



**THE LAW SOCIETY
OF SOUTH AUSTRALIA**

THE VOICE OF THE SOUTH AUSTRALIAN LEGAL PROFESSION

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Mr Nigel Ridgway
General Manager Compliance Strategies
Australian Competition and Consumer Commission
GPO Box 520
MELBOURNE VIC 3001

Dear Sir

Debt collection practices in Australia

I refer to your letter of 3 June 2009 and thank you for inviting the Society to comment on the paper that the ACCC and ASIC have prepared, "Debt collection practices in Australia". The paper was distributed to a number of the Society's Committees.

In relation to Item 7, the Costs Committee commented on the consumer concern that the legal proceedings might be instituted in a state or territory other than the one the alleged debtor resides in, which is presumed to refer to the creditor normally taking out proceedings in the jurisdiction where the debt arose (where the contract was entered into). The Society considers that the recommendation that the debt recovery proceedings should be issued in the jurisdiction in which the debtor lives is too heavy a burden to place on a creditor - especially a small business or an individual of comparable means to the debtor. If, for example, the debtor moves out of the jurisdiction where the debt was incurred it is unreasonable for the creditor to have to go to the expense of engaging a legal agent in another state. The debtor is already protected by the mechanism to have the proceedings transferred if such is warranted. The Society suggests that this concern may be best addressed by making more provision for the proper counselling of debtors who have legal proceedings served on them.

I trust this response is of assistance to you.

Yours sincerely

John Goldberg
PRESIDENT