

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to amend the *Credit (Commonwealth Powers) Act 2010* to allow for the repeal of provisions of that Act that provide for the maximum annual percentage rate for credit contracts when appropriate legislation has been enacted by the Commonwealth to address that matter. Accordingly, this Bill:

(a) removes the current expiry date of 1 July 2011 for provisions that specify a maximum annual percentage rate for credit contracts, and

(b) enables those provisions to be repealed by the Governor by proclamation.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on the date of assent to the proposed Act.

Schedule 1 Amendment of Credit (Commonwealth Powers) Act 2010 No 6

Schedule 1 [3] provides for the repeal of Division 2 of Part 2 of Schedule 3 to the Act by proclamation rather than on 1 July 2011, as is currently the case. That Division sets a maximum annual percentage rate for credit contracts entered into after 1 July 2010 of 48% calculated in accordance with that Division.

Schedule 1 [4] provides for the repeal of clause 9 of Schedule 3 to the Act by proclamation rather than on 1 July 2011, as is currently the case. That clause continues on the provisions of the former New South Wales consumer credit legislation that specify the maximum annual percentage rate for credit contracts to which that legislation applied before its repeal.

Schedule 1 [1] and [2] enable regulations to be made of a savings or transitional nature consequent on the enactment of the proposed Act. In particular, those regulations may continue on the provisions relating to the maximum annual percentage rate in relation to credit contracts entered into before the repeal of those provisions.