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COMMITTEE SECRETARY
PARLIMENTARY JOINT COMMITTEE ON CORPORATIONS & FINANCIAL SERVICES

DEAR SIR

*SPF AUST PTY LTD T/AS ACTION FINANCE IS A SMALL MICRO FINANCE PROVIDER THAT HAS BEEN OPERATING SINCE 1979

*WE ARE AN ACL HOLDER,AN INAUGURAL MEMBER & SUPPORTER OF NFSF & THE SMILES TURNER DELEGATION.

*WE PROVIDE APPROX 400 SMALL LOANS OF AN AVERAGE \$1000.00 PER YEAR.

*MY SUBSTANTIAL INVESTMENT & EMPLOYMENT IN MY BUSSINESS WILL DEFINITELY BE THREATENED & UNSUSTAINABLE IF THE PROVISIONS IN BILLS ARE LEFT UNCHANGED AS WELL AS APPROX 3000 OF MY PAST & CURRENT CONSUMERS WILL BE LEFT WITHOUT A LENDER OF CHOICE,WHO THEY TRUST & ARE HAPPY TO DEAL WITH.

*THE PROHIBITION RELATING TO SECTIONS 124B,124C,133CC WOULD WITHOUT A DOUBT PUT OUR CONSUMERS IN A COMPROMISING POSITION,& UNABLE TO ACCESS MICRO LOANS WHEN THE NEED ARISES.NOT TO MENTION THE DIFFICULTY OF POLICING THIS FOR THE LENDER.

*ACTION FINANCE IS MOST DEFINITELY UNABLE TO SURVIVE ON AN ALL INCLUSIVE 48% CAP WITH ALL THE REPURCUSSIONS THIS WOULD BRING ON BOTH THE CONSUMER & LENDER.

*IF THE MICRO FINANCE INDUSTRY WAS FORCED TO CLOSE DOWN DUE TO UNSUSTAINABLE REGULATION THE LILS & NILS SCHEME WOULD BE SWAMPED WITHOUT THE FUNDS THE MICRO FINANCE PROVIDES, AS WELL AS POSSIBLY UNDERGROUND LENDERS BECOMING MORE PREVELENT RESULTING IN MUCH HIGHER COSTS TO THE CONSUMER & NO LEGAL PROTECTION FOR THEM.

*DUE TO THE EXTENSIVE RESPONSIBLE LENDING APPLICATION PROCESS WE UNDERTAKE WITH EACH & EVERY LOAN INC REPEATS,(PROVIDING THE TRUTH IS TOLD BY THE APPLICANT) WE ONLY WILL THEN LEND TO THE CONSUMER IF THEY QUALIFY TAKING INTO ACCOUNT MANY FACTORS,MOST IMPORTANTLY THERE DISPOSABLE INCOME & THERFORE ABILITY TO REPAY.

*IT IS CERTAINLY NOT IN OUR INTEREST OR BENEFIT TO HAVE THEM IN A DEBT TRAP OR SPIRAL.FAR FROM IT.

*OUR CAPITAL WRITE OFF IS LESS THAN 2%PA A FIGURE THE BIG BANKS WOULD MOST LIKELY BE SATISFIED WITH.

*I AM PROUD OF THE WAY I HAVE BUILT MY BUSSINESS OVER THE LAST 12 YEARS,THE PERSONAL RELATIONSHIP I HAVE WITH OUR CONSUMERS ALWAYS TREATING THEM PROFESIONALLY,WITH COURTESY & ABOVE ALL ETHICALLY.

*LIKE ANY BUSSINESS A PROFIT MUST BE MADE OR CLOSE THE DOOR, WITH THE MAJOR REPURCUSSIONS THAT EVENTUATE FROM THAT.

*IF THESE CURRENT SUBMISSIONS ARE PASSED IN ANY WAY NEAR AS THEY ARE NOW THAT IS EXACTLY WHAT WILL HAPPEN TO THE WHOLE MICRO FINANCE INDUSTRY.

REGARDS

GARRIE HANNAH
DIRECTOR

ACTION FINANCE