

JOINT COMMUNIQUÉ

MINISTERIAL COUNCIL ON CONSUMER AFFAIRS MEETING FRIDAY 2 SEPTEMBER 2005

The Ministerial Council on Consumer Affairs (MCCA) held its fifteenth meeting in Canberra today. MCCA comprises Commonwealth, State, Territory and New Zealand Ministers responsible for fair trading, consumer protection laws, trade measurement and credit laws.

Members of the Council are:

Hon Chris Pearce MP, (Chair - Commonwealth)
Hon Diane Beamer MP, (New South Wales)
Hon Marsha Thomson MLC (Victoria)
Hon Margaret Keech, MP (Queensland)
Hon John Kobelke, MLA (Western Australia)
Hon Karlene Maywald, MP (South Australia)
Hon Judy Jackson, MHA (Tasmania)
Mr Jon Stanhope, MLA (Australian Capital Territory)
Hon Dr Peter Toyne, MLA (Northern Territory)
Hon Judith Tizard, MP (New Zealand)

Apologies were received from the Hon Judith Tizard, MP, the Hon Karlene Maywald, MP and the Hon Dr Peter Toyne, MLA.

MCCA's objective

MCCA's objective is to provide the best and most consistent protection for Australian consumers through its consideration of consumer affairs and fair trading issues of national significance and, where possible, development of consistent approaches to those issues.

MCCA's principal strategies

To achieve this objective, MCCA's principal strategies are to facilitate and encourage:

1. nationally coordinated and consistent policy development and implementation by all jurisdictions, including legislative consistency of major elements of consumer protection law and emerging policy issues (*Policy and Legislative Harmonisation*);
2. consistency of policy and enforcement decisions for the suppliers of goods and services within a national marketplace (*Consistent Enforcement*);
3. access to education and information for consumers and suppliers (*Education*);
4. co-operation and consultation on consumer policy between Australia and New Zealand (*Australia/NZ Co-operation*); and
5. Research into consumer concerns and trade practices (*Research*).

MCCA is supported by a Standing Committee of Officials of Consumer Affairs (SCOCA).

Today, MCCA considered a range of consumer issues in the context of these strategies. Outcomes of the meeting included:

Strategy 1 - Policy and Legislative Harmonisation

Review of Australia's Product Safety Policy

Ministers held further discussions on reform of Australia's consumer product safety system. The key options being considered include: greater harmonisation of product safety regulation and administration; making the system more proactive without placing undue burden on business; and improving product safety research and information.

During the meeting the Productivity Commission presented its draft report, examining the impact of options for reform of the system. The Commission's final report will be delivered by 16 January 2006. Ministers agreed to progress product safety reform quickly, following receipt of that final report. The matter will be considered at the meeting of MCCA expected in April/May 2006.

National Regulation of Property Investment Advice

A SCOCA working party is continuing to examine the issue of national regulation of property investment advice.

The working party is undertaking the drafting of a Regulatory Impact Statement (RIS) which will set out the proposed regulatory response for MCCA's consideration. The RIS process is expected to be completed by December 2005.

The Ministerial Council on Consumer Affairs (MCCA) noted that the Report of the Inquiry of the Parliamentary Joint Committee on Corporations and Financial Services released in June 2005 concluded that the simplest and most effective approach to regulating Property Investment Advice would be to extend the existing financial services regulation under the Corporations Act, which would immediately result in a comprehensive licensing, conduct and disclosure regime.

National Consistency for Co-operatives Legislation

MCCA agreed that the current Core Consistent Provision scheme was an unsatisfactory method of ensuring consistency of co-operative legislation across jurisdictions.

MCCA endorsed the preparation of legislation to replace the current Core Consistent Provision scheme with a template or consistent legislative scheme formalised through a Ministerial Agreement.

Unfair Contracts

Ministers noted the significant benefits consumers in Australia were obtaining from the ongoing implementation of Victoria's unfair contract terms legislation.

State and Territory Ministers reaffirmed their agreement to progress a national regulatory response to unfair contract terms as a matter of urgency. Ministers noted the impact of the national regulatory impact assessment process and requested SCOCA and ORR to take all necessary and appropriate steps to expedite the successful completion of this RIS by 1 November 2005.

Strategy 3 – Education

Consumer Protection for Indigenous Australians

Ministers today agreed to an accountability framework to ensure that the commitments contained in the National Indigenous Consumer Strategy are implemented over the next five years. This will involve a system of annual reporting by individual agencies and consultation with a reference group, which will include three Indigenous, non-government representatives. The first such member appointed is Mr Michael Long.

Ministers released the National Indigenous Consumer Strategy at a function at the National Museum of Australia in Canberra on Thursday 1 September 2005. The Strategy is the culmination of two years work by Commonwealth, State and Territory consumer and fair trading agencies, in consultation with Indigenous Australians, to develop a series of action plans to improve the position of Indigenous consumers throughout Australia.

Western Australia will be the lead jurisdiction for the implementation of the Strategy.

Consumer and Financial Literacy for Young People

MCCA welcomed the establishment of the Financial Literacy Foundation and acknowledged the Commonwealth's \$13 million contribution to the Foundation.

MCCA discussed implementation of its national plan for addressing consumer and financial literacy.

The plan has four pillars:

- embedding consumer and financial literacy knowledge, skills and understandings in national Statements of Learning;
- a national research project on youth debt;
- a national communication strategy; and
- expansion of available consumer and financial literacy resources for young people.

Of significant note, a national Framework for Consumer and Financial Literacy is currently being consulted on and will be finalised in September 2005. This is Pillar One of the project.

The Framework is designed to:

- inform the statements of learning that have been agreed to by the Ministerial Council on Education, Employment, Training and Youth Affairs;
- provide guidance to states and territories in the development of their curricula for Years K-10;
- provide guidance to developers of support materials and professional development for teachers of consumer and financial literacy.

Significant progress is targeted in this vital area for the next two years.

The work of MCCA will take into account the activities of the Financial Literacy Foundation in the areas of research and communication in particular.

Strategy 5 - Research

Consumer Policy Research

Today MCCA agreed to develop and maintain a nationally significant consumer affairs research agenda. A key aim is to assist the Council to identify priority emerging issues that are of critical importance to consumers.

A working party will be established to develop an initial consumer policy research agenda through consultation with the consumer movement and others for consideration by MCCA Ministers by the end of 2005. It is anticipated that particular research projects will be tendered on a competitive basis.

Other issues

Consumer Promotions Using Premium Rate Telephone Numbers

MCCA discussed the results of a report into the use of premium rate 190 prefix telephone numbers as a means of entry into competitions.

Ministers supported the report's recommendation that the proposal to regulate competitions involving games of skill in the same manner as games of chance under State gaming legislation be referred to the Ministerial Council on Gambling for consideration.

Ministers supported the proposal that the Chair of MCCA write to the carrier service providers recommending that they develop a clearer consumer complaint handling process.

Ministers agreed to refer the emerging consumer issues identified in the report including inappropriate use of autodialling and automated voice messaging to the Standing Committee of Officials of Consumer Affairs for further examination.

MCCA agreed that the Chair of MCCA write to the Minister for Communications, Information Technology and the Arts expressing support for the establishment of a do not call register.

Vehicle Repair Contracts

MCCA supported the announcement by the Commonwealth Minister for Small Business and her intention to establish a task force to work with the Government to develop a voluntary code over the next six months.

MCCA supported the Minister taking action as announced by the Minister in relation to examining further regulatory options including the prescription of an industry code under the Trade Practices Act.

Inbound Tourism Operators

MCCA agreed to work with the Tourism Ministers' Council on a national response to unethical practices in the inbound tourism industry.

NT Attorney General to be next Chair of MCCA

As of 5 September the next Chair of MCCA will be the Hon Dr Peter Toyne MLA, Minister for Justice and Attorney General.

Next Meeting

Ministers agreed to meet again in early 2006.