



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES
NATIONAL CONSUMER CREDIT
PROTECTION AMENDMENT BILL 2010

Second Reading

SPEECH

Wednesday, 10 February 2010

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Wednesday, 10 February 2010
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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) (9.39 am)—I move:

That this bill be now read a second time.

Today, I introduce a bill that will amend the Commonwealth's consumer credit legislation to ensure an effective referral of power from the states to the Commonwealth in relation to consumer credit.

Mr Deputy Speaker, as you would be aware, last year the government enacted legislation to implement phase 1 of the National Consumer Credit Reform Package, delivering on the government's commitment to modernise Australia's consumer credit laws.

This credit reform package will, for the first time in Australia, provide a single, standard, national regime for the regulation of consumer credit replacing the state based regime, which operates inconsistently across the eight jurisdictions.

This landmark reform has only been possible through the strong commitment by the Commonwealth, state and territory governments working in a spirit of cooperation to realise the COAG reform vision for a single, uniform national credit law.

This is evidenced by the signing of the Intergovernmental Agreement for National Credit Law by the Commonwealth, state and territory governments in December last year and a commitment by all governments to commence the national credit law at the same time later this year.

As the Commonwealth's legislative powers are not sufficient to enact a nationally comprehensive regulatory framework for consumer credit, it is therefore necessary for the states to refer their powers to the Commonwealth under section 51 of the Constitution by passing the relevant referral legislation in their respective parliaments.

Tasmania has passed the Credit (Commonwealth Powers) Bill 2009.

Following the enactment of the referral bills, the states will be able to repeal their state laws in time for the commencement of the national credit legislation on 1 July 2010.

In December last year, the Commonwealth and state governments agreed to modify the referral bills by inserting 'carve out' provisions, which provide that certain subject matters, such as State taxation, are excluded from the referral bill.

This bill amends the National Consumer Credit Protection Act 2009, the 'credit act', to recognise certain exclusions to the scope of the amendment power in the referral bill and to enable an effective reference of state power to be made either with or without any exclusions to that power.

This ensures that the state reference legislation with no limitations and state reference legislation with the added protection of the exclusions to the reference of their powers are equally effective.

The amendments in this bill will also allow the states to refer their regulatory powers in relation to consumer credit by 'adopting' the Commonwealth's legislation. This will ensure the constitutional soundness of the referral of consumer credit powers.

Following the Commonwealth's enactment of this bill, the states wishing to refer powers using the adoption approach will be able to do so with their referral bills.

Importantly, the scope and effectiveness of the national credit protection regime will not be affected by any such variation to the referral or whether states refer power or adopt the national credit legislation.

Full details of the measures in the bill are contained in the explanatory memorandum.

Debate (on motion by **Mrs Gash**) adjourned.