

# Chapter 1

## Introduction

### Terms of reference

1.1 On 24 June 2010, the Senate agreed to the following:

(1) That the following matter be referred to the Finance and Public Administration Legislation Committee for inquiry and report by 1 July 2011:

Exposure drafts of Australian privacy amendment legislation.

(2) That, in undertaking this inquiry the committee may consider the exposure draft of the Australian Privacy Principles and the draft companion guides on the Australian privacy reforms, and any other relevant documents tabled in the Senate or presented to the President by a senator when the Senate is not sitting.

1.2 Following the commencement of the 43<sup>rd</sup> Parliament, the Senate agreed to the committee's recommendation that the inquiry be re-adopted with a reporting date of 1 July 2011. The reporting date was subsequently extended to 30 September 2011, and then further extended to 6 October 2011.

### Conduct of the inquiry

1.3 On the same day that the inquiry was referred to the committee, the Australian Privacy Principles (APP) Exposure Draft and Companion Guide were tabled in the Senate. The APP Exposure Draft is one of four parts of the first stage response to the Australian Law Reform Commission's (ALRC) recommendations for the reform of Australian privacy laws. The committee reported on the APP Exposure Draft on 15 June 2011. The report is available on the committee's website.

1.4 The second part of the first stage response, the Credit Reporting Exposure Draft, was received by the President of the Senate on 1 February 2011 and was tabled in the Senate on 9 February 2011.

1.5 The committee advertised the inquiry into the Credit Reporting Exposure Draft in *The Australian* and contacted a number of organisations and individuals, inviting submissions to be lodged by 24 March 2011. The committee received 37 public submissions and three confidential submissions. The list of submissions is available at appendix 1.

1.6 The committee held a public hearing in Sydney on 16 May 2011. Details of the public hearing are at appendix 2. The submissions, Hansard transcript of evidence and answers to questions on notice may be accessed through the committee's website at [http://www.aph.gov.au/Senate/committee/fapa\\_ctte/foi\\_ic/index.htm](http://www.aph.gov.au/Senate/committee/fapa_ctte/foi_ic/index.htm).

1.7 The committee would like to thank all those who contributed to the inquiry.

## **Consultation undertaken during the inquiry**

1.8 During the course of the inquiry, Veda Advantage undertook further consultation with the Australasian Retail Credit Association (ARCA) and a group of consumer representatives – Consumer Credit Legal Centre, Australian Privacy Foundation and Legal Aid Queensland. The consultations considered five key matters which were highlighted during the inquiry:

- serious credit infringements;
- identity theft;
- hardship flags;
- complaints handling; and
- simplification of key definitions.

1.9 The outcomes of the consultations were provided to the committee for consideration during its deliberations on the Credit Reporting Exposure Draft. The committee also provided the outcomes to the Department of the Prime Minister and Cabinet for advice.

1.10 The committee would like to thank participants of the consultation process for their contribution to the inquiry. The reform of the credit reporting regime will have significant effects for consumers and industry stakeholders and it is important that the most effective and efficient regulatory regime is implemented.

## **Structure of the report**

1.11 The report is structured as follows:

- chapter 2 of the report provides an overview of the ALRC's review of credit reporting;<sup>1</sup>
- chapter 3 canvasses general issues raised in relation to the Exposure Draft;
- chapter 4 discusses matters in relation to serious credit infringement, identity theft and hardship flags, canvassed during the consultations undertaken by industry and consumer representatives;
- chapter 5 discusses complaints handling, including the matters raised during the consultation process;
- chapters 6, 7 and 8 discuss issues raised about specific provisions in the Exposure Draft;
- chapter 9 discusses issues in relation to definitions and meanings of terms; and

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1 Australian Law Reform Commission, *For Your Information: Australian Privacy Law and Practice*, ALRC 108, May 2008.

- chapter 10 presents a summary of the committee's conclusions.

1.12 A number of issues relating to particular provisions which were raised in submissions but not addressed by the committee are listed in appendix 3.

## **References**

1.13 On 1 November 2010 the Office of the Privacy Commissioner was integrated into the Office of the Australian Information Commissioner. The submission from the Office of the Privacy Commissioner in relation to the Australian Privacy Principles Exposure Draft was received before this change took place. While the committee's first report refers to the Office of the Privacy Commissioner, this report refers the Office of the Australian Information Commissioner.

