

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2014 - 2015

Department/Agency: Treasury

Question: AET 321-322

Topic: Consumer protections on leases

Reference: written - 06 March 2015

Senator: Xenophon, Nick

Question:

In February 2014, the then Assistant Treasurer announced that the Federal Government would extend consumer protections to short term and indefinite leases, which are currently excluded from the operation of our national credit laws. The then Assistant Treasurer promised consultations over the next 6 months.

Following that announcement, the University of Melbourne published research (available at <http://consumeraction.org.au/summary-of-consumer-leases-and-consumer-protection-regulatory-arbitrage-and-consumer-harm/>) that found the distinction between 'consumer leases' and 'credit contracts' in the national credit laws to be artificial, and recommended treating all consumer leases as credit contracts for the purposes of regulation. This recommendation would have the benefit of reducing red tape.

321. To my knowledge, Treasury has not yet consulted on consumer leases as promised. When will Treasury consult on the regulation of consumer leases?
322. Will Treasury consider the important findings of the University of Melbourne research as part of its consultations?

Answer:

In relation to question 321, Treasury has been looking at options to address problems with short term and indefinite leases (unregulated leases).

In relation to question 322, the Treasury considers all stakeholder views and reports when consulting.