

Australian Institute of Business Brokers
ABN: 32 508 913 503

12 May 2017

Estate Agents and Conveyances: options for reform
Consumer Affairs Victoria
GPO Box 123
Melbourne Vic 3001

Dear Sir

We thank you for this opportunity to offer our opinion on the Consumer Property Law Review; Estate Agents and Conveyances Reform. The issues have been canvassed among our Victorian Members and their views obtained in this regard and we are of the opinion that there should be various changes made.

The AIBB's views are:

- a. Option 1 – Current definition of the estate agents should remain unchanged.
- b. Option 9c – Both estate agents and conveyancers should have sufficient Professional Indemnity Insurance, and it should be enforced.
- c. Option 14 – Professional Conduct Rules which governs the whole concept of Estate Agents, should be expanded to include Property Managements.
- d. Option 15 – Our Association deals mainly in business sales. While a cooling off period may be a consideration for residential sales, commercial transactions such as business listings and commercial property listings have 'due diligence' conducted by the Vendors and/or their advisers. There is no need for any cooling off period. It hinders the listing process by delaying transactions.
- e. Option 23A – Paying commissions in return for client referrals should be prohibited. It opens the possibility of influencing the relationship between the agent and the client. This relationship should be independent of any influence, save fiduciary duties.

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- f. Option 25A – Consumer Affairs Victoria (CAV) should take an active role in Mediation. This is important to limit the prospects for formal court action and increased costs. Any limitation to the role of CAV is to delay mediation in our view. We are opposed limiting the powers of the CAV.
- g. Option 25B – We strongly oppose VCAT increasing their disciplinary functions. There is ‘The Estate Agents Act’ the ‘Estate Agents Regulations’, ‘Retail Leases Act’ and ‘Retail Leases Regulations’ which govern the activities and operations of Business Brokers.
- h. Option 26 – We support a full review of the penalties under the EAA.

All other Options from 26 to 35 has been agreed to by our members, as outlined in documents.

Mr Tony Latessa is the AIBB Victoria Chapter Chairman, He is the AIBB Board member charged with liaising with the Government of Victoria and is the delegate from the AIBB to attend offices to discuss this matter further.

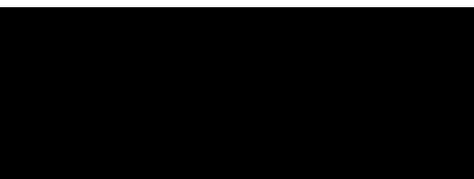
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Yours sincerely,



Graham Long



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National Chair

Australian Institute of Business Brokers