



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **CPPDSM4015B Minimise agency and consumer risk**

**Release: 1**

## **CPPDSM4015B Minimise agency and consumer risk**

### **Modification History**

Not Applicable

### **Unit Descriptor**

#### **Unit descriptor**

This unit of competency specifies the outcomes required to minimise risk to all aspects of agency business and to consumers. It includes identifying potential risks to the agency and its clients, analysing the causes and potential impact of risks, and implementing agency policies and procedures to minimise risks to the agency and consumers.

The unit may form part of the licensing requirements for persons engaged in property development and management activities, including those working in the real estate, business broking, stock and station agency and property operations and development sectors, in those States and Territories where these are regulated activities.

### **Application of the Unit**

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This unit of competency supports the work of those involved in identifying, minimising and responding to all aspects of agency business, including minimising consumer risk.

### **Licensing/Regulatory Information**

Refer to Unit Descriptor

## Pre-Requisites

**Prerequisite units** Nil

## Employability Skills Information

**Employability skills** The required outcomes described in this unit of competency contain applicable facets of employability skills. The Employability Skills Summary of the qualification in which this unit of competency is packaged, will assist in identifying employability skills requirements.

## Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.

Performance criteria describe the required performance needed to demonstrate achievement of the element. Where ***bold italicised*** text is used, further information is detailed in the required skills and knowledge and/or the range statement. Assessment of performance is to be consistent with the evidence guide.

## Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<b>1 Identify potential risks to agency and clients.</b>	<p>1.1 <i>Sources of information and tools for identification</i> of actual and potential risks are accessed.</p> <p>1.2 <i>Actual and potential risks to agency, clients and other stakeholders</i> are identified.</p> <p>1.3 <i>Agency representations and information provided by clients</i> are confirmed and assessed in line with agency practice.</p> <p>1.4 Identified risks are documented according to agency and legislative requirements.</p>
<b>2 Analyse causes and potential impact of risks on agency, clients and other stakeholders.</b>	<p>2.1 <i>Causes of risks</i> are analysed in line with agency practice.</p> <p>2.2 <i>Potential impact of risks</i> on agency, clients and other stakeholders is determined.</p> <p>2.3 <i>Consequences, likelihood and severity of risks</i> are assessed.</p> <p>2.4 <i>Risk categorisation</i> is undertaken and <i>risk priorities</i> are set.</p> <p>2.5 Risk analysis processes and outcomes are documented.</p>
<b>3 Implement agency procedures and systems to minimise risk.</b>	<p>3.1 <i>Options for minimising risks</i>, including legislative measures, are determined and assessed for strengths and weaknesses.</p> <p>3.2 Risks are continuously monitored in line with agency practice.</p> <p>3.3 Agency <i>procedures and systems for controlling risks</i>, including handling complaints, are identified and implemented, as required.</p> <p>3.4 Control measures are chosen and implemented as required.</p> <p>3.5 Risk treatment plans are implemented as required.</p>
<b>4 Implement agency procedures and systems to minimise consumer risk.</b>	<p>4.1 <i>Risks to consumers</i> engaged in business dealings with the agency are identified and assessed in line with legislative requirements and agency practice.</p> <p>4.2 Consumer risks are continually monitored in line with agency practice.</p> <p>4.3 Agency procedures and systems for minimising consumer risk are identified and implemented as required.</p> <p>4.4 Personal skills in identifying and assessing consumer risk are reviewed, and where appropriate, strategies are implemented for</p>

**ELEMENT****PERFORMANCE CRITERIA**

improving this aspect of professional practice.

## Required Skills and Knowledge

### REQUIRED SKILLS AND KNOWLEDGE

This section describes the essential skills and knowledge and their level, required for this unit.

#### Required skills:

- ability to communicate with and relate to a range of people from diverse social, economic and cultural backgrounds and with varying physical and mental abilities
- analytical skills to interpret documents such as legislation, regulations, sale authorities, reports from professional service providers and contracts
- application of risk identification, assessment, treatment and monitoring skills
- computing skills to access agency and resource databases, use standard software packages, send and receive emails, access the internet and web pages, and complete and lodge standard documents online
- decision making and problem solving skills to analyse risk situations and make decisions consistent with legislative and ethical requirements
- literacy skills to access and interpret a variety of texts, including legislation, regulations and rules of ethics; prepare general information and papers; prepare formal and informal letters; prepare reports and applications; and complete standard and statutory forms
- numeracy skills to perform and apply calculations used in risk identification, assessment, treatment and monitoring
- planning, organising and scheduling skills to undertake work-related tasks associated with identifying, assessing, treating and monitoring risks
- research skills to identify and locate documents and information relating to identifying and treating risks
- self-management skills to organise own work, deliver quality customer service and effectively manage competing demands
- teamwork skills to work effectively in and promote communication between sales, property management and administrative teams in an agency environment.

#### Required knowledge and understanding:

- agency policies and procedures, including:
  - policies and procedures for risk management
  - risk management strategies
- approaches for monitoring the risk environment
- auditing requirements

## REQUIRED SKILLS AND KNOWLEDGE

- Australian and New Zealand risk management standards
- causes of risks
- classification of risks
- complaint-handling procedures
- consumer risk
- impact of risks on agency, clients and other stakeholders
- insurance policies, codes and operations
- potential impact of risk
- reasons for monitoring risk environment
- relevant federal, and state or territory legislation and local government regulations relating to:
  - anti-discrimination and equal employment opportunity
  - anti-money laundering
  - auctions
  - consumer protection, fair trading and trade practices
  - employment and industrial relations
  - environment and sustainability
  - financial services
  - leasing
  - OHS
  - privacy
  - property sales and management
- sources of information on risk
- sources of risk
- techniques and tools for identifying and analysing risk.

## Evidence Guide

### EVIDENCE GUIDE

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, the range statement and the Assessment Guidelines for this Training Package.

**Overview of assessment** This unit of competency could be assessed through case studies and practical demonstration of identifying, assessing, treating and monitoring risks to the agency and consumers. Targeted written (including alternative formats where necessary) or verbal questioning to assess the candidate's underpinning knowledge would provide additional supporting evidence of competence. The

demonstration and questioning would include collecting evidence of the candidate's knowledge and application of ethical standards and relevant federal, and state or territory legislation and regulations. This assessment may be carried out in a simulated or workplace environment.

**Critical aspects for assessment and evidence required to demonstrate competency in this unit**

A person who demonstrates competency in this unit must be able to provide evidence of:

- analysing the causes and potential impact of risks on agency, clients and other stakeholders
- establishing ongoing monitoring and reporting systems to minimise risks to agency, clients and other stakeholders
- identifying and implementing agency policies and procedures for minimising and treating risks
- identifying actual and potential risks to agency, clients and other stakeholders
- identifying, minimising and responding to consumer risks associated with agency operations.

**Context of and specific resources for assessment**

Resource implications for assessment include:

- access to suitable simulated or real opportunities and resources to demonstrate competence
- assessment instruments that may include personal planner and assessment record book
- access to a registered provider of assessment services.

Where applicable, physical resources should include equipment modified for people with disabilities.

Access must be provided to appropriate learning and/or assessment support when required.

Assessment processes and techniques must be culturally appropriate, and appropriate to the language and literacy capacity of the candidate and the work being performed.

Validity and sufficiency of evidence require that:

- competency will need to be demonstrated over a period of time reflecting the scope of the role and the practical requirements of the workplace
- where the assessment is part of a structured learning experience the evidence collected must relate to a number of performances assessed at different points in time and separated by further learning and practice with a decision of competence only taken at the point when the assessor has complete confidence in the person's competence

- all assessment that is part of a structured learning experience must include a combination of direct, indirect and supplementary evidence
- where assessment is for the purpose of recognition (RCC/RPL), the evidence provided will need to be current and show that it represents competency demonstrated over a period of time
- assessment can be through simulated project-based activity and must include evidence relating to each of the elements in this unit.

In all cases where practical assessment is used it will be combined with targeted questioning to assess the underpinning knowledge. Questioning will be undertaken in such a manner as is appropriate to the language and literacy levels of the candidate and any cultural issues that may affect responses to the questions, and will reflect the requirements of the competency and the work being performed.

## Range Statement

### RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. ***Bold italicised*** wording in the performance criteria is detailed below. Add any essential operating conditions that may be present with training and assessment depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts.

***Sources of information***  
may include:

- agency records
- experience
- industry practice and experience
- legislation
- market research
- published literature
- specialist or expert advice from:
  - government agencies
  - professional and industry associations.

***Tools for identification***  
may include:

- documentation to assist in the process of identifying risks and assessing impact and likelihood of occurrence
- standard instruments developed for the agency and contextualised for sections of the workplace's operations, such as checklists and testing procedures
- tools to prioritise risks, including where relevant, numerical scoring systems for risks.

***Actual and potential risks***  
may relate to:

- administrative and business systems, policies and practices
- commercial and legal relationships between the agency, consumers and other organisations, such as buyers, sellers, employees, landlords, tenants, subcontractors, developers and suppliers
- consumer risk
- economic and financial circumstances
- individual actions, such as discrimination and ineffective communication
- management activities and controls
- natural events
- non-compliance with legislative and regulatory requirements, such as:
  - consumer protection
  - OHS
  - trade practices

- non-compliance with quality systems, such as:
  - enterprise
  - franchise
  - International Standards Organisation (ISO)
- OHS
- physical and personal security
- political circumstances, such as legislative change
- property ownership, including intellectual property
- technological and technical issues, both internal and external to the agency, such as loss of data.

*Agency, clients and other stakeholders* may include:

- consumers and clients
- co-owners
- financial institutions with an interest in the agency
- principal
- staff and others to whom a duty of care is owed.

*Agency representations and information provided by clients* may refer to:

- anticipated income and expenditure
- bankruptcy
- business status and ownership
- compliance with legislative and regulatory requirements
- condition of property
- covenants
- customer base
- easements
- family law matters
- financial records
- insolvency
- leases or tenancy agreements
- legal action
- licences
- permits
- property status and ownership
- quotas
- stock
- value of property.

*Causes of risks* may include:

- commercial and legal relationships
- economic circumstances
- human behaviour
- inaccurate information provided by clients
- individual activities
- management activities and controls
- natural events

***Potential impact of risks*** may adversely affect:

- political circumstances
- technological issues.
- capital reserves
- cash flow viability and resulting liquidity
- goodwill value
- nett worth of the business
- return on investment.

***Consequences, likelihood and severity of risks*** may refer to:

- consequences - extreme, very high, medium, low and negligible
- likelihood - almost certain, likely, moderate, unlikely and rare
- severity - severe, high, major, significant, moderate and trivial.

***Risk categorisation*** may refer to:

- administration - misrepresentation, personal injury and misappropriation
- commercial sales and leasing - miscalculating rentable floor space and exclusivity of business (retail)
- property management - maintenance, consumer protection and discrimination
- property sales - incorrect disposal of chattels, code of ethics and conduct, loss of documents, trade practices, consumer protection, unauthorised disclosure, and sale of goods under warrant of execution.

***Risk priorities*** may refer to:

- assessing consequences and likelihood
- assigning a value to identified risks using available tools.

***Options for minimising risks*** may include:

- avoid the risk - deciding not to become involved in a risk situation
- finance the risk - funding risk treatment and the financial consequences of risk
- reduce the risk - applying appropriate techniques and management principles to reduce the likelihood of an occurrence and its consequences
- retain the risk - intentionally or unintentionally retaining responsibility for loss or financial burden of loss
- transfer the risk - shifting responsibility or burden of loss to another party through contract, insurance or other means.

***Procedures and systems for controlling risks*** may include:

- documentation
- procedures, including:
  - assessment
  - confidentiality, security and privacy procedures
  - control measures

- Risks to consumers* may relate to:
- identification
  - monitoring
  - organisational procedures
  - treatment
  - systems, including:
    - company operations manual
    - induction and training.
  - advertising and marketing
  - moneys held in trust
  - property management
  - property sale
  - provision of information and advice
  - tenancy agreements.

## **Unit Sector(s)**

**Unit sector** Property development, sales and management

## **Competency field**

**Competency field** Real estate