



Speech by

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CONSUMER CREDIT [QUEENSLAND] AMENDMENT BILL

Ms MOLLOY (Noosa—ALP) (12.39 p.m.): I take this opportunity to speak to the Consumer Credit (Queensland) Amendment Bill 2001, which relates to payday lending. I support the bill. There are valid concerns about this area of lending, which is mushrooming across Australia. It provides a lure to those who live hand to mouth—an experience that is hard to take and a very common reality for many Australians. Payday lenders prey on the poor. Whatever reason a person may have for their condition is irrelevant: the poor are the vulnerable.

These operators—and I mean 'operators'—advertise in such a way that any person in financial difficulty would find it hard to resist the fix that they offer. We must be alerted to the fairness and ethics and, of course, the questionable costs of the services offered by payday lenders. Their fees are very high. That is not something that is prominent in their advertising. I wonder why. The fees are up to 20 per cent to 25 per cent of the money advanced. That rings alarm bells. However, for some families there is more trouble around the corner come the next payday. So what will the family eat that following fortnight? Where will the money for the kids' \$2 bus fares come from? Many families' budgets are that tight. If vulnerable people cannot get a credit card from one of the banks that seem to be plying their wares to the community relentlessly, there is always someone else around the corner to rip them off. As has been stated, a payday loan can be up to 70 times more expensive than a credit card advance.

What can be said in defence of this disgusting behaviour? Not a lot. Time and time again we have witnessed the tragedy of families caught in the debt trap. Their lives are similar to the lives of some people who live in Third World countries. There is no let-up for them. Some payday lenders request security. It should be remembered that these people are in a vulnerable position before they start to negotiate. These lenders require outrageous levels of security, outweighing the value of the loan. That is absolutely unacceptable.

The tactics of some of these payday lenders are highly questionable. Some have secured access to the new customers' bank accounts to get to the money on payday. It is all pretty disgusting and hints of Charles Dickens' Fagin, the usurer. Some payday lenders have cleverly worked through the consumer credit laws to exploit their customers to the hilt. That means effectively that payday lenders are not covered by the same consumer protection that governs all other lenders. That is not on. Payday lenders are not required to disclose to consumers the fees payable. What a joke! Payday lenders are not required to give consumers copies of the loan or contract. That is absolutely unacceptable! The contract does not need to be in writing. The list goes on. It becomes almost hilarious. There is often comedy interfacing tragedy.

The intent of this bill is to cease these appalling practices. This bill will provide consumers with the same level of consumer protection that is provided to all other credit consumers. This bill is the first step towards regulating payday lenders. There are people in society who need to be protected by government regulation. This requires leadership and government with a conscience. For Queensland to grow in this century with an ethos of what makes a good society for all people, there is a need for bills such as this one. I take this opportunity to congratulate the minister and her staff, who I know work hard for Queenslanders. Their efforts are reflected in the legislation, making Queensland a fairer, safer state in which to live.
