

JOINT COMMUNIQUE

MINISTERIAL COUNCIL ON CONSUMER AFFAIRS MEETING

Friday 1 August 2003.

The Ministerial Council on Consumer Affairs (MCCA) held its twelfth annual meeting in Sydney 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 Reba Meagher, MP (Chair - New South Wales)
Senator the Hon Ian Campbell, (Commonwealth)
Hon John Hill, MP (South Australia)
Hon Judy Jackson, MP (Tasmania)
Hon John Kobelke, MLA (Western Australia)
Mr John Lenders, MLC (Victoria)
Hon Merri Rose, MP (Queensland)
Mr Jon Stanhope, MLA (Australian Capital Territory)
Hon Judith Tizard, MP (New Zealand)
Hon Dr Peter Toyne, MLA (Northern Territory)

Apologies were received from

- The Hon John Hill, MP, Minister for Consumer Affairs in South Australia. Minister Hill was represented by Mr Mark Bodycoat, Commissioner for Consumer Affairs.
- The Hon Dr Peter Toyne, MLA, NT Minister for Justice and Attorney-General. Dr Toyne was represented by Mr Elliot McAdam 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*); and
4. Consultation across governments and with consumer and industry groups to enhance the work of the Council (*Consultation*).

MCCA is supported by a Standing Committee of Officials on 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

National Regulation of Property Investment Advice

Ministers expressed concern at the operation of marketeers and property investment advisers and the detrimental impact that they have on unwary consumers. In many cases consumers are lured to seminars where they are offered considerable help with buying investment properties, often overvalued, and where promoters fail to disclose the secret commissions they are paid on the sales of these properties. Ministers agreed to establish a Working Group, to be led by Queensland, and including ASIC, to examine the national regulation of property investment advice and to report back to SCOCA/MCCA by March 2004.

Mortgage/Finance Brokers

Ministers today endorsed further work to develop consistent national regulation of finance brokers which builds on the NSW *Consumer Credit Administration Amendment (Finance Brokers) Act*. This work will also consider including in the model coverage of small business and investment credit, remedies available to consumers, broker registration/licensing and accredited alternative dispute resolution scheme membership. Further work would also examine whether brokers need to better explain to consumers the reasons for providing particular recommendations. Ministers noted that some states have already committed to covering this gap in the regulatory framework.

Residential Tenancy Databases

Ministers agreed today to the establishment of a high level Working Party to consider options for a nationally consistent framework for regulating Residential Tenancy Databases (RTDs). The Working Party will consider a range of issues relating to the role and operation of RTDs in Australia, paying specific attention to a number of privacy considerations. Recognising the significance of privacy issues, MCCA agreed to develop options in cooperation with the Standing Committee of Attorneys-General.

Product Safety Policy

Ministers examined a number of papers related to product safety regulation and asked SCOCA to investigate and report back to MCCA on international approaches to consumer product safety regulation, with any recommendations it deems appropriate. In undertaking this future work, SCOCA should build into any proposals for reform the implications of the review of product safety laws in Australia and the implementation of the tripartite (consumer/supplier/regulator) policy framework.

Unfair Contract Terms

It was noted that with new technologies, product innovations and borderless markets, the existing regulatory regime has not kept pace with the problems associated with the increasing diversity of purchase options and contractual arrangements. Consumers are more vulnerable to exploitation from sophisticated marketing, unconscionable practices and unfair terms hidden in complex contracts. These concerns have been raised in connection with a wide variety of consumer products sold across the marketplace. Ministers noted the recommendations put forward from the Working Group it had established at its previous meeting, and agreed to progress the development of a national regulatory response. NSW has not consented to a national regime at this stage as it is currently reviewing its own legislation.

Strategy 3 - Education

Consumer Protection for Indigenous Australians

In recognition of the unique consumer issues facing Indigenous Australians, MCCA has commissioned a Working Party, with the Northern Territory as Chair, to develop a five year National Indigenous Consumer Strategy. Membership of the Working Party will consist of representatives of all States and Territories, as well as ASIC, ACCC, ATSI and Reconciliation Australia. A project coordinator will be appointed, to be based in the Northern Territory. The Chair of MCCA will advise other relevant Ministerial Councils of this nationally supported initiative.

Ethanol Content in Fuel

Ministers noted that the Commonwealth Government has implemented a national fuel standard that caps the maximum ethanol content in fuel at 10 percent from 1 July 2003, and that Australian consumers need to be provided with the appropriate information to assist them in making an informed choice regarding the use of ethanol blended fuel. A lack of consumer confidence risks compromising a sustainable biofuels industry in Australia. Ministers called on the Commonwealth Government to lead the implementation of a uniform national labelling regime in concert with the States and Territories for ethanol blended fuel as per the 11 April 2003 commitment by the Commonwealth Minister for the Environment, the Hon David Kemp, by 31 October 2003. Ministers also asked the Commonwealth to consider the New South Wales and Victorian labelling regulations as a possible model and to consult the States and Territories on the proposed national labelling regime for ethanol blended fuel.

Strategy 4 - Consultation

Industry Relationship between smash repairers and insurers and impacts on consumers

Ministers considered the importance of resolving the ongoing problems that have arisen in the structural relationship between the smash repair industry and the insurance industry at a national level. The ACCC was commended for its efforts to resolve these issues and Ministers affirmed support for a solution at the national level.

Other issues

January Bushfires

The ACT Chief Minister alerted ministers to the problems facing ACT consumers in relation to problems with insurance coverage following the disastrous bushfires which swept through NSW, Victoria and the ACT in January. The Commonwealth undertook to work with the States and Territories in relation to these issues.

Queensland Minister to be Next Chair of MCCA

As of 1 September 2003, the new Chair of the Ministerial Council will be the Queensland Minister responsible for Fair Trading matters, the Hon Merri Rose MP.