

JOINT COMMUNIQUÉ

MINISTERIAL COUNCIL ON CONSUMER AFFAIRS MEETING

Friday 27 August 2004

The Ministerial Council on Consumer Affairs (MCCA) held its thirteenth annual meeting at Broadbeach 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 Margaret Keech, MP (Chair - Queensland)
Hon Karlene Maywald, MP (South Australia)
Hon Ross Cameron MP, (Commonwealth)
Hon Judy Jackson, MP (Tasmania)
Hon John Kobelke, MLA (Western Australia)
Mr John Lenders, MLC (Victoria)
Hon Reba Meagher, MP (New South Wales)
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 Kobelke, MLA Minister for Consumer and Employment Protection, Western Australia;
- Mr Jon Stanhope, MLA - Chief Minister and Attorney General, Australian Capital Territory; and
- the Hon Dr Peter Toyne, MLA Minister for Justice and Attorney General.

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. 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 authorised the public release of a “Property Investment Advice” discussion paper. It was agreed that it was important to push ahead with work to determine the best approach to respond to the marketplace problems and consumer detriment caused by unscrupulous property investment advisors. Following public feedback, Ministers agreed that a final decision would be made around June 2005 on any preferred national strategy.

Mortgage/Finance Brokers

Ministers noted that a regulatory impact statement on a model for consistent national regulation for finance brokers was currently being drafted. It is proposed that the statement would be released for discussion in September 2004.

Product Safety Policy

Ministers discussed the operation of Australia’s consumer product safety system, including its success in ensuring that Australians can purchase and safely use a wide range of safe, affordable consumer products. Ministers approved the release of a discussion paper which seeks public comment on options for reforming the consumer product safety system, and expressed a strong commitment to working with businesses and consumers to ensure that Australia has a world best practice product safety framework. The paper will also be released in New Zealand to support exploration of opportunities for greater Trans Tasman consistency in consumer product safety frameworks. Ministers encouraged all interested parties to respond to the issues raised in the discussion paper by 5 November 2004.

Unfair Contract Terms

State and Territory Ministers re-affirmed their commitment to ensuring consumers are effectively protected against the detriment from unfair contract terms. The MCCA endorsed further work on options to identify a preferred nationally consistent approach to address the issue in early 2005.

National System of Trade Measurement

Ministers today agreed to undertake a review of the national arrangement for administering trade measurement in Australia. This review will examine options for harmonisation of trade measurement administration across Australia and Trans Tasman where possible. Given the potential scope of change associated with some of these options, Ministers recognise the importance of all alternatives being carefully assessed, with the costs and benefits of each being rigorously examined.

Strategy 2 – Consistency of Policy Enforcement Decisions for the Suppliers of Goods and Services within a National Marketplace

Framework and Principles for Seeking National Enforcement and Compliance Outcomes

Ministers today endorsed a framework for seeking nationally beneficial outcomes and enhancing coordination of investigation, compliance and enforcement activities. In endorsing the framework, Ministers recognised that consumer issues are becoming increasingly nationally focussed as traders have national operations, trade in more than one jurisdiction or are based overseas. Ministers nominated five areas of particular interest: property investment schemes; trade measurement; product safety; overseas mail scams; and m-commerce.

Strategy 3 - Education

Consumer Protection for Indigenous Australians

Ministers accepted a Progress Report on the National Indigenous Consumer Strategy and supported key approaches to address Indigenous consumer detriment. A need to change marketplace behaviour and the way consumer protection agencies provide services to Indigenous consumers were identified as key and fundamental issues to be tackled. Detailed action plans are being developed for priority areas including: banking; car sales; remote community trading practices; housing; and corporate governance. A draft report for consultation will be submitted to Ministers in October 2004 to foster extensive stakeholder input into the final strategy to be released in December 2004.

Consumer and Financial Literacy for Young People

Ministers expressed concern at the growing incidence of debt and the alarming lack of financial literacy skills among young people. Ministers agreed to support the development of a National approach to building financial and consumer literacy skills for young people and to work with the Ministerial Council on Education, Employment, Training and Youth Affairs and with individual State and Territory education authorities to ensure that all Australian children are taught these essential life skills.

Ministers recognised the importance of continuing to work together on both the development of resource materials and program delivery issues to maximise the cost effectiveness of initiatives.

Other issues

Parliamentary Secretary to the Treasurer to be Next Chair of MCCA

As of 1 September 2004, the new Chair of the Ministerial Council will be the Parliamentary Secretary to the Treasurer, the Hon Ross Cameron, MP.