

Thursday 29th March

UPPER HOUSE MEDDLING JEOPARDISES REAL ESTATE REFORM

Acting Minister for Consumer Affairs, Michael Atkinson, says “South Australians should be dismayed about moves by Liberal and Independent MP’s to water down legislation designed to protect consumers.”

“This bill has been carefully crafted to ensure that land agents will cease to receive tasty rebates on their total advertising expenditure while homeowners don’t get to relish these discounts and often don’t even know about them.”

“Homeowners cough up the face value of the ads for their sale. Section 24 (d) of the Real Estate Industry Reform Bill means that agents will be required by law to pass on to their clients the value of any rebate.

These rebates are *secret commission* and they are probably already unlawful but the Rann Government is going to make sure they are not secret and homeowners get the benefit of them, the Acting Minister said.

“It is this provision for increased transparency, that Liberal MP’s want abolished so that many agents can continue receiving lucrative kickbacks.”

“They’re also threatening to dilute the tough legislation, calling for multiple vendor bidding at auctions, opening the floodgates for a barrage of less genuine bids,” the Acting Minister for Consumer Affairs said.

The Statutes Amendment (Real Estate Industry Reform) Bill 2006 follows extensive review of the industry and contains wide-reaching reforms, the majority of which are supported by the industry.

The Acting Minister for Consumer Affairs said, “This is a vital piece of legislation devised to protect consumers so that their dealings with land agents are robust and effective, and both vendors and purchasers are confident that these transactions are handled competently and ethically. People selling their homes have the right to feel confident that agents they engage are acting in their best interest, not in self-interest.”

“The Bill addresses concerns in the community about practices including dummy bidding at auctions, over-quoting by agents to secure property listings and bait advertising of properties for well below the actual estimated selling price.

“Undisclosed conflicts of interest and other misleading or deceptive conduct by agents are also addressed by this Bill.

Other highlights include:

- Registration of bidders at all auctions
- Allowing agents only one vendor bid
- Properties to be advertised in a strict price range where the upper limit must not be 10% more than the lower limit.
- Increased penalties are also proposed for various breaches.

“During the course of the review of legislation, agents asked for legislation to provide a clear set of guidelines as to agents’ obligations. These reforms will establish clear standards for land agents as to what is lawful and ethical behaviour in the selling of real estate,” the Acting Minister said.

“The measures are designed to be practical and enforceable solutions to the concerns of consumers about the lack of transparency of the real estate sales process, both from the vendors’ and the purchasers points of view.

The Real Estate Industry reform bill is due to go through to the Upper House today, but may be further delayed as a result of amendments proposed by Nick Xenophon and the Liberals. They assert they are strengthening the Bill, what they are doing, in fact, is diluting the strong provisions that ensure agents declare benefits and third party deals.