



Vendor's Advocates

College Chronicle
Newsletter

March 3, 2023



Australian College
of Professionals

RTO 91513

Vendor's Advocates

A relatively new service available to vendors in the market to sell their property are the “Vendor Advocates”.

Whilst this service may be of significant assistance to a vendor who is unsure of the process of selling their home and needing someone to decipher the jargon being used by the agent, it may be just as significant for the vendor to understand how the vendor's advocate is paid for their services.

Most vendor advocates do not charge a fee from the vendor, however they are paid generally from the vendor's agent via a share of commission or referral fee. Whilst some vendor advocates are licensed real estate agents, many are not which can lead to fines for the vendor's agent if they are paying the advocate.

As ACOP has been discussing this year in our Elective CPD session, there are very strong regulations around when an agent can and cannot share their commission.

Property and Stock Agents Act 2002

Section 33 – Licensee not to share commission with certain persons

1. A licensee must not enter into an arrangement with or act in conjunction with a person that the licensee knows to be an unlicensed person (other than an employee in the licensee's business as a licensee) whereby the unlicensed person is entitled to a share of the commission, fee, gain or reward

payable to the licensee in respect of any transaction by or with him or her as a licensee or generally.

Maximum penalty:

- a. 100 penalty units in the case of a corporation, or
 - b. 50 penalty units in any other case.
2. In this section:

“unlicensed person” means a person who is not licensed under this Act or a corresponding Act.

A Licensee is prohibited from entering into any agreements which shall result in commission being shared with an unlicensed person. The exemption to this prohibition is if the arrangement is with a Licensee from another state. Clause 45 of the Property and Stock Agent Regulation 2022, also exempts transactions in relation to livestock, where the conjunction agent is in a State or Territory where a Stock & Station Agent does not exist or where it involves an international agent.

Unless the vendor's advocate is a licensed real estate agent, the vendor's selling agent would be in breach of the Property and Stock Agents Act 2002 if they engage in a commission share or referral payment. If the vendor advocate is in fact licensed under the Property and Stock Agents Act, the vendor's agent should ensure that the appropriate disclosures are being made to the vendor as should the vendor's advocate. Vendor's agents should be aware of this practice and the limitation on sharing their commission with a vendor's advocate. The vendor's agent should also be able



HAVE YOU COMPLETED YOUR CPD REQUIREMENTS?

CPD YEAR ENDS 22 MARCH

ENROL NOW - [HTTPS://ACOP.EDU.AU/CPD-COURSES/](https://acop.edu.au/cpd-courses/)

to answer questions from a vendor or prospective vendor in relation to the role of a vendor's advocate.

Rosy Sullivan
Director | College Principal

Did you know???

Businesses with an aggregated turnover of less than \$50 million are entitled to claim a **120% deduction** for eligible expenditure, which includes external training courses delivered by a Registered Training Organisation (such as ACOP) in Australia.

This deduction is available until **30 June 2024**.

Now you know.....there is no better time to support your employees through training opportunities

From the office

And with less than 3 weeks until the end of another CPD year for NSW property agents, you can just imagine how many classes have been happening from Tamworth, Tweed Heads, Ballina, Mudgee to ones closer to home in Terrigal, Newington and Pyrmont – and then classes almost daily in our head office training rooms at Town Hall in the Sydney CBD. To say that we can't wait until 23 March is an understatement. To add to the CPD sessions for licensed agents, we have also been conducting extra workshops for Assistant Agents in order for them to complete their requirements of 3 Units of Competency before 22 March as well – so a stock & station class (always fun with lots of rural agents in the big smoke for a few days), and lot of strata modules.

We have only had one birthday this past fortnight, and that was Andy Madigan – our fabulous stock and station trainer, and since he's been out on the road running training – the cake is yet to come. With all the extra training in the office, the catering is helping keep us all at our desks and supporting our students in this busy time of the year. The Easter eggs that keep miraculously appearing on the kitchen bench (thanks Rosy) are also helping our continuous activity.

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