

Overview	The need to ensure appropriate supervision, communication and procedures in property management
Issue:	Conduct of four property agents in property management
Finding:	<p>A real estate agent was reprimanded for failure to diligently supervise and ensure effective processes were in place.</p> <p>An employed senior property agent was reprimanded for failure to ensure effective communication took place and for failing to ensure appropriate staff oversight.</p>
Consequences:	The Board cautioned the real estate agent and the senior property agent.
Origin:	Four complaints to the Property Agents Board
Relevant Legislation:	<i>Residential Tenancy Act 1997</i> <i>Code of Conduct 2022</i>

Background

The Complainant owned two investment properties in Launceston that were managed by a major real-estate agency. Over an 18-month period, four property agents were involved in managing their portfolio.

- Agent AA was the initial portfolio manager.
- Agent BB later took over as property representative after Agent AA's departure from the industry.
- Agent CC was the department manager who oversaw the property management team.
- Agent DD was the State Manager and overall licensee-in-charge.

When one of the tenants vacated one of the properties, numerous administrative and communication errors arose. These included the mishandling of a bond, delays in repairs, confusion around an insurance claim, and poor communication about rent loss. The Complainant eventually lodged four separate complaints with the Property Agents Board.

Nature of the Complaint

The Complainant alleged that the agency failed to manage their property diligently and communicate effectively. Specific concerns included:

- No bond being held when a tenant vacated.
- Poor handling and communication regarding insurance claims and repairs.
- Delays in re-letting the property.
- Inadequate or missed routine inspections.

- Failure to provide invoices and documentation when requested.

Each complaint corresponded to the agents' respective roles and responsibilities in the chain of management.

Property Agent's Response

Agent AA stated they acted under the direction of their managers (Agents DD and CC) and had worked closely with them when issues arose. They noted they no longer had access to agency records.

Agent BB explained they inherited the portfolio after Agent AA's resignation and had difficulty obtaining complete handover information. They made efforts to communicate with the owner and follow up outstanding matters.

Agent CC acknowledged communication delays but asserted they had apologised and provided compensation in the form of management-fee waivers.

Agent DD maintained that the agency had strong governance systems and that all staff were subject to regular checks and supervision, though they conceded that communication "became confusing" and the matter was "unnecessarily protracted."

Investigation

The Board examined extensive email correspondence, internal submissions from the agents, and the complainant's communications. It found:

Investigation Cont.

- The bond had been mishandled due to failure to complete a tenancy variation form when one tenant vacated.
- There was an inordinate delay between completion of insurance repairs and the property being advertised for rent.
- The insurance claim process was slow and poorly communicated to the landlord.
- The handover between Agents AA and BB lacked supervision and documentation, leaving gaps in information flow.
- Communication failures occurred across all levels, with managers not following up or responding promptly.

Findings

The Board concluded that:

- Agent AA (Portfolio Manager) was not solely responsible for the procedural failures; they had been acting under supervision and lacked authority over the bond issue.
- Agent BB (Property Representative) demonstrated reasonable diligence after taking over the file and was not found to have engaged in misconduct.
- Agent CC (Department Manager) failed to ensure timely communication and adequate oversight of staff performance and client updates.
- Agent DD (State Manager) failed to diligently supervise staff and ensure effective processes were in place for bond management, insurance claims, and property re-letting.

Decision

The Board concluded that:

- Agent DD (the State Manager) had failed to supervise. The Complaint was substantiated, and a caution was issued.
- Agent CC (senior property agent) had provided inadequate supervision and communication. The Board accepted that remedial steps had been taken. The Complaint was substantiated, and a caution was issued.
- Agent AA (a property representative). There was insufficient evidence due to their departure before the complaint and reliance on management direction. The Complaint was dismissed.
- Agent BB (a property representative). There was no evidence of misconduct; they acted appropriately given the circumstances. The Complaint was dismissed.

Relevant Legislation Explained

Code of Conduct 2022

Part 2 of the Code of Conduct that regulates the conduct of property agents provides that real estate agents and property managers must diligently supervise the work of all others employed or engaged to work in that business.

Industry practice in regard to effective supervision requires appropriate onboarding, training, checklists and support for property representatives and that this is the responsibility and obligation of the managing agent in the Real Estate Agency regardless of the hierarchy within the agency.

Key Learning

This case highlights that supervision is both a legal duty and a leadership practice. Even well-structured agencies can face complaints if oversight becomes passive or fragmented. Regular review, proactive communication, and well-documented procedures are essential to protect both clients and the agency's reputation.

Robust onboarding of new employees supported by ongoing learning and supervision is critical in enhancing compliance and reducing risk. Correct onboarding, ongoing training, and supportive, diligent supervision provides a structured way to educate employees on important company policies, procedures, and regulatory requirements, which reduces the risk of misunderstandings and ensures they follow necessary legislation and regulations.

What Could the Property Agent Have Done in This Example?

1. Implement Clear Supervision Protocols

The State and Department Managers should have established procedures and practices to support transitions in property management such as at minimum, a checklist to ensure that when management is transferred, bonds, inspections, and insurance details are verified and documented.

2. Maintain Continuous File Oversight

Senior agents should have conducted regular audits or “portfolio reviews” to detect missing bonds, incomplete forms, or uncommunicated issues early.

3. Ensure Seamless Handover Procedures

When staff resign or portfolios are reassigned, the manager must oversee a documented handover, including pending claims, invoices, and correspondence. Again, this process should be supported by robust procedures and practices.

4. Prioritise Transparent Communication

All agents should maintain clear, timely updates to landlords about delays, insurance processes, and rental status.

5. Apply Accountability Across the Chain

Supervision is not a paper exercise; each level of management must actively monitor, guide, and verify staff actions, especially in complex property matters.