

REINSW SUPPORTS PROPERTY SECTOR OVERHAUL

19 March 2021: The Real Estate Institute of NSW (REINSW) has urged the NSW Lower House to follow the lead of the Upper House and pass the *Property Services Council Bill* to help prevent real estate-related disputes and deliver better consumer outcomes.

According to the REINSW, the Bill will create a better environment for consumers, the industry and Government, enable broader stakeholder engagement in tackling industry issues, and ultimately, deliver better policy.

The Bill, introduced this week by the Shooters Fishers and Farmers Party and passed by the Legislative Council, will amongst other reforms see a Real Estate Services Commissioner appointed as the key regulatory authority for the property services industry.

It would mean the state's largest industry, which contributes over \$10 billion annually in tax revenue and employs more than any other, will be overseen by a regulatory authority exclusively focused on the industry.

Currently, the real estate industry is regulated by NSW Fair Trading, which also regulates around 40 other industries in the state. These industries are predominately of low-dollar value and minimal legal complexity.

In contrast, property transactions are inherently stressful, they always involve large sums of money and are by their very nature legally complex.

Consumers have the reasonable expectation that Government will support and protect them through property transactions, said REINSW CEO Tim McKibbin.

"A dedicated, experienced authority committed to delivering better outcomes for consumers and genuinely engaging with industry is essential," Mr McKibbin said.

"Good policy addresses issues before they cause consumers harm. It requires the exclusive focus of an authority with real industry experience and a commitment to stakeholder engagement. Unfortunately, this environment, with Fair Trading at the helm, does not exist today.

"For most people, a real estate transaction will be the largest they ever make. The people of New South Wales deserve an authority exclusively focused in this area, like other states have," he said.

As well as bringing NSW up to date with regulatory models used in other states, the Bill seeks to bring the property industry in line with the legal and building services industries, Mr McKibbin said.

"Making Fair Trading the regulatory authority for the industry is an experiment that has failed because it lacks the core competencies for an industry as complex as property. The efficiencies this structure was supposed to deliver have not come to pass," Mr McKibbin said.

"This Bill returns the property industry to the regulatory environment of old, and it replicates the regulatory architecture of the legal and building services industries, and of other states.

"Government legislation is driven by the advice it receives and good policy comes from broad engagement and understanding of the industry in question. There are many policy shortcomings that a Real Estate Services Commissioner, representing the best interests of consumers, could address.

"Like the appointment of a Building Services Commissioner to address building quality standards in the wake of some high-profile residential tower failures, a Real Estate Services Commissioner will improve standards of quality and trust both in the regulation and operation of the industry, for the benefit of consumers.

"The REINSW believes that what is good for the consumer is good for the market and the industry. Consumer satisfaction is paramount. They must have confidence in the transparency and hygiene of the market and if the regulatory authority is unable to deliver that, then it has failed its fundamental obligation.

"We urge the Lower House to pass the Bill in the interests of consumers and all stakeholders. A forum within which industry and Government can proactively tackle issues and drive better consumer outcomes is long overdue," he said.

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About REINSW

The Real Estate Institute of New South Wales (REINSW) is the peak industry body for real estate agents and property professionals in NSW. It represents more than 2000 agencies across residential sales, property management, commercial, strata management, buyers' agency, agency services and auctioneering. Established in 1910, REINSW works to improve the standards, professionalism and expertise of its members to continually evolve and innovate the industry. It lobbies the government and industry on behalf of members, develops new products and services to benefit agencies and professionals, and offers training and ongoing professional development. For more information, visit reinsw.com.au.