



Speech by

Mrs LIZ CUNNINGHAM

MEMBER FOR GLADSTONE

Hansard 13 September 2001

PROPERTY AGENTS AND MOTOR DEALERS AMENDMENT BILL

Mrs LIZ CUNNINGHAM (Gladstone—Ind) (4.21 p.m.): I rise to support this bill and to congratulate the minister on the legislation. In common with other honourable members, my local real estate agents are very good. I have not received any complaints about them. Indeed, they have a great deal to lose if they do act inappropriately. They have a local market that is a return market, if they provide a good service. If they mislead or in other ways treat their local clients inappropriately, word of mouth quickly spreads in a small community.

The difficulties that I have encountered in my electorate have arisen from people marketing properties, usually on the Gold Coast or in the south-east corner, who fly in and offer deals that are too good to refuse. A large number of my constituents—fortunately not a huge number—have been affected by this sort of marketeering.

Invariably a phone call is made to a constituent during the day or at a dinner mealtime period. They give an outline of the offer—and it sounds wonderful—and an appointment is made for some salespeople to visit the person in their home at an appropriate time. One constituent I know of who narrowly escaped this marketeering racket received a phone call during the day from two marketeering groups that had hit our district and made two appointments with different marketeering groups. That constituent told his partner, his wife, and she was very concerned.

If there is one thing that we should impress on our constituents it is that, if a deal sounds too good to be true, it is too good to be true. The wife had that concern. Some of the information had been passed on during the phone call. She asked her husband, 'What collateral are they seeking?', and he had outlined a couple of options, and in particular, obviously, the signing over of the family home. The family home was in joint names and the wife put her foot down and said, 'Hell will freeze over before I will sign over my share in the property.' So the family home was dismissed as being an offer of collateral.

The appointment was kept. At the end of the day, they sat down and had a discussion. The wife wanted to know just what the husband had let himself in for. The impression that was created at that meeting was this: he could use his superannuation as collateral. His exposure would be a total of \$6 a week. The property would be tenanted for the full term of the loan and they would be able to negative gear against their other income. Fortunately, in this instance, the wife again was concerned and got hold of the little card that had been left that had an email address on it and emailed the company. She wrote, 'Subsequent to your visit to Calliope and the agreement with (the constituent) to attend an inspection of the investment proposal, I would request your confirmation of the following matters: firstly, the proposed investment will be financed by (the constituent) using his superannuation as collateral; secondly, the payment regime is in the vicinity of \$6 a week—this amount includes issues such as repairs, maintenance and rates; thirdly, during the full period of the investment loan your company will guarantee continuous rental occupancy.' The constituent further stated, 'Your company has guaranteed tenancy for the full period of the loan and not for a guaranteed short initial period; and, fourthly, that negative gearing processes involving your investment proposal have been perused and approved by the Australian Tax Office and will be effective for the period of the loan.' She then stated, 'I look forward to your urgent assurances on the above issues.'

She waited for a reply. She did not receive a reply in writing, but got a fairly urgent phone call along these lines—

We got your email, but I think there are some things here that have been misunderstood.

No, he has very clearly outlined what you told him?—No, some of that we just gave as a guideline. It was just an idea.

What about the \$6 a week?—No, that is a ballpark figure. We would expect that all that he would have to pay is about \$6 a week. But you should not worry about it, there will be a financial adviser provided when he comes down for the inspection.

When asked about the full period of tenancy, they backed off. And when asked about negative gearing, they said, 'We've not had any problems in the past.'

Fortunately, after a bit of talking, this constituent did not proceed with the investment proposal. He was one of the lucky ones. I had one couple in my office who were about to lose their joint family home because they had used it as collateral against the borrowings for the home on the Gold Coast. It was a modest—and I say that not in a derogatory sense—three-bedroom home. It was one of those spec built places that they build with brick veneer, small lounge, three bedrooms, bathroom, et cetera. However, they make it look wonderful because it is on the Gold Coast. They had built hundreds of these investment houses, so somebody has to get burnt eventually.

They had been flown down for the inspection. There had been some pressure applied, although the couple did not realise until they got themselves into trouble that pressure had been put on them through comments such as, 'If you don't buy a property, you'll have to refund to us the cost of your flight down.' For a couple to be told that if they do not proceed with the investment they face a payment of \$600 or \$700 to save their skins is a daunting prospect indeed.

My experience is that there are people who pressure sell, that is, who do not represent the full picture but represent an ideal picture—and we do not live in an ideal world. I congratulate the minister. I have heard one or two speakers talking about problems with the implementation of the bill. I have no doubt that the minister, if there are problems, will come back and revisit those issues. If there are unforeseen complications, I have no doubt that Minister Rose would be prepared to come back and address that. I congratulate the minister. If one family is saved from losing their home and savings, and this bill gives them peace of mind in relation to forced salesmanship, I congratulate the minister. It is a bill that is well worth while.
