
From: Will Hampson
Sent: Tuesday, 21 August 2018 1:21 PM
To: Policy
Subject: Proposed NSW Fair Trading

Good Afternoon Matt Kean MP,

The below proposal is absolutely ridiculous and actioned would create huge problems.

If an auctioneer is not a licensed real estate agent and they do not know what a licensed agent knows, allowing this legislation to pass could create devastating effects for home owners and sellers when mistakes occur at auctions. For most people their family home is their greatest asset and to bring in auctioneers who have no experience in the real estate industry, no knowledge of legislation would be a catastrophic error.

I will tell you how bad this would be, I have voted Liberal since I turned 18 and was allowed to vote, I have done numerous fundraisers for the Liberal party, you let this pass, I am voting Labour and will encourage every other Licensed agent and auctioneer I know to do the same and that's currently about 15,000 on my database, along with everybody I know to vote Labour.

I am a Licensed Estate Agent and Auctioneer, I can speak well in public... Do you think I can walk into Parliament house next week and become Prime Minister with no political experience ? This is how Ludicrous this proposal is. I strongly encourage you to scrap this change as it would be detrimental to a profession that requires a high level of experience and in depth knowledge of legislation.

Would you like to go in for heart surgery to a professional surgeon and then be told, legislation has been changed so I hope you don't mind but your local butcher will be doing the operation because he can use a knife and cut you open and don't worry it will be ok you will have a registered nurse on hand and she will oversee the operation and can stitch you up ???

Or Your dentist for a root canal... today your getting a bloke who has worked in mining he knows how to use a drill and Its all ok because the theatre nurse will oversee the operation she has seen plenty of this done before.

It is Bad enough that Real Estate Agents now do not have to have 2 years experience they can do a 16 week course and be a licensed agent. Do you really think that someone coming out of this or as with many agents who have never or very rarely run an auction campaign or even seen an auction conducted, that they could manage or oversee a non licensed, inexperienced or novice auctioneer. Good Luck !

As for reducing auctioneers fees. Do you even know what an auctioneer is paid ?

Around \$300 - \$700 an average of \$500 which is the cheapest component of sale for a home owner.

Realestate.com.au charge \$1,800 and Domain \$1,300 that is over \$3,000

You want to make a change to save consumers you should restrict these two powerhouse portals

As their fees have increased massively. They should be capped at \$1,000 per property listing. There's a \$1,200 saving for consumers and \$500 to pay the auctioneer plus \$700 back to the homeowner

Agents fees are around 2% or \$20,000 on a \$1m sale for 3 - 6 months hard work and well earned and deserved.

An auctioneers fee of \$500 is not a big component of sale at all, in fact it is the lowest cost of sale.

If anything in most instances many good professional auctioneers pay for themselves 10 times over.

Matt it's not just calling an auction, its knowing if the buyer is buying in a company what is required.

Its negotiating terms on the day and knowing what is legally allowed.

Its knowing when to utilise a vendor bid.

Its understanding what buyers can and cant do at auction

Its managing the whole flow of bidding, giving every buyer a fair go.

Its been able to manage the whole auction and all parties involved buyer, vendors and agents.

You let this proposed legislation pass and you are going to have one hell of a mess out there.

Will you be making the call to a family Matt when they say;

"The auctioneer just sold the property and didn't give us a chance to bid."

"The auctioneer sold our home too quickly when other bidders would have bid more given a chance"

"The auctioneer mislead the buyers with incorrect information or a false statement"

"The auctioneer didn't know what they were doing as they have no real estate experience"

"The auctioneer couldn't tell us our rights as they said they are not a licensed estate agent"

I could keep going here Matt but I think you get the picture... Lot's of headaches here for you.

The below proposal is nothing short of an insult and slur on the intelligence of every Licensed Estate Agent who is an Accredited professional Auctioneer.

Without training and costs Matt we could have lot's more Doctors, Bus Drivers, School Teachers, Dentists, Solicitors, etc... Just throw safety, professionalism, duty of care, knowledge and experience out the window.

I would strongly urge you to reconsider this proposed reform and scrap this dreadful proposal immediately.

1.5 Real estate auctioneer licence

Context

Real estate and stock & station auctioneers are licensed to auction real property and stock on behalf of others for a fee. In NSW, it is a prerequisite to be an auctioneer that the person has obtained and holds a real estate agent's licence or a stock and station agent's licence. Other jurisdictions (Queensland, Western Australia and the Northern Territory) enable a person to be licensed separately as an auctioneer, without needing to also hold another licence as a prerequisite. In NSW, a person does not need a licence to auction personal property.

Policy objectives

The purpose of licensing laws with respect to real estate agents is to ensure that real estate agents discharge their functions in a fair, lawful and honest manner which does not improperly cause consumer detriment. However, auctioneers should not be required to undertake training or perform tasks that are not necessary to fulfil that purpose.

Options for reform

1. Maintain the status quo

Currently auctioneers are required to obtain a licence which requires them to be trained in matters that they do not need to be trained in to practice proficiently.

2. Separate licence category for auctioneers

This option would provide many of the benefits identified in the case for change; however, it would still require a licence of some sort to be obtained.

3. Remove the requirement to hold an endorsed licence to be an auctioneer, if a licensed real estate agent has engaged the auctioneer and is present at the auction This is the preferred option.

Removing the need to hold a licence altogether would likely provide the greatest net benefit. It achieves the aim of reducing costs for auctioneers. Consumer protections will be maintained by requiring engagement through an agent, who must also be present at the time of the auction. This reform could increase the pool of auctioneers and thereby increase competition, lowering prices for consumers. Auctioneers from other fields may be willing to conduct auctions of real estate or stock without the training and costs imposed by the current system.

Best regards

Will

Will Hampson

Principal - Estate Agent - Auctioneer