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Settlement Agents (Remuneration) Notice 2013

The Minister for Commerce has approved the [Settlement Agents \(Remuneration\) Notice 2013](#) (the Notice) prescribing the maximum remuneration settlement agents can receive when carrying out real estate settlement transactions and business settlement transactions.

The Notice was published in the Government Gazette on 17 September 2013 and comes into effect on 1 October 2013. It includes a Scale of Fees that applies to instructions to act received or negotiated by settlement agents on or after 1 October 2013.

The Scale of Fees for real estate and business settlement transactions are listed on the following pages. More information is available on the Department's [website](#).

Changes have been made to the Notice to improve clarity:

- At Item 1 in Schedules 1 and 2, the term 'value of the settlement' has been replaced with 'value of the real estate transaction' and 'value of the business transaction'. This change was made as the reference to the value of the settlement was ambiguous as it could mean the balance of the purchase price after a deposit was deducted rather than the purchase price.
- Reference to a settlement agent's right to claim statutory costs as remuneration has been **removed** from the Notice. This is because the *Settlement Agents Act 1981* (SA Act) limits the remuneration the Commissioner for Consumer Protection can publish in a Notice to payments a licensee will receive for performing the functions referred to in s.46 and s.47 of the SA Act. These services do not include statutory charges.

Settlement agents can still recover statutory costs, but this must be in a separate agreement with their client. In short, statutory costs are not considered remuneration under the Notice.

The Notice will replace the existing *Settlement Agents (Remuneration) Notice 2008* which has been operating since May 2008.

The Department is also preparing to consult with the sector about fee deregulation for settlement agents and will release a discussion paper later in the year.

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Scale of fees - real estate settlement agents

Item	Service	Maximum amount of remuneration (inclusive of GST)	
		Vendor	Purchaser
1.	Real estate settlement of a property where the value of the real estate transaction:		
(a)	Does not exceed \$150,000	\$642	\$963
(b)	Exceeds \$150,000 but does not exceed \$500,000	\$642 plus 0.143% of any amount in excess of \$150,000	\$963 plus 0.220% of any amount in excess of \$150,000
(c)	Exceeds \$500,000 but does not exceed \$1,000,000	\$1,142.50 plus 0.110% of any amount in excess of \$500,000	\$1,733 plus 0.165% of any amount in excess of \$500,000
(d)	Exceeds \$1,000,000	\$1,692.50 plus 0.077% of any amount in excess of \$1,000,000	\$2,558 plus 0.110% of any amount in excess of \$1,000,000
2.	Real estate settlement where the settlement involves a strata title	\$62.50, in addition to the amount set out in item 1	\$125 in addition to the amount set out in item 1
3.	Any service other than a service referred to in items 1 and 2	\$233 per hour	\$233 per hour



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Scale of fees - business settlement agents

Item	Service	Maximum amount of remuneration (inclusive of GST)	
		Vendor	Purchaser
1.	Business settlement of a business where the value of the business transaction –		
(a)	Does not exceed \$150,000	\$963	\$1,444.50
(b)	Exceeds \$150,000 but does not exceed \$500,000	\$963 plus 0.220% of any amount in excess of \$150,000	\$1,444.50 plus 0.330% of any amount in excess of \$150 000
(c)	Exceeds \$500,000 but does not exceed \$1,000,000	\$1,733 plus 0.165% of any amount in excess of \$500,000	\$2,599.50 plus 0.247% of any amount in excess of \$500,000
(d)	Exceeds \$1,000,000	\$2,558 plus 0.110% of any amount in excess of \$1,000,000	\$3,837 plus 0.165% of any amount in excess of \$1,000,000
2.	Any service other than a service referred to in items 1	\$233 per hour	\$233 per hour