



Speech by

JEFF SEENEY

MEMBER FOR CALLIDE

Hansard 16 October 2003

SECOND-HAND DEALERS AND PAWNBROKERS BILL

Mr SEENEY (Callide—NPA) (Deputy Leader of the Opposition) (3.21 p.m.): I am pleased to be able to make a short contribution to the consideration in this parliament of the Second-Hand Dealers and Pawnbrokers Bill. It is a machinery type bill. Certainly, I do not believe that there is anything controversial in the bill and, as such, we will be pleased to lend our support to the government for the passage of this bill through the House this afternoon in a relatively short period.

The bill comes about because of the national competition policy reforms that arose out of a meeting of the Council of Australian Governments back in 1995. There have been a number of pieces of legislation considered in this session of the parliament that are these machinery type pieces of legislation that are aimed at putting in place the necessary changes to ensure that the Queensland statutes conform with the national competition policy agreement. That agreement required all state and territory governments to review and, where appropriate, reform all anticompetitive legislation. That is the approach that has been taken by this amending bill before the House today.

The Second-hand Dealers and Collectors Act 1984, the Pawnbrokers Act 1984 and the Funeral Benefit Business Act 1982 have all been reviewed in accordance with that process that arose from the national competition policy requirements. That review has been conducted by a unit within the Office of Fair Trading, hence the fact that the minister has the carriage of the bill today.

The report found that the benefits of the anticompetitive provisions contained in the Funeral Benefit Business Act outweighed the cost to the community as a whole and it made a number of recommendations. In looking at the impacts that this legislation will have on the funeral benefit business, I think it is important to recognise and to reassure people that there will be no change to existing contracts. That is made pretty clear in the explanatory notes that accompany the bill and that is the way it should be.

The whole area of funeral benefits and prepaid funerals and arranged funerals is certainly an area of some sensitivity and people who engage in those types of arrangements need to know that they can do that with security. The bill before the House seeks to provide that security to people who enter into those arrangements.

In recent times, those businesses that provide this service have increased the amount of business that they do. We have seen some aggressive marketing of those types of arrangements and it is well that the legislation seeks to provide the types of security that consumers in Queensland should be able to expect. The requirements for all of the contracts under this legislation are listed in the explanatory notes and they are fairly comprehensive. The contracts will require that any type of entity will be permitted to operate as a funeral benefit business. The legislation is to apply to any business that sells a funeral benefit in Queensland or to Queensland residents. It is important that the legislation covers not just companies that operate within Queensland but also anyone who sells these benefits within Queensland.

The other requirements of the legislation are that all funeral benefit businesses are deemed to be trustees under the Trustees Act in respect of prepayment money entrusted to them, unless they are already regulated under relevant Commonwealth legislation. That type of regulation is certainly warranted given the amounts of money that are being entrusted to these entities. It will also be a requirement under the contract that the contributors may choose whether they deposit their

prepayment money with a funeral director or with an authorised investment manager. That certainly widens the choice that is available to consumers. It will also be a requirement that, if contributors deposit their prepayment money with a funeral director, the funeral director must comply with the provisions of the Trusts Act in respect of those prepayment moneys and, most importantly, the cooling-off period of 30 days is to be introduced.

I think that cooling-off periods are a great idea, especially for elderly people and people who are vulnerable to the techniques of high-pressure salespeople and aggressive marketing in whatever form. Certainly, the people who are more likely to be consumers of these funeral benefit businesses fall into that category. It is good to see that that cooling-off period concept has been introduced into this legislation. In respect of the funeral benefit businesses, there is also a requirement for a short client care statement and there are substantial penalties for non-compliance listed in the bill.

The bill also covers second-hand dealers and amends the Second-hand Dealers and Collectors Act 1984 and the Pawnbrokers Act 1984. It consolidates those two acts into a single piece of legislation. Once again, the changes that are envisaged to be made to the second-hand dealers and pawnbrokers industry arise out of national competition policy recommendations. The changes are not great, but I think that they are mainly for the better. The legislation retains the licensing of second-hand dealers and pawnbrokers and entrepreneurs where it repeals the provisions relating to collectors. There is also a modification of licensing requirements, including the introduction of a single licence type for both second-hand dealers and pawnbrokers for multisite licences and a new option for one or three-year licence renewals.

There is also the introduction of optional computerisation of transaction records and the disposal of unredeemed pledges by auction to be made optional. That is an interesting addition to the legislation that the minister might like to comment on. I was surprised to learn that that was not an option under the old act. I have to confess that I was not aware of that. It seems commonsense that those unredeemed pledges should be able to be disposed of by auction. Certainly, the bill before the House fixes up that particular area. I think most people would be surprised to know that pawnbrokers did not have the option of redeeming those unclaimed pledges using the auction method.

This is a non-controversial bill. I certainly have not had any controversies raised with me regarding it. It is a machinery type bill that has arisen out of the national competition policy process, and I see no reason why this bill should not be passed through this chamber this afternoon in a fairly speedy manner. I commend the bill to the House.