

Stewart, Liam

From: Stewart, Liam
Sent: Wednesday, 18 April 2007 2:00 PM
To: Stewart, Liam
Subject: Application for authorisation lodged by the Real Estate Institute of Western Australia [SEC=UNCLASSIFIED]

Categories: SEC=UNCLASSIFIED
Attachments: A91026 - The Real Estate Institute of Western Australia - Final Determination - 18 04 07.pdf
ACCC Classification: SEC=UNCLASSIFIED

Our Ref: C2007/84
Contact Officer: Liam Stewart
Contact Phone: 02 6243 1275

18 April 2007

Dear Sir/Madam

Application for authorisation lodged by the Real Estate Institute of Western Australia

The Australian Competition and Consumer Commission (the ACCC) has issued a determination in respect of an application for authorisation lodged by the Real Estate Institute of Western Australia (REIWA) on 22 December 2006.

A copy of the ACCC's determination is attached. For the reasons set out in its determination, the ACCC proposes granting authorisation to the proposed arrangements.



A91026 - The
Real Estate Insti..

A copy of the determination is also available on the ACCC's website at www.accc.gov.au

Summary of ACCC considerations

REIWA sought authorisation in respect of the arrangements contained in its Articles of Association, Members Code of Practice, Auction Code of Conduct, Multiple Listing Service By-Laws and the agreement to make available for use, its Standard Exclusive Agency Agreements.

The ACCC considers that some aspects of REIWA's proposed arrangements may raise competition concerns. These include those provisions of its Members Code which require agents to disclose details of their clients to other agents or restrict agents from approaching possible buyers.

However, the ACCC considers that competition effects arising from such concerns are likely to be mitigated as membership of REIWA is not compulsory to provide real estate services in Western Australia.

The ACCC also considers that some aspects of REIWA's arrangements are likely to generate some public benefit. These include its Auction Code, which is likely to provide a greater level of protection for consumers and its standard form contracts which may generate transaction cost savings for its members.

Overall therefore, the ACCC considers that the public benefits arising from the arrangements are likely to outweigh any public detriments that may arise.

Application for review

Pursuant to section 101 of the *Trade Practices Act 1974*, a person dissatisfied with this determination may apply to the Australian Competition Tribunal for its review. An application for review must be made within 21 days of the date of this determination; that is, on or before 9 May 2007. If no application to review is lodged by this date, the ACCC's determination will come into force on 10 May 2007.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter or would like a copy of the determination sent to you, please do not hesitate to contact me on 02 6243 1275.

Yours sincerely

Liam Stewart
Assistant Director
Adjudication Branch

Interested Parties list

Law Society of Western Australia

Real Estate and Business Agents Supervisory Board

Property Owners Association of WA

Real Estate Institute of the Northern Territory

Consumers Association of Western Australia

Real Estate Institute of Victoria

Real Estate Institute of Australia

Professionals WA

Remax

Raine and Horne

Century 21

Ray White

Estate Agents Co-operative

Australian Consumers Association