



Speech by

CHRIS CUMMINS

MEMBER FOR KAWANA

Hansard 4 December 2002

PROPERTY AGENTS AND MOTOR DEALERS AMENDMENT BILL

Mr CUMMINS (Kawana—ALP) (12.39 p.m.): I am pleased to offer my support to the minister on this bill. When the Property Agents and Motor Dealers Act 2000 was introduced, the Beattie Labor government established a claim fund to compensate consumers for losses caused by the dishonest behaviour of motor dealers and property agents. The government regulates motor dealers and property agents through a thorough licensing system. In order to obtain a licence, applicants have to pass a range of competency based assessments as well as fitness and priority tests. Licensees are subject to stringent regulation of their conduct in the act itself and in subordinate legislation such as codes of conduct. Commission rates for residential property are also subject to a statutory maximum in order to prevent people being ripped off. Consumers are therefore entitled to expect that they will not be defrauded when dealing with licensees. In particular, they are entitled to expect that they will not lose their life savings through trust account fraud or such practices as the agent or their associates buying the listed properties themselves for a song.

Some marketeers, as we know, set out deliberately to avoid the regulatory structure applying to real estate agents. These marketeers wanted commissions way above the regulatory maximum of up to 40 per cent. They posed as investment advisers or tax minimisation consultants, not as real estate agents. In order to reassure prospective investors about the wisdom of their purchases they normally enlisted corrupt solicitors, valuers or finance brokers. Some banks and lending institutions were only too happy to get in on the act, knowing their loans were secured against equity in the investor's principal place of residence, also knowing that properties were being purchased for way above market value but concealing this information from their customers.

It is a sad reflection on our society that scammers and shysters continue to attempt to fleece others. The claim fund was established to compensate consumers defrauded by licensed real estate agents. It should not be used to compensate paper losses incurred by investors misled by people who never pretended to be licensees. To do so would only dilute the fund and depreciate its status as well as exposing taxpayers to liabilities they were never intended to bear. Governments, as we know, oversee taxpayer funds and possible liabilities. Oppositions such as this one are big on rhetoric. They promise the world. We expect little from the opposition and that is exactly what it delivers.

The bill will ensure that the claim fund will remain to compensate consumers in relation to a range of dishonest behaviours by licensees extending well beyond only property marketeering—for example, speedometer tampering, sale of stolen vehicles, fraud in relation to management of rental properties and so on. The taxpayers of Queensland have a right to expect that their taxes will go to pay for hospitals, schools, police, public housing and so on, not to compensate investors for paper losses that have not been realised and for which they are receiving a taxation benefit.

Queensland taxpayers should not be expected to compensate consumers for losses they have incurred from investment decisions. In drafting this legislation, I believe our government has been as fair as possible. Those claims already determined by the Property Agents and Motor Dealers Tribunal are being paid in full. Our government will still protect consumers purchasing their family home and, for these reasons, I commend the minister. I commend the bill to the House.