

16 June 2017

Ms Tegan Lemm
Lawyer, Deposit Takers, Credit and Insurers
Australian Securities and Investments Commission
Level 7, 120 Collins Street
Melbourne VIC 3001
Tegan.Lemm@asic.gov.au

Dear Ms Lemm,

Remaking ASIC class orders on financial counselling relief

Legal Aid NSW is an independent statutory body established under the *Legal Aid Commission Act 1979* (NSW) to provide legal assistance, with a particular focus on the needs of people who are socially and economically disadvantaged. We provide information, community legal education, advice, minor assistance and representation, through a large in-house legal practice and grants to private practitioners. Legal Aid NSW also administers funding to a number of services provided by non-government organisations, including 32 community legal centres.

The Legal Aid NSW Civil Law Division focuses on legal problems that most affect disadvantaged communities, such as credit, debt, housing, employment, social security and access to essential services. This includes a dedicated Civil Law Service for Aboriginal Communities with an in-house financial counsellor and a specialist consumer law practice. In 2016-17, 499 of Legal Aid NSW's in-house civil law advice services, and 158 civil law minor assistance services, included referrals to financial counsellors.

Legal Aid NSW civil lawyers work closely with financial counsellors to ensure clients receive holistic services in relation to their legal and financial problems. From this work, we understand that financial counsellors provide a critical service to vulnerable people and communities and those experiencing short-term financial hardship. The licensing exemptions underpin this by providing necessary relief from the disclosure, reporting and other requirements of holding an Australian Financial Services Licence and Credit Licence. Our observation is that the current instruments are operating effectively and should be continued without substantial change.

Legal Aid NSW therefore supports ASIC's proposal to:

1. remake, without significant changes, Class Order [CO 03/1063] *Licensing relief for financial counselling agencies*, which sunsets on 1 October 2017, and
2. remake as a single new instrument, without significant changes, Class Order [CO 11/926] *Credit licensing exemptions for NGOs (non-government organisations) providing credit assistance to consumers*, which sunsets on 1 April 2022, and ASIC Credit (Financial Counselling Agencies) Instrument 2015/992, which sunsets on 1 April 2026.

If you wish to discuss these matters please do not hesitate to contact Monique Hitter, Director, Civil Law Division

Yours sincerely

Brendan Thomas
Chief Executive Officer