Infringement Notice Policy. Infringement Notices are issued in cases where the Board has identified a breach of the Act or Regulations. During the reporting period 32 show cause letters were sent with 8 infringement notices issued.

Direction of the Board

The Board remains committed to ensuring that the property agents industry understands the application of the *Property Agents and Land Transactions Act 2016* (the Act) and the Code of Conduct as a means of increasing consumer confidence and building on better practices in the industry.

This has resulted in the application of increased educative communication to the industry generally and also where necessary to individuals and if required, the application of more formal compliance tools.

As reported last year the Board is concerned about the reducing balance in the Guarantee Fund and the Fund's ability to meet its functions under the Act. The Executive Officer has reported on discussions undertaken during the year which resulted in an endorsed recommendation to the Minister to increase licence fees. However due to the impacts of the Covid-19 pandemic the recommendation has not progressed at this stage.

To the members of the Board, I thank you for the strategic lens you apply to the Board's work. I believe that your dedication and shared purpose have greatly assisted us as a Board to navigate the unprecedented challenges and change which this reporting period has brought us.

On behalf of the Board, I gratefully acknowledge the driven and targeted work of the Executive Officer, Alicia Hutton in creating a framework to ensure that the Board's work was not interrupted and to all the employees of the Board who demonstrated flexibility and commitment in undertaking their work during this year.



Ann Cunningham

Chair

Property Agents Board

Report of the Executive Officer

Working through a global pandemic brought many challenges for everyone and of course the Board and its staff were no different in these unprecedented times. COVID-19 led to working from home arrangements with a skeleton staff in the office, often on rotation, to keep it open. Implementation of videoconferencing for examinations and Board meetings allowed these activities to continue while complying with social distancing requirements.

Another key response was dealing with renewals for the 2020-2021 licence year, where the Board moved from a paper-based renewal system to a hybrid of electronic and website form lodging options. Further information regarding the Board's response to COVID-19 will be detailed later in this Annual Report.

In implementing the Board's vision to increase compliance with the *Property Agents and Land Transactions Act 2016* (the Act) to ensure better outcomes for all involved in the property agents industry, we have looked at ways of providing tools to further educate and inform, and if required we use more formal enforcement tools to ensure compliance with the Act through the issuing of infringement notices.

I am very appreciative of my staff's agility, dedication and support in administering the Act. They have implemented significant changes in such a seamless way, as well as continuing to provide a high level of "normal" service. This is a true indication of a tremendous team.

Complaints and Investigations

Complaint handling and undertaking investigations remains one of the core activities of the Board. A total of 55 complaints were received during the reporting period.

The Board is required to provide to the complainant and the property agent a written determination and reasons following its decision to finalise a complaint. The Board produced 44 written complaint determinations and reasons for decision during the reporting period.

Further commentary in relation to the complaints and investigations statistical information is provided later in the Annual Report.

Licensing

A total of 298 new licences were granted during 2019-2020. The categories and statistics are as follows:

- 96 Real Estate Agents licences;
- 2 Property Manager licences;
- 3 General Auctioneers licences; and
- 197 Property Representative licences.

Examinations

255 examinations were conducted during the reporting period. 252 candidates undertook the property representative examination and three candidates undertook an enabling examination for a second attempt. There were no candidates for the General Auctioneer examination during the reporting period. From 1 July 2019, the enabling examination was not available to those who had not attempted to sit it in the previous year. This means that a property representative who seeks to have a condition removed from their licence will have to sit the full property representative examination.

Trust Account and Statutory records

The Board's Inspector conducted an inspection of the Trust Accounts and Statutory Records of 44 Property Agents during the reporting period.

Stakeholder and Counterpart engagement

National Real Estate Regulator Group

I have continued to participate in the National Real Estate Regulator group, which discusses the property industry and property agent conduct in each jurisdiction. It provides a vehicle to share information on emerging industry-wide issues and trends, and an opportunity to reflect on ways in which the Board can review and implement more robust regulation.

Consultation with CBOS to proposed Amendments to the Act

In October and November 2019 representatives of Consumer, Building and Occupational Services (CBOS) within the Department of Justice engaged with the Board in considering a proposed Bill to amend the Act. The Board appreciated the opportunity to provide input.

Consultation with CBOS and REIT regarding Licence Fee review

As a result of considering options to ensure sustainability of the Property Agents Guarantee Fund (the Guarantee Fund), the Board consulted with representatives from CBOS and the Real Estate Institute of Tasmania (REIT) to look at ways in which the Board could reduce its need for funding from the Guarantee Fund. This resulted in an endorsed position between the REIT and the Board to recommend to the Minister an increase in licence fees, which would ensure that the Board could maintain its functions and operations as required under the Act.

Finally, I would like to give thanks to the Board for their commitment to ensuring that there was effective and responsive regulation of the property agents industry, and also to my staff for their dedication to the Board's operations and their flexibility in ways of working during these unprecedented times.



Alicia Hutton

Executive Officer

Property Agents Board

Property Agents Board

The Board acts as the supervisory authority for property agents in Tasmania. The stated object of *Property Agents and Land Transactions Act 2016* (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 and a property representative.

The duties of the Board are set out in Section 6 of the Act and include:

- a) *to administer the licensing system for property agents established by this Act;*
- b) *to maintain the Register;*
- c) *to ensure that property agents comply with the requirements of this Act relating to their conduct in carrying on their businesses or in performing their functions and, where they fail to do so, to take appropriate action, including disciplinary action, to protect the public and to discourage such conduct;*
- d) *to ensure that people do not act as property agents unless they are permitted to do so under this Act;*
- 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 provide support in the resolution of disputes relating to the conduct of property agents;*
- h) *to supervise the trust accounts of property agents;*
- i) *to advise property agents on appropriate standards of conduct;*
- j) *to monitor, identify and report to the Minister trends and issues that emerge within the property agents industry;*
- k) *to perform educational functions for the purposes of this Act;*
- l) *to advise the Minister on matters relating to this Act including its efficacy and on any other matters relevant to the Board's functions or to the property agents industry;*
- m) *to perform any other function imposed on the Board by this or any other Act;*
- n) *such other functions as may be prescribed.*

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, the *Property Agents and Land Transactions Regulations 2017* or Code of Conduct to the Property Agents Tribunal;
- issue or refuse an application for a licence for real estate agents, property managers, general auctioneers and property representatives;
- cause to be inspected and audited the trust accounts of general auctioneers, property managers and real estate agents;
- establish, administer and process claims against the Property Agents Guarantee Fund;
- carry out the educational functions set out in Section 6(3) of the Act; and
- establish and keep under review a Code of Conduct for property agents under Section 84 of the Act.

Our Board

The Property Agents Board is an independent statutory authority continued in existence under the Act to regulate the real estate industry. The Board administers the Act, the *Property Agents and Land Transactions Regulations 2017* (the Regulations) and the Code of Conduct developed in accordance with Section 84 of the Act. The composition of the Board is set out in Section 5 of the Act. There are five members of the Board.

Chair

The Chair must be a legal practitioner of at least five years' standing and who has legal experience in areas of law relevant to the position.

Mrs Ann Cunningham was reappointed Chair of the Board commencing on 22 June 2020 for her second 3-year period. Mrs Cunningham is an experienced legal practitioner, tribunal and board member including as chairperson. She is a Fellow of the Australian Institute of Company Directors, a Commissioner with the Tasmanian Planning Commission and a member of the Theatre Royal Management Board.

Mrs Cunningham is a former Senior Member of the Commonwealth Administrative Appeals Tribunal, Member of the Resource Management and Planning Appeals Tribunal and State Divisional Councillor of the Australian Institute of Company Directors.

Members

Two members must be property agents who have at least five years' experience as property agents. One of these members is nominated by the body representing the property agents industry, the Real Estate Institute of Tasmania (REIT).

The other two members of the Board must not be property agents.

Property Agent Members

Mr Adrian Kelly is a Real Estate Agent and Auctioneer. He is the proprietor and CEO of a Tasmanian real estate firm with six offices in Tasmania. Mr Kelly is the President of the Real Estate Institute of Australia and is also a current board member and former President of the Real Estate Institute of Tasmania.

Mr Kelly was nominated by the REIT to be a member of the Board and was re-appointed as a property agent member on 1 June 2020 for his third 3-year term.

Mr Andrew Wright has held a General Auctioneer's Licence in Tasmania since 1986 and is the Proprietor of his own Auction & Valuation Business.

Mr Wright is a Past National President of the Auctioneers & Valuers Association of Australia and was awarded Life Membership of this National body in 2007 for his service to this industry.

Mr Wright is a member of the Australian Institute of Company Directors. Mr Wright was reappointed to the Board on 1 June 2020 for his second 3-year term.

Non-Property Agent Members

Ms Belinda Webster retired as University Secretary at the University of Tasmania at the end of 2016. She worked as a lawyer and governance professional in the tertiary education sector in Victoria and Tasmania for over 20 years, and as a Parliamentary Counsel in those States for 15 years. Ms Webster is an experienced board member, a Fellow of the Australian Institute of Company Directors and a board member of Cancer Council Tasmania.

Ms Webster was re-appointed to the Board on 13 August 2019 for a 3-year term. Ms Webster has been a member of the Board since 2011.

Ms Liz Rodd was admitted to the Supreme Court of Western Australia as a Barrister and Solicitor in 2004 and subsequently worked for law firms in Perth. She moved to the mining industry in Kalgoorlie and worked in the role of Supply Superintendent prior to relocating to Tasmania to work for Hydro Tasmania as Head of Supply Chain.

Ms Rodd currently works for Mona as Procurement & Compliance Manager and is a member and graduate of the Australian Institute of Company Directors.

Ms Rodd was reappointed to the Board on 1 June for her second 3-year term.

Board meetings

The Board met 12 times during the year. Four of those Board meetings were conducted by Video Conference due to COVID-19 restrictions. Mr Wright, Mr Kelly and Ms Rodd attended all 12 meetings. Mrs Cunningham requested leave from the July 2019 meeting and the acting chair was Ms Rodd and Ms Webster was granted leave for the March 2020 meeting.

The Board on occasions requires further information before it can form its decision at the scheduled meeting or makes a decision outside the scheduled meeting. When this occurs, the Board makes its decision via an exchange of emails which is then confirmed. There were 6 such occasions at which all members were present.

Operations

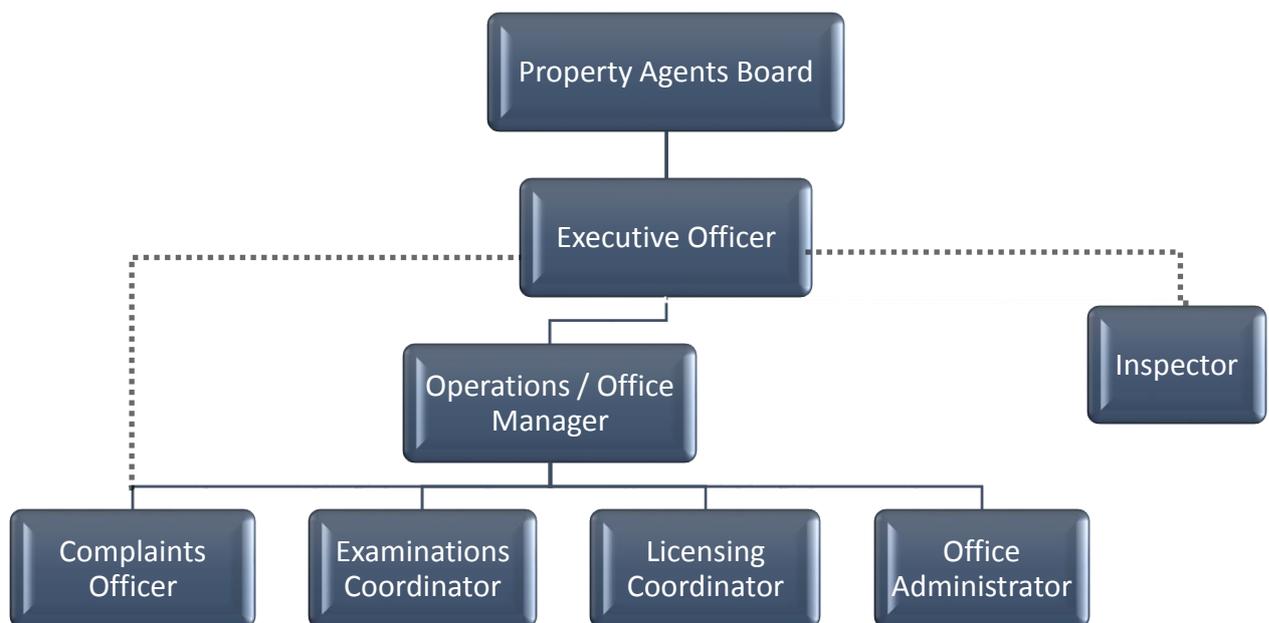
Staff

The Board directly employed six staff (5 FTE equivalent):

- a Complaints Officer (part-time);
- an Examination Coordinator (part-time);
- the Executive Officer;
- a Licensing Coordinator (part-time);
- an Office Administrator; and
- an Operations and Office Manager.

A Board Inspector is also engaged on a casual basis to conduct state-wide inspections of the trust accounts of general auctioneers, real estate agents and property managers.

Organisational Chart for 2019-2020



Board Finance

The Board is funded by the industry (in the form of licence, application and examination fees), by interest earned on retained funds and by grants from the Property Agents Guarantee Fund.

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

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

The Board's accounts are audited by the Tasmanian Audit Office each year. The Annual Financial Statements are provided later in this report.

The Board was asked by the Minister early in the reporting period to consider mechanisms to achieve a self-sustaining funding model, to reduce reliance on the Property Agents Guarantee Fund (the Guarantee Fund).

As the primary source of income for the Board is through licence fees, it proposed a licence fee increase and structure that the Board believed would enable it to achieve its financial sustainability.

The Board in October 2019 commenced collaborative consultations with representatives of the Consumer, Building and Occupational Services (CBOS) within the Department of Justice in order to present a proposal regarding the sustainability of the Fund to the Minister.

As part of this process the Board reviewed its ability to increase savings and make efficiencies in its operations. However, the Board considered the most viable method of achieving sustainable funding, with its current statutory functions, was to increase licence fees.

As part of preparing its proposal to the Minister, in December 2019 the Board consulted with the Real Estate Institute of Tasmania (REIT) in relation to an increase in licence fees. At that time the REIT agreed in principle to a licence fee increase to the extent that would mean that the Board would not be required to seek funding from the Guarantee Fund to sustain its current structure and duties. This agreed position between the Board and REIT was presented to the Minister for her consideration in January 2020.

Further information was sought from the Minister before a Regulatory Impact Statement was to be prepared by the Department of Treasury and before proposed amendments were made to the Regulations. However, due to the impact of COVID-19, licence fee increases were not progressed further.

Fees

The fees collected by the Board are based on fee units which are published in the Regulations. The Board has determined that the licence period would be from 1 July to 30 June each year, and that being the case, it was appropriate for reduced licence fees to be paid for new applications for licence submitted after 1 April each year (which is the usual licence renewal period).

Figure 1 indicates the fees charged for full and reduced licence fees charged during 2019-2020.

Figure 1

Fees 1 July 2019 – 30 June 2020	Full Year Fees 1 July – 30 June	Reduced Year Fees 1 April – 30 June
Application Assessment Fee	\$147.40	\$147.40
Real Estate Agent carrying on business (P1D1)	\$442.20	\$ 221.10
Real Estate Agent individual (P1D2)	\$147.40	\$73.70
Property Manager carrying on business (P2D1)	\$369.30	\$184.65
Property Manager individual (P2D2)	\$147.40	\$73.70
General Auctioneer carrying on business (P3D1)	\$431.30	\$221.10
General Auctioneer individual (P3D2)	\$147.40	\$73.70
Property Representative (P4)	\$74.50	\$37.25
Examination Fee	\$147.40	\$147.40

Licences

The Board must assess licence applications to ensure that only suitably qualified people enter the industry. The Board assists people seeking to obtain or renew a licence and processes applications in accordance with the Act.

A purpose-built database is used to record all licences and assemble the Board's Register.

There are 4 types of property agent licences available in Tasmania:

- a real estate agent licence;
- a property manager licence;
- a general auctioneer licence; and
- a property representative licence.

New licences granted during 2019-2020 licence year compared with the previous year are shown in figure 2 below.

Figure 2

Licence type	Granted during licence year 2018-2019	Granted during licence year 2019-2020
Real Estate Agent carrying on business (P1D1)	29	32
Real Estate Agent individual (P1D2)	71	64
Property Manager carrying on business (P2D1)	0	1
Property Manager individual (P2D2)	0	1
General Auctioneer carrying on business (P3D1)	2	2
General Auctioneer individual (P3D2)	2	1
Property Representative (P4)	197	197

A total of 298 new licences were granted during the reporting period which is slightly less than the 301 new licences granted the year before. All licences are granted by the Board for the period 1 July (or from the date of approval) to 30 June and can be renewed each year.

The Board can grant a licence subject to a condition which may restrict activities under the licence or require the licence holder to perform an activity, for example Continuing Professional Development.

Registers

Each licence is entered into one of the four different parts of the Board's Register. Real Estate Agents are named in Part 1, Property Managers are named in Part 2, General Auctioneers are named in Part 3 and Property Representatives are named in Part 4.

If the property agent is conducting business, it is named in Division 1 of the relevant Part. As well as the name of the licence holder further information is required to be held in the Board's Register, such as the address(es) where the business is being carried on, the business name and, if it is a company, the name of each of the company directors.

If the property agent is not conducting business, then the name and address of the person, and any other information that the Board determines, is included in the Board’s Register in Division 2 of the relevant Part.

The Board is required to publish the Register on its website. For ease of reference the published Register is divided into those property agents conducting business and those property agents who do not conduct business.

The Register of Property Agents conducting business provides details of the licensed name, the name under which the business carries on business, the business’ authorised place of business, the type of licence, when the licence expires and whether the licence is currently valid or not. A licence is marked as not valid if the licence has been surrendered during the licence year. (A licence is most commonly surrendered because the business no longer operates or due to a change in the structure of the business.

Figure 3

Figure 3 is an example of the Register of Property Agents conducting business as published on the Board’s website.

The Register of Individual Property Agents is a register of those people who are licensed as property agents but are not licensed to conduct business. The Board’s Register provides the licence holder’s name, and if the person is employed by a property agent conducting business it will provide that business name and its authorised place of business. If the person is not currently employed these details will be blank. The Board’s Register also indicates the licence type, when the licence expires and whether the licence is valid or not.

Name	Business Name	Place of Business
@ Home Property Management Pty Ltd	@ Home Property Management	1/116 St John Street, Launceston, Tasmania 7250
@really Pty Ltd	@really	Level 11, 50 Cavill Avenue, Surfers Paradise, Queensland 4217
4 One 4 Real Estate Pty Ltd	4 One 4 Real Estate	414 Main Road, Glenorchy, Tasmania 7010
Acquirecomm Pty Ltd	Acquirecomm Pty Ltd	Shop 3, 157 Martin Street, Brighton, Victoria 3186
Adviseable Pty Ltd	Adviseable Pty Ltd	9/15 Lee Street, Randwick, New South Wales 2031
Agency 36 Pty Ltd	Agency 36	35 Reatta Road, Trevallyn, Tasmania 7250
Agent in a Box Owner Direct Online Property Consultants Pty Ltd	Agent in a Box	7 Burnett Crescent, West Ulverstone, Tasmania 7315
Agribusiness Services (Tas) Pty Ltd	Agribusiness Services (Tas) Pty Ltd	201 Norwich Drive, Longford, Tasmania 7301
Living Here Launceston	Living Here Launceston	25 Invermay Road, Launceston, Tasmania 7250
Auctions 247	Auctions 247	10-12 McKenzie Street, Invermay, Tasmania 7248
Andrew Wright Auctioneers & Valuers	Andrew Wright Auctioneers & Valuers	5 Sussex Street, Glenorchy, Tasmania 7010
Ansell Strategic Property Services (ASPS) Pty Ltd	Ansell Strategic Property Services (ASPS) Pty Ltd	Unit 11, 210 Bagot Road, Subiaco, Western Australia 6008
Alexia Pty Ltd	Alexia Pty Ltd	Suite 1, Lower Ground 199 Macquarie Street, Hobart, Tasmania 7
AMI Group (Aus) Pty Ltd	AMI Group (Aus) Pty Ltd	Suite 1.01, 354 Toorong Road, Glen Iris, Victoria 3146
Andrew Michael Wright	Andrew Michael Wright	38-40 Wilmot Street, Burnie, Tasmania 7320
Ansell Strategic Property Services (ASPS) Pty Ltd	Ansell Strategic Property Services (ASPS) Pty Ltd	9 Goodman Court, Invermay, Tasmania 7248
Ant Farm Tasmania Pty Ltd	Ant Farm Tasmania Pty Ltd	14 Main Street, Huonville, Tasmania 7109
Apelbaum & Co (Estate Agents) Pty Ltd	Apelbaum & Co (Estate Agents) Pty Ltd	Level 10 52 Collins Street, Melbourne, Victoria 3000
ARL2 Pty Ltd	ARL2 Pty Ltd	407 Bay Street, Brighton, Victoria 3186
Armitage Auctions Pty Ltd	Armitage Auctions	57 Cadbury Road, Claremont, Tasmania 7216
Ashloc Holdings Pty Ltd	Ashloc Holdings Pty Ltd	40 Quail Street, St Helens, Tasmania 7330
Attain Pty Ltd	Attain Pty Ltd	65 Emmett Street, Smithton, Tasmania 7253
Australian Pharmacy Sales Pty Ltd	Australian Pharmacy Sales Pty Ltd	16 Sussex Road, Caulfield South, Victoria 3162
AVEO Real Estate Pty Ltd	AVEO Real Estate Pty Ltd	1 Bathurst Street, George Town, Hobart, Tasmania 7
Bay of Fires Real Estate Pty Limited	Bay of Fires Real Estate Pty Limited	2nd Floor, 171 Macquarie Street, Hobart, Tasmania 7005
BK & MB Kay Realty Pty Ltd	BK & MB Kay Realty	Level 7, 140 Bourke Street, Melbourne, Victoria 300
Blink Pharmacy Brokers Pty Ltd	Blink Pharmacy Brokers Pty Ltd	826 Sandy Bay Road, Sandy Bay, Tasmania 7005
Bramor Pty Ltd	Bramor Pty Ltd	Level 7, 140 Bourke Street, Melbourne, Victoria 300
Brick & Castle Property Pty Ltd	Brick & Castle	2/203 Mount Street, Upper Burnie, Tasmania 725
Brown & Banks Pty Ltd	Brown & Banks	37 Main Road, Moonah, Tasmania 7250
Burgess Rawson & Associates Pty Ltd	Burgess Rawson	117 Camilliere Street, Launceston, Tasmania 7250
Burnie Real Estate Pty Ltd	Burnie Real Estate Pty Ltd	Suite 203, 1 Crescent Road, Glen Iris, Victoria 3
Burt and Dano Pty Ltd	Burt and Dano Pty Ltd	Level 9, 34 Queen Street, Melbourne, Victoria
Bushby & Co Pty Ltd	Bushby & Co Pty Ltd	
Business & Franchise Brokers Pty Ltd	Business & Franchise Brokers Pty Ltd	
BuyMyHome (Agency) Pty Ltd	BuyMyHome (Agency) Pty Ltd	
	BF Brokers	
	BuyMyPlace	

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License Type:
P1D1 = Real Estate Agent Part 1 Division 1, P2D1 = Property Manager Part 2 Division 1, P3D1 = General Au

For individuals, a licence could be shown as not currently valid because the property agent has held one type of licence during the licence year and then been granted a different licence, such as when a property representative applies for a licence as a real estate agent.

In these circumstances the Board’s Register will indicate that the individual was licensed as a property representative, which is marked as invalid, but will show that the person now holds a real estate agent licence. The other main reason that a person’s licence will be shown as invalid is due to the person surrendering a licence that is no longer required.

The Board has found that the majority of individuals who no longer require a licence will let the licence sit until the renewal period and then determine whether to renew the licence or not.

This is evident in figure 4 below as the number of property representatives who held a licence as at 30 June 2020 was 1215 but the number of property representatives that made application to renew totalled was 1072.

This means that 143 property representatives either did not elect to renew, or it was determined that these applicants were not eligible to make an application to renew, their licence.

Renewal of licence

The licence period for all property agents licensed with the Property Agents Board is a 12-month period from 1 July to 30 June. The renewal process usually commences in April, during which time licence holders can apply to renew before their licence expires on 30 June.

Under section 22 of the Act, completed applications and fees are due by 30 April of each year but the Board has a discretion to accept applications for licence renewal (and the requisite late fees) by 30 June of each year.

Preparation for renewals for the 2020-2021 licence year commenced in early February 2020, with allocation of tasks to staff members, and the settling of templates and processes.

However due to COVID-19 the Board requested the Minister for Building and Constructions to invoke powers under the *COVID-19 Emergency (Miscellaneous Provisions) Act 2020* to extend the licence period until 30 September 2020.

The granting of this request allowed the renewal period to be deferred from April 2020 to July 2020. This was to reduce the regulatory burden on the property agents' industry during a time of crisis, and to allow additional time for current licence holders to consider whether they would apply to renew their licence.

The additional time allowed the Board to adapt its processes to send renewal documentation to the individual licence holder electronically and to set up processes to allow each property agent to lodge their renewal document via email or electronic lodgement through the Board's website.



Figure 4

Licences	As at 30 June 2019	Renewed 2019-2020	As at 30 June 2020	Renewed 2020-2021
Real Estate Agent carrying on business (P1D1)	227	207	223	208
Real Estate Agent individual (P1D2)	423	397	435	412
Property Manager carrying on business (P2D1)	9	7	8	8
Property Manager individual (P2D2)	14	4	5	5
General Auctioneer carrying on business (P3D1)	17	17	15	15
General Auctioneer individual (P3D2)	18	17	17	14
Property Representative (P4)	1277	1065	1215	1072

Fit and Proper Person

Pursuant to Section 18 of the Act, before granting or renewing a property agent licence the Board must be satisfied the applicant is a fit and proper person to be licensed.

To inform itself about the propriety of an applicant for a licence, the Board requires each applicant to:

- Answer questions about their history of disciplinary proceedings and qualifications in relation to any licence or registration;
- Submit a National Police Certificate (NPC); and
- There is also an ongoing obligation on a licence holder to inform the Board of any changes to the NPC.

During the reporting period the Board determined that from 1 July 2020 an applicant would be required to provide an extract or a result report from the National Personal Insolvency Index (NPII) to support their declaration regarding solvency as part of the fit and proper requirements.

The Board's Fit and Proper Person Assessment Policy is in constant use. It assists the Board to make consistent assessments of the police histories (including criminal records) of applicants for a property agent licence and applies to all applications made for a licence under the Act or under the *Mutual Recognition Act 1992* (Mutual Recognition).

The Policy guides members of the Board, and its officers with powers delegated by the Board, by setting out the Board's fit and proper person criteria. It provides consistency and transparency so that any person wishing to become licensed will know the Board's licensing requirements as they relate to a fit and proper person and will be able to make informed decisions based on those requirements.

Applications to manage more than one office

Pursuant to Section 36 of the Act, the Board received 11 applications during the reporting period for a real estate agent to manage more than one authorised place of business.

Overall, there are 28 real estate agents who manage two authorised places of business and 3 real estate agents managing three authorised places of business.

More than one Authorised Place of Business

As at 30 June 2020 there were 32 real estate agency businesses conducting business at more than one authorised place of business. Of those, 23 have two authorised places of business, 3 have three authorised places of business, 6 have four or more authorised places of business.

Eight of the 32 real estate agency businesses have an authorised place of business in different regions, the other 24 real estate agencies have all authorised places of business in the same region.

Qualifications

New National Training Package

The Training Package (CPP Property Services Training Package) for the Property Industry that was endorsed in March 2019 has been implemented in Tasmania. The train-out period had originally been stated to be June 2020 however, the Australian Skills Quality Authority (ASQA) in September 2019 notified that Registered Training Organisations (RTOs) had until September 2021 to finalise qualifications from the now superseded training package.

The Board determined that as delivery of the CPP Property Services Training Package had commenced, it would permit the CPP50307 Diploma of Property Services (Agency Management) to continue to be the equivalent to the prescribed educational qualification under the Act until 30 June 2021.

Qualification changes – current and recommendations

The implementation of the new national training package on the prescribed educational qualifications for licences under the Act caused the Board to consider a further review of other qualifications that are required for licences under the Act.

The current prescribed education qualification for each licence type is as indicated in figure 5 below:

Figure 5

Register	Licence Type	Qualification
Part 1	Real Estate Agent	Diploma and experience requirement
Part 2	Property Manager	Diploma
Part 3	General Auctioneer	<i>CPPDSM4002A – Apply knowledge of a state or territory legislative framework to complete agency work;</i> <i>CPPDSM4004A – Conduct auction;</i> <i>CPPDSM4006A – Establish and Manage Agency Trust accounts;</i> <i>CPPDSM4038A – Conduct goods, chattel, or equipment clearing sale or auction; and an examination</i>
Part 4	Property Representative	An examination administered by the Board

Upon undertaking a review during 2018-2019, the proposed prescribed educational qualification recommended by the Board for each licence type was as identified in figure 6 below.

Figure 6

Register	Licence Type	Qualification
Part 1	Real Estate Agent	Diploma
Part 2	Property Manager	Diploma
Part 3	General Auctioneer	Diploma
Part 4	Property Representative	An examination administered by the Board; and CPP41419 Certificate IV within 3 years

The Board considered that the prescribed educational qualification for Real Estate Agents and Property Managers would remain as the Diploma.

However, the Board recommended that the prescribed educational qualification for General Auctioneers should be comparable with other licence types conducting business and therefore the prescribed educational qualification for general auctioneers should also be a Diploma.

The Board considered that the CPP41419 Certificate IV qualification reflects the role of real estate professionals who apply knowledge of real estate practice legal agency and compliance requirements, ethical standards and consumer preferences to conduct real estate functions. As such the Board had recommended a legislative change to require property representatives to complete the CPP41419 Cert IV in Real Estate Practice within three years after obtaining their licence.

The Board also decided that property representatives who had completed their Certificate IV qualification would be exempt from undertaking at least 8 points of CPD in the following 2 licence years after completion.

These amendments were communicated to the Minister of Building and Construction in July 2019.

Further Review

Due to COVID-19 and its potential impact on the property agents industry the Board determined to delay the implementation of the requirement for property representatives to undertake the Certificate IV qualification as part of the licence holder's CPD requirements.

During the reporting period it was noted that the units required to obtain the prescribed educational qualification to be licensed as a general auctioneer were no longer available. While the Board considers the qualification for general auctioneers should be the Diploma, as identified above, until the Regulations are amended an alternative qualification was required.

Interim measures

The Board determined that under Regulation 41(3)(c), for the purpose of allowing a person to obtain the prescribed educational qualification to be licensed as a general auctioneer, the following units were substantially equivalent to the qualification prescribed in Regulation 41(3)(a) -

- CPPREP4505 Value Goods, chattels, plant and equipment
- CPPREP4509 Auction goods, chattels or equipment
- CPPREP5001 Manage compliance in the property industry

- CPPREP5002 Establish and monitor property industry trust account management practices
- CPPREP5003 Manage ethical practice in the property industry

Request to amend Regulation 41(3)

Upon undertaking this further review the Board determined that, as there was no experience required attached to the general auctioneer licence, the prescribed educational qualification for General Auctioneers should be CPP51119 Diploma of Property (Agency Management) and two additional auction units:

- CPPREP4505 Value Goods, chattels, plant and equipment; and
- CPPREP4509 Auction goods, chattels or equipment.

Examinations

General Auctioneers

There were no examinations for General Auctioneers conducted during the reporting period.

During the reporting period a person who sought to become licensed as a general auctioneer was required to undertake 4 units of the National Training Package relating to legislation, trust accounting and conducting auctions then successfully complete an examination set by the Board. However as discussed in the Qualifications chapter the educational requirements have changed.

Property Representatives

Regulation 41 provides that the prescribed educational qualification for a property representative is successful completion, within the previous 2 years, of an examination for property representatives administered by the Board.

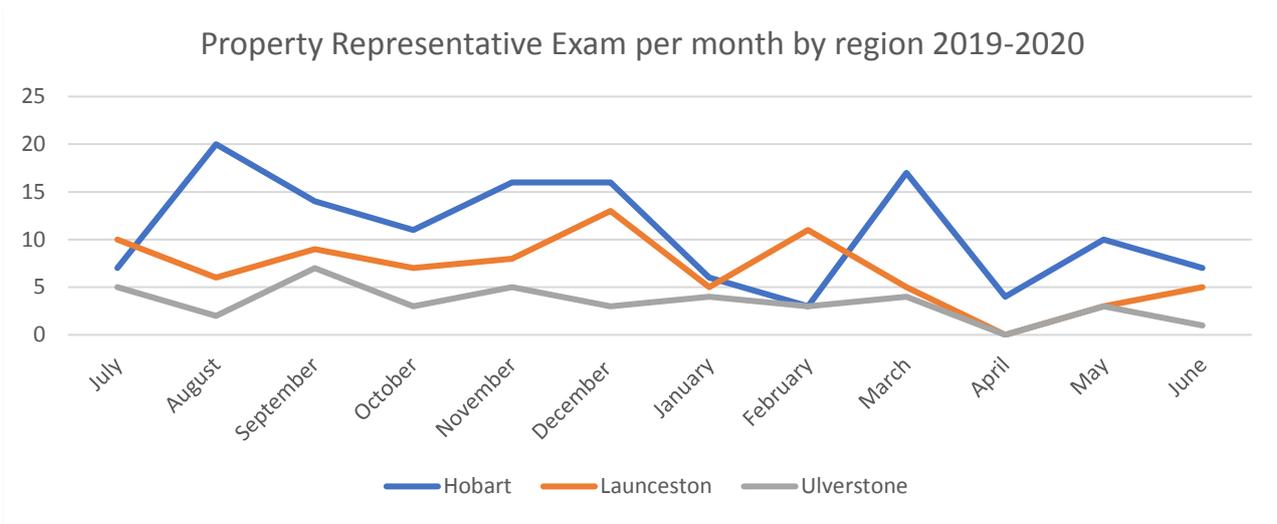
The examination is an entry level examination which is designed to touch on a wide range of information. The examination is designed for the candidate to demonstrate a basic level of knowledge and understanding of the property industry, as the expectation is that the person will build on this knowledge once working in the industry.

As the Act does not divide sales and property management functions the examination covers both areas.

A total of 252 property representative examinations have been attempted in the reporting period. Of those 131 (136 in 2018-2019) examinations were undertaken in Hobart, 82 (76 in 2018-2019) in Launceston, and 39 (40 in 2018-2019) in Ulverstone. 252 property representative examinations were held in 2019-2020, the same number as 2018-2019, but 275 examinations were held in 2017-2018.

The figure 7 graph indicates the examinations undertaken in each region per month. The dip in examinations undertaken in April 2020 was due to COVID-19 and exam venues not being able to accommodate the exam due to social distancing restrictions.

Figure 7



Candidates are able to attempt the property representative examination a maximum of 4 times. Overall, 76% of candidates were successful on their first attempt, 21% of candidates required a second attempt and 3% of candidates required a third examination attempt. There were no candidates undertaking a fourth examination attempt during the 2019-2020 period.

Conduct and Complaints

The Board strives to ensure that:

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

Conduct complaint procedures

A complaint may be made about the conduct of a property agent by any person. For the Board to be able to deal with a complaint, it must be in writing. A complaint form template (as shown) is available on the Board’s website to assist the complainant to identify the conduct concerned and the identity of the relevant party complained about.

When a complaint is received by the Executive Officer a preliminary assessment is made and the grounds of complaint are established and asked to be confirmed by the complainant. Usually a copy of the complaint is sent to the property agent with the invitation to provide submissions to the Executive Officer in relation to it.

The image shows a 'COMPLAINT FORM' from the Property Agents Board. The form is divided into several sections:

- Complainant Details:** Includes fields for Name, Title, Other Name, Address, Town or Suburb, State, Postcode, and Email.
- Property Agent Details:** Includes fields for Name, Address, Town or Suburb, State, and Postcode.
- Complaint Description:** A large text area for describing the complaint.
- Complaint Details:** Includes fields for Date, Time, and Location.
- Complaint Status:** Includes checkboxes for 'I have provided a copy of this complaint to the property agent(s) concerned' and 'I have provided copies of all relevant documentation/photos to support the complaint'.
- Declaration:** A section where the complainant declares that the information is true and correct to the best of their knowledge.
- Signature:** Fields for the complainant's name and signature.
- Footer:** Includes contact information for the Executive Officer and the Property Agents Board.

The property agent's submission is usually provided to the complainant for comment.

The complaint is then assessed by the Board's Complaints Officer as to whether the information provided is sufficient for the Board to consider the complaint or whether further information is required.

As the Board is required to provide both the complainant and the property agent with procedural fairness this preliminary stage can take some months, to ensure that all parties are given time to respond and provide evidence, and that all relevant matters are considered.

The Complaints Officer will prepare a report which is considered by the Board, together with relevant material. The Complaint is then either summarily dismissed pursuant to Section 92 of the Act or proceeds to the investigation phase.

If the complaint proceeds to investigation the Board continues to deal with the matter as efficiently and expeditiously as possible.

After an investigation, if the Board considers that there is insufficient evidence to substantiate the complaint, it will be dismissed under Section 100(a) of the Act.

If the evidence collated during an investigation indicates that the conduct amounts to minor misconduct, the Board may deal with the matter itself pursuant to Section 101 of the Act. In this process detailed under section 101 of the Act, the Board may by written notice require the property agent to provide the Board with a written explanation of the conduct as a final opportunity to persuade it against a misconduct finding.

The Board considers the explanation and determines what action needs to be taken against the property agent which can include a caution or reprimand, or acceptance of an undertaking from a property agent to take or refrain from taking action specified by the Board.

If, however the Board considers that upon further receipt of the property agent's explanation that there is insufficient evidence to substantiate the complaint, the Board must dismiss it.

The Board must refer the matter to the Tribunal if a property agent fails to comply with the notice to provide a written explanation or if the property agent requests that the matter be considered by the Tribunal or if during consideration of the written explanation that the Board considers that the conduct amounts to more than minor misconduct.

Therefore, if the Board considers that the complaint cannot be summarily dismissed, or dismissed after investigation as there is insufficient evidence to substantiate the complaint, or that the conduct is more than minor misconduct, it must under Section 100(c) of the Act refer the complaint to the Tribunal.

The only exception to this is if while considering a conduct complaint the Board believes that the evidence it has indicates that a person has committed a criminal offence. In that case the Board must suspend its consideration of the complaint and provide the evidence to the Commissioner of Police.

Figure 8

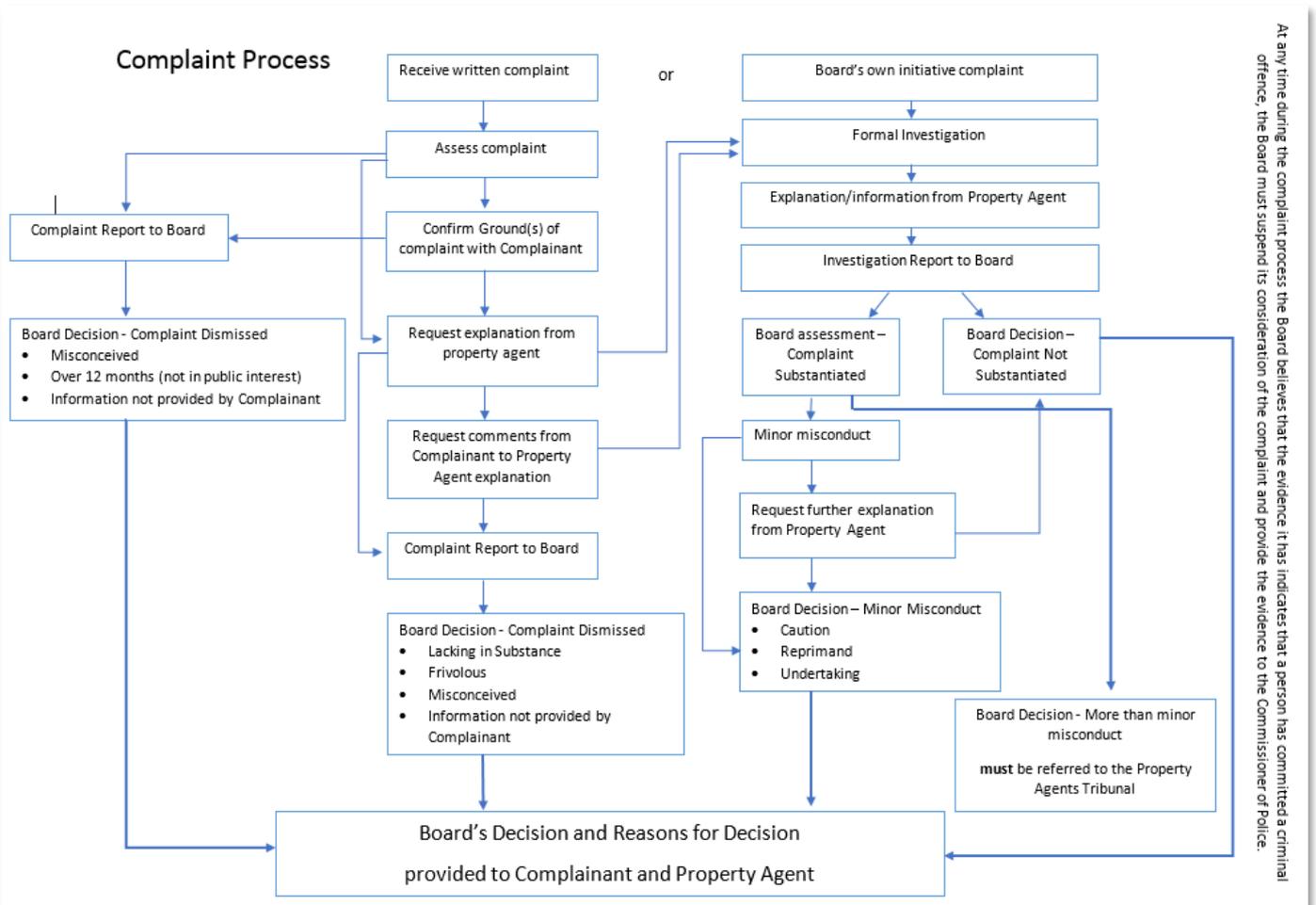


Figure 8 is a flow chart demonstrating the complaint process undertaken by the Board.

Complaint Handling

The majority of complaint enquiries are dealt with initially by telephone and the Board encourages the complainant to resolve matters directly with the property agent and their employer before lodging a formal complaint.

The Board's officers provide guidance on how a potential complainant might manage and resolve an issue as an alternative to lodging a formal complaint with the Board. This process involves substantial time but is cost effective in comparison to the resources required to investigate a formal conduct complaint. On average, 40 telephone complaint enquiries are received each calendar month.

The Code of Conduct includes a requirement for property agents to maintain a dispute resolution process. The Board has observed that the industry is continuing to implement appropriate dispute resolution procedures and it is of the view that this may result in more frequent and amicable resolution of complaints as it gives an appropriate framework for grievances and concerns to be aired and dealt with in a timely manner.

Complaints received 2019-2020

There were 55 conduct complaints received by the Board during this period, of which 36 were finalised and 19 of the complaints received during the reporting period remained outstanding as at 30 June 2020.

Overall complaint management

A snapshot of the complaints statistics is below:

- 16 complaints were carried forward from 2018-2019;
- 55 complaints were received during the year;
- 52 complaints were concluded during the reporting year;
 - 32 matters were dismissed pursuant to Section 92 of the Act:
 - 3 were considered misconceived;
 - 29 were considered lacking in substance;
- 14 investigations were undertaken. From those matters investigated:
 - 8 were dealt with under Section 100(a) of the Act and dismissed as the Board was satisfied that there was insufficient evidence to substantiate the complaint;
 - 4 complaints were considered as amounting to minor misconduct that could be adequately dealt with by the Board which resulted in 4 reprimands and 1 requiring an undertaking from the property agent;
 - 2 matters were referred to the Tribunal. The Board engages legal counsel to represent it at the Tribunal. Many of the complaints dealt with during the year were more complex in nature which required the Board to seek independent legal advice;
- 6 matters were withdrawn by the complainant.

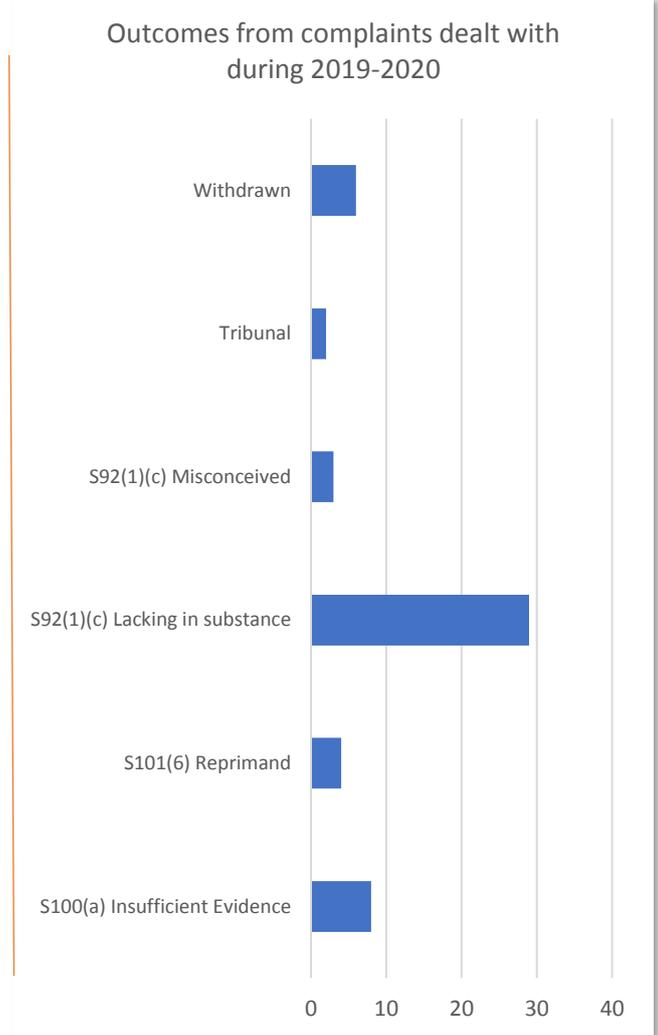


Figure 9

Figure 9 displays the outcomes from overall complaints dealt with in the reporting period.

Complaints by region

Figure 10

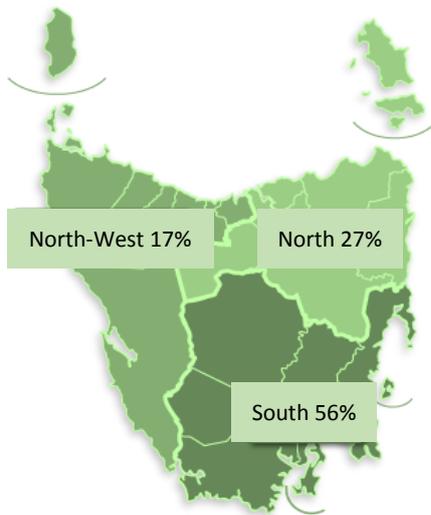


Figure 10 as a map of Tasmania shows the percentage of complaints per region over the reporting period.

The northern region had a significant decrease from 40% to 27%.

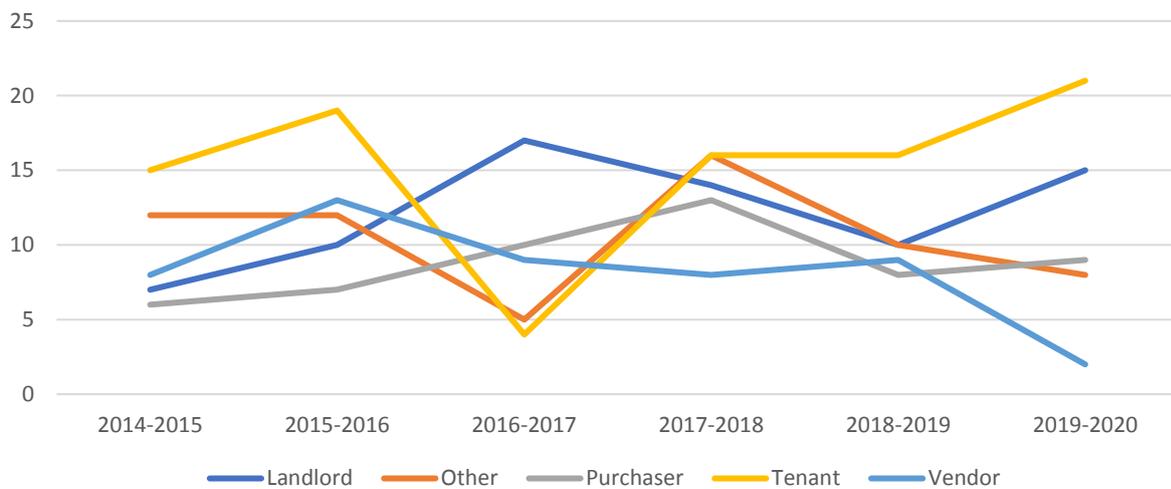
The North-West region has had a slight decrease in complaints from 18% to 17%.

The South has increased its percentage of complaints from 42% to 56%.

Figure 11 below shows the complainant type each year over the last six-year period.

Figure 11

Complainant type by year



Complaints by landlords have increased from 10 last year to 15 and complaints by tenants have also increased from 16 to 21 complaints for 2019-2020.

Complaints from landlords usually related to a failure to act in the client's best interest, a failure to exercise due care, skill or diligence or failure to follow the client's lawful instruction. Complaints from tenants mainly related to failure to act fairly, honestly and in a reasonable manner.

Complaints lodged by vendors have reduced significantly from 9 complaints in 2018-2019 to 2 complaints in 2019-2020. Complaints from purchasers have risen slightly from 8 formal complaints received in 2018-2019 to 9 complaints in 2019-2020.

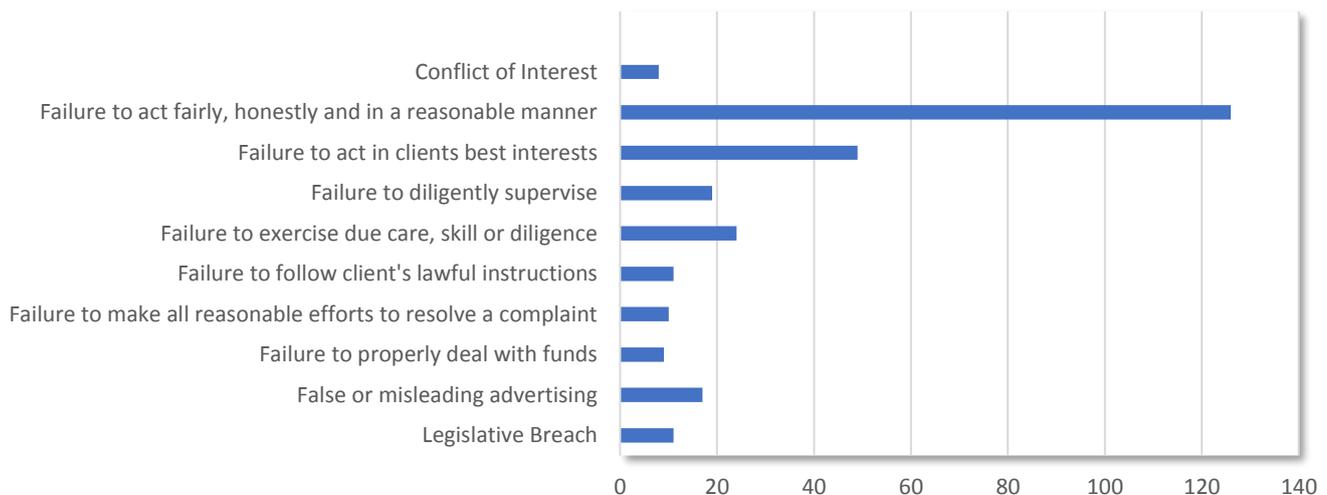
Complaints made by purchasers mainly related to an allegation of false or misleading advertising or misrepresentation or misleading conduct. Vendors mainly complained that the property agent had failed to act in the client’s best interests. It is not surprising however that vendor complaints are low during a period where the selling market has been extremely strong.

The “Other” complaint category for 2019-2020 relates to the Board initiating a conduct complaint of its own volition or a third party (that is a person not part of the transaction) making a complaint against the property agent. The principal allegations for these complaints relate to legislative breaches, unsatisfactory professional conduct, damage to the reputation of a colleague/bringing the industry into disrepute or false or misleading advertising.

The figure 12 graph is a collation of the top 10 principal allegations over a six-year period. The principal allegation of failure to act fairly, honestly and in a reasonable manner is usually the principal allegation used for complaints made by customers of the property agent.

A customer is defined in the Code of Conduct as a person who interacts with the property agent in the course of the property agent’s business and is not a client or colleague of the property agent.

Figure 12 Combined total of top 10 principal allegations for six year period



Infringement Notices

INFRINGEMENT NOTICE - Individual
Property Agents and Land Transactions Act 2016

Property Agents Board

Section 167

NOTICE NO. 8910 0000 0017

To: Person's Name _____ Date of Birth _____

Address _____ Suburb _____ Postcode _____ Suburb/postcode _____

Details of infringement:
It is alleged that on or before the _____ day of _____ 2020 Year _____
at _____ Address _____ Suburb/postcode _____ Postcode _____
in the State of **Tasmania** you committed the following prescribed offence(s) under the Property Agents and Land Transactions Act 2016 for which these prescribed penalties are payable:

Section of Act or Regulation	Particulars of Offence	Penalty Units	Penalty
Regulation 6	Failed to supervise the keeping of trust accounts records and ensure that they were accurate	5	\$840.00
			\$840.00
		Total Payable	\$840.00

Signature _____ Name (Print) _____ Date 20/12/2018

Example Infringement Notice

Under Section 167 of the Act, infringement notices can be issued and served where an infringement offence is committed against the Act or the Regulations. The Regulations provide for an amount for each offence in accordance with Schedule 2 Part 1 of the Regulations. Infringement offence amounts can range from 5 penalty units for an individual up to 300 penalty units for a body corporate. It should be noted that offences are prescribed in 'penalty units' which are indexed annually under the *Penalty Units and Other Penalties Act 1987*.

Whilst the issuing and serving of valid notices is the purview of the Board, the Monetary Penalties and Enforcement Services (MPES) of the Department of Justice collects these infringement notice penalties (fines) which are payable into the Tasmanian Government's Consolidated Fund.

The Board continues to work with and has greatly appreciated the valued assistance from MPES relating to the issuing of valid notices and any other information relating to policy and implementation to ensure compliance with the MPES collection requirements.

A key driver for issuing an infringement notice is to promote professionalism among property agents and to deter repeat offenders via behavioural change.

Thirty-seven show cause letters were issued during the reporting period. A show cause letter commences proceedings to issue an infringement notice against a person. In the show cause letter a person is invited to make submissions by a certain timeline to explain why an infringement notice should not be issued against them or why their conduct does not warrant further action by the Board.

If there is no response to the show cause letter, the Board will issue an infringement notice.

If a reply is received to the show cause letter and the Board accepts the submissions made by the person that no further action is warranted, an infringement notice is not issued.

If the Board does not accept the submissions from the person, it will issue an infringement notice.

A total of eight infringement notices have been issued during the financial year. Seven of the infringement were issued for a breach of trust accounting requirements. One infringement was issued for a breach of Section 34 of the Act (conduct a real estate agency business whilst not licensed).

Trust Accounts

The Act and the Regulations set out how property agents are to maintain their trust account records, and the Board requires full compliance with the trust account provisions.

Property agents are required to submit trust account reports to the Board for the six-month periods ended 31 December and 30 June. Further, a special purpose audit report and checklist as to the property agent's trust account(s) for the financial year is required to be received by 30 September each year. This audit is performed by an independent auditor.

If the property agent does not hold money in trust, then they may submit an Audit Exemption where they declare that they have not held money in trust during the financial year.

Trust Account reports

Around 266 trust account reports were received for the two periods ended 31 December 2019 and 30 June 2020. This number can fluctuate slightly as trust accounts may be opened or closed during the reporting period or may not hold any money for the specified period and therefore a report is not required.

Annual Trust Account Audit Reports Overview (2018-2019)

As the results for the annual trust account audit report are not available until after September, the results reported in this Annual Report relate to the 2018-2019 financial year.

The annual audit process is one of the key regulatory controls to assist the Board in managing its obligations over the industry under the Act. It is also a key factor in identifying where inspection resources can be prioritised.

287 audit reports and checklists or audit exemptions were received by the statutory deadline of 30 September 2018. There were 11 property agents who submitted audit reports during October and 4 audit reports being outstanding as at 31 December 2019. A total of 271 audit reports, checklists and relevant correspondence have been reviewed. Figure 13 below provides a comparison of audits for the past two years.

Figure 13

	2018	2019
No. of Accounts to be audited	263	275
Qualified Reports	63	77
No. of Property Agents with Qualified Reports	47	58

The focus for the 2018-2019 audit year for auditors was month end reconciliation processes. Specifically, auditors were to ensure that the opening balance agreed to the prior month's closing balance and that the managing property agent was signing the correct reconciliation page.

The Board's inspection program identified that in many cases property agents certify the reconciliation document as complete and accurate, but the figures contained on the page that bears the certification does not agree with the supporting schedules or bank balance.

This does not mean that the trust account has not reconciled, but it is a strong indicator that the property agent responsible for the trust account is not reviewing the documentation sufficiently to provide the correct certification.

Auditors cannot apply materiality judgment to an infringement of the Trust Accounting provision and as such are required to provide details of each qualification identified.

As part of the review process, emails and letters were sent to auditors and property agents to clarify missing information or wrongly answered items in the audit checklist, to seek explanation and confirm rectification of matters raised.

Issues raised in many of the audit reports were minor in nature and the managing property agent has agreed to rectify these in most instances.

The following figure 14 indicates the number of qualifications per audit report for this year compared with the last 3 years.

Figure 14



It is disappointing that 27 of these property agents also had qualified reports in the 2017-2018 year.

To assist auditors a Guide to Audit is emailed to all auditors, together with a copy of the audit report and checklist. The list of property agents who had been inspected during the reporting period is also provided, which assists in the completion of the audit report.

This information is available on the Board's website prior to the end of the financial year for easy reference.

This is the fifth year that the Board has requested the auditors to provide an approximate number of rental properties of all kinds being administered through each Property Agent's trust account.

Receiving this estimate figure helps to assess the size of the operational environment in each office and provides context and a relevance to the materiality of the issues mentioned in the audit report.

The approximate number of rental properties of all kinds, which includes some car parks and holiday rentals, managed by all Property Agents throughout the State totalled 34,064 for 2018-2019 compared with 33,679 last year and 33,357 reported 2016-2017 year.

Trust Account Use

The following table indicates the type of money held in trust accounts. The majority of accounts are purpose specific, that is the property agent will use separate accounts for sale deposits or property management functions.

Auction relates to licensed general auctioneers. A small proportion of accounts hold trust money relating to both sales and property management activities. These accounts are usually held by smaller sized agencies. Figure 15 table illustrates the number of accounts in use for each activity.

Figure 15

No of trust accounts by use	2017-2018	2018-2019
Rentals	113	118
Sales	112	120
Both (Sales and Rentals)	30	26
Auction	8	11
Total	263	275

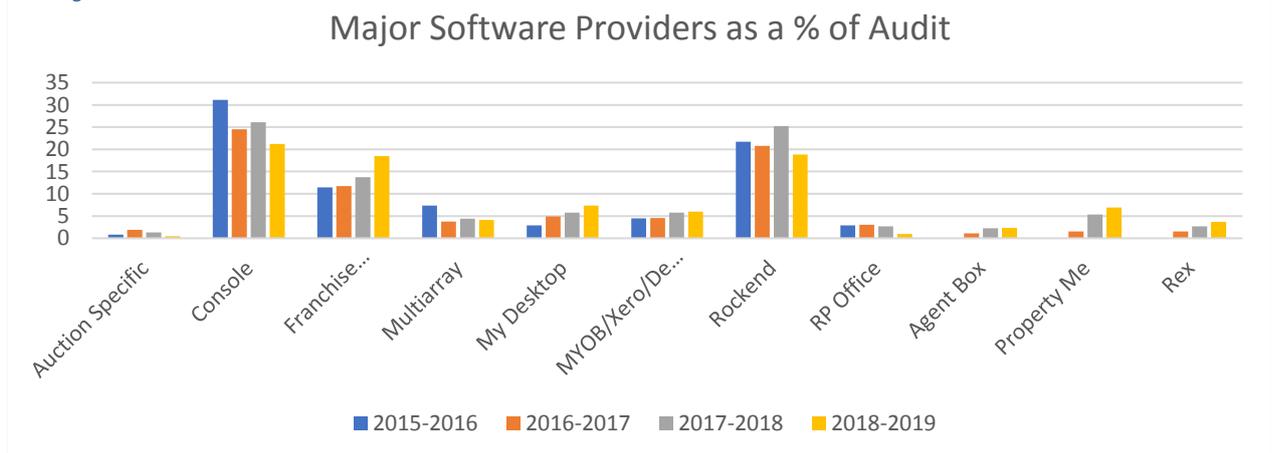
Accounting Software

Property agents use a range of different software platforms to manage their trust accounts. Most property agents use industry specific software, as it incorporates both the financial compliance aspects and file management.

As in prior years, a substantial number of minor issues were raised in relation to accounting systems. This involved telephone calls and email requests for information or reconciliations to clarify the seriousness and materiality of issues raised in the audit reports.

The software packages most commonly used for managing trust accounts are as illustrated as a percentage of audit reports is shown in figure 16.

Figure 16



Inspections

The Board continued its Inspection program reviewing trust account and audit reports, and in accordance with its checklist for undertaking investigations and inspections.

Inspections are a key role in the Board's compliance program and also play an educative role for the industry.

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 inspection program is a cycle-based program with an inspection of each property agent's trust account and statutory records every three years.

Forty-one onsite inspections were undertaken during 2019-2020 and four property agents had trust account reconciliation reviews.

Of the total of 41 inspections undertaken, 26 inspections were conducted in the Southern region, 8 in the North and 7 in the North-West.

Figure 17 as a map of Tasmania shows the inspections per region as a percentage of the total.

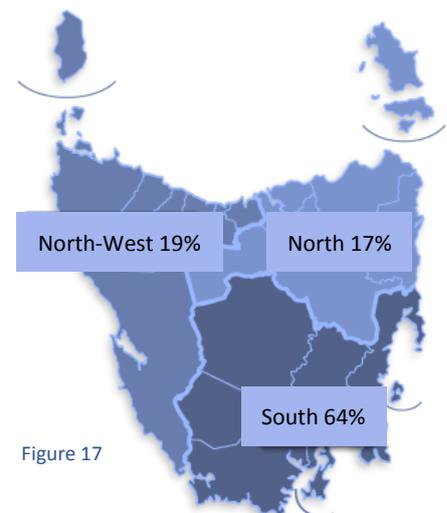


Figure 17

Protection of Trust Money

During the 2019-2020 licence year the Board made an application to the Magistrates Court Civil Division under section 119 of the Act to have a manager and receiver appointed to a real estate agency business. This was required as it became aware that there was no licensed property agent in managing control and there were property management monies held in trust which required disbursement to the landlords.

The Board sought the assistance of a senior property agent. The appointment was made by the Magistrates Court which allowed the manager and receiver appointed to gather in and take control of any trust money and act as trustee and disburse the trust monies to persons who were entitled to it as and when they became entitled to it.

Prior to the order being made, the Board discharged its functions under section 6(h) and (m) of the Act to supervise the trust accounts of property agents and protect trust monies by instructing it delegate to serve a notice under section 118 of the Act to the approved deposit taking institution which held the trust money.

This notice put a hold on the trust account of the real estate agency business which prevented the distribution of the withdrawal of funds from the real estate agency business' trust account, however it did not prevent deposits to the trust account. Therefore, tenants could continue to deposit rent into the trust account unless directed otherwise.

During this process frequent consultation was required with the receiver and manager, tenants, landlords and the director in charge of the business as well as representatives of the authorised deposit taking institution to ensure that all parties were aware of the process and progress of this matter.

Schemes of Arrangement

Property agents must maintain a trust account with an authorised deposit-taking institution that has been Board approved.

Section 147 the Act provides for the Board to enter into a Scheme of Arrangement with a financial institution for the keeping of trust accounts. These Schemes of Arrangement are entered into by a written deed to allow payment of interest from these trust accounts into the Property Agents Guarantee Fund (the Guarantee Fund).

The Scheme of Arrangement provides that the financial institution will pay the interest at the Cash Rate Target published in Table F1 of the Reserve Bank Bulletin that is effective as at the 21st day of the month preceding the month when the interest is to accrue minus an administrative fee of 0.5%

The Property Agents Trust (the Trust) maintains the Guarantee Fund and its functions are as prescribed in S142 of the Act. They can be summarised as follows - to meet claims for loss and pay compensation suffered by people as a result of acts or omissions of property agents. In accordance with S149(4)(a) of the Act, the Guarantee Fund must be built up and be maintained to a minimum of \$8 Million.

Approved Financial Institutions as at 30 June 2020

A real estate agent named in Part 1(1) of the Register, a property manager named in Part 2(1) of the Register or a general auctioneer named in Part 3 of the Register must not maintain a trust account with an authorised deposit-taking institution that is not an approved institution. The following are the approved financial institutions as at 30 June 2020:

- Australia and New Zealand Banking Corporation
- Bendigo Bank
- Commonwealth Bank of Australia
- Heritage Isle Credit Union
- Macquarie Bank Limited
- National Australia Bank
- Westpac Banking Corporation



Property Agents Guarantee Fund

The Guarantee Fund established under section 164 of the Repealed Act and continued in existence under section 149 of the Act is a consumer protection fund. Its function is 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 2(1) of the Register or general auctioneers named in Part 3 of the Register, and of people employed or engaged by them or acting on their behalf.

In order to ensure that it remains a viable consumer protection fund, a statutory minimum of \$8 Million is prescribed under the Act. Surplus funds above that minimum can be drawn from the Fund as agreed by the Board and the Minister in accordance with section 150 of the Act.

Surplus funds have been drawn from the Guarantee Fund each year for a number of years amongst other things:

- to fund the Board's operations where there is a short fall of licence fee revenue;
- the Magistrates Court in dealing with applications under the *Residential Tenancy Act 1997*;
- to support the training activities undertaken by the REIT.

Income has fluctuated as it is dependent on interest rates and negotiations on the Scheme of Arrangement between the Property Agents Board (the Board) and financial institutions. As interest rates have decreased, with the likelihood that this will continue due to the economic downturn resulting from COVID-19, it is likely that income from interest will remain negligible.

The Board and the Minister are aware that unless there are changes to the income generated by the Guarantee Fund or a change to the statutory minimum held, there will be less capacity for payments of surplus money from the Guarantee Fund.

Guarantee Fund Claims

In 2013, 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 Board's Register. The money stolen concerns some 132 security deposits and money owing to creditors, the total loss amount is estimated in the vicinity of \$135,000. The total number of claims made from the Guarantee Fund to 30 June 2020 was 127, and the total paid from the Guarantee Fund was \$89,425.59. In the current reporting period, 6 claims were made totalling \$4,520.00. Payments to tenants were \$3,480.00 and \$1,040.00 to landlords.

Figure 18 below provides a summary of the claims made per reporting period.

Figure 18

Year	No. of claims	Payments
2013-2014	44	\$30,831.15
2014-2015	38	\$28,085.53
2015-2016	14	\$9,153.20
2016-2017	13	\$8,285.71
2017-2018	7	\$4,570.00
2018-2019	5	\$3,980.00
2019-2020	6	\$4,420.00

During the reporting period the Board received a claim against the Guarantee Fund relating to the conduct of a property management business which specialised in short term accommodation.

The Board determined that no compensation was payable for the claim by the Guarantee Fund under Division 4 of the Act.

The determination was made on the basis that the loss suffered was not as a result of a person acting in the course of the business of a property manager named in Part 2(1) of the Board's Register that allows for payment of compensation.

The conduct was not a regulated function covered by the Act as a consequence of Regulation 43(2) of the Regulations. That is, it was not conduct of a licensed property manager for the purposes of the Act as the property that was managed was short term accommodation and that all property managed by that agency was short term accommodation.

Professional Indemnity Insurance

Section 131 of the Act provides that real estate agents, property managers and general auctioneers conducting business must maintain an appropriate level of professional indemnity insurance cover, and that this cover must be provided by an insurance company approved by the Australian Prudential Regulation Authority. As such, the Board will not licence a business until it is satisfied that appropriate professional indemnity insurance is in place, by the applicant providing a Certificate of Currency. The licence of the property agent is to be taken to have been suspended during any period when the property agent does not have professional indemnity insurance.

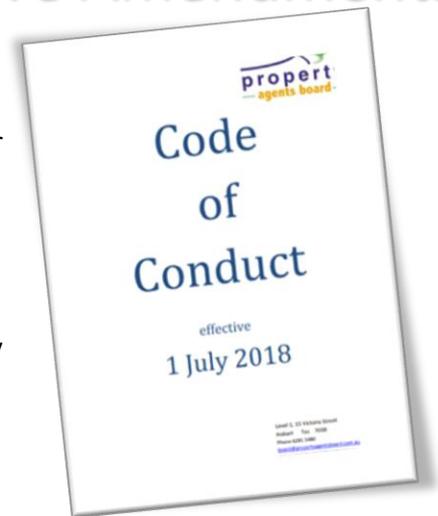
The Board's ability to monitor professional indemnity insurance held by property agents conducting business provides an effective channel for it to provide a level of consumer protection. The Board monitors compliance with the Act by maintaining a robust register of professional indemnity insurance for all businesses which, amongst other things, highlights the date on which the property agent's insurance is due to expire. The Board is proactive in its engagement with the industry and sends out notifications to those businesses who have not provided a new professional indemnity insurance certificate of currency when its old professional indemnity policy has expired.

Code of Conduct and Legislative Amendments

Code of Conduct

Under section 84 of the Act, the Board must establish and keep under review a Code of Conduct for property agents to regulate their professional practice, conduct and discipline.

A copy of the Code of Conduct is available on the Board's website. Hard copies are also available from the Board's office and all property agents receive a copy of the Code of Conduct when their licence is first granted.



Amendment Bill

Section 6 of the Act provides that the Board is to advise the Minister on any matters relating to the Act.

In October 2019, representatives of the Consumer, Building and Occupational Services (CBOS) within the Department of Justice approached the Board with a draft Amendment Bill to the *Property Agents and Land Transactions Act 2016* (the Amendment Bill) which largely reflected the suggested amendments that the Board had previously put forward to the Minister.

Further consultation occurred and although the Board suggested further amendments, it in principle supported the Bill. The Board was grateful for the opportunity to be consulted.

The first reading of the Amendment Bill occurred on 13 November 2019, but the Board has not been advised that there had been further activity on the Bill since that date.

Education and Awareness

In accordance with Section (6)(1)(k) of the Act, the Board has an educative function.

This is a function which the Board has given high priority in order to ensure that its vision of increasing compliance with the Act is met.

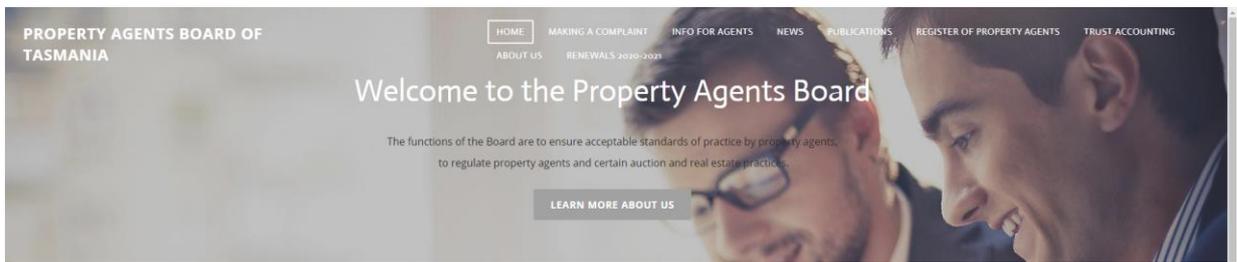
The Board has continued to further educate and inform with the provision of:

- Over the counter information service to members of the public and property agents industry;
- A telephone information service to members of the public and property agents industry;
- Information by way of bulletins, memos, guidelines, case studies and advice notes to the property agents industry;
- Information sent via emails and formal documentation where specific compliance matters and concerns have been identified; and
- Information presented at industry forums and training sessions by the Board's Executive Officer.

The Board also plays an educative role through its support for funding through the Property Agents Guarantee Fund for education programs for the professional development of property agents through a registered training organisation, the REIT.

Website

The Board views its website as a key communication tool to engage with the property agents industry, stakeholders, consumers and other parties (such as auditors of trust accounts). The Board strongly encourages all of its stakeholders and the public to view the website regularly, to obtain the most up-to-date news and information distributed by the Board and to ensure that they are aware of new or updated policies and forms.

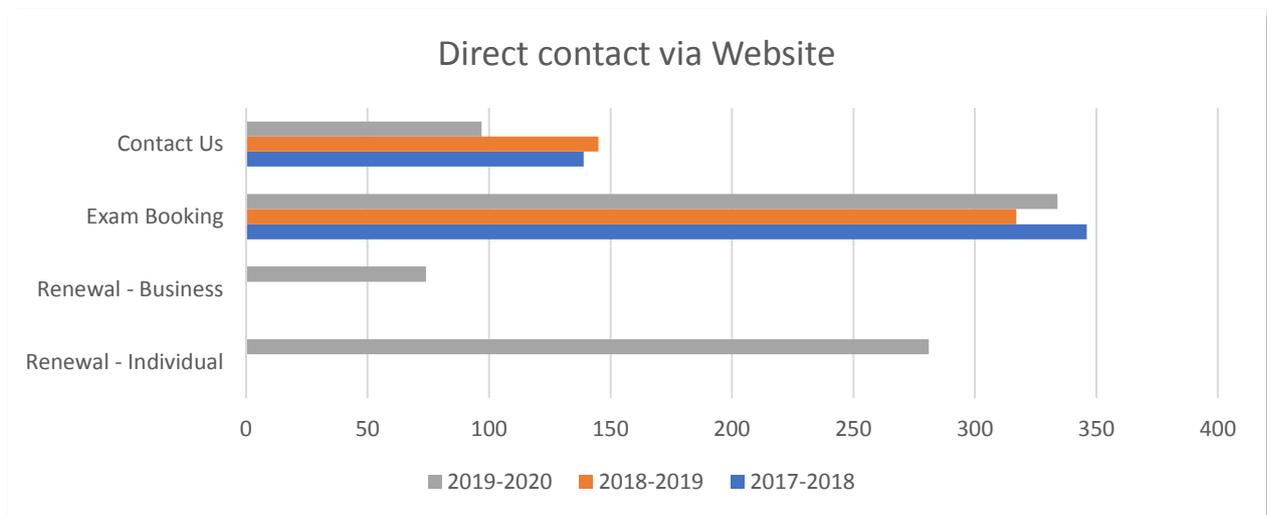


97 enquiries have been received through the website’s “Contact Us” portal in 2019-2020. Queries generally related to licensing, conduct of property agents and understanding industry practice.

All examination bookings are initiated through the website portal “Register for an Exam”. Examination candidates complete the online form indicating:

- the examination they wish to undertake;
- whether the candidate has undertaken an examination with the Board previously;
- their contact details; and
- whether the candidate has undertaken any form of training before sitting the examination.

Figure 19



During the reporting period changes were made to the renewal process to allow property agents to submit their renewal via the Board's website. A total of 74 property agents conducting business and 281 individual property agents lodged their renewal this way.

The website host in August 2019 commenced statistical reporting of unique visits to the Board's website. That data indicates that the Board has received 13,213 visits during which 32,699 pages were viewed.

Website Visits	
Unique Visits	13,213
Page Views	32,699
Ave pages per unique visit	1.94

Educational Training

As previously mentioned, the Guarantee Fund has continued to provide funding for professional development and continuing education.

In 2019-2020 the Real Estate Institute of Tasmania (REIT) as the Registered Training Organisation continued to receive funding from the Guarantee Fund to provide educational packages and activities to implement the CPP Property Services Training Package (which was endorsed in March 2019) and to provide introductory sessions and other educative seminars in person and online.

Continuing Professional Development

The importance of Continuing Professional Development (CPD)

During 2019-2020 the Board continued to promote and embed a commitment to CPD within the property agents industry as it sees CPD as critical in building and maintaining professionalism, and in creating a culture which values learning.

The Board's website provides current information on Board approved CPD activities available as well as other information relating to CPD.

Board's usual CPD policy

The Board's current CPD Policy requires all property agents to complete a minimum of 8 points of Board approved CPD each licence year. Further requirements relating to the requirements are detailed below:

- At least 2 points of CPD activity must be provided by an external provider.

The term 'external provider' means that the CPD activity is delivered by a person external to the business organisation. This requirement is to ensure that all property agents were provided with an opportunity to receive contemporary and different perspectives through CPD activity that may not necessarily be reflective in the property agent's own organisational culture.

- At least 6 of the 8 points of CPD activities must be directly related (industry specific) to the property agents industry.

A CPD activity is characterised as industry specific if the CPD activity has been created or is organised for the property agents industry only. An emphasis has been placed on CPD activities in industry specific areas as it assists property agents to be more effective and aware of industry developments, legislative changes and work practices.

CPD must be Board approved CPD activities

Only Board approve CPD activities which have a Board CPD code can count towards the CPD requirements in order for a property agent's licence to be renewed.

The approval form for either a prospective or retrospective CPD activity is available on the Board's website and is a streamlined process.

During the 2019-2020 licence year the Board approved 532 CPD activities and at the conclusion of the 2019-2020 licence year the Board had a total of 1,006 approved CPD activities on its *List of Approved CPD activities* which was a significant increase to the 699 approved CPD activities at the conclusion of the 2018-2019 licence year.

318 sessional CPD activities were conducted during 2019-2020 and as at 30 June 2020, 688 training courses were approved on an on-going basis. These CPD activities were provided by 167 different training providers, which is an increase from 134 from the previous year.

CPD requirements in response to COVID-19 impact on licence renewals for 2019-2020

In response to the impacts of COVID-19 where many training and conferences were cancelled and there was ongoing uncertainty due the restrictions, the Board reduced the CPD requirement from 8 to 6 points of approved CPD and there was no requirement for there to be an external training component of the approved CPD undertaken. Further, only 2 points of the required 6 points were required to be industry specific, but the Board encouraged property agents to undertake as much CPD as practicable, and preferably industry specific CPD, to keep professionally engaged.

The Board also acknowledged that some licence holders may have found it difficult to have completed the reduced CPD requirements by the time that they were required to lodge their renewal for the 2020-2021 licence year and accordingly streamlined the CPD extension request process, giving all property agents additional time to complete any "outstanding" CPD requirements to 30 November 2020.

CPD extensions and exemptions

As mentioned previously the renewal period for the 2020-2021 licence year occurred outside this reporting period. Therefore, as the renewal period was not concluded by 30 June 2020, the Board cannot report the CPD extensions and exemptions granted and this data will be included in the next annual report.

Statutory and other Reporting

Right to Information Requests

The Board did not receive any Right to Information requests during the reporting period.

Australian Bureau of Statistics (ABS)

The Australian Bureau of Statistics, National Data Acquisition Centre requests a Wage Price Index Survey to be completed by the Property Agents Board each quarter.

The Board was selected to represent the industry in the annual Survey of Employment and Earnings in 2018. The information collected is used in the compilation of National Accounts aggregates and in the estimation of public sector employment.

The *Census and Statistics Act 1905* authorises the ABS to ask the questions included in the survey. Under the Act the Board is obliged to provide the information being requested. The Act ensures that the information is strictly confidential and only used for statistical purposes.

COVID-19 response

New Ways of working

In mid-March 2020, the Board had to quickly change its way of working in order to ensure adherence to staged restrictions imposed by the Australian and Tasmanian Governments in response to COVID-19. Plans for remote access and working were swiftly and successfully implemented.

This resulted in the majority of its staff either working at home either full time or part time with skeleton staff remaining in the office to ensure a physical presence. This required a different way to share information and create new forms of engagement between staff. With this technological and cultural foundation established, the Board was confident of their ability to continue to deliver services if further or more robust restrictions were imposed.

Board meetings occurred remotely via videoconference facilities from March 2020 until the gathering restrictions were raised.

As another innovation to ensure that the Board continued to provide all its functions, property representative examinations administered by the Board (usually held in physical locations with an examination supervisor) were changed to run remotely via videoconferencing. Further protocols about booking examination times, the efficient distribution of examination papers and completed examinations to be returned for marking were implemented.

The Board noted that providing virtual examinations has given a greater flexibility for examination candidates as they can sit an examination without being required to travel, and a decrease in costs may take this model into the future.

Extension of 2019-2020 licence year and renewals for licence year 2020-2021

Background - licence year and renewal period

Under section 21 of the Act, a licence is valid for a period not exceeding 12 months as determined by the Board. The Board has determined that a licence year runs from 1 July – 30 June.

Pursuant to section 22 of the Act, the timing for the licence renewal period commences in April, with the renewal period concluding on 30 June each year. Property agents have until 30 April to lodge their application for licence (renewal) form before a prescribed late fee is applied.

Tasmanian Government and Board response

Due to COVID-19, the Board in conjunction with the Tasmanian Government determined that it was appropriate to defer the licence renewal period from April 2020 to July 2020.

The rationale of this decision was to reduce the regulatory burden on the property agent's industry during a difficult time, as everyone adjusted to the new restrictions, and to allow additional time for current licence holders under the Act to consider if they would seek to renew their licence due to changing social, employment and market conditions.

As the Board cannot extend a licence period, the period was modified by statute by the Tasmanian Government under the *COVID-19 Disease Emergency (Miscellaneous Provisions) Act 2020*, which allowed for a Notice to be published in the Tasmanian Gazette extending the licence period (for existing property agent licence holders as at 30 June 2020) for a period of 3 months. This meant that the 2019-2020 licence year was extended to run from 1 July 2019 to 30 September 2020.

Renewal changes

As a result of extending the licence year for 2019-2020, the renewal period for the 2020-2021 licence year was moved from 1 April 2020 - 30 June 2020 to 1 July 2020 - 30 September 2020.

Different process for issuing renewals

A key response in dealing with renewals for the 2020-2021 licence year involved moving from a paper-based renewal system to a hybrid of electronic soft copy or lodgement through the Board's web portal.

Electronic renewal documentation was sent out to all current licence holders in early June 2020.

Returning to work - COVID-19 Safety Plan and Supporting Policy

Under the Tasmanian Government's plan to "Rebuild a Stronger Tasmania" to respond to COVID-19, the Board was required to complete a COVID-19 Safety Plan and Emergency Response Plan to align with the minimum standards relating to Work Health and Safety Regulations

The Board's COVID-19 safety plan was developed to show compliance in meeting these minimum requirements. The Board also developed a supporting policy, which provides the framework to understand the Board's COVID-19 Safety Plan and the Board's Emergency Response Plan.

To support the Board to respond to all relevant directions or orders to ensure that it is meeting all local, State and Commonwealth laws (a COVID-19 requirement), a COVID-19 Health and Safety Representative was also appointed by the Board.

The Board was not required to submit the safety plan to WorkSafe Tasmania, but the plan was required to be maintained at the Board's office, as a WorkSafe Tasmania Inspector (the Inspector) may request a review of it. The Inspector may review any processes/procedures that the Board has put in place to comply with the minimum standards.

*Pursuant to the Property Agents and Land
Transactions Act 2016*

Property Agents Tribunal

**Report to the
Property Agents Board**

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OVERVIEW

Background

The Property Agents Tribunal (the Tribunal) is established under Section 104 of the *Property Agents and Land Transactions Act 2016* (the Act).

The administration of the Act is assigned to the Minister for Building and Construction and the department responsible to that Minister in relation to the administration of the Act is the Department of Justice.

The Tribunal has responsibility for hearing and determining an appeal against a decision by the Property Agents Board (the Board) to refuse to grant or renew a licence; an appeal against a Board decision relating to a conduct complaint; or a referral by the Board for a conduct disciplinary matter. In accordance with section 101(7)(c) of the Act, a conduct disciplinary matter must be referred when the Board decides that a complaint about the conduct of a property agent involves more than minor misconduct.

Tribunal Membership

Schedule 2 (the Schedule) to the Act has effect with respect to the membership and meetings of the Tribunal. The President of the Tribunal is appointed pursuant to Schedule 2. The current President, Mr Keyran Pitt QC was appointed on 15 February 2017 for a period of 3 years, which expired during 2019-20. As there had been no reappointment prior to the expiration of his term, section 21(3)(b)(ii) of the *Acts Interpretation Act 1931* was applied to allow the President to continue in this position for a period up to 6 months after the expiration of that term. Mr Pitt QC was re-appointed by the Governor on 1 June 2020 for a further 3 year period.

Under the Schedule there is a Panel of persons established from which a Tribunal can be convened by the President to deal with a particular matter. The President is a member of every Tribunal convened.

The Panel consists of five persons with at least 5 years' experience as property agents, appointed from a list of persons nominated by the body that the Minister is satisfied represents the views of the majority of property agents; and five persons the Minister considers represent the interests of consumers. Under Clause 2(5) of Part 1 of Schedule 2 of the Act, Panel Members hold their positions at the pleasure of the Minister.

The panel of members who are Property Agents is

Mr	Peter	Bushby
Mrs	Pam	Corkhill
Mr	Rod	Parker
Mr	Sam	Woolcock
Ms	Robbie	Yeoland

The panel of members representing the interests of consumers is

Ms	Jennifer	Cranston
Mrs	Lesley (Kim)	Hambly
Mr	Robert	Hebbard
Dr	Elise	Histed
Mr	David	Paton

Pursuant to clause (1)(4) of Schedule 2, Part 2 of the Act the Board is to appoint one of its employees to be the Registrar of the Tribunal. Currently, Mrs Cynthia Butler holds the position of Registrar.

Process

The Tribunal's objective is, pursuant to the relevant purpose of the Act of regulating property agents, to resolve disputes relating to the registration/licence and conduct of property agents. The Tribunal's caseload is principally comprised of:

- appeals against decisions by the Board to refuse to grant a licence;
- appeals against decisions to suspend a person's property licence;
- referrals by the Board of a conduct disciplinary matter; or an appeal from a Board decision by an aggrieved person.

Appeals

The Act does not prescribe a set form for an appeal to the Tribunal by an aggrieved person, against a decision of the Board. There is no fee for lodgement of an appeal.

Referrals

The Tribunal receives a written referral of a conduct disciplinary matter. Advice from the Board of the. A summons containing the specified information is then served upon the property agent, pursuant to section 108 of the Act.

Convening the Tribunal

The Registrar forwards the appeal or the referral of a conduct complaint to the President of the Tribunal. The President of the Tribunal then selects the two other Tribunal members from the panel. In accordance with Section 104 of the Act, one Tribunal member must be a property agent, and the other member a person who represents the interests of consumers.

Commencing the Tribunal Process

The Registrar in consultation with the President organises an initial directions hearing. Directions hearings may involve the attendance of the parties in person, or may be conducted by telephone, as appropriate.

Procedural matters

Section 109 of the Act provides that the hearing of a conduct matter must proceed with as little formality as possible, that the Tribunal is not bound by the rules of evidence, and that the Tribunal is bound by the rules of natural justice.

All Tribunal hearings take place at facilities available at the Legal Profession Board of Tasmania located at level 3, 147 Macquarie Street, Hobart. Since March 2020 due to the COVID-19 restrictions the Tribunal has conducted its matters with the parties primarily in attendance via teleconference.

In accordance with section 106 (3) of the Act, the Board pays the expenses of running the Tribunal.

Directions Hearings

Directions hearings are normally conducted by the President of the Tribunal, and usually last between 10-30 minutes. Most parties present in person, but teleconference facilities are used when appropriate.

At directions hearings, the President sets a date for the hearing, and makes directions regarding the documents which must be exchanged between the parties and the timeframes for submission of those documents to the Tribunal. It is normally directed that all documents and other communications with the Tribunal, be also forwarded to each other party.

There may be more than one directions hearing required before the matter can proceed to a hearing, for example if jurisdictional, extensions of time, or other rulings are required.

Hearing

The Tribunal conducting the hearing consists of the President and two members, with the Registrar providing administrative support. The duration of hearings varies according to the extent and complexity of matters but is usually at least several hours.

The public is not admitted to hearings, unless the Tribunal considers that it is in the public interest to do so (section 109 of the Act).

Decisions

Tribunal decisions are normally reserved. The Tribunal confers subsequent to the hearing, in order to reach a decision. The President then drafts the written decision, and forwards the draft decision to the other members for review, feedback and comment. The written final decision is then provided by the Registrar to the parties.

Decisions are not published by the Tribunal as section 112(5) of the Act states that the Board may publish Tribunal decisions in such manner as it considers will best bring it to the attention of those affected or likely to be affected by the decision. To date, the Board has not published a full Tribunal decision, but has published a de-identified case summary of a conduct referral.

The President may make a recommendation to the Board if it is considered that the matter should be published to a wider audience than the parties because of educative value or otherwise.

PROPERTY AGENTS BOARD

ABN: 93 793 560 726

**Financial Report For The Year Ended
30 June 2020**

PROPERTY AGENTS BOARD

ABN: 93 793 560 726

Financial Report For The Year Ended 30 June 2020

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Statement of Changes in Equity

Statement of Cash Flows

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Statement by Members of the Board

Independent Auditor's Report

PROPERTY AGENTS BOARD
ABN: 93 793 560 726
BOARD'S REPORT

The Board members submit the financial report of the Property Agents Board for the financial year ended 30 June 2020.

Board Members

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

Ann Cunningham (Chair)
 Belinda Webster
 Adrian Kelly
 Andrew Wright
 Liz Rodd

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 2016*; to ensure acceptable standards of practice by general 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 profit from ordinary activities amounted to

Year ended 30 June 2020	Year ended 30 June 2019
\$ 22,163	\$ 116,782

Signed in accordance with a resolution of the Members of the Board.



 Chair - ANN CUNNINGHAM



 Member of the Board - ADRIAN KELLY

Dated this 19th day of NOVEMBER 2020

PROPERTY AGENTS BOARD
ABN: 93 793 560 726
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
INCOME		
Operating activities:		
Grant income - Cash Flow Boost	62,500	-
Application fees	41,592	48,173
Examination fees	38,166	38,767
Fines	36,675	23,182
Late fees collected	1,354	12,426
License Fees	269,975	260,595
Miscellaneous Income	6,246	4,906
Property Agents Trust - Distributions	416,302	548,940
Property Agents Trust - Guarantee funding	310,000	419,000
Property Agents Trust - Secretarial Fees	10,000	10,000
Non-operating activities:		
— interest	6,020	14,453
	<u>1,198,830</u>	<u>1,380,442</u>
EXPENDITURE		
Accounting fees	12,350	12,320
Audit fees	3,200	3,070
Bank charges	393	274
Bad debts	1,084	-
Depreciation expense:		
— immediate write off	-	1,409
— leasehold improvements	970	970
— office equipment	7,845	6,215
Entertainment	2,101	1,815
Examination expenses	9,142	11,941
Inspections	23,154	24,207
Insurance	7,167	7,842
Interest expense	67	30
Investigations	91	2,070
Legal fees	55,750	44,351
Meeting expenses - sitting fees	16,940	13,800
Occupancy costs	64,368	60,282
Postage	4,799	6,161
Printing & Stationery	10,886	11,030
Provision for employee leave benefits	20,192	4,795
Property Agents Trust Distributions to REIT - Training & Seminars	29,618	66,048
Property Agents Trust Distributions to REIT - Research & Training Salaries	343,891	369,304
Property Agents Trust Distributions to REIT - Training Material Rewrite	42,793	54,387
Property Agents Trust Distributions to REIT - Management Program	-	59,200
Repairs/maintenance/equipment	5,548	605
Salaries - Ordinary	418,678	406,220
Salaries - Board Chairman	16,979	16,896
Security Shredding	266	318
Subscriptions	1,787	1,345
Sundry expenses	815	128
Superannuation	44,708	43,405
Telephone	14,922	15,782
Travel, accom & conference	2,511	6,994
Tribunal expenses	13,662	10,446
	<u>1,176,677</u>	<u>1,263,660</u>
Net surplus/(deficit) for the year	22,153	116,782
Other comprehensive income	-	-
Total comprehensive income	<u>22,153</u>	<u>116,782</u>

PROPERTY AGENTS BOARD
ABN: 93 793 560 726
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	3	344,680	466,940
Accounts receivable and other debtors	4	256,226	7,414
Other financial assets	5	450,000	450,000
TOTAL CURRENT ASSETS		<u>1,050,906</u>	<u>924,354</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	26,898	29,850
TOTAL NON-CURRENT ASSETS		<u>26,898</u>	<u>29,850</u>
TOTAL ASSETS		<u>1,077,804</u>	<u>954,204</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	7	27,542	4,662
Current tax liabilities	9	53,093	27,180
License fees in advance	10	270,881	238,419
Provisions	8	66,777	61,601
TOTAL CURRENT LIABILITIES		<u>418,293</u>	<u>331,862</u>
NON-CURRENT LIABILITIES			
Provisions	8	21,653	6,637
TOTAL NON-CURRENT LIABILITIES		<u>21,653</u>	<u>6,637</u>
TOTAL LIABILITIES		<u>439,946</u>	<u>338,499</u>
NET ASSETS		<u>637,858</u>	<u>615,705</u>
EQUITY			
Retained surplus		637,858	615,705
TOTAL EQUITY		<u>637,858</u>	<u>615,705</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 2020

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TOTAL EQUITY		<u>637,858</u>	<u>615,705</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 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from fees and licenses		192,690	542,963
Receipts from Property Agents Trust		810,006	1,075,734
Payments to suppliers and employees		(744,955)	(720,233)
Interest (unrestricted) received		5,953	14,453
Interest paid		(67)	(30)
Other receipts		45,705	28,340
Distributions of Property Agents Trust receipts		(436,313)	(771,850)
Net cash flow from GST		10,584	(22,692)
Net cash provided by/(used in) operating activities	13	<u>(116,397)</u>	<u>146,685</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of other financial assets		-	6,160
Purchase of property, plant and equipment		(5,863)	(17,736)
Net cash provided by/(used in) investing activities		<u>(5,863)</u>	<u>(11,576)</u>
Net increase/(decrease) in cash held		(122,260)	135,109
Cash and cash equivalents at beginning of financial year		466,940	331,831
Cash and cash equivalents at end of financial year	3	<u><u>344,680</u></u>	<u><u>466,940</u></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 2020

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 and Land Transactions Act 2016*. The members have determined that the Board is not a reporting entity for financial reporting purposes.

The financial report has been prepared on a going concern basis.

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 and Land Transactions Act 2016*, this special purpose financial report complies with Australian Accounting Standards and Interpretations except for AASB 7 Financial Instruments: Disclosure; AASB 9 Recognition and Measurement; AASB 16 Leases; AASB 124 Related Parties and AASB 132 Financial Instruments: Presentation.

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

Leasehold improvements	25%
Plant and Equipment	10% - 40%

(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

A provision arises if, as a result of a past event, the Board has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. Any right to reimbursement relating to some or all of the provision is recognised as an asset when it is virtually certain that the reimbursement will be received.

(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

License fees have been collected in advance. The renewal period for the 2020 - 2021 license year changed from April 2020 to June/July 2020 due to Covid-19.

Interest revenue is recognised over the period for which 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).

PROPERTY AGENTS BOARD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

(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 Australian 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.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the Australian Taxation Office is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

(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.

Note 2 Key Management Personnel compensation

The aggregate compensation to key management personnel of the Board is set out below:

	Consolidated	
	2020	2019
	\$	\$
Short-term employee benefits	136,085	135,071
Post-employment benefits	12,756	12,583
Other long-term benefits	43	(1,791)
	148,884	145,863

(a) Executive Remuneration

The following tables disclose the remuneration details for each person that acted as a senior executive during the current and previous financial years:

2020				
Executive Remuneration	Salary ¹	Superannuation ²	Other non-monetary benefits ³	Total 2020
	\$	\$	\$	\$
Mrs Alicia Hutton - Executive Officer	119,106	11,143	43	130,292
Mrs Ann Cunningham - Chair	16,979	1,613	-	18,592
Total	136,085	12,756	43	148,884

PROPERTY AGENTS BOARD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2019				
Executive Remuneration	Salary ¹	Superannuation ²	Other non-monetary benefits ³	Total 2019
	\$	\$	\$	\$
Mrs Alicia Hutton - Executive Officer	118,175	10,978	(1,791)	127,362
Mrs Ann Cunningham - Chair	16,898	1,605	-	18,501
Total	135,071	12,583	(1,791)	145,863

¹ Gross Salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.

² Superannuation means the contribution to the superannuation fund of the individual.

³ Other non-monetary benefits include annual and long service leave movements inclusive of super guarantee.

(b) Remuneration Principles

Executive Remuneration

The employment terms and conditions of the Executive Officer are contained in an individual employment contract which prescribes total remuneration, superannuation, annual and long service leave and salary sacrifice provisions.

The performance of the Executive Officer, is reviewed annually against the position description this review may include a review of her remuneration package otherwise it increases by CPI for the preceding 12 months (for Hobart (All Groups)) on 16 July each year.

Note 3 Cash

	2020	2019
	\$	\$
Cash at bank - unrestricted	343,852	274,059
Undeposited funds	458	192,511
Petty Cash	170	170
Exam float	200	200
	<u>344,680</u>	<u>466,940</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash on hand	344,680	466,940
	<u>344,680</u>	<u>466,940</u>

Note 4 Accounts Receivable and Other Debtors

	2020	2019
	\$	\$
Other debtors	193,726	7,414
Cash flow boost receivable	62,500	-
Less: Provision for impairment	-	-
Less: Expected credit loss	-	-
	<u>256,226</u>	<u>7,414</u>

Consideration has been given to the application of AASB 9 Financial Instruments effective 1 July 2018, however no adjustment to the financial statements has been made as no provision for impairment exists, nor is there any expected credit loss.

PROPERTY AGENTS BOARD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 5 Other Financial Assets

	2020 \$	2019 \$
Investment Account	450,000	450,000
	<u>450,000</u>	<u>450,000</u>

Note 6 Property, Plant and Equipment

	2020 \$	2019 \$
Office equipment:		
At cost	66,551	60,688
Accumulated depreciation	<u>(41,243)</u>	<u>(33,398)</u>
	25,308	27,290
Leasehold improvements:		
At cost	3,881	3,881
Accumulated depreciation	<u>(2,291)</u>	<u>(1,321)</u>
	1,590	2,560
Total property, plant and equipment	<u>26,898</u>	<u>29,850</u>

Movements in carrying amounts

Movement in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Leasehold Improve- ments \$	Plant and Equipment \$	Total \$
Balance at 1 July 2018	3,530	15,768	19,298
Additions	-	17,737	17,737
Disposals	-	-	-
Depreciation expense	(970)	(6,215)	(7,185)
Carrying amount at 30 June 2019	<u>2,560</u>	<u>27,290</u>	<u>29,850</u>
Additions	-	5,863	5,863
Disposals	-	-	-
Depreciation expense	(970)	(7,845)	(8,815)
Carrying amount at 30 June 2020	<u>1,590</u>	<u>25,308</u>	<u>26,898</u>

Note 7 Accounts Payable and Other Payables

	2020 \$	2019 \$
Accounts payable	27,517	4,546
Superannuation payable	25	116
	<u>27,542</u>	<u>4,662</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 8 Provisions

	2020	2019
	\$	\$
CURRENT		
Employee provisions - annual leave entitlements	24,810	22,491
Superannuation on annual leave	2,357	2,137
Employee provisions - long service leave entitlements	38,173	33,765
Superannuation on long service leave	3,437	3,208
	<u>66,777</u>	<u>61,601</u>
NON-CURRENT		
Employee provisions - long service leave	19,388	5,855
Super on long service leave	1,840	537
Unclaimed monies	445	445
	<u>21,653</u>	<u>6,837</u>
Total provisions	<u>88,430</u>	<u>68,238</u>

Note 9 Current Tax Liabilities

	2020	2019
	\$	\$
GST payable	32,150	51,554
GST refundable	(25,282)	(34,605)
ATO integrated client account	38,309	(0)
GST adjustments	-	(2)
	<u>43,197</u>	<u>16,947</u>
PAYG withholding payable	<u>9,896</u>	<u>10,233</u>
	<u>9,896</u>	<u>10,233</u>
Total tax liabilities	<u>53,093</u>	<u>27,180</u>

Note 10 Income in Advance

License fee income is recognised in the period to which the licences relate.

Note 11 Events after the Reporting Period

There have been no significant events recorded since the end of the financial year.

Note 12 Related Party Transactions

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 Statement of Comprehensive Income.

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
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 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 13 Cash Flow Information

	2020	2019
	\$	\$
Reconciliation of cash flows from operating activities with net current year surplus		
Net current year surplus	22,153	116,782
Adjustments for:		
— Depreciation expense	8,815	7,185
Movements in working capital:		
— (Increase)/decrease in accounts receivable and other debtors	(248,812)	169,968
— Increase/(decrease) in accounts payable and other payables	27,428	(170,469)
— Increase/(decrease) in revenue received in advance	27,918	14,708
— Increase/(decrease) in current tax liabilities	25,912	3,716
— Increase/(decrease) in employee provisions	20,192	4,795
Net cash generated by operating activities	<u>(116,398)</u>	<u>146,685</u>

Note 14 Board Details

The registered office of the Board is:

Property Agents Board
 Level 1, 15 Victoria Street
 HOBART TAS 7000

PROPERTY AGENTS BOARD
ABN: 93 793 560 726
STATEMENT BY MEMBERS OF THE BOARD

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 2020 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 9 Recognition and Measurement; AASB 16 Leases; AASB 124 Related Parties; AASB 132 Financial Instruments: Presentation; .
3. At the date of this statement, there are reasonable grounds to believe that the organisation 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:

Signed:



Dated:

19th NOVEMBER 2020

Signed:



Dated:

19 November 2020



Independent Auditor's Report

To the Members of the Property Agents Board

Report on the Audit of the Special Purpose Financial Report

Opinion

I have audited the financial report, being a special purpose financial report of the Property Agents Board (the Board), which comprises the statement of financial position as at 30 June 2020 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the statement of compliance by the Members of the Board.

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Board as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of the *Property Agents and Land Transactions Act 2016*.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Board in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

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

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Emphasis of Matter - Basis of Accounting

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Board to meet the financial reporting requirements of the *Property Agents and Land Transactions Act 2016*. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

The Members are responsible for the other information. The other information comprises the information included in the Board's Report for the year ended 30 June 2020, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Members for the Financial Report

The Members of the Board are responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the requirements of the *Property Agents and Land Transactions Act 2016* and for such internal control as determined necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Members are responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board is to be dissolved by an Act of Parliament, or the Members intend to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members.
- Conclude on the appropriateness of the Members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Stephen Morrison
Assistant Auditor-General Financial Audit Services
Delegate of the Auditor-General

Tasmanian Audit Office

Hobart
24 November 2020

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