

Legislative Council

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CREDIT (TRANSITIONAL ARRANGEMENTS) BILL

The Hon. A. BRESSINGTON (17:52):

I rise briefly to speak to the Credit (Commonwealth Powers) Bill 2010 and, in doing so, I speak to the Credit (Transitional Arrangements) Bill 2010, as it is complementary. I begin by indicating my support for the increased consumer protection provisions; namely, the responsible lending conduct and disclosure regimes, and I sincerely hope they will be as effective as is promised. I also recognise that there are significant benefits for lenders in terms of reducing red tape and national consistency. However, I make the point that I remain unconvinced that these benefits could not have been derived from cooperation between the states and the commonwealth, rather than further whittling away this parliament's legislative jurisdiction by referring it to the commonwealth.

I do not deny that problems exist within the Uniform Consumer Credit Code regime—and I quote the minister when introducing this bill—namely, the legislative gaps and jurisdictional variations, and some difficulty in efficiently responding to changes in financial service industry practice. These were initially identified by the Productivity Commission in April 2008, and it is on the basis of the Productivity Commission's recommendation that this bill is before us today.

However, I make the point that, if each state has been able to agree to refer the relevant legislative powers to the commonwealth, could not each state have agreed to address these identified shortfalls instead? Could the commonwealth not have been involved and agreements made between the state regulators and the Australian Securities and Investment Commission so that greater efficiency, consistency and expertise could result? Could our state regulator not have had its funding increased so that it could effectively discharge its responsibilities and true cooperation between the state regulators and the involvement of ASIC would reduce any delay in responding to changes in lending practices?

It has long been a concern of mine that it is seemingly becoming the preferred solution to difficult problems for the states to refer and consolidate their power in the commonwealth rather than invest in their own institutions and take responsibility for addressing any failings. I have come to suspect that there is perhaps an agenda running to erode these parliamentary statutory powers. From my reading on this topic, it would seem that I am not alone in coming to that conclusion. However, in saying that, I support the second reading of the bill and look forward to the committee stage.