



Speech by

Margaret Keech

MEMBER FOR ALBERT

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REVENUE AND OTHER LEGISLATION AMENDMENT BILL

Mrs KEECH (Albert—ALP) (8.13 pm): I rise to support the Treasurer's Revenue and Other Legislation Amendment Bill. The major objectives of the bill are to ensure Queensland's revenue laws are as simple, as effective and as efficient as possible. Another important aspect of the bill is that the Land Tax Act 1915 will become a revenue law to which the Taxation Administration Act 2001 applies. What does this mean, particularly for the small to medium enterprises in the electorate of Albert? It means a lot. For the 300-plus businesses in the Yatala enterprise area, which is located on either side of the M1, it means there will be a significant reduction in red tape. In this climate this is certainly very good news. Approximately two-thirds of the outdated administrative provisions of the Land Tax Act 1915 will be repealed. As I said, this means a real reduction in red tape for business.

I want now to turn briefly to an aspect of the bill that, not surprisingly, the opposition has not referred to. That is the fact that this bill of the Treasurer's is not only very good for business and for the state but also extremely good for consumers. I am referring here to the amendments to the Consumer Credit Code, which is an appendix to the Consumer Credit (Queensland) Act 1994.

The bill ensures that the mandatory comparison rates scheme continues until the Commonwealth takes over credit and commences its new national regime on 1 November 2009. The Commonwealth regime will maintain mandatory comparison rates. On 1 July 2003 comparison rates became mandatory for all fixed-term consumer credit. As members may be aware, mandatory comparison rates combine the interest rate and the fees and charges of a loan into a single percentage figure. This figure is extremely important when comparing the costs of loans from one provider to another, particularly for those in our communities who really need to watch their budget. The purpose of mandatory comparison rate disclosure is to help consumers understand the true cost of a fixed-term loan and compare it to various loan products in order to select a product that best suits their budget and other borrowing needs.

In implementing the mandatory comparison rates, the Ministerial Council on Consumer Affairs, of which I was a member when I was minister for fair trading and representing the Queensland government, committed to a sunset period with an independent review prior to the legislated sunset date of 30 June 2009. The purpose of the review was to allow a thorough evaluation of the operation of mandatory comparison rates. An independent review was undertaken and after considering its recommendations the ministerial council decided to maintain comparison rates for advertisements and to remove the sunset date from the legislation.

As the original time frame for states and territories to refer regulatory responsibility for credit to the Commonwealth was 1 July 2009, it was considered that there was no need to particularly remove the sunset date of 30 June 2009 as the Commonwealth laws were to commence the next day. However, the Commonwealth's time frames have now been delayed and its laws will not commence until 1 November 2009. Until those laws commence, the current sunset date in the credit code remains in force. As the current sunset date is 30 June 2009, this provision needs to be omitted as soon as possible. This will avoid any possibility of the comparison rate scheme expiring prior to the Commonwealth laws commencing. If this happened, it really would be a detriment to consumers.

The Queensland government is committed to ensuring our consumers are adequately informed when entering into credit contracts. Retaining the requirement for lenders to disclose the comparison rate is very important for consumers so that they can compare loan products before making significant financial decisions. It allows them to shop around, it allows them to be educated about loan products and it allows them to get the best product.

Before I commend the bill to the House, I commend the Centre for Credit and Consumer Law at Griffith University. Having just come from an alumni dinner for Griffith University with several members from both the government side and the non-government side, I particularly thank the Vice-Chancellor, Professor Ian O'Connor, and Chancellor Leneen Forde for their attention to the protection of consumer law. I commend the bill to the House.