



## The Salvation Army Australia Territory

Territorial headquarters

2 Brisbane Avenue, Barton ACT 2600  
PO Box 4224, Kingston ACT 2604

P 02 6270 3118

Consumer Credit Unit  
Financial System Division  
The Treasury  
Langton Cres  
Parkes ACT 2600

Via email: [creditreforms@treasury.gov.au](mailto:creditreforms@treasury.gov.au)

### Consumer Credit Regulations

Dear Consumer Credit Unit,

The Salvation Army thanks the Treasury for the opportunity to provide feedback on the exposure draft of the National Consumer Credit Protection Amendment (Financial Sector Reform) Regulations 2023 (**the draft Regulations**).

The Salvation Army and others within the community sector have been calling for improvements to the regulation of consumer credit for many years. As a national provider of financial counselling, we have seen too many individuals drawn into unmanageable debt and financial hardship due to unsuitable loans and consumer leases.

The draft regulations as circulated appear to enliven the necessary protections for consumers in regulating the need and type of documentation lenders must consider and verify to ascertain the suitability of a Small Amount Credit Contract (SACC) and consumer leases.

The protection for consumers in consumer leases goes further, in providing greater clarity for the base price of a good hired under a lease, as well as the termination price, and cleaning and repair costs for terminated leases. Finally, The Salvation Army supports the substantial hardship provisions for lessees who cannot comply with lease obligations without financial hardship, and the clarified charges a lessor can charge.

The Salvation Army is optimistic that the draft Regulations will promote financial inclusion and be an effective protection for consumers. The Salvation Army also endorses the submission of the Consumer Action Law Centre (**CALC**) on the detail of the draft Regulations.

Founders **William & Catherine Booth**  
General **Brian Peddle**

*Wherever there is hardship or injustice, Salvos will live, love and fight  
alongside others to transform Australia one life at a time with the love of Jesus*

[salvationarmy.org.au](http://salvationarmy.org.au)

The Salvation Army welcomes the changes proposed in the exposure draft of the National Consumer Credit Protection Amendment (Financial Sector Reform) Regulations 2023 and again thanks the Treasury for the opportunity to provide comment.

Yours sincerely,

**Peter McGuigan, Major**  
Head of Government Relations  
The Salvation Army Australia

20 March 2023

*The Salvation Army acknowledges the Traditional Owners of the lands and waters throughout Australia.*

*We pay our respect to Elders and acknowledge their continuing relationship to this land and the ongoing living cultures of Aboriginal and Torres Strait Islander peoples across Australia.*

*We also acknowledge future aspirations of all First Nations peoples. Through respectful relationships we will work for the mutual flourishing of Aboriginal and Torres Strait Islander Australians and non-Indigenous Australians.*

*We commit ourselves in prayer and practice to this land of Australia and its people, seeking reconciliation, unity and equity.*

