



Department of Justice

Consumer Affairs Victoria
Consumer Policy and Programs Branch

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Mr Matthew Callahan
Managing Director
The Cash Store
2/31 Princes Highway
Dandenong VIC 3175

Dear Mr Callahan

SMALL AMOUNT CASH LENDING INQUIRY

The Hon Tony Robinson MP, Minister for Consumer Affairs, has asked me to inquire into small amount cash lending in Victoria. In conducting this Inquiry I will be seeking to:

- update the Government's knowledge and understanding of small amount cash lending practices that may be causing consumer detriment, such as practices associated with debt collection, loan security, advertising, assessment of capacity to repay, and the role of fees and rollovers in debt spiral creation;
- identify ways in which the current range of protections and initiatives, both regulatory and non-regulatory, could be improved to increase their capacity to address problems facing consumers; this will include additional options such as a code of conduct;
- review interstate and international initiatives relating to price caps;
- identify and examine policy options;
- identify and examine compliance and enforcement options.

As a key stakeholder, I invite you to contribute to the Inquiry by meeting with me during May 2008. You are also invited to provide a written submission, though I am mindful that you may have made a submission to the *Consumer Credit Review*, led by James Merlino MP in 2005-06, and stress that earlier submissions about small amount lending will be considered by the current Inquiry and need not be re-submitted. I would be interested in receiving any new material or options you may wish to suggest.

Written submissions should be forwarded by 13 June 2008 to:

Small Amount Cash Lending Inquiry
Consumer Policy & Programs Branch
Consumer Affairs Victoria
GPO Box 123A
Melbourne VIC 3001

Further information about the Inquiry may be obtained by contacting Lynn Kirk, Executive Officer - Small Amount Cash Lending Inquiry, on (03) 8684 6471. Ms Kirk will contact you in the near future to ascertain your availability for a meeting.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'R Scott', written in a cursive style.

Robin Scott MP
Member for Preston