

Queensland



Explanatory Notes for SL 2002 No. 355

Introduction Agents Act 2001

INTRODUCTION AGENTS REGULATION 2002

Short title

Introduction Agents Regulation 2002

Authorising law

Introduction Agents Act 2001

Objectives of the Legislation and reasons for the objectives

The authorising law provides protection for consumers utilising the services of introduction agents and will ensure fair trading practices in that industry. The legislation supports the authorising law by dealing with such matters as the information to be provided by applicants for a licence and prescribed fees.

How objectives will be achieved and why this is reasonable and appropriate

The objectives of the authorising law will be achieved by—

- establishing a licensing system for introduction agents;
- establishing methods for disqualifying people from the industry;
- improving the provision of information to consumers about introduction services and prices for services;
- ensuring that (subject to monetary thresholds) no more than 30% of the contract price can be received prior to any services being provided;

- requiring “cooling off” periods for consumers to ensure protection against high pressure selling; and
- conferring powers on inspectors to investigate and prosecute breaches of the legislation.

The authorising law is considered a reasonable and appropriate way of achieving the objectives, as existing laws have failed to curb consumer exploitation. The objective of the legislation is to support the objectives of the authorising law by—

- prescribing for licences to be conspicuously displayed so that a person who is, or who may become a client of the licensee, can see that they are dealing with a licensed introduction agent; and prescribing for a licensee who carries on, or advertises, business as an introduction agent on the internet to show the licence number conspicuously on the licensee’s website (s.3);
- prescribing licensing fees for introduction agents (s.19(2)(c));
- prescribing fees for the renewal of a licence (s.25(2)(c));
- prescribing for other information to be contained in a register of licences (s.33(2)(b));
- prescribing for a certificate certifying as to any matter relating to the contents of the register (s.33(5));
- prescribing the words of a statement to follow the words ‘Important Notice’ in s.44(1)(b)(i);
- prescribing for other requirements for an introduction agreement, ie. for the number of a licence to be shown in a conspicuous place in an introduction agreement and for a form of notice as the last page of an agreement (s.44(1)(c));
- prescribing for a refund of fees in certain circumstances (s.99(2)(a); and
- prescribing fees for a replacement licence under section 30 of the Act (s.99(2)(a)).

The introduction of licensing fees for introduction agents will spread the financial burden for the regulatory regime across industry, consumers and Government. In the longer term it is expected that the licensing scheme will be administered through licensing fees. In return, the licensing system will provide consumer protection and will give a greater credibility to the industry.

Consistency with the policy objectives of the authorising law

The objective of the legislation is consistent with the policy objectives of the authorising law.

Benefits and costs of implementing

See Regulatory Impact Statement as attached.

Consistency with Fundamental Legislative Principles

The legislation is consistent with fundamental legislative principles.

CONSULTATION

Community

Because the proposed licensing fees are likely to impose an appreciable cost on the community and the industry a Regulatory Impact Statement (RIS) was released for public comment from 7 September 2002 to 4 October 2002. Written responses to the RIS have not resulted in any changes to the regulation.

Government

Consultation has been undertaken with the Business Regulatory Reform Unit of the Department of State Development, Queensland Treasury and the Department of Premier and Cabinet in relation to the RIS who support the introduction of a licensing system and the introduction of the proposed fees.

ENDNOTES

1. Laid before the Legislative Assembly on . . .
2. The administering agency is the Office of Fair Trading.