



HUD2022-000773

s 9(2)(a)

Dear s 9(2)(a)

Thank you for your email of 12 September 2022 requesting the following information under the Official Information Act 1982 (the Act):

*1/ The document titled "Aide memoire: Further information on regulating property managers", dated 9 September 2021, refers to a briefing dated 26 August 2021 [refer BFR21/22081070]. This briefing has not been provided, even though it would seem to fall within the scope of the request. As this document is not identified as being withheld, could it please be provided as soon as possible.*

*2/ Annex A of the above document includes a table based on bond data held. Can you clarify whether the row described as "Property Management Company" refers to the number of properties managed by a property manager among properties owned by a landlord who owns the specified number of properties in the column? In other words, is it the case that the first figure in that row ("470") means that 470 of the 93,243 properties owned by landlords who own just one property are managed by a property manager?*

The document titled *BRF21/22081070: Regulation of property managers: Approach and next steps* is released to you with some information withheld under section 9(2)(a), to protect the privacy of natural persons.

Regarding the table of bond data in Annex A of *AMI21/22090638: Further information on regulating property managers*, the bond form required by Tenancy Services only asks for one set of Landlord details and landlord identification. If it is a private landlord, the owner will enter their own details, but if the bond is being lodged by a property management company, they will generally enter their details, not the owners, as they need to be able to process and release the bond.

The bond lodgement form does not require landlords to identify whether they are a property management company, so the Ministry of Business, Innovation and Employment assesses whether a landlord may be a property management company based on the information provided in the form. The property management company data represents the number of properties that are managed by the same company.

As this data is based on MBIE assessment, there is a high chance of data errors or miscoding, where the landlord operates through a company that is incorrectly identified as a property management company.

I understand you recently spoke to Richard Deakin, Principal Advisor, System Intelligence, regarding analysis of bond data, who discussed some of these issues with you. He has informed me that he is happy to talk to you again, should you wish to.

In terms of section 9(1) of the Act, I am satisfied that, in the circumstances, the decision to withhold information under section 9 of the Act is not outweighed by other considerations that render it desirable to make the information available in the public interest.

You have the right to seek an investigation and review of my response by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found on the Ombudsman's website at: [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz).

As part of our ongoing commitment to openness and transparency, the Ministry proactively releases information and documents that may be of interest to the public. As such, this response, with your personal details removed, may be published on our website.

Yours sincerely

A handwritten signature in black ink, appearing to read 'C. P. Leadbetter', with a stylized flourish at the end.

Claire Leadbetter  
**Manager Policy and Legislation Design**



## Briefing

Regulation of property managers: Approach and next steps			
Date:	26 August 2021	Security level:	In Confidence
Priority:	Medium	Report number:	BRF21/22081070

Action sought		
	Action sought	Deadline
Hon Poto Williams Associate Minister of Housing (Public)	For noting and agreement	2 September 2021
Hon Dr Megan Woods Minister of Housing	For noting.	

Contact for discussion				
Name	Position	Telephone		1 <sup>st</sup> contact
Claire Leadbetter	Manager, Tenures and Housing Quality Team	04 832 2431	s 9(2)(a)	✓
Elzeth Grant-Fargie	Senior Advisor, Tenures and Housing Quality Team	04 832 2457		

Other agencies consulted
Ministry of Business, Innovation and Employment, Ministry of Justice, Kainga Ora, The Treasury, Ministry of Social Development, and Department of Prime Minister and Cabinet.

### Minister's office to complete

<ul style="list-style-type: none"><li><input type="checkbox"/> Noted</li><li><input type="checkbox"/> Seen</li><li><input type="checkbox"/> Approved</li><li><input type="checkbox"/> Needs change</li><li><input type="checkbox"/> Not seen by Minister</li><li><input type="checkbox"/> Overtaken by events</li><li><input type="checkbox"/> Declined</li><li><input type="checkbox"/> Referred to (specify)</li></ul> <hr/>	<b>Comments</b> <div></div>
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Date returned to MHUD:

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# Briefing

## Regulation of property managers: Approach and next steps

**For:** Hon Poto Williams, Associate Minister of Housing (Public Housing)  
**Date:** 26 August 2021 **Security level:** In Confidence  
**Priority:** Medium **Report number:** BRF21/22081070

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### Purpose

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1. To update you on our proposed approach for developing a system for the regulation of residential property managers, including our thinking on key features of the system, proposed regulatory options and implementation timeframes.

### Executive summary

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2. Regulation of property managers is required to protect tenants and owners of residential property and promote public confidence in the delivery of residential property management services.
3. The introduction and passage of legislation regulating residential property managers will achieve a Labour Party manifesto commitment. It is part of a suite of initiatives designed to improve the operation of the residential tenancies market and ensure New Zealanders have access to secure, healthy, and affordable housing.
4. Our approach to the development of the regulatory system will take account of the Government's policy framework for occupational regulation and reflect legislative and regulatory good practice. It focuses on mitigating the risk of significant harm posed by the unregulated activities of property managers who are responsible for about 42 percent of New Zealand's residential rental property.
5. The proposed implementation timeline involves completing public consultation on regulatory options from 3 December 2021 to 8 February 2022, Cabinet agreement to develop a draft Bill by mid-2022 and the introduction of legislation to the House in the first half of 2023. Assuming the legislation can pass through all stages and receive Royal Assent in 2024, we anticipate the regulatory system will come into force in 2025.

### Recommended actions

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6. It is recommended that you:
  - a. **Note** that our preliminary analysis suggests the unregulated activities of the residential property management sector may pose a risk of significant harm to tenants and owners of property used for residential tenancy purposes.
  - b. **Agree** that the purpose of regulation should be to protect the interests of tenants and the owners of residential property and promote public confidence in the delivery of residential property management services by:

*Noted*

- i. Establishing professional entry standards for residential property managers
  - ii. Establishing industry practice standards for the delivery of residential property management services
  - iii. Providing an independent disciplinary and complaints resolution process that applies to residential property managers and the delivery and property management services. Agree / Disagree
- c. **Agree** that the policy process for the development of the regulatory system should:
  - i. *include* residential property managers as regulated parties
  - ii. consider whether organisations that deliver residential property management services should also be regulated parties
  - iii. *exclude* commercial property managers and organisations solely involved in commercial property management as regulated parties
  - iv. *exclude* owners of residential property acting as landlords under the Residential Tenancy Act (RTA) as regulated parties under the proposed property management regulatory system. Agree / Disagree
- d. **Note** that officials are preparing a discussion paper as a basis for public consultation that will outline the rationale for government intervention and canvass the following key features of the proposed regulatory system:
  - i. professional entry requirements
  - ii. the registration and licensing process
  - iii. industry practice standards
  - iv. the disciplinary and complaints resolution framework
  - v. offences and penalties
  - vi. the role and function of the regulatory authority
  - vii. cost recovery. Noted
- e. **Note** that the discussion paper will include assessments of three consolidated regulatory system options that incorporate elements from each of the key regulatory features based on:
  - i. registration of property managers
  - ii. occupational licensing of property managers
  - iii. licensing of property managers *and* property management organisations. Noted
- f. **Note** that the discussion paper will also assess specific options for managing the delivery of regulatory services which are expected to include:
  - i. an industry body
  - ii. the Real Estate Authority (REA)
  - iii. a regulatory authority within the Ministry of Business, Innovation and Employment (MBIE)
  - iv. a new standalone regulatory authority. Noted
- g. **Note** that the discussion document will identify the preferred regulatory system option and may also identify the preferred provider of regulatory services. Noted

- h. **Note** that officials will provide you with further advice on the problem definition and regulatory options during September and a draft of the full discussion paper and Cabinet paper on 19 October 2021.

*Noted*

- i. **Note** the proposed indicative target dates for the development, passage, and commencement of the proposed legislation.

- j. **Note** that the indicative timelines may be subject to change over coming weeks as we discuss the prioritisation of work following decisions about Alert Levels and any need for urgent regulatory work as a result or impacts on our resourcing.

*Noted*



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Claire Leadbetter  
**Manager, Tenures and Housing Quality**

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Hon Poto Williams  
**Associate Minister of Housing (Public Housing)**

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Released under the  
Official Information Act 1982

## Background

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7. The Government is committed to regulating residential property managers in a manner that protects landlords and tenants. That commitment - which reflects the Labour Party's manifesto undertaking to regulate property managers - is part of a suite of initiatives designed to improve the operation of the residential tenancies market and ensure New Zealanders have access to secure, healthy, and affordable housing.
8. The residential property management sector plays a significant role in the New Zealand residential tenancies market which houses nearly one in three people living in New Zealand. Over 2,100 property managers are responsible for about 42 percent of rental properties<sup>1</sup>. Collectively they have a significant impact on the residential tenancies market.
9. Residential property managers can be sole-traders or employees of property management organisations. The range of services they can provide include:
  - initial property inspection and rental appraisals
  - property letting, including tenant and lessee vetting
  - bond lodgement and refund transactions and safe stewardship of tenants' money
  - collecting and managing rental income
  - regular property inspections
  - organising maintenance and repairs
  - providing or contracting building management activities
  - regularly reporting to the property owner
  - performing rental reviews
  - arranging for the payment of insurance and local authority rates and other property expenses
  - managing compliance with relevant minimum standards and minimising business risk on behalf of property owners.
10. While many property managers abide by appropriate professional standards, the sector as a whole is not required to meet minimum competency and industry practice standards. A wide range of stakeholders have highlighted the significant risk that a lack of common industry good practice standards, controls and an accessible independent disciplinary and disputes resolution process pose to tenants and property owners and to the reputation of residential property managers.
11. The following table outlines examples of the harm that the unregulated activities of property managers can pose to residential property owners and tenants together with their causes. It provides the basis for a more detailed current state assessment and problem definition we are developing. This work will review the available evidence on the scale and significance of the 'harms' arising from unregulated residential property management activities. It will provide the basis for confirming that the threshold of 'significant harm' has been met and that government intervention in the form of regulation is appropriate.

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<sup>1</sup> Ministry of Business, Innovation and Employment Bond Data, 5 November 2020. Note we consider these figures underestimate the number of residential property managers in trade as not all residential tenancy agreements require bonds to be lodged and some lodgements may take place in the name of the property owner rather than the party managing the property.



Property Management Activities	
Harm	Causes
<b>Residential Property Owners</b>	
<p><i>Reputational harm and additional costs through:</i></p> <ul style="list-style-type: none"> <li>liability for the acts and omissions of property managers failing to meet legal obligations under, for example, the Residential Tenancies Act, Fair Trading Act, Human Rights Act.</li> </ul>	<ul style="list-style-type: none"> <li>Insufficient information available for property owners to determine the <i>bona fides</i> of property managers.</li> <li>Variation in contractual agreements between property managers and the property owners result in differing accountabilities, rights, and obligations.</li> <li>No compulsory minimum competency standards that help ensure property managers are aware of their legal obligations and have the skills and experience to deliver services to an appropriate standard.</li> <li>No industry practice standards that support compliance with legal requirements.</li> </ul>
<p><i>Return on investment compromised through:</i></p> <ul style="list-style-type: none"> <li>misappropriation or misuse of rental income and bonds</li> <li>poor advice on RTA compliance.</li> <li>poor valuation advice on rental income potential</li> <li>failure to maintain occupancy rates through timely letting when vacancies occur</li> </ul>	<ul style="list-style-type: none"> <li>No compulsory minimum competency standards including, minimum integrity standards for entry to the occupation.</li> <li>No industry practice standards that reflect and reinforce compliance with good practice requirements.</li> <li>No requirement for use of audited trust accounts.</li> </ul>
<p><i>Asset value compromised through:</i></p> <ul style="list-style-type: none"> <li>inadequate property inspection to identify tenant damage and maintenance needs</li> <li>inadequate property maintenance.</li> </ul>	<ul style="list-style-type: none"> <li>No compulsory minimum competency standards including minimum integrity standards for entry to the occupation.</li> <li>No industry practice standards that reflect and reinforce industry compliance with good practice requirements.</li> </ul>
<b>Residential Tenants</b>	
<p>Breaches of tenants' rights under the RTA - including, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>provision of housing that meets the healthy homes standards</li> <li>timely resolution of property maintenance issues</li> <li>quiet enjoyment of the property - compromises access to secure, healthy, and affordable housing.</li> </ul>	<ul style="list-style-type: none"> <li>Power imbalance between property managers and vulnerable tenant groups.</li> <li>No compulsory minimum competency standards that help ensure property managers are aware of their legal obligations.</li> <li>No industry practice standards that support compliance with legal requirements.</li> </ul>



Harm	Causes
Discrimination based on age, sex, sexual orientation, marital status, family status, colour, race, ethnic or national origins, religious or ethical beliefs, political opinion, or employment status which breaches the Human Rights Act and compromises access to secure, healthy, and affordable housing.	<ul style="list-style-type: none"> <li>No compulsory minimum competency standards that help ensure property managers are aware of their legal obligations.</li> <li>No industry practice standards that support compliance with legal requirements.</li> </ul>
Misuse or misappropriation of tenants' bond or rental results in financial harm.	<ul style="list-style-type: none"> <li>No compulsory minimum competency standards including minimum integrity standards for entry to the occupation.</li> <li>No requirement for use of audited trust accounts.</li> </ul>
Failure to treat tenants, and prospective tenants, with courtesy and respect undermines human rights and well-being.	<ul style="list-style-type: none"> <li>No compulsory minimum competency standards that help ensure property managers are aware of their legal obligations.</li> <li>No industry practice standards, including code of conduct requirements.</li> </ul>

## Approach

### Overview

12. Our approach to developing a regulatory system for property managers reflects a standard policy development process. It will take account of the Government's policy framework for occupational regulation and reflect legislative and regulatory impact assessment good practice.
13. Our approach will:
  - retain a clear focus on the proposed purpose and scope of the regulatory system
  - confirm the extent to which the unregulated activities of property managers cause, or have the potential to cause, significant harm to landlords and tenants
  - identify and assess options for the design and delivery of a regulatory system
  - reflect the problem definition and our preliminary options analysis in a discussion paper for public consultation
  - take account of stakeholder feedback, consultation with the Legislation Design and Advisory Committee (LDAC), and a regulatory impact assessment when formulating final advice to Ministers
  - support the development and passage of legislation and enabling regulations, subject to Cabinet agreement
  - enable the design, development, delivery, and evaluation of the regulatory system.

### Regulatory Purpose

14. The regulatory system should protect the interests of tenants and the owners of residential property and promote public confidence in the delivery of residential property management services by:
  - establishing professional entry standards for residential property managers

- establishing industry practice standards for the delivery of residential property management services
- providing an independent disciplinary and complaints resolution process that applies to residential property managers and the delivery and property management services.

## Scope

15. We have focused on the residential property management sector and propose excluding commercial property management activities from the scope of the regulatory system. Stakeholders have not raised, and we have not seen evidence of, significant issues of concern in the commercial property management sector. The relationship between commercial property managers, property owners and commercial tenant is different in nature to the relationships in the residential tenancy sector. The same power imbalance does not exist between the parties particularly between commercial tenant and property managers. In commercial arrangements the parties would generally be getting professional advice. Further commercial tenants are not in a position where they fear they may lose their home.
16. The system will enable the regulation of residential property managers. We will also consider whether there is a need to regulate the activities of property management organisations to mitigate the risks their activities pose to tenants and property owners. Both tenants and property owners may deal with multiple property managers within a property management company. Being able to establish standards that apply to the organisations that employ property managers may be an effective means of addressing some of the risks to tenants and property owners. It would enable the application of a wider range of interventions than would be possible if we focus more narrowly on the occupational regulation of property managers. We will, therefore, give careful consideration to including property management organisations as regulated parties in the proposed regulatory system.
17. We also propose that the owners of residential property who choose to let the properties themselves as landlords, will not be regulated parties under the proposed regulatory system. In our view the activities of property owners who choose to let their own residential properties to tenants are already adequately regulated through the RTA. We will, however, consider the nature of the relationship between property managers and property owners - including the impact the actions or inactions of a property owner could have on the ability of a property manager to meet their obligations – and what measures, if any, may be required to address this issue.
18. It is important to note that the regulatory system will complement and be additional to the protections offered to tenants under the RTA and existing civil remedies available to both property owners and tenants (for example by making a claim to the Disputes Tribunal, or through District or High Court proceedings). The system will introduce professional entry requirements and industry practice standards that are designed to address the causes of, among other things, breaches of RTA requirements. This is expected to lead to a reduction in non-compliance with that legislation. It will also provide remedies for breaches of the proposed new regulatory requirements that will apply to property managers that are currently not covered by the RTA.
19. For the avoidance of doubt, the regulatory system will not cover Body Corporate Managers.

## Regulatory System Features

20. The proposed regulatory system will incorporate a range of features including:
  - **Regulated parties:** Confirmation of the parties that are subject to regulation. In summary, whether regulation will be confined to individuals or extended to organisations.
  - **Professional entry requirements:** The requirements regulated parties need to meet to be able to provide, in trade, residential property management services. This may

include age, integrity, and/or competency requirements that may be reflected in training course, qualification and/or industry experience standards.

- **Registration and licensing process:** Provision for a public register of regulated parties, licensing classes, renewal, suspension, the imposition of license conditions, or the revocation of registration or a license.
- **Industry practice standards:** The standards regulated parties must meet when providing property management services. These standards can include a Code of Conduct, Continuing Professional Development, the use of audited trust accounts for financial transactions, insurance requirements, standard industry contract provisions or other requirements to ensure appropriate professional standards and mitigate risk.
- **A complaint, disputes resolution and disciplinary framework:** The arrangements for holding regulated parties to account and to resolve disputes.
- **Offences and penalties:** The specific offences and associated maximum penalties that apply to regulated parties.
- **Regulatory management:** Confirmation of the type of body that will act as the regulator, including their functions and powers.
- **Cost recovery:** Arrangements for partially or fully recovering the costs associated developing and maintaining the regulatory system.

21. **Annex A** includes an indicative 'menu of items' for each of these features. The development of the regulatory system model will involve selecting one or more of the menu items associated with each regulatory feature after a careful assessment of their advantages and disadvantages. This will include weighing the regulatory cost of the selected menu items against their added benefits.
22. **Annex B** illustrates how the regulatory features menu can be used to develop a regulatory system option.

#### *Regulatory model options development*

23. We propose developing three regulatory system options as the basis for public consultation. **Annex C** includes a preliminary outline of these options:
  - Option 1: Public registration of property managers
  - Option 2: Occupational licensing of property managers
  - Option 3: Licensing of property managers *and* property management organisations.
24. Over the coming weeks we will be preparing policy papers that describe the regulatory features more fully and refine the regulatory system options. We will also complete a preliminary assessment of the options for inclusion in the discussion paper. We will provide you with updates as we progress through the policy development process.

#### *Options assessment*

25. Our development and assessment of the regulatory system options will take account of the following criteria:
  - **Effectiveness:** How effective is the system in delivering regulatory objectives? Will the system deliver net economic benefits? Any trade-offs between regulatory objective or intended outcomes should be highlighted.
  - **Proportionality:** Are compliance requirements and costs proportionate to the expected benefits? Any changes to regulatory systems, including enabling legislation, should have benefits that outweigh the cost of these changes.

- *Certainty*: Will regulatory requirements, processes and decisions be transparent, predictable, and consistent with other policy settings and provide certainty to regulated parties?
- *Flexibility*: Will regulated parties have the scope to adopt least cost and innovative approaches to meeting their legal obligations?<sup>2</sup>
- *Durability*: Will the regulatory system have the capacity to evolve in response to new information and changing circumstances?
- *Implementation risk and cost*: Are implementation risks, timeframes, and costs acceptable? Is the system based on established and proven regulatory features or will it include untested or novel solutions? How certain are the implementation timeframes and costs? Are they within acceptable bounds?

### Specific regulatory body options

26. In addition to assessing and identifying a preferred regulatory system model, we propose that the discussion paper also set out the proposed functions of the regulator and assess the advantages and disadvantages of the role being undertaken by one of the following bodies:
- An industry body
  - The Real Estate Authority
  - A regulatory authority within MBIE
  - A new standalone regulatory authority.
27. Our criteria for assessing these options will focus on:
- Effectiveness
  - Cost
  - Implementation risk.

### Timeline

28. Table 1 below sets out key milestones and indicative target dates for progressing the development and implementation of the regulatory system.
29. This timeline meets the Government's commitment to introduce legislation to regulate property managers this Parliamentary term.

**Table 1: Key milestones**

Milestone	Target Date
Policy discussions with Minister	Late September - early October 2021
Minister receives draft discussion document and Cabinet paper	19 October 2021
Cabinet Social Wellbeing Committee considers papers	24 November 2021
Cabinet approves release of public discussion	29 November 2021
Discussion document released for public feedback	3 December 2021

<sup>2</sup> A regulatory system is flexible if the underlying regulatory approach is principles or performance based and policies and procedures are in place to ensure that it is administered flexibly, and non-regulatory measures are used where possible.



Milestone	Target Date
Public consultation completed	8 Feb 2022
Cabinet paper and regulatory impact statement on proposed legislation finalised	Late May 2022
Cabinet approves development of proposed legislation	Late June 2022
Drafting instructions referred to PCO	Late July 2022
Bill and Disclosure Statement finalised	March 2023
Cabinet agrees to introduce the Bill, First reading and referral to Select Committee	May 2023
Select Committee report completed	4 <sup>th</sup> quarter 2023
Passage completed and Royal Assent	2 <sup>nd</sup> quarter 2024
Regulations gazetted	3 <sup>rd</sup> quarter 2024
Commencement	1 <sup>st</sup> /2 <sup>nd</sup> quarter 2025

30. This timeline is based on the following assumptions:

- 15 working days is required for Caucus and Ministerial consultation before papers are lodged for consideration by the Cabinet Social Wellbeing Committee.
- Six months is required to draft the Bill, as requested by the Parliamentary Counsel Office.
- The Bill can be introduced into the House in advance of it going into recess prior to the 2023 general election.
- Six months is required for Select Committee consideration of the draft Bill.
- The development of enabling regulations will get underway while the primary legislation is being considered by Parliament.
- At least 12 months is required from the passage of the primary legislation to its commencement to enable the establishment of the regulator's functions and the gazettal of the enabling regulations.

## Risks

31. *Timing of Public Consultation:* To enable the introduction of a Bill this Parliamentary term, we are proposing releasing the discussion document for public feedback on 3 December 2021. The public consultation process will extend over the Christmas - New Year holiday period and therefore may attract some criticism from stakeholders. To manage this risk, we have provided for an extended consultation period until 8 February 2022.
32. *Exclusion of Landlords/Property Owners:* Some stakeholders may be concerned that property owners who are acting as landlords are not included as regulated parties in the regulatory system. To help mitigate this risk we will outline our rationale in the discussion paper and address any submissions that are made on the issue during the public consultation process.

## Consultation

33. The following agencies have been consulted on this briefing: Ministry for Business, Innovation and Employment, Ministry of Justice, the Ministry of Social Development, Kainga Ora, the Treasury, and Department of Prime Minister and Cabinet.
34. Comprehensive engagement with stakeholders and Māori partners is central to delivering flexible, durable, and cost-effective regulatory systems. We are developing a comprehensive

engagement communications plan that identifies key stakeholders and their interests, engagement events and a range of communications collateral to support the public consultation process.

35. Our engagement with Māori will be aligned with MAIHI Framework for Action and Te Arawhiti engagement framework to ensure Māori views are represented as part of targeted and public consultation
36. We will continue to consult with key agencies and stakeholders throughout the design of this regulatory system. Further details of the engagement approach will be shared with you when we come back with the draft discussion paper.

## **Next steps**

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37. We will provide you with further advice in September as we finalise the problem definition and progress the development of the regulatory system options.
38. We anticipate providing you with the draft discussion paper together with a draft of the associated Cabinet paper and details on our approach to stakeholder engagement on 19 October.

## **Annexes**

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- Annex A: Regulatory Features Menu
- Annex B: Using the Menu - an illustrative example
- Annex C: Indicative regulatory system options

## Regulatory Features Menu

Features	Menu items for each feature					
<b>Regulated Party</b>	Residential Property Manager (PM)	Residential Property Mgt Organisation (PM Org)	Commercial Property Managers	Commercial Property Mgt Organisations	Landlords	
<b>Professional Entry Requirements</b>	Minimum Age (18 Yrs)	Fit & Proper Person Test	Basic competency course	Intermediate competency course	Level 4 Certificate in Property Mgt.	Level 5 qualification in property management
	No industry experience	6 months experience	12 months experience	2 years experience	3 years experience	
<b>Registration &amp; Licensing Provisions</b>	Public Register	Licence	Associate PM Licensed PM	Associate PM Licensed PM Licensed PMO		
	No Renewal Required	3 yearly renewal	2 yearly renewal	Annual Renewal		
	Suspension	Conditions	Revocation			
<b>Practice Standards</b>	Code of Conduct	Continuing Professional Development (CPD)	Trust Account with periodic Audit	Compulsory indemnity insurance	Standard industry contract provisions	Other practise standards, if required
<b>Disciplinary/Disputes Resolution</b>	Industry mediation & disputes resolution. Civil remedies apply	Independent mediation & disputes resolution	Complaints Panel & Tribunal	Appeal to High Court & Court of Appeal		
<b>Offences &amp; Penalties</b>	Providing false or misleading information	Practising when Unregistered or unlicensed	Failure to notify change in circumstances	Failure to meet financial & audit obligations	Resisting or obstructing a lawful investigation	Failing to comply with Tribunal summons/ contempt
<b>Cost Recovery</b>	No cost recovery	Partial cost recovery	Full cost recovery			
<b>Regulatory Body</b>	Industry Association	Government Agency	Independent Regulatory Authority			
<b>Implementation Management</b>	Delayed commencement to allow time to meet registration or licensing requirements		Provision for supervision of Associate Property Managers until they meet professional licensing requirements		Variations in some requirements required if licensing applies to both property managers and property management organisations	

<b>Legend:</b>	<u>Menu items that can be selected for inclusion in the regulatory system</u>	<u>Items that are 'out of scope' and excluded from consideration</u>
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## Annex B

### Using the Menu - an illustrative example

Features	Menu items for each feature					
Regulated party	Residential Property Manager (PM)	Residential Property Mgt Organisation (PMO)	Commercial Property Managers	Commercial Property Mgt Organisations	Landlords	
Professional entry requirements	Minimum Age (18 Yrs)	Fit & Proper Person Test	Basic competency course	Intermediate competency course	Level 4 Certificate in Property Mgt.	Level 5 qualification in property management
	No industry experience	6 months experience	12 months experience	2 years experience	3 years experience	
Registration & licensing provisions	Public Register	Licence	License Classes: • Associate PM • Licensed PM	License Classes: • Associate PM • Licensed PM • Licensed PMO	License Class: endorsements for specialist skills	
	No renewal required	3 yearly renewal	2 yearly renewal	Annual renewal		
	Suspension	Conditions	Revocation			
Practice standards	Code of Conduct	Continuing Professional Development (CPD)	Trust account with periodic audit	Compulsory indemnity insurance	Standard industry contract provisions	Other practise standards, if required
Disciplinary/disputes resolution	Industry mediation & disputes resolution. Civil remedies apply	Independent mediation & disputes resolution	Complaints Panel & Tribunal	Appeal to High Court & Court of Appeal		
Offences & penalties	Providing false or misleading information	Practising when unregistered or unlicensed	Failure to notify change in circumstances	Failure to meet financial & audit obligations	Resisting or obstructing a lawful investigation	Failure to comply with Tribunal summons/contempt
Cost recovery	No cost recovery	Partial cost recovery	Full cost recovery			
Regulatory body	Industry association	Government agency	Independent regulatory authority			
Implementation management	Delayed commencement to allow time to meet registration or licensing requirements		Provision for supervision of Associate Property Managers until they meet full professional licensing requirements		Variations in some requirements required if licensing applies to both property managers and property management organisations	
Legend:	Menu items selected for inclusion in the regulatory system		Menu items <i>not</i> selected for inclusion in the regulatory system		Menu items that are 'out of scope' and excluded from consideration	



## Indicative Regulatory System Options

	Option 1: Registration of Residential Property Managers	Option 2: Occupational Licensing of Residential Property Managers	Option 3: Licensing of Residential Property Managers and Property Management Organisations
<b>Regulated Party</b>	Residential Property Managers	Residential Property Managers	Residential Property Managers (PM) Residential Property Management Organisations (PMO)
<b>Entry Requirements</b>	18 Years Fit & Proper Person test Basic competency training course	18 Years Fit & Proper Person test Intermediate competency training course, including 6 months industry experience	18 Years Fit & Proper Person test Level 4 Certificate in Property Management, including 12 months industry experience
<b>Licensing/Registration Features</b>	Public Register 3 yearly renewal subject to CPD Conditions/Suspension/Revocation	Public Register & License License Classes: Associate or Licensed Property Manager 2 yearly renewal subject to CPD Conditions/Suspension/Revocation	Public Register & License License Classes: Associate or Licensed PM, Licensed PMO Annual renewal subject to CPD Conditions/Suspension/Revocation
<b>Practice Standards</b>	Code of Conduct Continuing Professional Development (CBD) (16 hours per annum)	Code of conduct CBD (20 hours per annum) Trust accounts & audit (as prescribed by regulator)	Code of conduct CBD (20 hours per annum) Trust accounts & audit (as prescribed by regulator) Compulsory indemnity insurance Standard industry contract provisions (no fee prescriptions)
<b>Disciplinary/Disputes Resolution</b>	Industry based mediation & disputes resolution Civil remedies still apply	Independent mediation & disputes resolution Complaints Panel & Tribunal Appeal through the Courts	Independent mediation & disputes resolution Complaints Panel & Tribunal Appeal through the Courts
<b>Offences &amp; Penalties</b>	Yes (aligned with Real Estate Agents Act and/or similar regulatory system models)	Yes (aligned with Real Estate Agents Act and/or similar regulatory system models)	Yes (aligned with Real Estate Agents Act and/or similar regulatory system models)
<b>Regulatory Body</b>	Industry body or government agency	Independent Regulatory Authority	Independent Regulatory Authority
<b>Cost Recovery</b>	Full cost recovery (fees & levies)	Full cost recovery (fees & levies)	Full cost recovery (fees & levies)
<b>Implementation Management</b>	Commencement provisions Transitional period to enable registration	Commencement provisions Transitional period to enable licensing Supervision of Associate Property Managers until full license conditions met	Commencement provisions Transitional period to enable licensing Supervision of Associates until full license conditions met Differing requirements between property managers & organisations to be addressed in legislation