



Speech by

Mr JIM PEARCE

MEMBER FOR FITZROY

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CLUB PREMIER OF AUSTRALIA

Mr PEARCE (Fitzroy—ALP) (10.09 a.m.): Mining communities are again being targeted by sales representatives pushing tax-driven investment schemes or timeshare options, such as the one that has been brought to my attention in recent days. The latest scheme that people have signed up for is a timeshare option offered by a company called Club Premier of Australia. Sales representatives acting for and on behalf of Club Premier have been signing up prospective unit holders in timeshare units in Bali.

I do not have time to go into the finer details, but Club Premier offers for purchase timeshare units for one week per year. The prices vary from \$16,000 for a studio apartment to \$18,900 for a one-bedroom unit and \$23,500 for a two-bedroom unit. These figures were confirmed as late as 4.30 p.m. yesterday by Club Premier management. On top of this, there is an annual management fee of \$410, \$435 and \$512, respectively. If honourable members do the sums, they will see that the promoters will receive \$832,000 for a studio apartment when 52 weeks are sold. The management fee alone for the same period is \$21,320.

For a one-bedroom apartment, the company will earn \$982,800 if it sells 52 weeks, while raking in \$22,620 in management fees. If one looks at the same scenario for a two-bedroom apartment, one will see that we are talking about \$1,222,000 with \$26,624 in management fees. The current seven-day accommodation and flights package to Bali is around \$1,130.

On page 8 of the company's unprofessionally presented prospectus, under the title "Risk Factors", unit holders will see that the units are not freehold. The document states—

"Whilst it is the current intention of the developer and trustee to renew the lease, circumstances such as changes to time share law might arise where the lease is not renewed and the right to use accommodation will cease."

Whilst this time share offer may comply with Australian Securities and Investment Commission rules, I strongly urge my constituents not to sign up before they obtain reliable, independent advice. It could be a wise decision for those who have already signed up to exercise the five-day option and get out of the contract.

Time expired.
