

News Release

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Hon Gail Gago
Minister for State/Local Government
Relations
Minister for the Status of Women
Minister for Consumer Affairs
Minister Government Enterprises
Minister Ast Minister for Transport, Infrastructure & Energy

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HOME BUYERS REAP BENEFITS OF TOUGHER LAWS

South Australian homebuyers can have more confidence in their dealings with the real estate industry almost a year after stronger consumer protections were introduced.

Minister for Consumer Affairs Gail Gago says several indicators suggest there is less rogue activity undermining SA's real estate market place including surveillance results by the Office of Consumer and Business Affairs (OCBA) and the weeding out of illegal behaviour through enforcement.

"This is a win-win for the confidence of homebuyers and therefore investment in the real estate sector," says Minister Gago.

"Our Government's real estate protections are striking the right balance by delivering greater certainty and transparency for what is often the biggest purchase of a person's life and in turn, the effort by agents is converted into results for their marketplace.

"OCBA inspectors have carried out rigorous monitoring of the real estate industry over the past eleven months, and I am pleased that the vast majority of agents and sales representatives are complying with the new requirements."

Officers have visited 556 open inspections, attended 162 auctions, checked over 900 advertisements and examined files at 22 agents' premises.

"Outlawed practices such as dummy bidding and underquoting of prices to entice buyers seem to have ceased. However we have found a few problems with agents not giving appropriate notices to buyers and not complying with advertising rules," says the Minister.

OCBA has issued 117 written warnings and four \$230 expiation notices to agents, mainly for failing to include registration numbers in advertisements (proving the sale is by a registered agent) and for failing to give prescribed information forms to purchasers. OCBA will seek to prosecute repeat offenders where appropriate.

"Penalties have substantially increased under the reforms, and agents now risk disciplinary action and fines of up to \$20,000 if they engage in unfair practices."

Since January all sales representatives must be registered with OCBA - requiring them to hold the approved qualifications, be a fit and proper person to be registered as an agent, have no criminal record for dishonesty and not disqualified from carrying on an occupation, trade or business.

So far 30 unregistered sales representatives have been detected and all have since become registered or ceased acting as sales representatives.

Ten sales representatives have had their licence applications refused for failing to meet the criteria and 15 reps have surrendered their licence.

OCBA will continue monitoring the real estate industry to make sure that the high level of compliance is maintained, and that any problems are addressed.

South Australians can report any concerns about real estate practices to OCBA on 8204 9777, or 131 882 for country callers. Advice for home buyers, sellers and industry participants is also available at www.ocba.sa.gov.au