Speech by

CHRIS CUMMINS

MEMBER FOR KAWANA

Hansard 18 April 2002

CONSUMER CREDIT [QUEENSLAND] AMENDMENT BILL

Mr CUMMINS (Kawana—ALP) (4.58 p.m.): I rise to support the Consumer Credit (Queensland) Amendment Bill 2002. As we should realise, the object of this bill is to amend the Consumer Credit Code to introduce mandatory comparison rates for fixed term consumer credit products and extend the time limitation period for civil penalty applications currently available under the code. The Consumer Credit Code regulates all personal lending across Australia, including of course home loans, personal loans, credit cards and in-store finance. The code provides protection to consumers who borrow money. For example, the code requires a lender to fully and frankly disclose the terms of the loan, requires loan contracts to be in writing with a copy provided to the consumer and makes lenders accountable for the payments made by consumers.

The proposed amendments will require credit providers to make available to consumers in advertising and brochures and on the Internet the comparison rates available on their products. This will provide consumers with an added tool when comparing the cost of different credit products and the products offered by different credit providers. I am probably asking a question of the minister as I go, but this is similar to what we now see in mobile phone advertisements where long-term costs and the like must be advertised. I acknowledge that the minister agrees with that.

We will see the loan breach prosecution period extended as Queensland's ability to pursue and prosecute banks and other lenders which flout the Consumer Credit Code will be strengthened by this legislation. The bill will extend from two to six years the period in which civil action can be taken against lenders. The code currently requires the Office of Fair Trading, as regulator, to commence an application in the courts seeking a civil penalty within two years of a lender breaching key requirements of that code. This is a major limiting factor on OFT's ability to police the action of lenders and their compliance with the code and significantly undermines the deterrent value of the civil penalty regime. Lenders currently know that, even if they breach the key requirements of the code, they have the option of doing nothing and hoping no-one notices for two years, after which they are immune from any potential civil penalty action by the Office of Fair Trading.

This amendment will make banks and other lenders more accountable for their actions. Queenslanders will be the winners from this very beneficial legislation, and I, too, commend the minister and her department for again bringing forward such positive legislation. I, too, can speak with confidence in saying that when the minister visits the Sunshine Coast on the 29th of this month she will be welcomed warmly as she speaks on various tourism issues. As a former board member of Tourism Sunshine Coast, I know that the industry has the utmost confidence in the minister.

Mr McNamara: They in the tourism industry love the minister.

Mr CUMMINS: Hear, hear! We are heavily reliant on the tourism industry on the Sunshine Coast. I commend the department, the departmental officers, the legislation and the minister.