



Speech by

JULIE ATTWOOD

Member for MOUNT OMMANEY

Hansard 16 October 2003

SECOND-HAND DEALERS AND PAWNBROKERS BILL

Mrs ATTWOOD (Mount Ommaney—ALP) (3.49 p.m.): The Second-Hand Dealers and Pawnbrokers Bill is the result of a national competition policy review of the Second-hand Dealers and Collectors Act 1984, the Pawnbrokers Act 1984 and the Funeral Benefit Business Act 1982 in accordance with the competition policy agreement. The bill will implement the national competition policy that legislation should generally not restrict competition unless it is in the public benefit. I will confine myself to commenting on the Funeral Benefit Business Act as it is of concern to my constituents. The NCP report found that the benefits of the anticompetitive provisions contained in the Funeral Benefits Business Act 1982, the FBB Act, outweigh the costs to the Queensland community as a whole. Nevertheless, the report recommended a number of reforms to the FBB Act in order to meet policy objectives in a more cost-effective manner.

There are approximately 5,500 people aged 60 and over in the Mount Ommaney electorate. Mount Ommaney provides aged-care facilities at the Bethesda Caring Centre and the Hopetoun Aged Persons Centre, Canossa Care Centre at Oxley, the James Ommaney Village, the Jindalee Nursing Centre in Jindalee and the Sinnamon Village Aged Complex in Seventeen Mile Rocks. Many of these vulnerable people have contributed to funeral benefit funds administered by funeral businesses. These businesses are generally principled, honest and provide exactly the services required by the benefit contributor. Unfortunately, there are some who prey on the susceptible and defenceless nature of our oldest citizens, and this legislation will go a long way to ensuring funeral benefit contributors obtain the benefits they have paid for.

There will be no changes to existing contracts to ensure the rights and obligations of the parties under these contracts are not changed. Therefore parts 3 and 4 of the FBB Act will be retained. New contract requirements will introduce a cooling-off period of 30 days to protect these people who sign up during a distressing time such as the loss of a partner. The act will apply to any business that sells a funeral benefit in Queensland or to Queensland residents, and all such businesses will be deemed trustees under the Queensland Trusts Act 1973 in respect of prepayment money entrusted to them unless they are already regulated under relevant Commonwealth legislation.

Funeral benefit contributors may choose whether they deposit their prepayment money with a funeral director or with an authorised investment manager, and if contributors deposit their prepayment money with a funeral director rather than an authorised investment manager the funeral director must comply with the provisions of part 3 of the Trusts Act in respect of the investment of those prepayment moneys. The rights and responsibilities of each of the parties to the contract must be detailed in plain English in a statement drafted or approved by the Office of Fair Trading. This statement must be explained to the contributor and duly signed by both parties, who must sign it as proof of mutual understanding of the terms and the conditions.

It is pleasing to note that substantial penalties for non-compliance with the act are to be introduced, and this may deter rogues from the industry. I believe that this bill will provide greater security of mind for both our senior citizens and anyone else interested in funeral benefits issues. I commend the bill to the House.