



Queensland Treasury

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Dear Ms Starling

Consultation Regulatory Impact Statement – Mandatory continuing professional development (CPD) for property agents in Queensland

Thank you for your enquiry of 10 February 2022 and further information provided to 16 March 2022, seeking advice on the Consultation Regulatory Impact Statement (CRIS) 'Mandatory continuing professional development for property agents in Queensland'.

Background

The CRIS has been developed in response to an election commitment by the Queensland Government that:

Subject to the results of continued consultation with key stakeholders and the results of a regulatory impact statement, legislate to implement mandatory continuing professional development (CPD) for property agents to improve professional standards, protections, transparency and affordability for Queenslanders.

Proposal

The CRIS presents four options:

Option 1: Status Quo, no mandatory CPD required.

Option 2: Light regulatory model, small number of mandated CPD requirements and minimal enforcement.

Option 3: Full or heavy regulatory model, mandated CPD with additional elective activities delivered by registered training organisations (RTOs) or the department.

Option 4: Flexible CPD program that requires mandatory industry participation, with content structured around complaints data.

In the CRIS, it is estimated that options 2 - 4 (CPD options) would each impose a net cost compared to the status quo.

The CRIS recommends Option 2 (the lowest net cost CPD option), which would require property agents to complete:

- annual CPD requirements approved by the chief executive
- two CPD sessions each year - one session from the national property services training package and one session from an annual chief executive approved list.

Further, under the recommended option:

- the Office of Fair Trading would chair an administratively established Industry Advisory Panel to provide advice on suitable upcoming CPD sessions
- property agents would make a CPD compliance statement as part of licence or certificate renewal (which can be annual or every three years)
- non-compliance with annual CPD requirements would impact on the ability of a property agent to renew their licence or registration
- new property agents will be exempt from CPD requirements for the first 12 months from their licence or certificate being issued. This is on the basis that they will have recently completed the initial training requirements necessary to obtain the relevant licence or certificate, and CPD would therefore be duplicative.

Assessment

In making its assessment of a CRIS, the OBPR has regard to requirements of the Queensland Government Guide to Better Regulation (the guidelines). Key elements include presenting evidence of a problem requiring government action and analysis of the costs and benefits of a range of feasible options to demonstrate that the option chosen generates the greatest net benefit to the community.

The OBPR recognises that the CRIS presents limited evidence on the size and cause of potential adverse outcomes for consumers and examines only CPD options. However, the OBPR also notes that the CRIS presents some information on these issues and a quantitative assessment of the potential impacts of mandatory CPD. As such, the CRIS should allow stakeholders to assess and provide evidence on the regulatory options identified.

On this basis, the OBPR considers the CRIS adequate for the purpose of public consultation.

Consultation with stakeholders, which should occur for a minimum of 28 days as required under the guidelines, should assist in gathering evidence to further assess the regulatory proposal. Consultation should include testing cost and benefit assumptions, alternative (including non-regulatory) options and potential impacts on stakeholders.

To be considered adequate for decision-making purposes, the Decision RIS will need to:

- provide evidence of the size and nature of the problem requiring government intervention, and evidence on whether a sub-optimal level of mandatory CDP contributes to this problem
- comprehensively consider and assess whether alternative options, including non-regulatory options, could better address stated objectives than mandatory CPD
- demonstrate that the benefits of the recommended option outweigh the costs and that it delivers the greatest net benefit to Queensland
- reflect and address the outcomes of consultation.

Please contact Peter Coombes, Senior Economist, on (07) 3035 3481 if you require any additional information concerning the above comments or the guidelines in general.

Please note that in accordance with Cabinet Handbook requirements, this letter of advice should be attached to relevant Cabinet submissions.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K Hooper', written in a cursive style.

Dr Karen Hooper
Productivity Commissioner

23 March 2022