



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**NATIONAL CONSUMER CREDIT  
PROTECTION BILL 2009**

**NATIONAL CONSUMER CREDIT  
PROTECTION (TRANSITIONAL AND  
CONSEQUENTIAL PROVISIONS) BILL 2009**

**NATIONAL CONSUMER CREDIT  
PROTECTION (FEES) BILL 2009**

**Second Reading**

**SPEECH**

**Thursday, 20 August 2009**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

**Date** Thursday, 20 August 2009  
**Page** 8505  
**Questioner**  
**Speaker** Bowen, Chris, MP

**Source** House  
**Proof** No  
**Responder**  
**Question No.**

**Mr BOWEN** (Prospect—Minister for Financial Services, Superannuation and Corporate Law and Minister for Human Services) (11.43 am)—in reply—I thank the member for Makin and the other members who have contributed to this debate: the members for Oxley, Werriwa, Robertson, Aston and Pearce. I agree with the comments by the member for Makin, and particularly note his welcoming of the fact that a considerable number of the ASIC staff to be dealing with the new credit regime will be based in Adelaide. He is correct. I recently visited the ASIC Adelaide office and a very considerable number of staff will be added to the Adelaide office, and they are very much looking forward to the increased responsibility they have as part of this reform.

This reform is long overdue. There is no good or rational reason for different regimes relating to credit in Australia. We should have one national regime and, when this National Consumer Credit Protection Bill 2009 and cognate legislation pass, we will have one national regime. This is an important part of our federalist approach of reviewing regulations and ensuring much greater harmony cross state and territory borders, and ensuring a national approach to regulation wherever possible. This bill also introduces for the first time a national responsible lending regime. We always knew that this would be controversial. We always knew that there would be some who would say we should have gone further and some who would say we should not have gone as far. Nevertheless, we do believe we have struck a reasonable balance and that there will be considerable benefits for consumers in having a national responsible lending regime. At the same time, compliance costs for business will be kept to a minimum and reduced as a result of having one national consumer credit regime.

I thank all honourable members who have contributed to this debate. I do thank the member for Aston, the shadow minister, for his contribution and constructive approach, outlined to the House and also discussed with me and my office outside the House. He has raised a number of issues. He raised the issue of whether director loans should be exempt on the same basis that employee loans are exempt. I have indicated to him outside the House that I would be happy to consider that. I will say inside the House that I will consider it as the bill proceeds through both houses.

He also made comment in relation to debt buyers and raised the issue of whether there should be an exemption for debt buyers as opposed to debt collectors in the bill. I have received preliminary advice on this matter which indicates that debt buyers need to be considered separately to debt collectors. Debt collectors are only involved if there is a default on the loan. To exempt them, I am advised, would create a potential loophole where many of the obligations under the bill could be avoided by a lender immediately assigning all of their credit contracts to a third party, who would not need to be licensed. I am happy to discuss this matter with the member for Aston in good faith, as I accept that he has raised it in good faith, but there would be very considerable concerns that would need to be worked through in relation to the proposal and suggestion that he has made.

The member for Aston also referred to the need to fast-track the process of dealing with positive credit reporting. He would be aware that the government is working through a report in relation to that matter and will be responding in due course. The matter is proceeding through the processes of government. I note the concerns of the member for Aston in relation to the start date of 1 January. I must note that I am not convinced of the need to postpone commencement. When it comes to both registration and licensing, I would note that the Treasury and ASIC are working very closely indeed with industry, to ensure that authorised deposit-taking institutions and companies that currently hold an AFSL will be aided as much as possible in transitioning to the new arrangements and the regulatory burden of making the transition should be minimal.

The member for Pearce raised a concern that there would be a regulatory gap of 12 months in relation to brokers. The member for Pearce may not have been aware of the recent announcement that that would not be the case. Brokers and other non-ADI lenders would be dealt with through a fast-track regime, or a regime which more closely reflected the regional start date, where there are considerable difficulties for ADIs in meeting the start date.

In conclusion, this is a very important reform. It is a reform that governments have spoken of for many years and indeed for many decades but it is a reform which has eluded governments. We are proud that we have been able to deliver this reform, subject to the wishes of both houses of parliament. We thank our state colleagues for their cooperation and for the very constructive way in which they have engaged in discussions, particularly with my predecessor as minister for corporate law, the Hon. Senator Nick Sherry, and with me, in progressing this reform. I commend these very important forms to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.