



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Main Committee

TRADE PRACTICES AMENDMENT (AUSTRALIAN CONSUMER LAW) BILL (NO. 2) 2010

Second Reading

SPEECH

Wednesday, 23 June 2010

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Page 6490
Questioner
Speaker Georganas, Steve, MP

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Mr GEORGANAS (Hindmarsh) (5.12 pm)—I too rise to speak on the Trade Practices Amendment (Australian Consumer Law) Bill (No. 2) 2010. I would like to start off by congratulating all of those involved in the moulding of these new laws and the reformation of existing laws in such a way as to make producing, selling and buying easier and more straightforward throughout Australia for the consumer. This bill is the second half of a package of legislation put to this parliament by the government in the formation of a single national law on consumer protection. It comprises elements of 17 existing laws around the country. It is 17 bits and pieces of legislation from the states, territories and Commonwealth which have been rolled up into one national Australian consumer law. Further to the work of the government in the drafting of the bill, we have had the input from the Senate Economics Legislation Committee and additional recommendations that have been made by the coalition senators.

The government has taken on these positive, very constructive contributions, and it is pleased that they are to be reflected in the final Australian consumer law. I am pleased that the opposition senators have expressed a favourable predisposition towards the intent of this bill and that they have recommended that it be passed by the parliament. This is, of course, for a very good reason. The Productivity Commission has stated that streamlining these myriad laws into one consistent Australian consumer law applied universally throughout Australia will save our economy some \$4.5 billion a year in compliance costs and waste minimisation. That is almost \$5 billion simply from getting the whole country on the same page using the same legislation: the Australian consumer law. This is just one element of a highly significant remodelling of the Australian business landscape that this Labor government has undertaken and is making terrific progress in achieving.

The remodelling is the removal of barriers to business activity across our country, the removal of the myriad details which businesses have previously had to wade through and the removal of compliance costs of these obstructions which have been characteristic of doing business in Australia since colonial times. This pro-business, pro-consumer, commonsense government has been consolidating myriad laws around the country, laws which are typically the same in terms of purpose and desired outcomes within respective jurisdictions but still cost unnecessary additional time and unnecessary energy in compliance. Myriad laws affecting the practice of doing business in Australia are being consolidated. They are being morphed into one single, national, universal Australian law which removes the unnecessary additional costs to interstate businesses and creates a smooth and more cost-effective, business-friendly service in which to work and achieve.

A seamless national economy is the target, establishing Australia as a place with one set of laws under which to conduct business. There are 27 areas of regulatory reform on which the government, with the states and territories, has been working to unify our national economy, 27 reforms to reduce waste and better enable people to get on with the job they do best, professional accreditation, an environmental assessment, occupational health and safety approvals, rail safety, unifying trustee corporations, mortgage broking and margin lending laws, and development and construction. The list goes on, with 27 areas of regulatory reform which I expect the opposition cannot help but support.

Consumer protection has always been a hot topic. Something like one in four phone calls to my electorate office deals with consumer issues. I receive in the electorate of Hindmarsh many calls which are connected to consumer protection. Whether the matter deals with telcos or with banks, a new vehicle or some other transaction, the constituents in my electorate know that they should be able to have an expectation that contracts do not deceive or manipulate and that contracts entered into give them what they understand they have requested and agreed to. It is very simple: what they have requested and what they agreed to, no more and no less. There is an overwhelming belief in the notion of fairness across South Australia, my home state, and I am sure that in the rest of the country people expect a fair deal. Often, regrettably, a fair deal is difficult to realise. I applaud the Minister for Finance and Deregulation, the Hon. Lindsay Tanner, and the Minister for Competition Policy and Consumer Affairs, the Hon. Craig Emerson—the good doctor—for their ongoing work in this area, and of course the work of Chris Bowen also. People understand that simplicity and fairness in the realm of government can be a deceptively tall order, but the benefits extend beyond consumer contentment. As I have already reminded the House, some \$4.5 billion worth of productivity increases will stem from this Australian consumer law alone.

Those opposite know how low Australian workplace productivity improvements had sunk over the previous decade. From the best practice productivity increases of 2.5 per cent to 3.3 per cent per year in the 1990s, the previous administration presided over the loss of so much of that competitive edge and advantage which businesses had racked up under the Hawke-Keating government. We were becoming slower, sloppier and consequently poorer as a nation and as a workforce, and throughout most of the life of the Howard government our competitiveness, our job security and our pay packets were becoming comparatively smaller year by year. There is absolutely no doubt that this is unsustainable and has to be corrected—that is self-evident. That it has fallen on a reformist Labor government to correct this dissent and decay is no surprise. If there is going to be substantial reform in this country aimed at doing better, working smarter for the greater reward or establishing the mechanisms for the public desire to save, invest and provide for our future, it is typically a Labor government that will deliver.

Reworking the business landscape to reduce the compliance costs of doing business across state borders—that is one thing. Reworking the health landscape to improve efficiencies for and accountability to the Australian public—only Labor is capable of that. Reducing company tax, for example, from 30 per cent to 28 per cent in the short term—yet another of Labor's pro-business, especially pro-small-business, policies—is only being supported by Labor. Having greater incentives for new investment in job creation, reworking the mining taxation system to tax profits instead of activity, to tax the most profitable more and the least profitable less—should we hope for anything less in that segment of our taxation system?

The opposition's great push was for the regressive GST, taxing those with the least capacity to pay the greatest proportion of their disposable income. Now, again, they are proposing a schismatic shift. They are saying we should keep taxing those who do not make a profit and lower the tax paid by those who make the biggest profits of all. In the public debate whirling around us over taxation, we have proposed government action to improve businesses' capacity to survive and prosper. Those who oppose for the sake of it want to slug the poorest mining companies—those at most risk of shedding jobs and wasting plant and equipment, most at risk of going belly up and contributing nothing to our national economy—the same as the biggest mining companies with the biggest profits in the world.

That is what the Liberals do and that is what the opposition have been doing. They skew the system to protect the biggest businesses of all and forget the rest, forget the entrepreneurs, forget the start-ups, forget the new ventures, forget the new ideas and industry spin-offs, and forget the job creation. Typically, when it comes to economic reform and making the Australian business landscape fairer and more productive, they simply do not care. But I am pleased that, on this occasion, there has been a lack of obstruction for the sake of it and a collaborative effort where both sides of parliament have contributed meaningfully.

I commend this bill to the House. I commend this government to consumers around the nation. And I welcome the improvements to fairness, clear contracts, consumer protection and a seamless national economy that are just some of the results of this Labor government's action in bringing the Trade Practices Act into the 21st century.