

AUSTRALIAN CAPITAL TERRITORY
HIRE-PURCHASE (AMENDMENT) ORDINANCE 1981

ORDINANCE NO. 55 OF 1981

EXPLANATORY STATEMENT

The Hire-purchase (Amendment) Ordinance 1981 amends the Hire-purchase Ordinance 1961 (the Principal Ordinance) to implement recommendations of the Consumer Affairs Council to afford greater protection to consumers entering into hire-purchase agreements.

The Principal Ordinance requires that a hirer, before entering into a hire-purchase agreement, be given a First Schedule Notice which summarises a hirer's financial obligations under a proposed hire-purchase agreement. Section 5 of the amending Ordinance provides that a First Schedule Notice is deemed not to have been given to a person unless a copy of that Notice is signed by him or on his behalf in acknowledgement of receipt of that Notice.

Section 5 also provides a formula whereby the annual interest rate to be applied to a particular agreement is ascertained and, further, requires that the annual interest rate so determined be specified in the agreement.

Section 6 of the amending Ordinance details the respective rights and obligations of the owner and hirer on determination of a hire-purchase agreement following the voluntary return of goods, in the same way as the Principal Ordinance now provides in respect of repossessions. Thus, section 6 stipulates the circumstances in which the hirer or the owner may recover a sum of money and, further, provides that a financial statement and advice of the hirer's rights and obligations in accordance with a Fifth Schedule Notice be served on the hirer and any guarantors concerned.

The Principal Ordinance requires an owner, prior to repossession, to serve on a hirer a notice of intention to repossess in accordance with the Third Schedule and, following repossession, a notice in accordance with the Fourth Schedule detailing the hirer's rights and obligations. Section 7 of the amending Ordinance requires that these Notices be served either personally, by registered or certified post or by delivery to a person apparently over the age of 16 years at the hirer's place of abode or business.

Section 12 of the amending Ordinance repeals the First Schedule Notice and substitutes an amended First Schedule Notice which requires the hirer to be informed of the annual interest rate.

Section 13 of the amending Ordinance amends the Fourth Schedule Notice to advise the hirer of the requirement that he furnish an estimate of the value of the goods, the amount of refund that he claims and the time limitation imposed on his right to initiate proceedings for recovery of that amount.

Section 14 of the amending Ordinance inserts a Fifth Schedule Notice which details the hirer's rights and obligations following his voluntary return of the goods.

The Hire-Purchase (Amendment) Ordinance 1981 will not come into effect until a notice fixing a date of commencement has been gazetted in accordance with section 2. This will, in accordance with a recommendation of the Consumer Affairs Council, permit the finance industry to make the necessary administrative arrangements to give effect to the legislation.

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