



Speech by

# Hon. Margaret Keech

MEMBER FOR ALBERT

Hansard Wednesday, 22 August 2007

---

## MINISTERIAL STATEMENT

### Consumer Protection

**Hon. MM KEECH** (Albert—ALP) (Minister for Tourism, Fair Trading, Wine Industry Development and Women) (10.01 am): The Beattie government has a strong record on consumer protection based on our commitment to sensible, effective and sustainable legislation. When it comes to consumer credit both the federal and state governments have responsibility for regulating lenders, whether they be mainstream banks or credit unions or fringe credit providers such as payday lenders.

Recent *Courier-Mail* reports criticising the Beattie government's lack of action on introducing interest rate caps for payday lenders show a clear lack of understanding of the complexities of this issue. I remain committed to introducing measures to ensure vulnerable Queensland consumers are not forced to borrow from payday lenders or fringe credit providers at exorbitant cost, but any regulation has to be effective.

The Beattie government has already taken steps to do this. We have brought fringe credit providers under the Uniform Consumer Credit Code. Now borrowers get a written contract setting out the costs of the loan. Lenders have to take into account the borrower's ability to service the debt.

Additional steps are currently being developed to further protect consumers. Demanding the immediate introduction of interest rate caps might make for a news story, but it will not make Queensland consumers any better off. There is no point in introducing legislation that will fail to do its job. That is what has happened interstate, and we will not repeat that mistake.

New South Wales was forced to amend its original legislation which just capped interest rates because lenders got around the laws by increasing fees and charges. Just yesterday Melbourne's most reputable journal *The Age* reported that one Victorian consumer who borrowed \$1,500 to attend a funeral was charged more than \$2,000 in fees—hardly an example of successful consumer protection. On the very same day the Queensland media was demanding the introduction of identical laws to those in Victoria. If I did that, I would be feeding Queensland consumers to the sharks.

During my own research into this issue, Queensland fringe credit providers quite arrogantly told me they would get around any laws we introduced. This is a lucrative industry and some lenders have tried every trick in the book to get around legislative approaches elsewhere. I am determined that will not happen here if we learn the mistakes of other states and draft legislation that offers Queenslanders the best possible protection.

If I adopted the approach demanded by some I would be making life easier for the shonks and tougher for Queensland's vulnerable consumers. I will not do that. I make no apology for ensuring we get it right. Unlike other states, the focus of Queensland legislation will be on limiting the total cost to consumers. The Beattie government has already provided a raft of consumer protections and there is more to come.