

# QLD Real estate follow-up campaign

Final report – May 2013

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## Highlights

The Queensland real estate industry has significantly improved its compliance with the *Real Estate Industry Award 2010*:

- The 48% compliance rate in 2011 improved to 82% compliance in 2013.
- Fifty businesses in contravention in 2011 now found to be 100% compliant

## Summary

The Fair Work Ombudsman (FWO) conducted the Queensland real estate follow up campaign (the campaign) between June 2012 and January 2013.

The aim of the campaign was to promote and assess the registration of written agreements that set out payment methods for real estate employees, as required by schedule E of the *Real Estate Industry Award 2010* (the Award).

We initiated the campaign due to the findings of a previous campaign we conducted in the Queensland real estate industry during 2011, in which we found that 48% of employers were in contravention.

To ensure that we worked effectively with the industry, we sought support from key industry stakeholders in planning and promoting the campaign.

During the campaign, we assessed the records of 279 employers. All employers we selected for assessment were either from those found in contravention in the 2011 campaign, or from employers not previously audited.

We found 230 (82%) employers compliant and 49 (18%) in contravention. All contraventions identified related to the failure of employers to lodge agreements outlining the remuneration structure that apply to employees.

Amongst the 50 employers previously found in contravention, we recorded a 100% compliance rate.

## Why did we target this industry?

In 2011, FWO conducted a campaign in the Queensland real estate industry (2011 campaign).

The 2011 campaign found that only 48% of employers had lodged written agreements as prescribed by schedule E of the *Real Estate Industry Award 2010* (the Award). Schedule E requires employers in the real estate industry to set out in writing the payment methods for their employees and to lodge these with the Queensland Property Industry Registry.

We consider that both employers and employees benefit from the process of negotiating, documenting and registering the agreed pay structures as outlined in schedule E. It is less likely that complaints will arise and should they do so, they are more easily resolved.

Due to the poor results in the 2011 campaign and the value of the schedule E process in potentially reducing complaints, we decided a follow up campaign in the industry was necessary.

## Purpose of the campaign

Our aim with the campaign was to promote and assess compliance with schedule E of the Award in the Queensland real estate industry.

In particular, we wanted to:

- measure any improvement in the Queensland real estate industry (the industry) in complying with schedule E of the Award
- ensure employees in the industry have written, signed and registered agreements as required by the Award
- ensure employers in the industry are aware of this requirement to lodge employment agreements for employees
- increase awareness of the role of the FWO among both employers and employees in the industry

## Our industry partners

Before starting the campaign, we contacted the following:

- the Property Sales Association of Queensland (PSAQ)
- the Real Estate Institute of Queensland (REIQ)
- the Queensland Property Industry Registry (QPIR)

We sought their feedback on our campaign strategy and their assistance in promoting the campaign.

Both the PSAQ and the REIQ informed their members about the campaign by publishing articles in their industry publications.

The QPIR provided us with useful feedback and promoted the campaign amongst the industry.

## What did we do?

In June 2012, we informed the industry about the campaign. We did this by issuing a media release, publishing articles in industry publications and by writing to all registered Queensland real estate agents to inform them of the campaign.

In August 2012, we selected over 300 businesses for assessment from the two following categories:

- All businesses that we found in contravention during the 2011 campaign
- All businesses that we had not audited during the 2011 campaign.

We selected businesses from across Queensland, including metropolitan Brisbane, the Gold Coast, the Sunshine Coast, as well as regional and remote Queensland

We wrote to the selected businesses requesting evidence of their registered agreements. We asked some employers to provide this by sending records to our office and advised others that we would assess their records during a visit to their premises.

## What did we find?

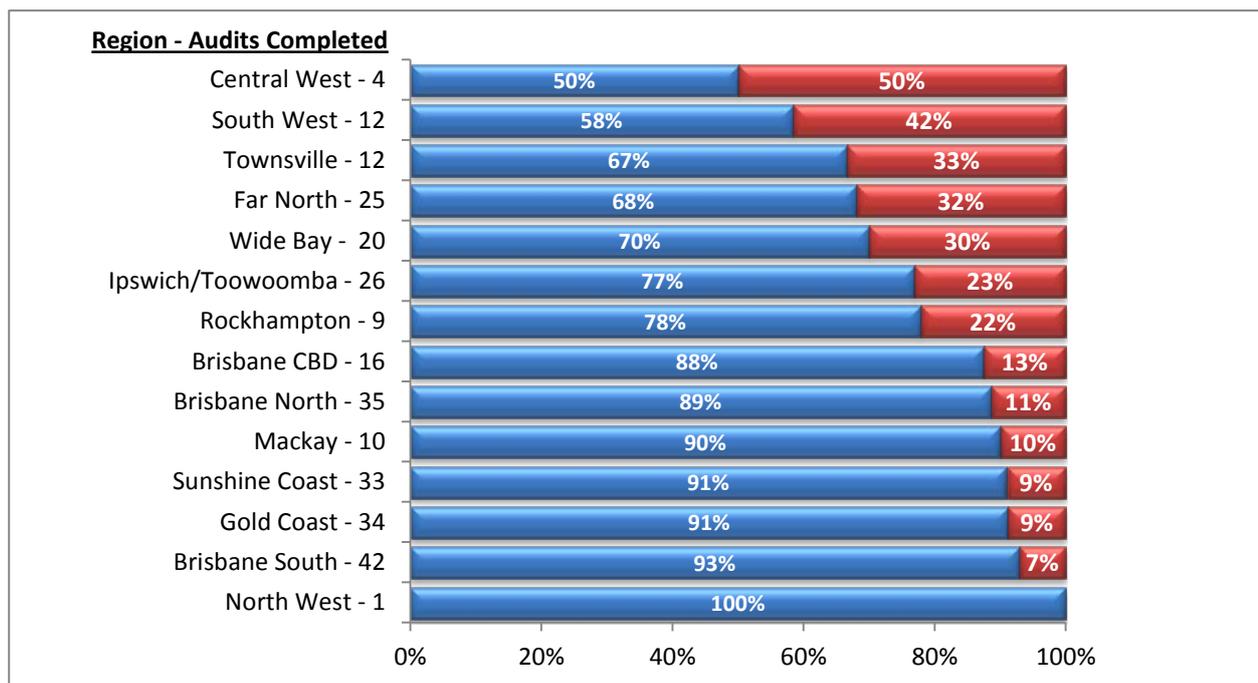
In May 2013, we compiled the results of our audits.

As shown in Table 1, during the campaign we finalised 279 audits. We found 230 (82%) businesses compliant and 49 (18%) in contravention.

Table 1: Campaign results	
Audits finalised	279
<ul style="list-style-type: none"> <li>Employers compliant</li> </ul>	230 (82%)
<ul style="list-style-type: none"> <li>Employers in contravention</li> </ul>	49 (18%)

As shown in Figure 1, the regions with the highest compliance rates were North West, Brisbane South, the Gold Coast, the Sunshine Coast and Mackay, all with compliance rates greater than 90%.

**Figure 1 – Compliance Rates by Region**



The overall compliance rate of 82% in this campaign is a marked improvement compared to the results of the 2011 campaign. In particular, the Gold Coast region, which had a compliance rate of 35.5% in the 2011 campaign, recorded a compliance rate of 91%.

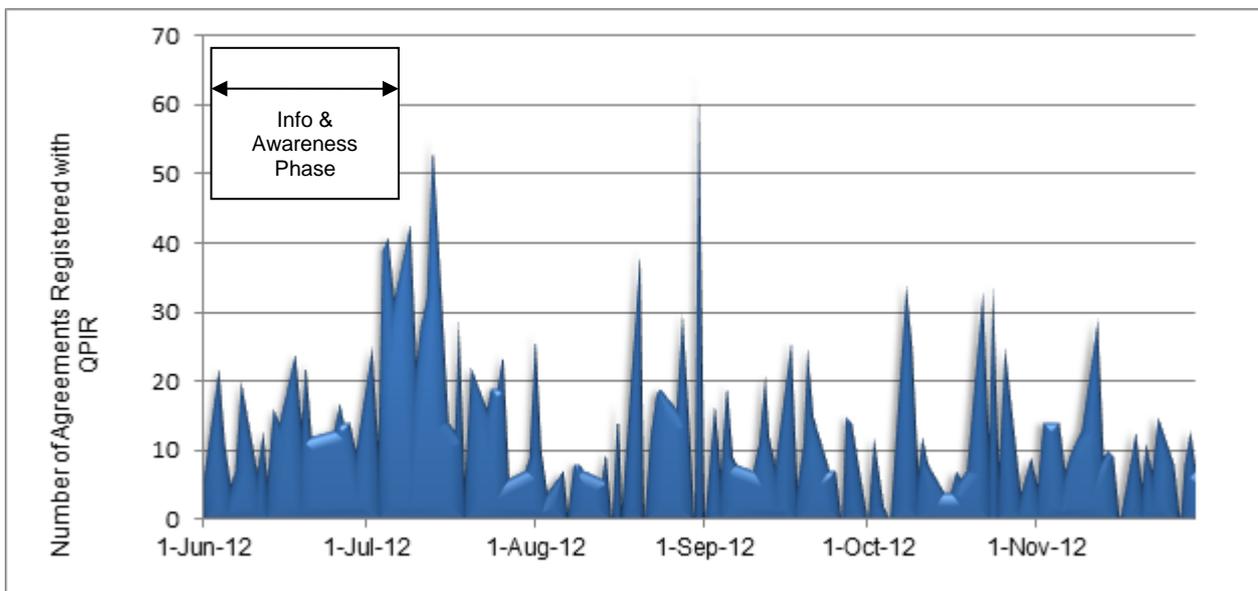
However, the most striking improvement in compliance was among the 50 businesses we previously found in contravention in the 2011 campaign. In this follow up campaign, we found each of the 50 businesses to be compliant.

## Other findings

QPIR reported a 78% increase in the number of registered agreements between March 2011 and February 2013, with the percentage of real estate businesses lodging those agreements rising from 30.7% to 57.2% in the same period.

Interestingly QPIR's records showed an increase in lodgements throughout July 2012 (see Figure 2). This suggests that our communication strategy targeting the industry in June 2012 was effective.

**Figure 2 - Employer Agreements Lodged with QPIR – June to November 2012**



*\*Data provided by QPIR*

Further, the increases in lodgement rates suggest that both our 2011 campaign and this follow-up campaign have had a positive effect on compliance rates in the industry, in regard to schedule E of the Award.

### Case study

Alistair\*, one of the employers we targeted for assessment failed to respond to our request for records.

When we contacted Alistair by phone, he stated that the Award did not cover his business and he was not required to lodge agreements for his property managers or for property sales agents. He therefore considered his business should not be included for assessment. When we asked him to provide documentation to establish this exclusion from coverage by the Award, he was not willing to provide it to us.

We then visited Alistair so we could discuss the situation further. We wanted to work with him to ensure that he understood both the purpose of the campaign and his workplace obligations. Because of our visit, Alistair recognised that the

Award does in fact apply to his business and he came to understand what is required of him.

Alistair expressed his appreciation of the discussion. He subsequently registered agreements for staff engaged in several office locations throughout Queensland. In addition, the business has amended its practices in relation to the employment of staff, to ensure that these meet the requirements of the Award.

*\*Not the actual name*

## Concluding remarks

We were pleased to find that the Queensland real estate industry has improved its compliance rate with schedule E of the Award by 34% since the 2011 campaign.

Further, that information provided by QPIR shows that both of our campaigns have contributed significantly to a positive increase in the number of businesses registering agreements and complying with the provisions of the Award.

Whilst we welcome the increased compliance rate, we will continue working with the industry to promote continued compliance.

## About the Fair Work Ombudsman

The Fair Work Ombudsman is an independent agency created by the *Fair Work Act 2009* on 1 July 2009.

Our vision is fair Australian workplaces, and our mission is to work with Australians to educate, promote fairness and ensure justice in the workplace.

Our education and compliance campaigns target specific industries to assist them achieve compliance with national workplace laws. Our focus is usually industries that need assistance with compliance and employ vulnerable workers.

We like to work with relevant industry associations and unions to deliver our campaigns. We rely upon their 'real world' knowledge and communication channels to design and deliver our education activities and products.

This report covers the background, method and findings of the Queensland real estate follow up campaign

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