



Speech by

Hon. J. FOURAS

MEMBER FOR ASHGROVE

Hansard 4 December 2002

PROPERTY AGENTS AND MOTOR DEALERS AMENDMENT BILL

Hon. J. FOURAS (Ashgrove—ALP) (12.44 p.m.): The member for Southern Downs, the opposition spokesperson, made a number of points in his speech that I wish to respond to. Firstly, he said that we are denying the rights of people retrospectively. I do not think that is valid, because what is being taken away retrospectively are rights that people think they had but were never intended. Secondly, he spoke of these claims being legitimate. Again, on that basis, they are not legitimate. Thirdly, he accused Treasury of putting pressure on the Minister for Fair Trading because of budgetary considerations. I suggest that any Treasurer worth his salt would not want hundreds of millions of dollars going to compensate investors for bad investments. The impact on Treasury would be quite substantial. I am sure that this legislation had nothing to do with the Treasurer. It was legislation that the minister, as the responsible minister, would have had to make.

The member for Southern Downs warned government members to be wary of standing up to justify these amendments. I am a government member, and the punters in my electorate all want these actions to be taken. They all want us to make sure that the moneys that we raise go towards providing services instead of compensating people for bad investments. The member also spoke of repugnant marketeers and the mum and dad victims. That is fairly emotional talk. Sure, there are people who are victims—victims of their own poor judgment, inability to check the marketplace and cope with pressure sales tactics. These are repugnant events. Nevertheless, why should the government pay for that?

The member for Southern Downs failed to distinguish between investors and those whom the government is supposed to legitimately protect. We have never protected people from their own bad investments. No government has ever done that. The shareholders of OneTel., HIH and Enron lost unbelievable amounts of money. As the member for Southport said before, the expectations of people who bought Telstra shares have not been met. They have lost substantial amounts of money—at least 40 per cent to 50 per cent—since they bought those shares. They were bought on the advice of the Prime Minister. There is no difference between speculating on properties or shares. I am surprised at the bleeding heart arguments from the member for Southern Downs. I have a lot of respect for him as a member, but he demonstrated through his contribution on this issue that he is misreading the electorate and misreading the issue completely.

There is no legitimate expectation on the part of those who made bad investments that they will be recompensed for their losses. On the other hand, opposition members have claimed that they are all for people taking personal responsibility. They have argued, for example, that personal injury liability should be limited and that we should make people responsible for what they do. They want us to minimise the access of that group to the courts. However, they argue that we should not minimise the access to the courts of mums and dads who make bad investments. The government does not have access to hundreds of millions of dollars to recompense these people. If it has to pay Paul, it must rob Peter. It is as simple as that.

A substantial number of my constituents have commented to me about the amendments in this bill. Without exception, they support the principle that Queensland taxpayers should not have to compensate people for losses incurred from poor investment decisions. The claim fund established under the act has been available to compensate consumers for a discrete set of contraventions, such

as, as the minister stated in her second reading speech, trust account fraud and the purchase of listed property by or on behalf of agents themselves or their associates. These sorts of actions are still protected. Today's amendments are a responsible response to recent court decisions that have allowed claims arising from failed investment schemes—schemes which have undoubtedly been marketed by shoddy marketeers intending to deceive.

There is no doubt at all that we should feel sorry for these people who have made bad decisions. I recently bought a property. It took me some time. The property I bought was originally almost \$50,000 more than what I paid for it. I researched the market. I could have paid the original asking price, but I made an informed decision. I would not expect anybody to compensate me for that decision even if it had been for an investment, which it was not.

We are talking in terms of hundreds of millions of dollars going down the drain. What impact would that have on services? Where do we get this money from if we are to do it? We know that we are not in the situation where we can fund these sorts of things, so what do we do? Ultimately, that is the question we must ask ourselves. I would like to think that we are a society where we can be as helpful to people as possible. It would be good if we could say, 'Oh yes, we are sorry that these people did deceive you. We are going to find this money.' Where are we going to find it? Do we take it from public housing, from disability services, from schools or from hospitals?

I would like to commend the minister with regard to the way in which she has differentiated between investment properties and properties that are owner-occupied dwellings. Capping the amount at \$35,000 was obviously essential because we had a situation of people having a fire sale. They were trying to sell their properties quickly and not caring what losses they made, saying that the state was going to pick up the difference. It was ludicrous to allow that situation to continue. There was never any intention to protect people from themselves. The intention was to protect them from the process that we were there to police. We were policing trust accounts and ensuring that real estate agents were meeting their obligations.

These people never purported to be real estate agents; they were marketeers. They deceived people. In the end, property investors have to take responsibility for their own actions by obtaining independent legal advice and checking out market prices. They need to check out potential returns. Unfortunately, too many people accept the proposition of the best set of figures. They are told that the property is let all the time at a high rate. They are told that it is viable. They should always be wary of that because, in the end, it is not possible to work that way when one is an investor. One cannot assume that the best set of figures is going to work in one's interests.

In an interjection to the member for Southern Downs the minister said that when it came to legitimate claims under the old legislation—the Auctioneers and Agents Act—people were still covered up to \$200,000. I have a lot of respect for the member for Southern Downs, but I think he is on the wrong tram in objecting to this legislation.

Certainly removing the rights of individuals retrospectively is something that must only be done after serious consideration. I think the circumstances here warrant the introduction of retrospective legislation. I think the people demand it. I know that the people I represent want this bill to pass because they know that people must be responsible for their own actions. Unfortunately, we cannot mollycoddle everybody and protect them from shoddy marketeers. I commend the bill to the House.