



Speech by

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Hansard 4 December 2002

PROPERTY AGENTS AND MOTOR DEALERS AMENDMENT BILL

Mr McNAMARA (Hervey Bay—ALP) (2.40 p.m.): I am pleased to support the minister's introduction of the Property Agents and Motor Dealers Amendment Bill. Prior to the changes in this bill, Queensland consumers who purchased an investment residential property were in a win-win situation. If the marketer was honest, a consumer stood to make an advantageous and potentially profitable acquisition of property. However, if the marketer committed an offence in connection with that purchase and the consumer suffered a loss or even looked like suffering a loss, substantial compensation could be claimed to cover that. Meanwhile, the investor's losses were all tax deductible.

In other words, investors received tax benefits of many thousands of dollars but were then eligible to claim the full amount of their paper loss without having to realise it through selling the property and they could still go on claiming the deductions. Not only that, the compensation offered by the tribunal included amounts for interest they could have earned on the amount had they invested it rather than spent it in overpayment to the marketers—win-win-win. Then, if property values went up they could eventually make a capital gain on their investment—win-win-win-win. And if that was not enough, they could then also claim the legal costs associated with running the claim—win-win-win-win-win. It must have seemed like the Queensland government was thrusting cash into their pockets like Eddie Murphy in *Brewster's Millions*—a bonanza for investors and lawyers but a black day for taxpayers. No responsible government could have allowed this to go on and I congratulate the minister on acting promptly.

The bill may be a result of the huge financial burden that the dishonesty of a small number of persons has caused this state and its people, but it also recognises that Queensland can no longer support a compensation system that covers consumers for investment risks. No other state has such a system, and this present unsustainable drain on the claim fund is the reason. It was never the intention of the present act or its predecessor that the claim fund would be applied to removing investors' risk. It was never anyone's intention that the government should guarantee successful investment outcomes in Gold Coast property speculation.

In taking this action the government is ensuring that the claim fund will be there to compensate people suffering as a result of fraud committed by real estate agents and motor dealers. That was the intention of the present act and remains a proper role for government. The claim fund is the solid foundation of this state's system of regulation of the real estate industry. If people have their trust funds fraudulently misappropriated, they will continue to have access to the claim fund to fully compensate them, up to the cap of \$200,000. The same is true for a wide range of other offences committed by licensed real estate agents, motor dealers, auctioneers and pastoral houses. This bill will ensure that the claim fund continues to be available for the purposes intended and to the people it was intended to compensate.

We constantly hear in this place, and indeed out in our electorates, the view that people must where possible take responsibility for their own actions. If the state is to have the financial resources to provide the hospitals, the schools, the roads and the services that are so essential, then we cannot allow tens of millions of dollars to go on guaranteeing property investments for largely interstate speculators.

Opposition members come into this place and make contradictory and economically illiterate calls, and the same failings are in evidence here again today. Their opposition to this bill highlights their lack of credibility on the basics of fiscal policy. On the one hand the Leader of the Opposition rails against any budget deficit. He has constantly attacked the government for running a deficit and yet also constantly calls for more spending—more roads, more hospitals and more schools. The opposition's economic policies seem to have been written by 'Jekyll and Hyde Consultants'.

Opposition members attack deficit budgeting yet call for increased expenditure and oppose all taxes, fees and charges rises. They want the government to spend more money but not raise any more money. Indeed, it is a sort of holy trinity of economic illiteracy which says, 'We want increased capital works and services but we oppose budget deficits, we oppose taxation increases and we oppose limiting expenditure.' Something has to give, and what has given, irretrievably, is the opposition's economic credibility.

Here we have the government moving quite properly to close off an open-ended and unintended liability that could bleed almost \$37 million out of the public coffers, yet the deficit-hating opposition opposes this bill. They would argue that the government should stand back and just let \$37 million be spent and then the next time parliament meets stand up and attack the government for letting the deficit blow out by \$37 million.

This morning during private members' statements the Leader of the Opposition described the government as 'custodians of the public finances'. He is of course completely correct. Yet here we are on the very same day with the opposition saying, 'Just let the public finances bleed.' The opposition simply has no credibility on economic management.

This bill ensures that compensation does remain available for those consumers who are ripped off by fraudulent real estate agents and motor dealers. It is responsible legislation and I congratulate the minister on her grit, responsibility and integrity in bringing this issue to a head. I commend the bill to the House.