

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

4 – 6 June 2013

Question: BET 14

Topic: Consumer Credit Legislation Amendment (Enhancements) Bill 2012

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Senator XENOPHON asked:

Senator XENOPHON: Can I just go now to the issue of the review of online databases for use by payday lenders following the Consumer Credit Legislation Amendment (Enhancements) Bill 2012. Is that your jurisdiction?

Mr Kell: That is ours, yes.

Senator XENOPHON: What is the progress of this review?

Mr Kell: The consultation period has finished and we are currently assessing the submissions that we have received around the database. We are required to report back on that. Off the top of my head, I am not sure what the exact date of that will be. I am happy to give that information to you—

Senator XENOPHON: Could you take that on notice. Also, you may want to take this on notice: how many submissions has ASIC received?

Mr Kell: I would be very happy to.

Senator XENOPHON: Also, what is the general tone of these submissions? Are they predominantly supportive of the changes or otherwise?

Mr Kell: Without recalling the exact details, it has been mixed.

Answer:

The Government has asked ASIC to undertake a review of the effectiveness of a small amount loan database. ASIC has consulted on this issue (ASIC Consultation Paper 198: *Review of the effectiveness of an online database for small amount lenders*).

ASIC is finalizing the report of its review and will forward that report to Government by August.

ASIC received 14 submissions (including submissions from industry participants and consumer groups) in response to Consultation Paper 198: *Review of the effectiveness of an online database for small amount lenders*.

The general tone of the submissions was mixed with some support for a small amount loan database and some concerns about the effectiveness, accuracy and cost of such a database.