

Raine & Home Mary Valley

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29th March 2007

Mr Nicholas Smith
Principal
Raine & Home Mary Valley
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The Secretary
Senate Rural and Regional Affairs
Parliament House
CANBERRA ACT 2600

RE: Inquiry into additional Water Supplies for Southeast Queensland - Traverston Crossing Dam

My name is Nick Smith and own and operate Raine & Home Mary Valley in Imbil. We are the only Real Estate business in the Mary Valley. My life, my business and my health has been adversely affected since Mr Beattie announced this proposal in April 2006.

Immediately after the announcement my business started to suffer. My company has lost in excess of \$733,000.00 in commissions payable from land listed for sale in the proposed dam area. We have continued to lose income due to lack of confidence in the Mary Valley market. Government policy is that they do not have to deal with real estate offices and they do not compensate businesses.

The 9,800ha involved in the proposed area has effectively reduced my selling area by 65% and I can never sell this land again.

Because of franchise agreements I am land locked and can not increase my selling area. My company does not have exclusivity in the lease back arrangements with QWI, and they have called for expressions of interest from other Real Estate agents from outside of the area to manage these properties. This has effectively flat lined my business not allowing for projected growth.

I have attended every meeting in regard to this proposal and I have dealt intimately with every government department and this has created tremendous stress which has not only affected me but also my family.

I feel I have been treated with distain, bullied and my professionalism has been put into question by this proposal. Some examples are listed below;

My company has quite a few concerns with QWI and I will list them below, I may have missed a few but we will start with this;

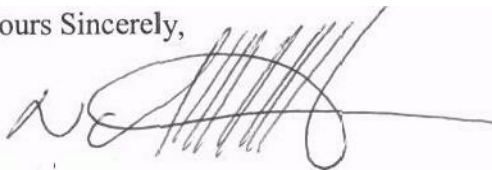
Remember all we want to do is our job; we are professional and are proud of our work ethics.

1. We operate under the PAMDA act which is controlled by the Office of Fair Trading and our Tenants are controlled and protected by the RTA, under the lease agreements with QWI the owners of the property (the people who just sold to QWI) do not have the protection from the RTA. The leases I have seen do not protect the tenant; they seem to only protect QWI.
2. We continually get emails, phone calls and queries on maintenance issues arising from properties purchased by QWI. We have not and do not want anything to do with the purchasing of these properties. We have been appointed to manage these properties so when the settlement is affected we do an entry condition report and a rental appraisal to allow the correct amount of rent that would be charged if on the open market. This identifies any problems that we need to fix. We are continually being asked by QWI as to why these issues were not identified on the entry condition report. Hello we did not purchase the property. QWI did. My company gave QWI a draft of protocol as to what to look for in a purchase and how to identify some problems, to take this problem out of the equation. We also recommended that all properties bought by QWI have a pest and building inspection, to help save money. When we do these reports, pumps etc have been removed for security reasons and cannot be checked till a tenant is placed. QWI are also telling the sellers their dollar value on their properties and not listening to our information as to what really should be the true dollar value on the open market.
3. Another issue that is brought to my attention by people selling to the QWI, is why they have to pay partial rates, maintenance and insurances. When any investor buys properties they do their home work, look at out going costs etc and this is how they make their decision as to whether they purchase or not. QWI are buying for another reason and as landlords, why are they asking these people to pay their costs, when it is QWI's property not the tenants.
4. When all of this started we asked that all local people be used for work in and around the Mary Valley, this was agreed to but our trades people are being treated unfairly and made to jump through too many hoops to achieve a job, their quotes are questioned by QWI and even to a point where QWI will ring me and tell me to contact the trades people and asked them to shave \$500 off the quote. Are these people in QWI now fully qualified in all trades, and are competent in their assessment of the dollar value of every job? A lady from QWI is even ringing around the valley asking different people if they do other sorts of jobs, then ringing us and telling us to tell our trades people they are no longer required to perform their duties on properties already given to them to look after.

5. QWI is contacted regularly by people who wish to agist properties. We as appointed agents should do all of this work for QWI. We have constant complaints from people that are already agisting these properties before they were sold to QWI. Why should they reapply to agist the same property, why can't they stay on the property and just sign a new lease, providing they pass all of our checks?
6. We have health issues dealing with some properties and the QWI want 3 quotes, again these are HEALTH issues and should be addressed immediately. An example is a blocked toilet. When we asked QWI to fix the problem they just said to keep flushing the toilet and they will get back to us after we have given them 3 quotes. After continual persistence on our part we finally got them to agree to get regular pump outs until the problem is fixed.
7. Another is my trades people gave 3 quotes to DNR about another property. They did not like our quotations and they took the job from us and gave the job to a Noosa plumber. He only did 1/2 the work my plumbers quoted on. Then QWI had the hide to ask my people to requote on the rest of the job (not done by the noosa plumbers). My people declined strongly.
8. We received a phone call from QWI stating that our leases and paper work were illegal. How have we passed 3 audits and had all our documentation reviewed by solicitors, OFT, DNR etc. No problems were or have ever been found until now. QWI say it is all illegal. Let me tell you, they know nothing and do not understand anything of PAMDA or the scope of what we really do. We feel that there is no real need to double up on our work and that the QWI people should just deal with the day to day issues that arise in the valley and let us do our job.
9. In a meeting in our office (attended by Tony Atkinson owner of R&H Qld, R&H Pomona, my wife and rental staff as well as QWI representatives), I queried why QWI did not want to deal with the RTA. They stated that the boundaries placed on them by the RTA were not workable and did not allow them the free access that they required. The QWI ring us, and ask us to arrange access on to their properties. They want us to issue RTA forms which we cannot do. RTA forms are for RTA leases. We are suffocating in red tape bureaucracy.

I would like the Senate Enquiry to fully investigate the QWI and its code of ethics. We are totally accountable to the Qld Government in all aspects of the Real Estate industry. Who is QWI accountable to?

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Nick Smith', with a long horizontal line extending to the right.

Nick Smith.