



New South Wales

Credit (Commonwealth Powers) Amendment (Maximum Annual Percentage Rate) Bill 2011

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- (b) enables those provisions to be repealed by the Governor by proclamation.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

First print



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Credit (Commonwealth Powers) Amendment (Maximum Annual Percentage Rate) Bill 2011

No. , 2011

A Bill for

An Act to amend the *Credit (Commonwealth Powers) Act 2010* with respect to the maximum annual percentage rate for certain credit contracts.

Clause 1 Credit (Commonwealth Powers) Amendment (Maximum Annual
Percentage Rate) Bill 2011

The Legislature of New South Wales enacts:	1
1 Name of Act	2
This Act is the <i>Credit (Commonwealth Powers) Amendment (Maximum Annual Percentage Rate) Act 2011</i> .	3 4
2 Commencement	5
This Act commences on the date of assent to this Act.	6

Schedule 1	Amendment of Credit (Commonwealth Powers) Act 2010 No 6	1
		2
[1]	Schedule 3 Savings, transitional and other provisions	3
	Insert at the end of clause 2 (1) (b):	4
	, or	5
	(c) the enactment of the <i>Credit (Commonwealth Powers) Amendment (Maximum Annual Percentage Rate) Act 2011</i> .	6
		7
		8
[2]	Schedule 3, clause 2 (5)	9
	Insert after clause 2 (4):	10
	(5) Without limiting subclause (1), the regulations under that subclause may make provision for or with respect to matters of a savings or transitional nature consequent on the repeal of Division 2 of Part 2 of this Schedule and clause 9. Those matters include (but are not limited to) providing for the continuing application, with any necessary modifications, of that Division and clause after their repeal to any or all of the contracts to which they applied immediately before their repeal.	11
		12
		13
		14
		15
		16
		17
		18
[3]	Schedule 3, clause 8	19
	Omit the clause. Insert instead:	20
	8 Repeal of Division	21
	The Governor may, by proclamation published on the NSW legislation website, repeal this Division.	22
		23
[4]	Schedule 3, clause 9 (3)	24
	Omit the subclause. Insert instead:	25
	(3) The Governor may, by proclamation published on the NSW legislation website, repeal this clause.	26
		27