CONSUMER CREDIT (WESTERN AUSTRALIA) AMENDMENT BILL 2002

Second Reading

Resumed from 4 December 2002.

MR D.F. BARRON-SULLIVAN (Mitchell - Deputy Leader of the Opposition) [10.04 pm]: This is a significant piece of legislation for a number of reasons, which I shall outline shortly. I will skim briefly over what the Bill intends to achieve, and I will then refer to some of the unintended consequences, as I shall call them.

First, I make it clear to the House that the legislation we are dealing with now is an amendment to the laws in Western Australia that govern the administration of consumer credit. In no way whatsoever are we talking about business finance; we are simply talking about domestic loans, whether they be home mortgages, loans for cars, personal loans and so forth. In recent years there has been a growing recognition of the fact that although each individual State and Territory has the prime legislative authority in this area, there is of course a need for national unity. Putting it simply, if a credit organisation, a finance organisation or a lending organisation wants to market a product, for example, it makes a great deal of sense that they should deal with a similar legislative and regulatory environment in each State and Territory throughout Australia, otherwise they will have to market or tailor their particular financial product differently in different States and Territories. I think everyone agrees that the notion of uniformity is worth striving for. Whether this legislation is the way to do it is, at best, in doubt. However, we will argue that that is not the case.

The Government indicated in the minister's second reading speech that the first significant benefit of this legislation will arise from the fact that we will have a uniform consumer credit code across Australia and that that will lead to the introduction of the initiative of a mandatory comparison rate for advertising financial products. The minister used a phrase that I think Hon Peter Foss has used a number of times in the upper House and used when he was minister; that is, "truth in lending". I shall touch on that comparison rate in a bit more detail later on.

The legislation also seeks to extend the time limitation period for the commencement of civil penalty applications under the consumer code from the current limit of two years to six years. Again, the argument put forward is that, at the moment, the two-year limit is, to quote the minister, "a major restriction" on the ability of his department, the Department of Consumer and Employment Protection, in policing the actions of credit providers and their compliance with the code. Again, I shall touch on that a little later. Interestingly, the minister referred to the fact that a sunset clause will apply to the comparison rate, although the sunset clause obviously will not apply to the code as a whole or indeed to this legislation. The minister has made the point that penalties under the consumer code will be set through the use of penalty units. It is my understanding from the briefing that we were provided with courtesy of his department and his office that the penalties will remain equivalent to those in our statutes at the moment.

I will now go through the points that I have just raised in a little more detail. I want to start with the question of the need for uniform consumer credit legislation and uniform consumer credit arrangements throughout Australia. This is not something that the current Government has just started or has considered recently; it goes back a number of years. In fact, it started in the early 1990s. Indeed, in March 1996, the member for Kingsley, the then fair trading minister, Hon Cheryl Edwardes, said in a media statement that Western Australia was firmly committed to new national credit laws. At the time there had been some criticism in the national Press of Western Australia and Tasmania for in some way holding up progress towards those laws. In Western Australia's case that was somewhat unfair. It is worth noting that when the changes were brought to this Parliament the Labor Opposition at the time introduced no less than 43 amendments to the Bill. The number of amendments bogged down the normal parliamentary process at the time. The Tasmanian Parliament, particularly its upper House, raised a number of concerns about the process, which delayed the progress of the legislation in that State.

This legislation proposes that consumer credit legislative changes would be made firstly on a basis of at least a two-thirds agreement in a ministerial council meeting. An agreement would lead to legislation going to the Queensland Parliament. Assuming the Queensland Parliament passed the legislation, it would automatically be adopted as template legislation by the other States and Territories. There are a number of reasons for that. The first is to achieve broad agreement amongst States and Territories at a ministerial council meeting. The legislation is then dealt with by only one Parliament and, almost instantly, the legislation approved by the Queensland Parliament becomes law in Western Australia and elsewhere. That is one way to achieve uniformity on consumer credit legislation. However, it opens a Pandora's box of some very important principles, particularly the accountability of the Government and the Parliament of this State to the people.

If it were not to be done this way, how could it be done? The previous Government favoured consistent legislation. In other words, the need for a uniform approach was recognised, but it did not like template legislation which went through another Parliament and which this State adopted automatically. The Opposition would prefer to consider the matter in our own Parliament and go through the normal stages of parliamentary debate before it is approved or disapproved.

It is interesting that the current Labor Government has taken the approach it has. I say that because it is in effect abrogating its responsibility to the people of Western Australia by saying that it will attend a ministerial council about legislative changes to consumer credit. We may not agree with those changes; we may say that they are not a good thing for Western Australian consumers or that they may result in a huge impost on small business in this State and, as such, we do not agree with them. However, we may find ourselves in the one-third minority, and the two-thirds majority represented by the large population States on the eastern seaboard may decide that Western Australia will get changes to consumer credit legislation whether or not it likes it or whether or not it is good for consumers or the small business community. We will find the legislative changes going to the Queensland Parliament for debate. Guess what? The Queensland Parliament has only one House; it does not have a House of Review. In other words, it is a fait accompli that if the Queensland Government agrees with the position of the ministerial council, it will go through the Queensland Parliament, even if the Western Australian Government does not agree with it or if it is bad for Western Australian consumers and small business. Western Australia will be outvoted on the ministerial council and the matter will be referred to the Queensland Parliament, which is a unicameral Parliament. It has no House of Review. The next minute the Queensland Government will approve the legislation and, hey presto, it will become template legislation. Because of the Bill we are debating tonight, it will be automatically adopted in Western Australia. Hang on, that is a bit odd. Our legislation is to be made by a Parliament in Brisbane? They may have lovely weather over there but we do not always want their legislation, thank you.

Surely there must be accountability. Surely this Parliament must consider those legislative changes. We are looking after the interests of Western Australians here, not bananabenders on the other side of the continent. I must tell members that there is no such accountability. In fact, the minister's second reading speech states -

> To further ensure that this Parliament remains fully informed about prospective changes to the code -

That is the consumer code that will be amended by this legislation I have referred to -

> it is my intention as a matter of policy to advise of any amendments prior to their introduction into the Queensland Parliament.

Members should bear in mind that when the ministerial council decides that we will make these changes and before the changes go to the Queensland Parliament, the relevant minister, very nicely, will advise of those amendments as a matter of policy. He does not say how he will advise us of them. He may issue a press release, make a ministerial statement or even mention it to me in the corridor. That is the degree of accountability for legislative changes that affect the welfare of consumers, small business and the commerce sector in Western Australia. That is the degree of accountability we will get if legislative changes are proposed that are not in the interests of Western Australians but we are outvoted in a ministerial council. The minister has said that he will as a matter of policy - I do not know what on earth that means - advise of any amendments before they are introduced to the Queensland Parliament.

What about after those amendments have gone through the Queensland Parliament? What will happen when the Queensland unicameral Parliament has decided to approve something that is not in the best interests of Western Australia and we are staring down the gun barrel of template legislation that will ensure those changes are implemented in this State? Is the Queensland minister required to come to this Parliament and make a statement or anything like that? I cannot see any provision in this Bill to indicate that he is. There is nothing in this legislation that provides for any degree of accountability through this Parliament to the people of Western Australia. In effect, under this legislation our laws will be implemented in the Parliament in Brisbane. That is a novel little concept. This template legislation could be introduced for a range of matters. Let us do it for all our law and order legislation.

Mr M.W. Trenorden: One vote, one value.

Mr D.F. BARRON-SULLIVAN: Hang on, I am not sure that I want Queensland's electoral legislation either. The point is that we could do this for all our legislation and members could all pack up and have a permanent holiday.

Mr M.F. Board: That would make the Legislative Council a bit nervous, wouldn't it?

Mr D.F. BARRON-SULLIVAN: It would probably make the Council very nervous. Western Australia would be governed from Queensland. That is an absolute nonsense. To put it bluntly, this template idea sucks. I cannot tell my constituents that we will have legislation in this State that we do not necessarily agree with but it

has gone through a Parliament in Brisbane and a two-thirds majority process on a ministerial council, which probably sat in Sydney or Canberra, and we will cop it sweet because the Labor Party has said that it is great legislation when it is not.

That, in a nutshell, sums up my concerns about this legislation. I am afraid that the concerns go deeper than that. We must examine the history behind what happened with this consumer credit legislation, in particular the national consumer code, to understand why we on this side of the House are an ever so tiny bit nervous about trusting a Parliament in Brisbane or trusting a ministerial council to run our affairs in this way.

It is interesting to give an account of something which Hon Peter Foss detailed in the upper House and about which he has spoken to some members on this side of the Chamber. When he was the minister and was considering this matter, he attended a ministerial council meeting in May 1993. It was called SCOCAM - the Standing Committee of Consumer Affairs Ministers. I will quote a few remarks made by Hon Peter Foss in the Legislative Council -

> All the ministerial councils have since been renamed. They now start with the letters MC - the ministerial council on something or other. SCOCAM became MCCA - the Ministerial Council on Consumer Affairs. Interestingly the "o" in SCOCAM, which stands for "of" was included in the acronym because it would otherwise have been called SCCAM, which would not have been a very good name for a meeting of ministers dealing with consumer affairs.

He went on to recount a very interesting story. He was involved in all these meetings and was dealing with the next issue to which I will refer; that is, the comparison rate. It really demonstrates the dangers of being a bit too flippant or too ready to change these arrangements in the way that the Government is proposing. Therefore, I will talk briefly about this thing called a comparison rate, which I mentioned earlier.

Essentially, the Government is saying that one of the first benefits we will get from passing this legislation and from enabling template legislation to take effect is that there will be in place from the beginning of July, if I remember rightly, a comparison rate for advertising interest rates. The idea behind this, as I said earlier, is to implement truth in lending. By that I mean that if a person looks at one finance company's interest rate on a finance product and tries to weigh it up against another, that person is not always comparing apples with apples. The companies have different fees, charges and conditions attached to the rate. Therefore, if that person really wanted to weigh up the two interest rates, other matters would need to be taken into consideration. That is what the comparison rate is supposed to do. It is supposed to be a tool to help consumers identify the true cost of a loan. This means that from 1 July 2003, all domestic finance lenders must provide in any advertising and promotional material this thing called a comparison rate.

How does one work out a comparison rate, because different finance companies operate in different ways and have different methods of working out their charges and fees? There is a formula, which is remarkably simple. The bottom line is that the finance companies will apply the following formula -

> i = n x r x 100%

It is simple, is it not? It gets even simpler, because when one breaks it down -

"n" is the number of repayments per annum to be made under the credit contract (annualised if the term of the contract is less than 12 months), except that -

(i) if repayments are to be made weekly or fortnightly - n is to be 52.18 or 26.09, respectively; and

(ii) if the contract does not provide for a constant interval between repayments - n is to be derived from the interval selected for the purposes of the definition of j mentioned below.

I hope members are all with me so far. It continues -

"r" is the solution of the following -

I hope I get all the terminology right. Any mathematicians are welcome to correct me -

$$\sum_{j=o}^{t} \frac{A_j}{(1+r)^j} = \sum_{j=o}^{t} \frac{R_j + C_j}{(1+r)^j}$$

where -

"j" is the time, measured as a multiple (not necessarily integral) of the interval between contractual repayments that will have elapsed since the first amount of credit is provided under

the credit contract, except that if the contract does not provide for a constant interval between repayments an interval of any kind is to be selected by the credit provider as the unit of time.

Members should hang on to that phrase because it is very important, and I will come back to it in a short while. It continues -

"t" is the time, measured as a multiple of the interval between contractual repayments (or other interval so selected) that will elapse between the time when the first amount of credit is provided and the time when the last repayment is to be made under the contract.

"Aj" -

I think that means "A" subscript "j" -

is the amount of credit to be provided under the contract at time j (the value of j for the provision of the first amount of credit is taken to be zero).

"Rj" is the repayment to be made at time j.

"Cj" is the fee or charge (if any) payable by the debtor at time j in addition to the repayments Rj, being a retained credit fee or charge that is ascertainable when the comparison rate is disclosed (whether or not the fee or charge is payable if the credit is not provided).

I am beginning to sound like Sir Humphrey. Other points provide some of the prescribed assumptions. For example, in the application of the above formula, reasonable approximations may be made if it is impractical or unreasonably onerous to make a precise calculation. Again, that is also an important point that I will touch on in a moment. That is the formula for working out the comparison rate. I am sure that members can now, on the back of a matchbox, quickly whip their home mortgage rate through the formula and compare with other members along the back benches what rate or comparison rate they are paying on their loans and so on. If they can do that, they are doing very well. However, there are some problems with this. The first is that the moment one has a loan facility in which the interest rate can be varied, that formula is no good. In the case of a loan facility in which the term of the loan can be brought forward or adjusted in any way, the formula is utterly useless. When a number of other prescribed assumptions that are contained in the formula fall by the wayside, the formula is redundant. For example, if a loan facility has offset arrangements, which a significant number of home loans do these days, that formula can be thrown in the bin.

Let us take home loans, the most significant form of domestic lending available. When people borrow a huge amount of money for their family home, it is without a doubt the single biggest investment most people will make during their life. Clearly, this sort of formula should apply to home loans. I am interested to hear the minister's reply on what proportion of home loans this formula will apply to. I am aware of very few home loans that are totally fixed in any regard. If extra money is put into a home loan each month, it can be paid off more quickly. Therefore, the formula does not apply. As the interest rates change with most home loans, the interest rate on the home loan mortgage changes and, therefore, the interest rate does not apply. As I said earlier, home loans these days have a number of finance products attached to them, particularly offset and equity arrangements and so on. Once again, if that is the case, this formula does not apply. We are letting the bananabenders in Queensland determine this State's legislation. The first marvellous benefit that will arise out of this legislation is that on 1 July we will have a formula, which I find difficult to pronounce, that does not accurately apply to a vast percentage of lending and financial arrangements in Western Australia.

If people think that they are comparing apples with apples under this formula, they might be misled. A prospective customer might get a comparison home loan rate from the ANZ Bank, for example, and compare it with a home loan product from the Commonwealth Bank and find that the rate for the Commonwealth Bank is a little higher. Obviously, the Commonwealth proposal would cost more money or may not be a good option for the customer and he might go for the ANZ proposal. However, he might not realise that the Commonwealth Bank has some other attributes that make that particular lending facility more attractive to that borrower. Again, there is the possibility that, by introducing this provision, consumers could be misled if, as I said earlier, the prescribed assumptions contained in the formula fall by the wayside.

This leads me to the second part of the interesting anecdote relayed by Hon Peter Foss. When he attended the ministerial council in May 1993, which I referred to earlier, there was much discussion amongst his ministerial colleagues from the other States about the need for template legislation and so on. He had some concerns about this approach and decided to play around with it. Following the debate, which went along the lines that I have been discussing about the application and relevance of that formula, he wrote on a piece of paper the words, "Warning! This figure is inherently unreliable and may even be misleading". In *Hansard* of 14 November 2001, Hon Peter Foss states that he handed this piece of paper to his chief executive officer at the time, Mr Martyn Forrest, and said -

> "We should allow them to have a comparison rate provided they put this warning on it."

I suspect he was doing this very much tongue-in-cheek. He went on to say -

> This was intended to relieve the tedium of the argument rather than as a serious suggestion. . . . As happens at many ministerial councils, the ministers gravitated to one lunch table and I passed this piece of paper around the table seeking to share the joke with the others, saying that I would agree to our having a voluntary comparison rate provided this warning went on it. I passed the note to I think it was the Queensland minister, who said it was a good idea. I passed the note to Hon Anne Levy, -

She was another minister, I think from South Australia -

> and she told me that on that basis she would agree to it. At this stage I did not like to suggest that I was only joking, but we had an agreement. Back we went into the Chamber, and we announced that we had an agreement on the basis that the comparison would not be compulsory; and, if it was used, it must have the warning on it. I could not believe it.

That sounds like something out of *Yes Minister*. Our minister at the time had a serious concern about the way in which this would operate and jokingly wrote a warning that this figure was inherently unreliable and might even be misleading. Lo and behold, his ministerial colleagues took him seriously and actually reached agreement that they should enforce that warning. To give Hon Peter Foss his due, the comparison rate that we are looking at today and which would be implemented in this State if we were to pass this legislation, which would allow Queensland to set our legislation for us in the way that the Labor Government in this State would like it to do, contains a warning. Part 8A, section 33C of the draft Consumer Credit Amendment Regulation, headed "Warnings about comparison rate", states -

> 'For the purposes of sections 146H(1) and 146O(1) of the Code, the warning about the accuracy of a comparison rate in an advertisement or in a comparison rate schedule is to be in writing in the following form -
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> > 'Care should be taken in using this comparison rate. The comparison rate is accurate only for the example given as other factors, including redraw fees or fees for early repayment, may influence the final cost of the loan.'

In other words, a figure is being given but it does not mean anything. It is an inaccurate way of trying to give people a more accurate assessment of the true cost of lending. This formula will have a warning attached to it if it becomes law, because it is inherently unstable in terms of its accuracy and it could mislead consumers. According to our minister, it is the first significant benefit of the legislation that we are dealing with in this Parliament tonight. I will be interested to hear whether the minister has run his own home mortgage, if he has one, through this formula, and whether he has decided to compare what he would pay with different financial institutions in accordance with this marvellous comparison rate. I would love to hear him even pronounce the formula. Assuming that this legislation gets to the upper House - it will if the numbers in this Chamber do what they usually do - I will have to go and listen to Hon Alan Cadby when he deals with the Bill, because he has a strong mathematical background. It will make for some very interesting listening. The point I want to make is that this is supposed to be the first and most obvious tangible benefit that we will get from this legislation. Quite frankly, it reads like something out of a script from *Yes Minister*. Yet it is the sort of gobbledygook that we are heading down the path of with this legislation. More importantly, I want to stress what I said earlier. To get the benefit of this crazy comparison rate, of letting Queenslanders decide what our legislation should be and of being outvoted by other States on a ministerial council and getting legislation that we do not want in the first place, we must give up our sovereign right to determine legislation in this Parliament in the interest of the people of Western Australia by accepting this idea of template legislation. The Liberal Party supports the need for uniform legislation, but we will not trade off the crucially important principle that we should be dealing with our own State's legislation for some slapdash, ad hoc approach that takes virtually all authority for consumer credit matters away from the Western Australian Parliament.

If this legislation is passed, it will bring in a complete regime for consumer credit arrangements. However, a number of provisions that were already in the legislation are being preserved specifically by the Bill now before the House. The minister alluded to these in his second reading speech, and they are spelt out in more detail in the explanatory memorandum. We will hopefully go through them in more detail during consideration in detail. The legislation we are dealing with now retains some differences that are in the existing Western Australian code for the purposes of the template code as it will apply in Western Australia. For example, section 53(1) of the Act will remain. It protects debtors by ensuring that guarantors cannot withdraw from the guarantee if the debtor has obtained credit or has entered into a contract with another person in reliance on the availability of credit under the credit contract. In simple terms, that means, for example, that a person who goes to a car auction having previously arranged finance and signed up a guarantor but has not yet entered into a finance contract may face a

situation in which he has made an offer on a car and is contractually bound to purchase that car, but when he goes to get the credit he finds that the guarantor has decided not to act as guarantor any more. Suddenly, the buyer is lumbered with the necessity of buying a car but cannot get the credit any more because the guarantor has pulled the pin. That is a very important provision in our legislation, because it protects a borrower in that situation. The Government has recognised that it is important. Other States do not have that provision. Our legislation as it stands is better than that of other States in this respect, so we will keep it in our legislation. This begs the question of why the other States are not putting this provision into their laws. We must take whatever goes through the Queensland Parliament, but Queensland does not seem to want to take what we have in our laws. This is a bit of a one-way street. That is certainly the sort of provision that one would think other States would take quite seriously. It is a very commonsense proposal.

Under section 66(1a) consumers can apply to the minister's department for assistance in negotiating a change in the terms of a credit contract with a credit provider if the consumer is experiencing genuine short-term hardship, such as illness or unemployment. Again, that is a very important provision. Provisions introduced into the legislation in 1995 allow the Department of Consumer and Employment Protection to go in to bat for individuals who very often have little experience with financial matters and suddenly find that, through hardship, they face difficulties in meeting their financial obligations. The department can help the consumer negotiate more suitable terms with the lender. It is a very worthwhile provision and something that would be preserved even though the template legislation that we will be dealing with does not contain it. Once again I must ask why other States do not put it into their laws, because it makes a great deal of sense.

Sections 101(2) and 108(2) of the existing law basically enable debtors and guarantors to make individual applications against a credit provider for a civil penalty if the credit provider has also failed to make an application in this State. The next section flows on from that and deals with the tribunal in which they would take action. It is a very important provision. It means that if a credit provider, such as a finance company, a bank or whatever, decides to have a go at a borrower, it cannot pick in which State it wants to do that in order to suit itself; in other words, it cannot decide that South Australia has a harsher penalty or it will get an easier go in South Australia so it will take the action there. The law provides that the credit provider must make application for that action in Western Australia. It is a very strong measure that is stacked in favour of consumers. Once again, we should be asking the other States why they do not put that in their legislation in order to look after their consumers in the same way that we have been looking after ours. Those are pretty important provisions that would be preserved under the legislation that we are dealing with. That again indicates that we have pretty good legislation and we have very strong consumer protection laws in place at the moment.

Let me go no further than cite a case that occurred not so long ago involving the Australia and New Zealand Banking Group Ltd. Members may have read in the media some time ago that the Victorian Civil and Administrative Tribunal ordered the ANZ Bank to make a payment of $6.9 million, which was made up of $5.25 million in civil penalties and a further $1.65 million in compensation to consumers. Western Australian consumers benefited from that action. When big cases like that have occurred, truth and justice have been able to prevail in the end. That is not to say that our legislation does not need improvement.

We on this side of the House have no problems with one aspect of this legislation; that is, the proposal to extend from two years to six years the period in which civil action can be taken for offences against the code, and to enable the department to take action within that period. My understanding from the advice I have received from people in the department is that they have been a bit hampered. Occasionally they do not find out about a problem with a credit contract until the contract is two, three or four years into its term, by which time under this legislation it is too late for them to take any action. We do not have any great problems with extending the time limit to six years, but I make the simple point that we can do that under the existing legislation. We do not need to let the bananabenders pass legislation in Brisbane and have it flow on automatically into this State in order to get that benefit. We can put it into effect through a simple change to our legislation.

If we do not go down the path of this form of template legislation that the Government and this minister would have us take, what are the alternatives? We could say that loosely speaking we will have this template system and we will go along with what the two-thirds majority of the ministerial council says, and we will let the Queensland Parliament deal with the legislative changes, but at least we will provide some accountability in the Western Australian Parliament. This is what the Tasmanians have done. Members may remember that I said earlier that our Tasmanian friends had held up the uniform credit legislation in 1995 because their upper House was considering amendments to it. The reason is that, unlike the Western Australian Government, which at the time said that it believed the Western Australian Parliament should be responsible for setting the laws for Western Australians, the Tasmanian Government said that it would go along with the template legislation idea but that it wanted to make sure that any changes to the code or regulations were approved by both Houses of the Tasmanian Parliament. The Tasmanian Government included sections 5 and 6 into its Consumer Credit (Tasmania) Act 1996 to provide for some degree of accountability. Section 5 reads in part as follows -

(2) Where the Consumer Credit Code specified in the Appendix to the Consumer Credit (Queensland) Act is amended, the Governor may by proclamation declare that the Consumer Credit (Tasmania) Code is amended as may be provided by the proclamation.

(3) A proclamation may not be made under subsection (2) unless a draft of the proclamation has first been approved by each House of Parliament.

It is a very simple provision that simply says that changes can be made by template legislation but that the draft proclamation regarding that legislation must be approved by both Houses of Parliament. Presumably, that is done by some form of motion. I notice that no time limit is specified. Again, it is up to the Government of the day to determine when it wants to introduce it and the parties in each House of Parliament to determine when and how they wish to deal with it. If the Western Australian Government had wanted to preserve at least some degree of accountability to this Parliament, it could have inserted a provision like that in this State's legislation. The Government might be worried about delays. It might be genuinely worried that we need uniform legislation but that if we had to come back to the Western Australian Parliament every time such legislation needed to be enacted, we could be months or years behind the other States in changing the laws. It could have gone the Tasmanian route and also imposed a time limit on the period within which both Houses of Parliament must deal with the matter. For example, the Government could have included in the Consumer Credit (Western Australia) Act a provision along the lines of -

> Where the Consumer Credit Code specified in the Consumer Credit (Queensland) Act 1994 is amended, the Governor may by proclamation declare that the Consumer Credit (Western Australia) Code is amended as may be provided by the proclamation.

That means that we will accept whatever is passed by the Queensland Parliament. The key point is that the Government could also have included a provision that reads -

> A proclamation may not be made under the previous subsection unless a draft of the proclamation has first been approved by each House of Parliament.

In other words, this Legislative Assembly and the Legislative Council must both approve the draft of the proclamation before it becomes law. That provision could continue as follows -

> If at the expiration of 15 sitting days after the tabling of the draft proclamation in both Houses of Parliament, either House of Parliament has not approved the draft proclamation, the amendments contained in the draft proclamation are then deemed to be not approved.

That would make sure that the Government got a move on trying to get that particular matter through the Parliament. If the Government decided that it did not really agree with the legislation that went through the Queensland Parliament - if it was part of that one-third dissenting minority in the ministerial council - it could simply sit with its arms folded and 15 sitting days later the whole thing would fall in the wastepaper bin. Democracy would have won the day in Western Australia because there would have been at least some degree of accountability to this Parliament. However, there will be no requirement for this Parliament to consider any such legislative changes. I remind the House of what I said earlier: that all we will get is, as a matter of policy, the minister making some sort of announcement before any draft legislative changes are introduced into the Queensland Parliament. The best approach is for us to keep making our own laws in this State and not go down the path of template legislation.

The Government will say that consumer credit laws in this State have been held back for up to two years. I do not think consumers have been put out as a result of that. For example, I asked for information about the number of times that successful actions have been taken in accordance with our legislation, and I understand the number is minimal. As I said earlier, perhaps extending the time limit for such actions and allowing the department to make such investigations will improve matters; however, that can be done without template legislation.

At the end of the day, regardless of whether it is a Liberal or a Labor Government that wishes to enforce particular consumer credit initiatives and consumer credit legislation, it is a matter for that Government to determine the priority. In other words, the other States might decide that they want to introduce a comparison rate and Western Australia might agree that it is a great thing to do. The system would be evaluated and the business community might agree that it is a fabulous system and would be good for consumers. In that case, nothing would stop it from being introduced into Parliament or from being set up as a legislative structure so that it could be dealt with by regulation. That structure would be subject to disallowance in the upper House; therefore, there would be some degree of accountability to the Parliament. The main point is that if the Government wants to do that, it can. It can introduce that legislation as the number one item on the Notice Paper and push it through this and the other House in a relatively short time. If it is good legislation, it will get the support of both Houses of Parliament. Very often legislation passes through both Houses with unanimous

support from the members. If it is a good initiative and the Government accords it the priority it deserves, there is no need for it to be held up.

Today we have seen that the first supposed major benefit of the legislation with which we are dealing is to introduce a comparison rate. Members on this side of the House remain far from convinced that that will be of any benefit, let alone a major benefit, to the consumers of this State. In fact, it may be misleading. Members should not just take my word for that. As I said earlier, that fact is incorporated in the wording provided for the explanation of the comparison rate, which states -

> Care should be taken in using this comparison rate. The comparison rate is accurate only for the example given as other factors, including redraw fees or fees for early repayment, may influence the final cost of the loan.

We have an airy-fairy, nebulous arrangement at best whereby the Queensland Parliament sets the legislation and a benefit turns out to be possibly misleading and detrimental to consumers. The obvious question is: whom did the Government talk to about this? Obviously it has extensively canvassed the finance industry in Western Australia. I read somewhere or was given briefing information stating that the Australian Finance Conference Ltd had been approached. Its head office is in Sydney. It supports this uniform legislation. Of course, I could have guessed that. I am not sure whether the Western Australian branch of that organisation was approached. Recently I tried to get hold of the president of the Western Australian branch, with whom I used to go to school. However, he is currently having a glorious time in South Africa. The people working close to him were not sure about the matter. I would be delighted to hear an assurance from the minister later that the Western Australian branch of the Australian Finance Conference was consulted and that we have something from it in writing saying how marvellous this legislation is.

I would also like to know what type of analysis has been conducted about any impact on the small business community. Are there any smaller credit providers or finance companies who might not relish the idea of the additional paperwork and costs incurred in producing comparison rates and who might not be all that keen on this legislation? That was certainly the case in 1995 when this type of legislation was considered in Tasmania. Some of the smaller credit lenders said that they did not need it and did not want it; in their opinion it would not benefit the consumers and would be a pain in the neck.

I want an assurance, and perhaps a list of all organisations and companies consulted in the State. I have a sneaking suspicion there was none. Again, I wait for the minister to give advice on the extent of consultation and the way the Government carried out an economic impact assessment on the small business community. I also would like to see examples of the comparison rates; that is, some real-life comparisons using current financial products, whether from banks, finance companies or other lenders, particularly relating to home loans. I am keen to see an estimate of the proportion of home loan financial products that can have this comparison rate applied accurately to the way they operate. My gut feeling is that not too many have been applied accurately, and that we may find the comparison rate proves to be somewhat misleading.

With those relatively brief comments, I invite the minister to respond in detail. I relish the prospect of getting into consideration in detail on these matters and others. The Liberal Party believes that this Parliament and only this Parliament should set the laws for this State. We have heard the Premier give us glib rhetoric from time to time about how he stands up for Western Australia. However, he and his Government want us to give up legislative authority to a unicameral Parliament on the other side of this continent with no House of Review. That Parliament may deal with legislation that, in the interests of our business community or consumers in this State, we do not agree with. This Government wishes to abrogate its responsibilities to the people of Western Australia. I indicated that the legislation behind the way our code operates contains provisions not seen in other States. Those provisions will be preserved in the Bill before the House. It makes one ask: if we have good legislation and other States do not have the provisions in their legislation, why are we letting them lead the field? Why are we going cap in hand to the other States and letting the Parliament in Queensland set the agenda for us when we have pretty good legislation here?

The only concern appears to be that we need to be a little quicker in making changes to our legislation to ensure uniform legislation. I sat for about two years in this place next to the member for South Perth. I hope he does not mind me saying this, but I made some glib comments to him at one stage and he set me straight. He was absolutely correct and spoke some wise words. I said some legislation should move through quickly, and he said that good legislation is not rushed through Parliament. It was a very salient point. To be effective and good legislation it must be debated properly in this Parliament. Yes, it will frustrate the Government from time to time that legislation is held up. Members of the Opposition and minor parties and Independents use their parliamentary position to question legislation, or debate it in earnest, but that is what this democratic process is about. People sit in public galleries and the media report debates, and people hear our arguments and know where individual members of Parliament stand on matters. Ultimately, we vote on legislation in the best

interests, as we see it, of the people of this State. We are completely bypassing that process. Not only will we speed legislation through this Parliament, but also, worse than that, we will bypass this Parliament. A Parliament in Brisbane in Queensland will determine legislation for this State, and there is not one iota of a requirement for any degree of accountability to either Chamber of the Western Australian Parliament. If the people of Western Australia knew that their laws were to be set in a Parliament in Brisbane in Queensland, they would say, "Gee, guys, what are you doing up on the hill? What are you there for? Why don't we just close the place down and have our laws set by template in Queensland?" There is a reason: we are elected to represent the interests of the Western Australian people. The only way we can do that with this sort of legislation is to deal with it properly in both Chambers in a full, open and accountable way. This legislation does not achieve that. I advise the minister that, for that reason, the Liberal Party will most strenuously oppose this legislation.

MR B.J. GRYLLS (Merredin) [11.00 pm]: I thank you, Mr Speaker, for the opportunity to put on the record the National Party's view on the Consumer Credit (Western Australia) Amendment Bill 2002. I thank the member for Mitchell for his very detailed response to this legislation. The National Party also fully supports the member for Mitchell's view. We are also extremely concerned with this legislation and will oppose it for much the same reasons that the member for Mitchell has outlined. The Western Australian Parliament should debate all legislation that will affect Western Australians. It is a fairly basic premise of being elected to this Parliament. As a newer member of Parliament, I would be fairly concerned if changes were made to Western Australian laws that I did not have the opportunity to debate.

One of the National Party's major concerns is that Western Australia is a vastly different State from the other States on the eastern side. That is constantly brought home to us by decisions made by other Governments. We would be very concerned if a minister from a Western Australian Government went to a ministerial council meeting, put forward the strongest view possible that he did not like the decision that the ministerial council was about to make, but that, on the ministerial council making the decision as outlined in this new legislation, that decision could become part of Western Australian law. We very strongly feel that this should not be the case. As the member for Mitchell outlined, if timeliness is the core reason for bringing forward this legislation, and if it is a simple amendment to a piece of legislation to bring Western Australia into line with the rest of the States in the Commonwealth and which will have a benefit to Western Australians, let us bring that amendment to the Parliament, put it through quickly, and make the changes. At least that would give us the opportunity to have that debate.

As has been outlined very well, Western Australian interests should not be subjected to members of Parliament from other States coming up with their own plans and ideas and foisting them upon Western Australia. We strongly oppose this Bill and look forward to the consideration in detail stage so that the minister can more thoroughly explain how Western Australia can benefit from this legislation.

MRS C.L. EDWARDES (Kingsley) [11.03 pm]: I oppose the form that the legislation takes. I thought that by now this Parliament would have understood the forms of models that this Parliament has agreed to either through select and/or standing committees or through debate in this House. There are four major choices of models. It is amazing how often, through a ministerial council, the one that keeps appearing is the template model, particularly when dealing with financial pieces of legislation. Those models were outlined in a select committee report to this House in 1992. Model legislation appears to be the most appropriate for retaining the supremacy of decision-making and parliamentary powers of this House. Model legislation is enacted by each State or Territory, and by the Commonwealth as federal law if required. Amendments are then enacted by each State or Territory. The model before us is the template model. It sometimes takes the form of a cooperative model. It is when a law is enacted in one State or Territory and applied by all other States and Territories. There is sometimes a federal supplement. The usual arrangement is for any amendment to the original legislation to be enacted in the originating State and to apply automatically in each State or Territory. As is the requirement under this legislation, it takes only a vote of the ministerial council in whatever format the particular template legislation requires. We keep forgetting that there is a difference between the executive arm of government and the parliamentary arm. If the executive arm decides at a ministerial council what amendments will be made to the legislation of this Parliament, the Executive is then usurping the power of this Parliament. If we let the Executive usurp the power of this Parliament, we deserve the legislation we get. What about the people? They elect us to bring in laws and to make them aware of such laws. Under this legislation, the minister does not even need to bring the legislation into this Parliament. He is not even required to advise us through media releases. It is a total usurpation of the power of this Parliament. That is not acceptable.

A third model is the reference of power from each State or Territory to the Commonwealth. We have seen examples of that in the past. The other model is mirror legislation, which is enacted by all States, Territories and the Commonwealth in identical terms. That is a less preferred model to the model legislation but is a far more preferable model to template legislation. People have often stated that the advantage of template legislation is that one Parliament makes the decision when trying to achieve uniformity. The question has to be asked whether

uniformity is in the best interests of Western Australia. That is the first question. The forms of the legislation must then be looked at. Will we be happy with every amendment passed by another Parliament in Australia? It will have nothing to do with the people who elected us. I suggest that, in the interests of uniformity, to have the Executive usurp the power of this Parliament is unacceptable. As such, we will always and totally reject this form of legislation in this Parliament.

In terms of achieving uniformity, it is often claimed that mirror legislation should be enacted throughout Australia. In her 1985 paper, Saunders wrote about mirror legislation that -

> Complete uniformity is almost impossible to achieve under an ordinary uniform legislative scheme. However limited the opportunity for amendment in the respective parliaments, the initial legislation is likely to differ between jurisdictions to some extent. Further departures from uniformity are likely to occur later, when the legislation is amended.

There are plenty of examples that illustrate that process particularly well. The best interests of Western Australia have to be looked after, not just having uniformity for the sake of uniformity. Any differences with legislation or amendments to legislation ought to reflect the differences in Western Australia. It is simply not good enough to say that we must have uniformity. I understand that financial institutions want uniformity because in a business sense it costs them less to use the same advertisements in all States. However, if Western Australia has not introduced the amendments, they must produce a second lot of advertisements. That cost is one that we can understand but it must be weighed up, again to the benefit of Western Australia, when allowing the Executive to usurp the power of the Parliament. I suggest to you, Mr Speaker, that one of the fundamental principles of this House is that we cannot whatsoever allow this form of legislation to go forward.

It is interesting to note also that this legislation has been brought on tonight in the absence of the member for South Perth. He would have several barbs to make about the legislation. On his behalf I refer to the eighth report of the Standing Committee on Uniform Legislation and Intergovernmental Agreements, which was a discussion paper on the new consumer credit code back in the time of that committee.

Mr J.C. Kobelke: What date?

Mrs C.L. EDWARDES: It was in 1993 but the report was released on 23 December 1994 before the previous changes. However, the same proposal was put forward, and I bet our bottom dollar that it was put forward by the same bureaucrats and public servants who advised the ministerial councils back in those days. One can almost see exactly the same words. The committee's report referred to the advantages and disadvantages of adopting a template legislative scheme and the advantages and disadvantages of an alternate consistent legislative scheme. It refers to exactly the same sorts of principles. We have fought template legislation in the past and we should be fighting it in the future. It is not acceptable that the minister has allowed himself to be shanghaied by the ministerial council into accepting something that is against this Parliament's stated principles and positions in the past. The minister cannot inform me - I would be pleased to hear from him otherwise - of any benefit to Western Australians in throwing out a stated principle of uniform legislation of this House. We have been through this debate on many occasions. This debate started with the cooperative companies scheme. I am sure the minister will recall that debate. Does he recall coming back to the Parliament after Christmas?

Mr J.C. Kobelke: For the Corporations Law?

Mrs C.L. EDWARDES: We came back to the Parliament and debated that legislation on the Corporations Law. The cooperative schemes were a previous example. Back in those days - at least we have moved on from there - we did not even get a copy of the Bill for the Act that we were supposed to be enacting. We were just given several pieces of paper to say that this House was enacting this legislation that had been enacted through the Queensland Parliament.

It is amazing how the Queensland Parliament - the only unicameral Parliament in this great nation of ours - is often picked on to deal with this sort of legislation. Would it be any different if the legislation had come into the Western Australian Parliament? What if Western Australia had been the host Parliament to bring forward the legislation? At least then Western Australia would be making the decisions on the legislation and its enactment. That would make a big difference to the other States and whether there would be a two-third majority on the ministerial council for those enactments; that would be a decision for them. In principle I would not support that but it would overcome my concern about usurping the power of this Parliament.

This legislation is not in an acceptable form and the Opposition will fight against it. We will oppose this legislation and we will continue to do so until the Government assures us that we will have an opportunity to have any amendments brought back into this Parliament. It has occurred before. We can make amendments quickly. We have shown that amendments can be made quickly when the Government of the day brings them into this Parliament. When it has said that amendments must be passed by 30 June or by 31 October, we have done that in this place. There are plenty of examples to illustrate that. I urge the minister to bring forward some

amendments. Any amendments to the primary legislation are then required to come back to this Parliament so that we can make the decisions ourselves and the minister, as a member of the ministerial council, is not making the decision on behalf of this Parliament, which is not acceptable. The mere fact of advertising as such is not acceptable, nor is the minister saying that he will bring forward the amendments and table them. This Parliament must make the decision on the amendments to this or any other legislation. This is not the Queensland Parliament. If this is not the Queensland Parliament, this Parliament has a right to make decisions on its own legislation that affects the people and businesses in our State.

The Deputy Leader of the Opposition has already said that he has not been able to talk to some of the small players. I know the pressure put on by the big players, particularly because it makes a lot of sense to them to have uniform legislation. Is uniform legislation good for Western Australians? If so, we want to accept it. The model must be that we in this Parliament accept that legislation and pass any amendments to it. It should not be left to the Executive to do that with a two-thirds majority throughout Australia. I oppose the legislation.

MR M.W. TRENORDEN (Avon - Leader of the National Party) [11.16 pm]: I do not want to say a great deal on this legislation, except that I will not today nor on any other day vote away the rights of the people of Avon, which the minister is asking me to do today. That will just not occur. The fact is that we have debates in this place on a regular basis about the Parliament itself and the Executive. However, this debate goes further than those debates. The Executive will not even give people who sit on either side of the Chamber the opportunity to comment on future legislation. That is totally unacceptable. If this Bill is passed, the only form of legislation on consumer credit that we will see is regulations. Some 3 000 pieces of deregulated legislation go through the two Houses of this Parliament every year. If we accept this Bill, the only bit that will come into either place is the regulations. The rest of it is a foregone conclusion.

It cannot be said that what is good for Queensland is good for Western Australia. I can give the House examples of that under the Credit Act. In rural lending, there are now situations in which major banks, in dealing with small communities in which markets are small, are using the Credit Act to refuse people normal transactions. That is happening today. If that is happening because a Bill that was passed in Queensland without any debate is destined for Western Australia, that is not acceptable to the National Party and is certainly not acceptable to the member for Avon.

I do not know the details of the facts. Some learned person in the Chamber will be able to correct me. However, I believe Queensland has something like 97 seats in its House, with approximately 11 National Party members and three Liberal Party members. That House is overwhelmingly controlled by one side of politics - the Labor Party. Queensland has no upper House. It is hardly an argument to say that any legislation will be well scrutinised when it goes through the Queensland Parliament. That cannot be said. Right now, the Opposition in that State is weak numerically. That is not a position that is acceptable to me or to the National Party. I have nothing against the good people of Queensland or the Labor Party in that State. The Labor Party in Queensland won the election and is entitled to rule. However, it dominates that Parliament. As I have already said, it does so without an upper House - a House of Review - and has a process under which even the committee system is overwhelmingly controlled by the Government of the day. It is not acceptable to expect us to pick up legislation that was born in a meeting in some other place in Australia. It is not acceptable that the member for Avon now or in the future - if there is to be a seat of Avon with the redistributions and other matters going on - or any member of this place cannot comment on the Bill. I have not read the Bill but I have read the explanatory memorandum. Nothing in that memorandum says how I can be involved in any future process of the Consumer Credit (Western Australia) Amendment Bill. The only way I can be involved in the debate is to sit in the parliamentary gallery in Queensland and hand notes to a fellow National Party colleague there. There is no requirement in the memorandum that I can see for the minister to inform me about the process - not that he does. Over the last couple of years, he has not usually told me what is passing through this place. Nevertheless, it is not required that that be done. I do not understand how a responsible person in this place like the minister is prepared to bring in legislation like this. I do not make that comment lightly as the minister and I do not have too many bingles.

The second reading speech and the notes refer to the proceedings of the Queensland Parliament. If ministerial councils or some other procedure dealt with this Bill, it would happen no quicker in Queensland than it would here. I do not think daylight saving cuts a couple hours off or adds a couple of hours to each day. We have the same notice that Queensland has. We have similar parliamentary proceedings to Queensland. If proceedings can be started in Queensland, they can be started here. Why not? What is the problem? If the requirement is that these matters be dealt with quickly, let that be the case. In 2002 there were several instances of the National Party being keen to pass Bills like that dealing with the amalgamation of Co-operative Bulk Handling Ltd and the Grain Pool, and we assisted the Government in getting those Bills through the House. When it is done for the good of Western Australians, we are generally cooperative in this place. That is an important point. Not every piece of legislation passed in the Western Australian Parliament will suit Western Australians.

I repeat that the current Act is impinging on the lifestyles of rural people. Western Australia's disability is not the same as that in Queensland or New South Wales where a much larger percentage of people live in rural areas. The markets are greater, particularly in the housing area and other loan circumstances, than they are in Western Australia. The effect of the same Act is different in Queensland compared with that in Western Australia. Rural Western Australians are getting a poor deal out of it and we must consider how we can assist those people who wish to buy land or housing in small country communities where the market is limited and the banks want to consider a different arrangement other than 100 per cent, 90 per cent or 80 per cent of valuation. The banks are reducing the amount to 30 per cent of valuation. If we want people to live in rural areas, we must give them some consideration under these Acts.

I get no satisfaction from the minister's second reading speech about the Standing Committee of Officials of Consumers Affairs and the Uniform Consumer Credit Code Management Committee. I have no idea who these people are. I have never met one of these individuals. I do not know how to contact them and I did not know that they existed until they were referred to in the minister's second reading speech. Why would I get any comfort from knowing about the existence of these organisations? I am sure they are competent people but they are totally unknown to me. None of these people has ever contacted me in the 16 years that I have been in Parliament. I do not know whether they have been existence for five minutes or 50 years. They are just names and mean nothing to me.

It is late at night. It is a shock to be here on the first day so late at night. I can see from the enthusiasm pouring out of this Chamber that most members feel the same way that I do. I do not wish to hold up the minister or take up the time of the House, but -

Mr D.F. Barron-Sullivan: That is an important point. Is it indicative of how this House will be run for the rest of the year? We are back here on the first day, it is half past eleven at night, and the Government thinks that this is a good way to get sensible debate on legislation.

Mr M.W. TRENORDEN: The point I want to make from the heart is that I do not like template legislation; I never have and I never will. I will oppose it as long as I breathe in this House. I do not want to use the word betraying, because it is not good enough, but I believe that I would be acting against the best interests of my electors if I were to allow legislation to go past me without having any say whatsoever in it

MR J.C. KOBELKE (Nollamara - Minister for Consumer and Employment Protection) [11.25 pm]: I understand that the Opposition is opposed, in principle, to this legislation. It is a position that it has held for well over 10 years; that is, that it is opposed, in principle, to template legislation. This Bill contains two important matters. One is the provision of a mandatory comparison rate in the Consumer Credit Code and the other is that it is to be put in place by way of template legislation, rather than by continuing to amend state-based legislation. There are two different issues. Some of the comments that have been made have not separated those issues. I do not want to speak for too long, so I will say very little about the mandatory comparison rate. It is quite complex. It is a matter that has been around for nearly 20 years. The other States are waiting on us. They wanted it in place last year. I said that we could not start on it because of our procedures. They said that 1 July this year was the latest that they would hold it up.

Mr D.F. Barron-Sullivan: Are we doing it for the other States?

Mr J.C. KOBELKE: No; all other States have done it. If the Deputy Leader of the Opposition listened, he might learn, because many of his comments showed his total misunderstanding of what is involved. I have personally supported the mandatory comparison rate for nearly 20 years. It is something that will be of benefit to consumers. We will talk more about what it is and how it will work during the consideration in detail stage.

I come back to the code and whether we should use template legislation or continue with the current regime in which we have specific state legislation, which we would continue to amend. What members must be absolutely clear about is that Hon Peter Foss, as the responsible state minister, signed up to the agreement in 1993. Western Australia is locked into the mandatory code unless we want to break out of the agreement. Hon Peter Foss signed us up in 1993. The only option is to break the agreement, with whatever consequences that would arise. It can be done, but it is a pretty big jump. Otherwise, we are bound to amend our legislation in this way. That is what has happened since, because that is what Hon Peter Foss signed Western Australia up to in 1993. It can be broken, and we would take the consequences. That came into force in 1996.

Western Australia is the only State in Australia that has not signed up to using template legislation. All other States and Territories have done it. It has been in place since 1996. If there is a basis to state rights claims, I ask members to come up with an example in which it has disadvantaged Western Australia. The Leader of the National Party suggested that there were, but he did not give any details. I see many areas in which we should not have uniform legislation, because it would disadvantage Western Australia. However, in matters of finance, lending in Western Australia is overwhelmingly done by institutions that trade nationally. We will not

advantage Western Australia by sitting outside a national scheme, because those institutions will simply not lend here or will lend at a different rate. It would disadvantage Western Australian consumers if we were to make ourselves less attractive than the rest of Australia. I was a member of this Parliament in 1991 when we heard the absurd rhetoric that was very similar to what the Deputy Leader of the Opposition put forward today; that is, that we should not sign away our birthright or abdicate our responsibility to govern for the people of Western Australia. The conservatives defeated, in the upper House, legislation to put in place the Corporations Law. Then the pressure went on, when the silly conservatives of the day realised that Western Australia is one tenth or less of the financial market of Australia and could not go its own way on corporations law. We had this absurd situation of the Parliament sitting between Christmas and New Year because the law came into effect in the rest of Australia on 1 January and we could not stick our head in the sand and our bum in the air. It was absolutely absurd.

All of the arguments I have heard so far - except for a few of the arguments of the Leader of the National Party, which I will deal with later in consideration in detail - were exactly the same tripe about not giving up our need to legislate for Western Australians. We should not do that if there is no benefit for Western Australians. However, this legislation has now been in place since 1996 in all the other seven States and Territories, and we have followed along behind doing exactly the same, but not by template legislation. This has meant that consumers in Western Australia have missed out when other States have acted, and they have had to wait to catch up, or the rest of Australia has waited, so that we could do it. It is a very inefficient way of doing things and it does not benefit anyone. No-one has presented any arguments that Western Australia will miss out. The 1993 agreement entered into by the last coalition Government locks us into going along with it. We can break that agreement, but no-one is suggesting that. The State is already committed to doing it; it is simply a matter of whether it will be done by template legislation or by amending state legislation.

There was much talk about Queensland dictating to Western Australia. The parties to the agreement are the six States and the two Territories; that is, eight Governments. Change can only come about if two-thirds or more of the parties agree. Six out of the eight States and Territories must agree for any change to occur. Queensland cannot do it alone; Queensland, New South Wales and Victoria together cannot do it; Queensland, New South Wales, Victoria and Tasmania cannot do it if they all agree. All this nonsense about Queensland doing it is totally irrelevant. I understand that people can have a philosophical position that Western Australia should not give up its rights. I ask those people to think very carefully about the advantages and disadvantages of the two models. I have made the decision that we are advantaged by using template legislation in this particular area of finance, because Australia has a single finance market. It does not have different finance markets in different States. That is gone. If it was not gone ten years ago in 1993 when the current arrangement was agreed to, it is certainly gone now. When I telephone about my home mortgage, I speak to someone in Sydney, who does something on the computer that turns up in my bank the next day.

Mr M.W. Trenorden: You can fix that up by banking with the community bank - the Bendigo Bank - down the road.

Mr J.C. KOBELKE: The member for Avon has confirmed my point. He is suggesting that I should bank with the Bendigo Bank of Victoria, because that is where its home base is. That is exactly my point. The community banks in Western Australia, which are doing a fantastic job, are tied to a Victorian bank. That is exactly the point. It is a national market, and we cannot have different laws applying to the market in different States and Territories. The Government is simply saying what is the best and most effective mechanism for ensuring that we have up-to-date consumer credit laws. I have looked at this matter very closely, and we would be much better served by template legislation. In consideration in detail we will be able to answer questions on the specific details. I commend the Bill to the House.

Question put and a division taken with the following result -

Ayes (21)

Mr P.W. Andrews	Mr J.C. Kobelke	Mr N.R. Marlborough	Mr P.B. Watson
Mr J.J.M. Bowler	Mr R.C. Kucera	Mrs C.A. Martin	Mr M.P. Whitely
Mr A.J. Carpenter	Mr J.A. McGinty	Mr M.P. Murray	Ms M.M. Quirk *(Teller)*
Mr A.J. Dean	Mr M. McGowan	Mr A.P. O'Gorman	
Mr S.R. Hill	Ms S.M. McHale	Mr J.R. Quigley	
Mr J.N. Hyde	Mr A.D. McRae	Mr D.A. Templeman	

Noes (16)

Mr D.F. Barron-Sullivan	Mrs C.L. Edwardes	Mr R.F. Johnson	Mr M.W. Trenorden
Mr M.J. Birney	Mr J.P.D. Edwards	Mr B.K. Masters	Mr T.K. Waldron
Mr M.F. Board	Mr B.J. Grylls	Mr P.D. Omodei	Dr J.M. Woollard
Mr J.H.D. Day	Ms K. Hodson-Thomas	Mr R.N. Sweetman	Mr J.L. Bradshaw *(Teller)*

Pairs

Mrs M.H. Roberts	Mr R.A. Ainsworth
Mr J.B. D'Orazio	Mr A.D. Marshall
Mr C.M. Brown	Mr W.J. McNee
Dr G.I. Gallop	Mr C.J. Barnett

Independent Pairs

Mr L. Graham
Mr P.G. Pendal

Question thus passed.

Bill read a second time.

House adjourned at 11.37 pm