



Shane Rattenbury MLA

Minister for Climate Change and Sustainability
Minister for Corrections and Justice Health
Minister for Justice, Consumer Affairs and Road Safety
Minister for Mental Health
Member for Kurrajong

Mr Mark Fitt
Committee Secretary
Senate Economics Legislation Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

OBJ: 20/07063

By email: economics.sen@aph.gov.au

Dear Mr Fitt

The ACT Government welcomes the opportunity to make a submission to the Senate Economics Legislation Committee's inquiry into the *National Consumer Credit Protection Amendment (Small Amount Credit Contract and Consumer Lease Reforms) Bill 2019 (No. 2)* (the Bill).

The ACT Government strongly supports the reforms in the Bill to further protect and empower consumers of Small Amount Credit Contracts (SACCs). The ACT Government considers the reforms in the Bill are long overdue, and should be progressed as a matter of urgency.

In 2018, the ACT Government expressed serious concerns about SACCs through the Consumer Affairs Forum and asked the Australian Government to advance reforms that would provide important protections to vulnerable consumers. The ACT Government called on the Australian Government to immediately introduce these additional consumer protections.

The Bill is essential to promote financial inclusion and to better protect disadvantaged and vulnerable consumers. Currently, the manner in which SACCs are offered by lenders does not promote financial inclusion, but results in increased financial hardship for those who SACCs are intended to assist. Stricter rules for SACCs are essential to ensure the increased protection of vulnerable consumers who are often trapped in cycles in debt. The proliferation of automatic loan machines and online loans further adds to the urgency to introduce these reforms.

If you wish to discuss these matters, or would like further information on the ACT Government's support for the Bill, please contact David Snowden, ACT Commissioner for Fair Trading, on [REDACTED] or by email to [REDACTED]

Yours sincerely [REDACTED]

Shane Rattenbury MLA

17 FEB 2020

ACT Legislative Assembly

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