




Speech By  
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**MEMBER FOR TOOWOOMBA NORTH**

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**AGENTS FINANCIAL ADMINISTRATION BILL; DEBT COLLECTORS (FIELD AGENTS AND COLLECTION AGENTS) BILL; MOTOR DEALERS AND CHATTEL AUCTIONEERS BILL; PROPERTY OCCUPATIONS BILL**

 **Mr WATTS** (Toowoomba North—LNP) (5.28 pm): I rise to speak in the cognate debate in relation to the Motor Dealers and Chattel Auctioneers Bill 2013, the Agents Financial Administration Bill 2013, the Property Occupations Bill 2013 and the Debt Collectors (Field Agents and Collection Agents) Bill 2013. Before we get into the detail of some of these bills, I want to go back and remind people what we mean when we say we want to reduce red tape, when we want to reduce compliance costs, when we want to reduce the burden on various small businesses out there that are operating, all of which will be achieved through these amendments. We are saying that we would like consumers to be able to buy things at a cheap price where the price has not been bumped up because the person selling it has had to go through a whole range of compliance costs. A fair price is what we want to see people be able to buy things at. Whether it be a house or a car, we want them to be able to get a fair price. Every time government introduces a piece of regulation that it puts around a business, it increases the cost. I think we need to be very conscious of making sure we have suitable consumer protections and suitable costs involved in developing those protections.

 **Mr WATTS** (Toowoomba North—LNP) (7.35 pm), continuing: Just before the debate was adjourned we were talking about red-tape reduction and what that actually means for the people of Queensland. It means jobs. It means opportunity. It means productivity for small business. It means money in people's pockets. When we talk about red-tape reduction, sometimes we might lose what that actually means to the person living out there in our community. It means an opportunity for them.

Whilst we are talking about opportunities and productivity, let me go back through the history of these bills. We heard members of the opposition talk about the fact that a recommendation to split the Property Agents and Motor Dealers Act into occupation specific legislation was first made by the Service Delivery and Performance Commission in 2008. In true Labor form, they waited until November 2010 to introduce legislation—and we are talking about legislation that would increase the productivity of Queensland, that would give job opportunities, that would put money into the pockets of all constituents through productivity gains. What happened four years after the original recommendation was put forward?

**Mr Berry:** Nothing.

**Mr WATTS:** That is right. Labor let the bill lapse. We have an Attorney-General who has set a cracking pace for legislation in this place. Certainly all the members of the Legal Affairs and Community Safety Committee and the secretariat of our committee know that the Attorney-General has set a cracking pace. We appreciate his resolve to get this red tape reduced in a short space of time. So for members of the opposition benches to sit here and criticise us for taking a little bit of time when we are here about to consider passing this legislation when it in fact took them four years and

then they let their legislation lapse and did absolutely nothing with it is difficult to take. It was one of our election commitments to remove unnecessary duplication. Certainly this legislation does do this in terms of the buying processes that exist here in Queensland.

Something else that we said we would do is revitalise front-line services for families here in Queensland. Simplifying this legislation means that buying and selling property and cars will be easier for consumers. None of us like filling out paperwork. None of us like getting caught in some technicality trap that has been set by—with the greatest respect to my friend the member for Ipswich—a lawyer. If we can reduce red tape and simplify some of this documentation then of course people will have an easier life and get a fairer price for what it is they are buying and selling.

Consumers have often been overwhelmed by the level of paperwork and the fine print that has been part of the process that they have to go through. Often it can confuse consumers and of course it ends up costing buyers and sellers money. Several of these industries have become overregulated by a cumbersome piece of legislation that needed review. Labor left it for four years. We are here clearing the mess they left behind, as we are with Labor's \$80 billion worth of debt as well. Obviously we realise that a couple of the biggest decisions people make in their life are buying cars and buying houses. The simpler, easier and the fairer we can make that process the better. I certainly think the reduction of red tape in this area is well and truly overdue. I think the minister has done a good job in getting that down.

Let us go to a couple of the specific provisions in the different bills and how they will affect people operating under those bills. The Property Occupations Bill will provide a simpler licensing framework for real estate agents, resident letting agents and real property auctioneers. We know that there is a fair amount of red tape. That has put unnecessary costs into that industry and has burdened that industry and, in turn, has burdened consumers when they are considering some of the biggest purchases they might make in their life. It has placed a burden on them—a cost burden and a time burden—in trying to get through some of that paperwork. So any reductions we can make in that area are a good thing. Streamlining home sale contracts was again a key commitment we made to reduce red tape, and that is what we have done in this bill.

This bill will bring Queensland into line with other states. I think competition in the marketplace between agents will lead to a reduction in commission for the consumer potentially. So removing some of the regulatory barriers that were there I think has been a good thing. It was interesting when in the committee's public hearing the member for Rockhampton asked some questions of Mr McGrath. The member for Rockhampton said—

John, thank you for your forthright and informed evidence before the committee. It is good to hear. I have read your submission, and in that vein the area that I am concerned about, given that you are an operator in the industry, is there are arguments put about the deregulation of estate commissions in this bill. Part of the argument is that that is going to provide a more competitive market and better prices for the consumer. Needless to say, I am unconvinced of the logic supporting that. What is your view of that?

Mr McGrath, who is someone with a great deal of experience in another state, said—

Our experience in New South Wales was certainly that there was pressure put on prices once it became a deregulated environment, and I would say—and I do not have any evidence industry wide—that commissions have come down slightly since deregulation.

So even the member for Rockhampton, when he is trying to put forward that maybe the deregulation of these commissions is not such a good thing, has been told by someone in the industry that that in fact is a good thing. Mr McGrath was asked the question of whether he had any personal experience that there was some merit in that proposition. He answered—

Yes, there is. And I think for me, anything that vaguely looks like a free and open market is a good thing. So I would certainly be supporting it, as I was very much for all the other initiatives in the proposed legislation.

That brings me to one point I want to make because there was one area that Mr McGrath was not supportive of, and that was that he wanted there to be a price range at auction. I went to a few auctions in Toowoomba.

**Mr Dillaway:** Are you selling your house?

**Mr WATTS:** No. I was just having a look. I wanted to get some first-hand experience of what goes on. What was interesting was that the price range that had been advertised in my opinion was baiting because the reserve price of the auctions that I attended was above the bottom price that was being advertised as the price range for the auction. That I saw as a problem. I understand the Attorney-General has some amendments to try to deal with some of this online. But I think if we are going to have price setting prior to an auction we are starting to move onto quite dangerous ground. So I do disagree with Mr McGrath in that area.

If you are going to have a pricing guide or framework then I think it can be quite dangerous to have a bottom price that is in fact below the reserve price. Potentially there are some difficulties for people selling their homes in terms of paying for advertisements and promoting their property when in fact some of that price setting is just baiting and potentially gouging them for some of the promotion of selling their homes. I am not a big fan of that. I think in Queensland we have a good history of an open and fair auction system and it is one that I support, and certainly that is the position of the REIQ. They support the position.

In terms of the Motor Dealers and Chattel Auctioneers Bill, the changes will allow for a reduction in prescribed government forms from 12 to four. That is a 66 per cent reduction for those who want to keep a track of the maths. Obviously we are trying to get a 20 per cent reduction in red tape overall. Again, the reason we are trying to reduce red tape is to lower the costs so that people get fairer prices for the things they are buying and selling. It is unproductive to be spending time, energy and money on shuffling paperwork, as long as there are some protections in place for the consumers. I think this bill strikes a good balance between those things.

Auctioneers who may need two licences to auction chattels—livestock and property—will only have to pay the cost and administration of one licence and can complete the application task in one simple process. Whilst there will be two separate licences, it will only be one process. Again, that is a good initiative that allows for industry specific things to be done but at the same time keeping the paperwork down.

The government has also made a commitment to continue working with the Motor Trades Association of Queensland to address the area of unlicensed used motor dealings in the marketplace. This was something that came up through our discussions with the various people who submitted to the committee. I am pleased to say that by breaking this piece of legislation off on its own those opportunities will exist in the future for us to look at how we might be able to get better compliance and address some of the unlicensed used motor dealings that are going on.

In fact at the moment the Office of Fair Trading is currently undertaking 'Operation Round-up', which is a targeted compliance program to identify and take action against unlicensed motor dealers. Again, this is something that Labor just never gets. They want regulation after regulation after regulation which makes the whole system inefficient. It makes the price for the buyer and the seller increase and it makes the process cumbersome. Then once they have all that regulation they foul on the enforcement front. So what happens is that good, honest people out there get punished because of the overregulation and the charlatans out there get away with it because the regulations are not being enforced. We would certainly like to reduce that burden. We want to target the minority of people who are out there doing the wrong thing, rather than punish the majority of people with the regulation and compliance costs that are part of Labor's DNA.

The Debt Collectors (Field Agents and Collection Agents) Bill will provide a system for regulating debt collectors and their employees and protecting consumers against undesirable practices associated with the debt collection activities. It will also reduce red tape that burdens business and individuals carrying out debt collection and process-serving functions. There was some comment before that as we reduce this red tape maybe some undesirable people in the industry might be able to increase their operations. I am very confident in the legislation we have surrounding the outlaw motorcycle gangs and criminal gangs that have maybe got themselves involved in this industry. I do not think it needs to be contained specifically in this legislation. I think that the legislation specifically targeting those people is sufficient to be able to deal with some of those issues. The bill—where am I?

**Mr Dillaway:** At the end.

**Mr WATTS:** 'At the end,' I hear. The member for Bulimba is keen now that he has returned from his cigarette. He is keen.

**Mr Berry:** I take objection to that.

**Mr WATTS:** I withdraw. I made no comment. For me, it is really very, very simple. Labor always want to force compliance costs on good, honest people trying to operate their businesses. They want to force regulation. They want to make small business owners sit at home late at night, burning the candle at both ends, trying to fill out paperwork and forms, drowning in red tape. That is not what we believe in. We in the LNP believe in reducing that red tape, making sure that we have a fair system, making sure that the system is productive and efficient. I think this bill—and separating these various bills out—goes a long way to achieving that. I am sure that in coming years, having their own industry specific bill will mean that things that come up for that industry can be dealt with in a much more efficient and effective way. That will be a good outcome not only for everybody who operates in that industry but also for everybody who interacts with that industry. That is the key point. As the mums

and dads of Queensland, the families of Queensland, buy and sell different things and as they interact with the people who are involved in these industries, they will benefit because those industries will be more productive, those industries will be more efficient and they will have fewer compliance costs. Therefore, people will get a fairer price when they buy and sell their goods in Queensland because of this legislation. I certainly thank the Attorney-General for bringing it forward. I turn over to the member for Bulimba.