



EXAMINING our professional identity

It's one thing for an agent to say they are behaving ethically, are highly educated and have relevant experience. It's quite another to prove it. REINSW President John Cunningham explains how these things are assessed for the purposes of professional recognition.

When I think of examination, my mind goes straight to the famous quote by the father of ancient philosophy. Socrates said, 'An unexamined life is not worth living'.

He was basically saying we need to take a good, hard look at ourselves. If we don't, we'll just move blindly ahead – not knowing if what we're doing is right or wrong. Of course, no one is perfect. We all make mistakes. But Socrates was reminding us that if we don't examine ourselves, we'll never be able to fix our mistakes. We'll be doomed to continue treading the same path.

It's the same when it comes to our careers as real estate agents. We need to constantly be looking at what we do, how we do it and the value we add. We need to have a mindset of continual improvement. If we don't examine ourselves in a professional context – individually and as a collective – and fail to take the necessary steps to improve and develop, we're leaving ourselves open to disruption.

Disruption only happens where value is being questioned – and consumers question the value real estate agents provide. We need to urgently address this in a way that provides them with the comfort of knowing they're dealing with a skilled professional. Recognition as a profession will demonstrate that our members are ethical, educated and experienced not just because they say so, but because they have been examined and proven to have reached a defined professional standard.

Examination of capability

The Professional Standards Councils, with its agency the Professional Standards Authority, is the independent statutory body responsible for promoting professional standards. They use the 5 Es to define the elements that are necessary to qualify as a profession. Examination is the fourth E.



It covers more than qualification or certification requirements, and it's more than traditional tests. It extends into expectations of regular assurance. That assurance relates to standards of ethics, education and experience. When a consumer is dealing with a member of the profession, they can be assured that the professional meets the standards set down by the governing body – and not just as a one off, but on a continuing basis.

Ongoing assessment of agents' skills, knowledge and capabilities is something that is all but completely missing from the industry's framework at present. Yes, to enter the industry you have to prove that you're competent to perform the duties of an agent and you do this by undertaking a qualification course. And yes, agents are required undertake a miniscule amount of CPD each year. That's it, that's all – and unfortunately, there's very little in the way of monitoring or policing by the regulator to ensure even these woefully inadequate requirements are being effectively met.

Under a Professional Standards Scheme, agents will not only need to prove that they've been deemed competent at a given point in time, they will also need to demonstrate ongoing capability. They need to be able to show that they're adhering to the standards laid down by the scheme.

Consumer confidence

The lack of professional standards, against which agents can be assessed on a continuing basis, is one of the factors contributing to the low opinion consumers have of agents.

Our industry is split down the middle. There are those agents who are working at an extremely high level. They have policies, systems and processes in place for everything they do. They do far more than the bare minimum when it comes to ongoing training. And they behave in an ethical manner in both their work and personal lives. Importantly, they are willing to be held to account on all these things.

Then there are the agents who just 'wing it'. They're the cowboys of our industry. They don't stick to the rules. Sometimes they don't even know what the rules are, because they've done a quickie entry-level course and only ever do the bare minimum in terms of CPD. In some instances, it may not even be deliberate. They simply don't know what they don't know.

The end result, is a bad consumer experience.



It's these agents who are doing incredible damage to our reputation as a collective. Consumers just lump us all into the same 'dodgy' basket. Good agents have nothing they can point to in order to prove why they shouldn't be in that basket.

For consumers to be able to differentiate between good and bad agents, there must be a tangible means of differentiation.

A Professional Standards Scheme, where ongoing examination is a requirement, will provide that tangible means of differentiation. It becomes more than an agent waxing lyrical about the fact that they're ethical, they've undertaken certain education and have a particular level of experience. Any agent can say that, even if it's not true. But professional examination will require them to prove it on an ongoing basis.

The ability to show that certain standards are being met by member agents is critical.

An approved Professional Standards Scheme is a legal instrument that's binding on the relevant member association. For real estate, that association will be the Real Estate Institute of Australia. Working with the State and Territory REI's, REIA will be legally bound to monitor, enforce and improve the professional standards of agents across the country as part of a commitment to deliver consumer protection.

How do they show they're doing this? Through the examination of member agents.

Setting the standards

REINSW is currently consulting with agents to determine what our defined standards should be for the purposes of a Professional Standards Scheme.

The Think Tank on 12 July 2017 and the Industry Summit on 1 September 2017 have seen us engage with agents from all levels of the industry, from young up-and-coming agents through to industry stalwarts. We've also met with more than 1000 agents across 20 locations throughout this year's Roadshow. This has given us a great start in process of crafting what our professional standards should be.

The next step will be consulting with consumers. We need to know what their expectations are and at what level they believe agents should be acting.

Participation in a Professional Standards Scheme will not be for everyone.



There will be a proportion of agents who, upon examination, simply can't or don't want to meet the standards set down. But those who want to take the professional pathway and are willing to be held to account will reap the benefits.

John Cunningham

Chair, REIA Professionalism Committee and REIA Project Leader of the Pathway to Professionalism

Assuring quality through examination

CEO of the Professional Standards Authority, Dr Deen Sanders OAM, explains how professions prove they are keeping their promises through examination.

When most of us consider the meaning of the word “examination”, our mind immediately goes to memories of the traditional tests we took throughout our school years. Pages of multiple choice questions. Booklets to be filled with written answers. But examination in the context of professionalism is something quite different. People often misunderstand the term. Professional examination is not about testing someone’s knowledge. It’s not limited to examining members on regulatory requirements. It’s about confirming members are meeting their professional obligations.

To be recognised as a profession, the professional entity must develop a program of examination. How are they going to assure the community that their members are adhering to professional standards on a continuing basis?

It’s about how the profession communicates to the public that their members are doing the right thing. It’s about saying, ‘We know our members are doing the right thing. We regularly conduct quality assessments. We audit them every year. We engage in dialogue with them about education.’

Different professions break examination down in different ways. For the real estate industry, examination may involve a range of quality checks and different audits – trust account audits, CPD audits or any number of other types of audits. The aim for the professional entity is to confirm that members are meeting their professional obligations.



Quality assurance

Compliance with regulatory requirements is part of examination, but not the most important part. According to Dr Sanders, the most important element of examination is quality assurance.

It's often the case that professional bodies will have a quality assurance team who go into practices and assess how members are meeting their professional obligations on a day-to-day basis. How are they managing their records? What systems and procedures are in place? Are employees adhering to the code of ethics? What checks and balances do they have to meet best practice standards? The quality assurance team will look at the things that are generally considered to be good practise.

Examining whether a member is adhering to their professional obligations shouldn't be considered a negative thing. In this context, it's not an investigation with the aim of purposefully finding things that are wrong. The aim is quality assurance. It's not about saying, 'You're in breach'. It's about positively saying, 'How are you demonstrating that you are adhering to the professional expectations of your community'."

Professional misconduct

However in the event an allegation of misconduct is made or there is a complaint, examination by the professional body can be investigative in nature.

Professions make promises to the public. They promise their members are better educated. They promise their members are adhering to professional standards. And they promise their members are behaving ethically. Examination is how these promises are tested – and if they've been broken, enforcement action will be taken.

In these cases, examination is the point where people are tested. It's when we discover who should not be part of the profession.