REINSW | for members since 1910

The Hon. Matt Kean
Minister for Innovation and
Better Regulation
GPO Box 5341
Sydney NSW 2001

*By email and post*

24 September 2018

Dear Minister

**Re: Resignation from The Real Estate Reference Group**

The Real Estate Institute of New South Wales Limited (the "Institute") has been a committed and active participant of the Real Estate Reference Group ("RERG") from its establishment at the direction of the former Minister for Innovation and Better Regulation, The Hon. Victor Dominello.

The Institute's policy contributions to the RERG have been guided by the belief that what is good for the consumer is good for the market and the property services industry.

NSW Fair Trading ("Fair Trading") has exhibited, throughout the term of the RERG, a demonstrable obedience to misguided philosophical views which have impeded, or entirely restrained, many beneficial outcomes.

Fair Trading worships competition as the only relevant market force. Whilst the Institute also supports competition as a healthy market influence, that competition must be amongst competent professionals. Competition alone is not the panacea for all that ails the market.

The Institute's drive to increase education, service delivery standards, consumer satisfaction and the pursuit of professional recognition has been met with Fair Trading's go-to phrases of "barriers to entry" and "reducing competition". The Institute holds the view that a better educated real estate agent who receives relevant and structured continuing professional development will better serve the consumer's needs and interests. Unfortunately, the Institute is alone in this belief.

The Institute finds itself, all too regularly, as the antidote for legislative and regulatory disaster created by bureaucrats who have no industry knowledge. These rescues are never acknowledged or respected. By way of a contemporary example, the Institute has incurred costs of well over $100,000 to provide Fair Trading with free consultancy services with respect to the re-draft of the *Residential Tenancies Act*.

The RERG was a forum within which much could, and should, have been achieved. Unfortunately, and not in any way attributable to the Institute, we find ourselves trapped within a cycle of orchestrated delays and systematic erosion of the few hard fought gains.

Fair Trading advised the Institute that the education and training reforms would be implemented in July 2018. We advised our members based on that representation. Fair

30-32 Wentworth Avenue Sydney NSW 2000 PO Box A624 Sydney South NSW 1235
Phone (02) 9264 2343 Fax (02) 9261 3364 Email info@reinsw.com.au www.reinsw.com.au
ABN 51 000 012 457

REINSW | for members since 1910

Trading then informed us that the reforms would be delayed until October 2018 and, once again we advised our members. Fair Trading has now advised that the reforms will not commence until mid-2019, approximately four (4) years from the establishment of the RERG. In this instance, we have elected not to advise our members. Fair Trading have created a lot of unnecessary confusion in the market and damaged the Institute's credibility and reputation.

The Institute notes that Fair Trading recently released a document titled *Easy and Transparent Trading – Empowering Consumers and Small Business* which was not provided to the RERG prior to release and with the intention of the matters contained within the Paper to go to Parliament before the end of the year. This is in stark contrast to the reforms designed within the RERG over the past three and half (3½) years, which have not yet been completed. Only the very naive would believe that Fair Trading has not employed delaying and destructive tactics to oppose the reforms.

The Institute has made every reasonable attempt to form a co-operative working relationship with Fair Trading. Unfortunately, and despite our enthusiasm, we have now reluctantly concluded that the productive working relationship we enjoy with other New South Wales Government agencies and authorities is unachievable with Fair Trading.

The failure of Fair Trading to identify the opportunity the RERG presented, and its systemic lack of industry knowledge and misguided beliefs, make the Institute's continued involvement with the RERG untenable and an exercise in futility.

The Institute respectfully submits its resignation from the RERG. The Institute is concerned that its continued involvement with the RERG could be incorrectly perceived as support for the direction in which Fair Trading is taking the property services industry, one which will damage the Institute's brand.

In discussions with your colleagues and the media, will you please make it clear that the Institute opposes Fair Trading's policies as they relate to the property services industry and the consumer.

Yours faithfully,

Tim McKibbin
Chief Executive Officer
The Real Estate Institute of New South Wales Limited

30-32 Wentworth Avenue Sydney NSW 2000 PO Box A624 Sydney South NSW 1235
Phone (02) 9264 2343 Fax (02) 9261 3364 Email info@reinsw.com.au www.reinsw.com.au
ABN 51 000 012 457