

# Banking and finance update

September 2015



## Consultation on the regulation of small amount credit contracts and consumer leases

In August 2015 the Assistant Treasurer Josh Frydenberg announced a review of the small amount credit contract (SACC) laws, a review process that is required by statute to take place under the *National Consumer Credit Protection Act 2009* (Credit Act).

Late last week the consultation paper for that review was made public, requiring consultation and lodgement of any submissions by 15 October 2015.

**A copy of the consultation paper can be viewed [here](#)**

The review now covers not only small amount credit contracts, but has been extended to involve consideration of consumer leases.

The review is being chaired by Ms Danielle Press. The panel members are extremely well credentialed in terms of their expertise in credit law over a number of decades. Ms Catherine Walter AM and Mr Stephen Cavanagh are the panel members for the purposes of the review.

The final report of the review panel is due to be handed to Government by the end of this year.

We doubt there will be any major surprises in the panel's review on the effectiveness of the law relating to small amount credit contracts (SACCs), although in this regard major players are seeking to exit this area due to low profitability, so there may be a push to allow greater returns.

But the field is wide open in relation to consumer leases - some significant changes are likely to be recommended in this area. It is well known that AISC has some serious concerns about this sector.

### CONTACT US:

Maria Townsend, Sydney  
Penny Cable, Sydney  
Jill Milburn, Sydney

Richard Williams, Melbourne  
Neville Debney, Melbourne  
Mary Nemeth, Melbourne

Shannon Adams, Adelaide  
Rick Harley, Adelaide  
Stefan Jury, Adelaide  
Troy Hawthorn, Brisbane

Paul Morris, Brisbane  
Darren Miller, Perth  
Marcus Easthope, Perth  
Antony Logan, Hobart