

**Question on Notice**  
**No. 979**  
**Asked on 1 September 2004**

**MR LIVINGSTONE** asked the Minister for Tourism, Fair Trading and Wine Industry Development (Ms Keech)—

QUESTION:

With the use of credit in Australia being at an all time high, what programs are in place in Queensland for consumers to learn how to control their credit?

ANSWER:

I thank the honourable member for his continued interest in consumer protection issues.

This question gives me an opportunity to highlight the current challenges for Queenslanders who are entering credit arrangements at a higher rate than ever before, and the action my Department, through the Office of Fair Trading, is taking to assist individuals and families to better control their credit.

Currently, Australians generally are not managing their money well. Australians increased their household debt from 85% of disposable income in 1996 to 140% at the end of last year. The saving rate has fallen from 9% in 1990 to minus 2% last year. The ANZ Bank 2003 national financial literacy survey also revealed some groups of consumers lack key financial skills with 18 to 24 year olds having the lowest financial literacy levels. The study found 67% tried to save regularly, but 16% of adults spend all their income as soon as they get it and do not really plan for the future. 26% of the adult population said they have problems setting aside money for major financial outlays.

Results from the Office of Fair Trading's latest Household Survey in May 2004 reported an estimated 33.2% of Queensland adults had heard or read about advice from the Office of Fair Trading about consumer credit.

The Office of Fair Trading has a range of initiatives in place to educate consumers about controlling their credit, including:

- A \$100,000 Control Your Credit campaign to increase consumers' awareness of their credit rights and to help them manage their credit arrangements whether they are mortgages or personal loans, credit card debts or debts with payday lenders. This is phase 2 of a credit awareness campaign that started in 2002 and aims to build on levels of awareness and influence Queenslanders' credit behaviour;
- A publication called the Good Credit Guide, providing information and advice on obtaining credit, budgeting and managing debt;
- A publication targeted at young people called "Get Out There: A survival guide for young adults" which includes information on smart shopping and getting your finances under control; and
- The BuySmart schools competition which provides information on credit cards and budgeting in teacher resource materials.

Financial literacy for Queenslanders, young and old, is one of my priorities. Phase 3 of the credit awareness campaign will focus on improving the financial literacy of young Queenslanders to ensure they are taught essential consumer and financial skills and are aware of the effects of credit before they start purchasing mobile phones, cars and other goods and services. You are never too young to learn, and the lessons stay with consumers for life.

The Office of Fair Trading and Education Queensland are working together to develop a financial literacy package for secondary students and expand resources for the middle years of schooling.

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Once finalised, it is anticipated that this material will be incorporated into the school curriculum. The Ministerial Council on Consumer Affairs has endorsed my proposal for a national approach to the development of this program and I look forward to keeping Members informed of its progress.