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12 December 2005

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

Per email: credit@docep.wa.gov.au

Dear Ms Criddle

Credit & financial services: Solicitor lending, instalment contracts & the Consumer Credit Code

Cuscal welcomes this opportunity to respond to the *Credit & Financial Services – Solicitor Lending, Instalment Contracts and the Consumer Credit Code: Consultation Package* (the consultation package).

There are 158 credit unions operating in Australia with over \$30 billion in collective assets and over 3.6 million members across the country. On both these measures, the credit union sector achieves significant and stable growth offering a viable and accessible alternative to the fringe lending market.

Credit unions are strong supporters of appropriate regulatory measures to ensure effective market competition, to protect consumers and to admonish unscrupulous behaviour. A key concern for Cuscal is to maintain and strengthen the uniformity, consistency and appropriate targeting of the UCCC.

Cuscal believes the uncertainty about whether vendor finance, tiny term contracts and solicitor lending is covered by the UCCC warrants the clarification being sought in these proposals. However, Cuscal believes any reform should ensure reliable and well-regulated credit providers are not subject to competitive disadvantages associated with their compliance obligations vis-à-vis other credit providers.

Additionally, depending on the final model chosen for solicitor lending and the outcome of the proposal for national regulation of finance broking, it is possible that solicitors may end up being both the credit provider and broker at the same time. Cuscal believes this is not a desirable outcome.

If you have any questions please contact me on (02) 8299 9033 or at jmoyes@cuscal.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "J. Moyes".

JOSH MOYES
Adviser – Policy & Public Affairs