

15 October 2015

SACC Review Secretariat  
Financial System and Services Division  
Markets Group  
The Treasury  
Langton Crescent  
PARKES ACT 2600

By email [consumercredit@treasury.gov.au](mailto:consumercredit@treasury.gov.au)

Dear Sir / Madam

**Submission on consultation paper on the regulation of small amount credit contracts and comparable consumer leases**

We refer to the above consultation paper issued by the Government in September 2015 regarding the review of small amount credit contracts (**SACCs**) laws and related provisions in the National Consumer Credit Protection Act 2009 (**Credit Act**).

**What we do**

We provide flexible car leases in Western Australia, Victoria, Queensland, and New South Wales. Our focus is on simplifying car use by including servicing, maintenance, registration and insurance costs as part of our leases, meaning that our lessees do not have to worry about keeping extra money aside for common vehicle running costs and can budget knowing the amount of their vehicle running costs each month.

Generally, we provide leases for vehicles valued between \$10,000 and \$30,000, with a term of 12 to 48 months.

**Our comments on the consultation paper**

We welcome the opportunity to provide feedback on the issues raised in the consultation paper.

We wish to make a submission in relation to the following question.

Question 14: Which leases should be considered comparable with SACCs?

The SACC rules impose significant restrictions on businesses, product design, and require substantial compliance overheads. Such legislation should only apply when it is reasonably necessary to protect consumers.

In the case of consumers who are of a disadvantaged background or class, and are subject to exploitation by lenders, additional protections when borrowing very small amounts to help them get by from day to day are justified. However applying these rules to other types of products is unnecessary, and hampers freedom of choice, innovation, and accessibility to goods and services.

We consider that restrictions on a lease similar to the SACC regime could be warranted where the lease is for day to day products of a low value, and typical lessees are disadvantaged or easily exploited consumers. Consistent with this approach, the type of lease subject to rules which are consistent with the SACC regime should be limited to products with a store value of less than \$1,000.

Generally, we do not make leases to this class of lessee with an exception (less than 3%) for full-time carers.

Thank you again for this opportunity to make comments on the consultation paper. For further information or clarification about any matter, please do not hesitate to contact us.

Yours sincerely,

*Sam Giovenco*

Sam Giovenco  
Green Light Auto Group Pty Ltd