

Authority Update



CEO/Registrar

Welcome to the Authority's sixth industry e-newsletter. As July is fast approaching, this is a final reminder that on **1 July 2010** three new prescribed qualifications come into effect. These prescribed qualifications, set out in [regulation 12](#) of the Real Estate Agents (Licensing) Regulations 2009, are:

- National Certificate in Real Estate (Salesperson) Level 4
- National Certificate in Real Estate (Branch Manager) Level 5, version 3 or later
- National Diploma in Real Estate (Agent) Level 5.

If you are currently studying for a real estate qualification, it is important that you check with your course provider to see if the introduction of the new prescribed qualifications affects you.

If you have a qualification that you believe makes you eligible to obtain an agent, branch manager or salesperson licence, and you wish to apply for that class of licence, please call the Authority. If the Authority receives your licence application before 1 July 2010, the prescribed qualifications set out in [regulation 11](#) of the Real Estate Agents (Licensing) Regulations 2009 will apply - not the new prescribed qualifications.

The Authority has received a number of requests to provide translated versions of the two Approved Guides. The Authority will be publishing the Approved Guides in the following six languages: Maori, Samoan, Tongan, Chinese, Korean and Hindi. These will be available in late July 2010 in electronic format (i.e. PDF) from the Authority's website.

Please make sure that you take advantage of the free wallet-sized plastic licence. While it is optional, it does have a number of advantages:

- it is small and convenient - meaning that you can keep it with you at all times
- it is easy to produce on request
- it is durable
- it contains your photo and is a good form of identification to show your clients and members of the public.

Obtaining a plastic licence simply involves going to your local AA. Your renewal or new licence application confirmation letter contains further information.

Finally, for those licensees operating in Auckland, be aware that amendments have been made to the Auckland City Council Signs Bylaw 2007 relating to real estate signs in residential zones in the isthmus. The amended bylaw can be viewed at all community libraries, or can be obtained free of charge from www.aucklandcity.govt.nz/bylaw or by contacting the planning technician, isthmus and islands resource management on (09) 379 2020.

Janet Mazenier
Chief Executive/Registrar

Complaints Update

This is a new section that provides some high level information about complaints being received by the Authority. The numbers below are for the period of 17 November 2009 to 8 June 2010.

Number of:

-Complaints/allegations:	534
-Complaint Assessment Committee (CAC) hearings held:	82
-CAC determinations made:	57
-Unsatisfactory Conduct:	6
-No further action:	49
-Charges laid before the Disciplinary Tribunal (by a CAC):	2
-Appeals	2
-Reviews of license application decisions before Disciplinary Tribunal:	5

You can view the determinations that have been published to date by clicking [here](#).

Professional Conduct and Client Care Rules

It is important that all licensees understand the Professional Conduct and Client Care Rules. The rules set out the standard of professional conduct and client care required of agents, branch managers and salespersons. It applies to all aspects of real estate agency work and will be used as a reference point for discipline.

Each newsletter highlights a different section of these rules. This newsletter looks at rule 7.

7. Duty to report misconduct or unsatisfactory conduct

7.1 A licensee who has reasonable grounds to suspect that another licensee has been guilty of unsatisfactory conduct may make a report to the Authority. See below for a definition of unsatisfactory conduct.

7.2 A licensee who has reasonable grounds to suspect that another licensee has been guilty of misconduct must make a report to the Authority. See below for a definition of misconduct.

7.3 A licensee must not use, or threaten to use, the complaints or disciplinary process for an improper purpose.

7.4 If a licensee learns that a person is committing an offence by undertaking real estate agency work without a licence, the licensee must immediately report the matter to the Authority.

Unsatisfactory Conduct ([section 72](#) of the Real Estate Agents Act 2008):

A licensee may be found guilty of unsatisfactory conduct if he or she carries out real estate agency work that:

- falls short of the standard that a reasonable member of the public is entitled to expect from a reasonably competent licensee; or
- contravenes a provision of the Real Estate Agents Act 2008 Act or of any regulations or rules made under the Act; or
- is incompetent or negligent; or
- would reasonably be regarded by agents of good standing as being unacceptable.

Misconduct ([section 73](#) of the Real Estate Agents Act 2008):

A licensee may be found guilty of misconduct if their conduct:

- would reasonably be regarded by agents of good standing, or reasonable members of the public, as disgraceful; or
- constitutes seriously incompetent or seriously negligent real estate agency work; or
- consists of a willful or reckless contravention of-
 - the Real Estate Agents Act 2008; or
 - other Acts that apply to the conduct of licensees; or
 - regulations or rules made under the Act; or
- constitutes an offence for which the licensee has been convicted, being an offence that reflects adversely on the licensee's fitness to be a licensee.

Unsatisfactory Conduct Determinations



Diary Dates

Following is an overview of recently published determinations of unsatisfactory conduct. Under [section 78 \(h\)](#) of the Real Estate Agents Act 2008, Complaints Assessment Committees may decide to publish their decisions. This is done to ensure that the disciplinary process remains transparent, independent and effective.

1 July 2010:

Three new prescribed qualifications come into effect, ending the transition period that has been in place since 17 November 2009..

Click [here](#) to read the determinations in full.

Complaint Number: CA2349534

Published: 1 June 2010

Overview: The finding of unsatisfactory conduct was made relating to the following matters:

- Failure to amend/update the advertising for the property upon the expiration of the exclusive agency agreement post auction.
- Failure to remove the advertising billboard once the sole agency agreement had terminated.
- General standard of communication with the client fell below the standard that a reasonable member of the public would expect to receive from a reasonably competent licensee.

Determination: Finding of unsatisfactory conduct under [section 89\(2\)\(b\)](#) of the Real Estate Agents Act 2008. Complaints Assessment Committee are unable to make orders under [section 172\(2\)](#).

Complaint Number: CA2344305

Published: 27 April 2010

Overview: The Committee found that the licensee's failure to adequately and accurately explain the commission that would be charged to the complainant and her husband fell short of the standard that a reasonable member of the public is entitled to expect from a reasonably competent licensee, and that it would reasonably be regarded by agents of good standing as being unacceptable conduct.

Determination: Finding of unsatisfactory conduct under [section 72](#) of the Real Estate Agents Act 2008. Complaints Assessment Committee unable to make orders under section [172\(2\)](#).

Complaint Number: CA2334081

Published: 22 March 2010

Overview: The Committee was satisfied that the licensee's actions in sending a condolence card to the complainant's recently bereaved mother in the circumstance described amounted to the unsolicited canvassing of property and real estate agency work. Such actions, in the Committee's view would reasonably be regarded by agents of good standing as being unacceptable and further, they fall short of the standard that a reasonable member of the public is entitled to expect from a reasonably competent licensee.

Determination: Finding of unsatisfactory conduct under [section 72](#) of the Real Estate Agents Act 2008. Order under [section 93\(1\)\(a\)](#) of the Real Estate Agents Act 2008 censuring the Licensee.

Please do not reply to this newsletter. If you wish to contact us

please call us on 0800for REAA (0800 367 7322) or email us at
info@reaa.govt.nz.

visit: reaa.govt.nz

