



Speech by

Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

Hansard 26 August 1999

MINISTERIAL STATEMENT

Property Marketers

Hon. P. D. BEATTIE (Brisbane Central— ALP) (Premier) (9.32 a.m.), by leave: Honourable members will be aware of recent investigations into the practice of two-tier marketing of residential property. Members will also be aware of reports of some property marketers who have been systematically and cynically exploiting loopholes in existing legislation. This has resulted in a large number of people losing large sums of money through ill-advised investments in what has become known as marketeering. They are shysters who use hard-sell tactics, value properties at tens of thousands of dollars above real market value, exaggerate investment returns and generally cause a great deal of misery to small-time investors. In short, there is one price for those who know what a property is worth and there is another price for those sucked in to investing in a property without any informed knowledge of what that property is worth or what a reasonable rate of return on it should be.

I have taken an active interest in this matter, because I care about jobs in the building and construction industry and associated jobs in the real estate industry. I care also about Queensland's reputation. I want to ensure that this State does not become a haven for unscrupulous property dealers. I care also about people who may have been misled in terms of their investment decisions.

I attended a meeting of real estate agents, developers and marketers on the Gold Coast earlier this year with the Minister for Fair Trading, Judy Spence, and I heard first-hand the extent of the problem. The issue is complex, but it can focus on the fact that a small—and I stress "small"—group of people is profiting from the grief of others and in the process they are threatening to damage the vitally important residential property industry. Government and industry are conscious of the need for robust reforms to ward off and dispel this negative image problem. Indeed, since that meeting a range of measures was implemented, because I wanted a thorough examination of a legally acceptable solution to this problem.

I commend the Minister for Fair Trading for her swift and uncompromising actions in dealing with this very complex issue. The Minister convened a working party to investigate and identify issues of concern. That is a commendable example of Government and industry working together to address consumer concerns. The Minister for Fair Trading will be taking a proposal to Cabinet and we will decide the best options for regulatory reforms, again after full and thorough consultation with industry and consumers.

I am pleased to announce today the setting up of a special investigative unit in the Office of Fair Trading to deal exclusively with unscrupulous property dealings. This half-a-million-dollar initiative, with the first instalment of \$370,000 coming in the forthcoming September Budget, will result in a one-year assault on two-tiered marketing schemes in Queensland. The unit will aggressively investigate consumer complaints, prosecute offending property agents and restore public confidence in the Queensland real estate market. This group of "untouchables" will be based on the Gold Coast and will employ five dedicated investigators along with administrative support. It makes good sense to take action to ensure that this practice is stamped out now and to protect the great reputation of this State and the real estate industry.
