



Speech by

DESLEY SCOTT

MEMBER FOR WOODRIDGE

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CONSUMER CREDIT [QUEENSLAND] AMENDMENT BILL

Mrs DESLEY SCOTT (Woodridge—ALP) (5.03 p.m.): In today's world consumerism is the god of society. Wherever we turn we are urged to buy. Ads on radio, television, the Internet, billboards, the backs of taxis and in newspapers, magazines and junk mail in our letterboxes and an explosion of advertising when we walk into many stores all compete for our dollar. Of particular concern to me is the advertising directed at young children.

When one considers the high number of families and individuals in an electorate such as Woodridge who have quite low and fixed incomes, the pressures upon them to buy beyond their means are considerable. So, I applaud the measures in the bill to introduce mandatory comparison rates for fixed term loans and to extend the time limitation for civil penalty applications from two to six years.

At this stage I note that this legislation will not include credit cards. However, with the sunset provision after three years, I know that many in our communities and, indeed, in this House would dearly hope that once reviewed, if effective, it may be extended to other forms of credit such as credit cards and in-store finance. This significant piece of legislation will apply nationwide, with support from all other states and territories. This code of practice will ensure that consumers are able to enter into loans where all interest rate fees and charges are reduced to a single percentage rate and disclosed, thus enabling consumers to compare differing loan types and the different lenders offering credit.

The second clause will extend the time limitation period from two to six years, which will allow a more reasonable time for consumers to become fully aware of unscrupulous practices and to implement investigation by the Office of Fair Trading, which may then decide to proceed with civil action through the courts.

I welcome these measures but believe we do need to go further. I will be watching this trial with interest. I remember back to the days when Waltons was the store of choice of many people in my electorate. When needy families approached the member's office to be referred to one of our welfare agencies for financial assistance, as many as 80 per cent had overcommitted themselves because of the Waltons factor. This firm would qualify their customers to, say, a maximum of \$2,000 credit to be used in their stores and would then, when the balance of the account was maybe \$500, write to them and alert them to the fact that they could now spend \$1,500 as if they were in credit.

Mrs Carryn Sullivan: That is disgraceful.

Mrs DESLEY SCOTT: It is an absolute disgrace. We are glad that Waltons is no longer with us. Many people were on the merry-go-round of being constantly in debt, never seeing a nil balance on their account. I have no doubt that most of those people had no idea what interest rate was charged to their account. We now have credit cards and easy access to money via automatic teller machines. It is very easy for people to overcommit themselves. The notion is, 'easy access, spend as though the bill will never have to be repaid'.

Ms Keech: It is very tempting.

Mrs DESLEY SCOTT: Very tempting indeed. I am an outspoken advocate for budgeting education, often recommending my constituents have counselling with one of the very reliable agencies in the area that assist with finances. We should take this further and ensure that all students have adequate skills and knowledge of consumer issues well before they reach independence. I know that the Office of Fair Trading offers excellent brochures, such as the one related to buying one's first car.

Before I conclude, there is an additional issue I bring to the attention of this House. One matter that I have come to appreciate so much in my electorate of Woodridge is the focus on people and community rather than on gaining wealth and possessions. While many of my constituents may not be on a high income, there is a high percentage who work tirelessly for their community, who live very fulfilled lives and who by their actions say, 'I have enough.' They are my volunteers in their hundreds who work in many organisations, who choose to devote their time and energies to helping others. More than any other, this is what makes my community strong—a sense of sharing and support which is not widely witnessed in many more affluent places.

To a great degree, these people have their feet firmly on the ground and are less likely to be influenced by the glitzy advertising in the media. However, whether we discuss the vulnerable or those more aware of the pitfalls, we all need protection and the ability to compare credit loans on equal terms. This bill will make the task of sourcing a home or personal loan far more transparent. I commend the minister and her department for this initiative. I will watch with interest as this scheme is assessed during this three-year period and I hope that it may be extended. I commend this bill to the House.
