



financial  
counsellors'  
association of  
queensland inc.

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30<sup>th</sup> June 2008

Financial Services and Credit Reform Green Paper  
Corporations and Financial Services Division  
Treasury  
Langton Crescent  
Parkes ACT 6200  
[financialservicesgreenpaper@treasury.gov.au](mailto:financialservicesgreenpaper@treasury.gov.au)

Dear Sir/Madam,

**RE: Financial Services and Credit Reform Green Paper Submission**

I make this submission on behalf of the Financial Counsellors' Association of Queensland (FCAQ).

FCAQ is the peak body for the Financial Counselling sector in Queensland. The association has 34 members located from Cairns to the Gold Coast and west to Darling Downs.

Our membership's client base (depending on funding agreements) ranges from wage/salary earners, gamblers, and Centrelink recipients; self funded retirees, small business owners and primary producers. Financial Counsellors provide support to individuals or families experiencing financial difficulties. Support is tailored to each client and includes advocacy, budgeting, education, and empowerment. Referrals are made where necessary and appropriate to other services to further improve the situation of the client.

This submission is allowed to be put in the public domain.

FCAQ welcomes the opportunity to add to the debate in this area and makes comment on the options presented in the Green Paper.

*Mortgages, mortgage broking and non-deposit taking institutions*

We agree with the second option, that the Australian Government should assume responsibility, not only for mortgages, but also for other forms of consumer credit, such as credit cards, car loans and other personal loans.

*Margin Lending*

We agree with the second option, to include margin loans as a financial product under the Corporations Act.

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### *Debentures*

Introduction of changes to the current regulatory framework which would reduce scenarios such as “WestPoint” are welcomed.

As well as the changes being made we would ask for a greater disclosure of the product being presented to an investor and how the “broker” or “advisor” will be paid for a sale.

### *Property Spruikers*

Property investment advice should be regulated by the Australian Government. As property spruikers take advantage of the regulatory gaps between State Fair trading laws and Federal law, it would be appropriate to have one overarching law of regulation.

### *Other Credit Products*

We support option one, that the Australian Government would assume responsibility for all consumer credit to ensure uniformity.

All financial products we ask, should have greater disclosure of the product being presented to the investor and how the presenter and/or company, advisor, broker etc. are remunerated and, particularly in the case of property spruiking, all related entities be disclosed as well. Fines for non-disclosure or non-compliance need to be at a level that is a deterrent to those who choose to disregard the law in these matters.

Financial Counsellors are not against financial institutions however from our experience some consumers are “enticed” into making poor investment decisions by glossy brochures or fast talking salesmen. By having the appropriate regulations in place, unscrupulous operators once identified are more able to be prosecuted.

FCAQ is not in favour of making it harder for companies to do business but we firmly believe that it is in the public good to ensure that the disadvantaged in our community are protected and that consumer protection laws are uniform throughout Australia both at a state and national level.

Yours Sincerely,

David Lawson  
Executive Member, FCAQ  
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