Section 22

While Centrelink income is more predictable and regular (hence the attractiveness of this customer base to lessors) the principles applied to calculating a PEA there are sound and can be applied more broadly

In short the consumer's income is determined using recent past income (in the period before the consumer enters into the contract), with this period presumably 90 days (consistent with the bank statement requirement). Any complexities or anomalies can be addressed through specific rules or assumptions in the law, to be worked through in implementation.

This figure is applied across the term of the SACC/lease. while leases may run longer the income figure at the time of contract is to be used throughout- that's my understanding of the proposal

Section 22

In Section 22 comments on the protected earnings amount, does it just come down to how we implement the protected earnings amount? s22 suggestion seems to imply that you make a forward looking assessment of whether the consumer can meet the 10% cap for each repayment over the term of the contract. This might be doable for a 3 month SACC, but it would be pretty hard for a 4 year lease. I thought we would probably end up doing something whereby you can't breach the 10% income cap at the time the lease is entered into or something like that?

Section 22

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