



Speech by

Barbara Stone

MEMBER FOR SPRINGWOOD

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CONSUMER CREDIT (QUEENSLAND) AND ANOTHER ACT AMENDMENT BILL

Ms STONE (Springwood—ALP) (4.34 pm): I rise to speak on the Consumer Credit (Queensland) and Another Act Amendment Bill 2007, particularly with respect to the requirement for the publishing of mandatory comparison rates for fixed-term consumer credit products. On 1 July 2003 MCR became compulsory for all fixed-term consumer credit. These are loans taken out for personal use but not including unsecured loans such as credit cards. In 2002 in this House I spoke in favour of compulsory MCR and I said that this would provide exceptional consumer information that would certainly cut out the confusion over the true repayments and costs being charged to the borrower. I still agree with those words today. I support the bill before the House that will amend the Consumer Credit Code to extend the sunset date for the MCR system from 30 June 2007 to 30 June 2009.

There are so many different loans available today and financial providers do not have exactly the same products for consumers to compare. Some have annual charges, some have monthly fees, some have honeymoon interest rates for a certain period while others may have establishment fees. This makes it difficult for consumers to make a true comparison. The MCR takes away all this confusion and sets out up-front the total cost of the loan including interest, fees and charges. Having this available means that borrowers are able to compare the products available and make better and more informed decisions. That is why it is important that this system continues.

The reason it has been necessary to bring this bill before the House is that it was agreed that the Commonwealth would conduct a review to determine if this system was working and should continue. To date that review has not been finalised. It is therefore necessary to extend the sunset date. I am very concerned that the review has not been finalised and that the Commonwealth is not in favour of this important consumer information being given to consumers. Exactly what is it that the Commonwealth is not in favour of? Is it not in favour of lenders being required to make available to consumers a schedule listing the comparison rates for all consumer credit products they have on offer? Is it not in favour of the comparison rates schedule clearly stating the name of the product, the amount of credit, the term applicable for each comparison rate and the annual percentage rate for each amount of credit and term? I find it really difficult to understand what it could not be in favour of.

If we do not have this information then consumers are trying to make decisions on products with no simple way of comparing them. It is very simple: the MCR gives consumers the confidence to compare the products on offer. I urge the Commonwealth to stand up for consumers, stop mucking around, stop delaying this review and to get on with the job and give consumers the protection they deserve. I commend our minister for standing up for Queensland consumers. I commend the bill to the House.