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## Motor Trades Association of Australia

Ms Pamela Criddle  
National Project Officer  
Uniform Consumer Credit Code Management Committee  
Department of Consumer and Employment Protection  
Locked Bag 14  
CLOISTERS SQUARE WA 6850

Dear Ms Criddle

Thank you for the opportunity for the Motor Trades Association of Australia (MTAA) to comment on the *Consumer Credit Amendment Bill 2005* (the Bill) and the *Consumer Credit Amendment Regulation (No.) 2005* (the Regulations).

As MTAA understands matters, the Bill and the Regulations were drafted in response to findings of the Post Implementation Review and the National Competition Policy Review of the Code that the pre-contractual documentation currently provided to credit customers is both lengthy and complex and that it therefore made it difficult for consumers to identify key features of the product and effectively compare financial products.

It is MTAA's understanding that under the Regulations, the pre-contractual statement is required to be separated from the contract document and will consist solely of the *financial summary table* and the *summary of other information*. The *financial summary table* will outline, in tabular form, information such as the type of credit, the amount of credit, fees and charges and interest rates, while the *summary of other information* will elaborate on information described in the *financial summary table*. Both documents are to be drafted so they can be easily cross-referenced and the intention is that they will be read together. The regulations require that the financial summary table and the summary of other information are no more than two pages in length and written in plain English. The credit provider will be required to tell the customer to read the documents together.

As a representative body of Australia's retail motor trades, MTAA's interest in the Bill and Regulations arises from its representation of franchised and used motor vehicle dealers who often supply credit to their customers through a credit provider.

Having reviewed the requirements and having consulted with its Members, MTAA has no objections to the proposed amendments. MTAA recognises that while some changes to regulation are necessary, the automotive industry is a heavily regulated industry and MTAA is conscious of the importance of not allowing it to become over-regulated and imposing an unnecessary economic impost on members. Retail motor traders who provide credit to customers generally do so in their capacity as an agent for a finance provider. MTAA would therefore expect that the onus rests on the finance provider to provide its agents with the correct and compliant documentation to pass on to the consumer.

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