

## JOINT COMMUNIQUÉ

### MINISTERIAL COUNCIL ON CONSUMER AFFAIRS MEETING

Friday 22 April 2005

The Ministerial Council on Consumer Affairs (MCCA) held its fourteenth meeting in Melbourne 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 John Hatzistergos, MLC (New South Wales)  
Hon Judy Jackson, MP (Tasmania)  
Hon Margaret Keech, MP (Queensland)  
Hon John Kobelke, MLA (Western Australia)  
Hon Karlene Maywald, MP (South Australia)  
Mr Jon Stanhope, MLA (Australian Capital Territory)  
Hon Marsha Thomson MLC (Victoria)  
Hon Judith Tizard, MP (New Zealand)  
Hon Dr Peter Toyne, MLA (Northern Territory)

Apologies were received from the Hon Judith Tizard 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*); and
4. co-operation and consultation on consumer policy between Australia and New Zealand (*Australia/NZ Co-operation*).

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 discussed reform of Australia's consumer product safety system and considered the feedback from consultations with the public and submissions received in response to the public discussion paper released by Ministers in August 2004.

Ministers reaffirmed their commitment to work together to improve the consumer product safety system. In particular, Ministers agreed to seek: greater harmonisation and consistency in product safety laws; to enable the consumer product safety system to better detect and assess safety hazards faced by consumers; and to enhance product safety research and information.

Ministers agreed that reform of the consumer product safety system should recognise the shared responsibility of governments, businesses and consumers for the safety and safe use of consumer products. Ministers also agreed that any reform must have regard to the effect of government regulation on trade in consumer products and the efficient use of public funds for product safety regulation.

To assist them in achieving these goals, Ministers have directed officials to develop more detailed options for reform of the consumer product safety system in the areas of: harmonisation of regulation and enforcement; establishing a more proactive system; and improving product safety research and information. This work will extend and refine the reform options outlined in the public discussion paper. The Productivity Commission has also been engaged to conduct a research study into the financial and other impacts of reform options.

Ministers will hold further discussions on reform of Australia's consumer product safety system at their meeting in August 2005. At their meeting Ministers will consider the detailed reform options developed by officials and the Productivity Commission's draft report. The final report of the Commission's research study will be delivered by the end of 2005.

### ***National Regulation of Property Investment Advice***

MCCA considered the consultation results from the Property Investment Advice Discussion Paper released late last year and the Working Party's deliberations in relation to a proposed preferred option for further regulation of property investment advice at a national level. MCCA agreed that the Working Party should finalise the Regulatory Impact Statement (RIS) analysis in order to bring a preferred option to the Ministers based on the analysis in the RIS.

### ***Unfair Contract Terms***

MCCA has agreed to progress a national regulatory response to unfair contract terms as a matter of urgency, following extensive consultation by the national working party with consumers and business and successful implementation of unfair contract terms legislation in Victoria.

MCCA has noted that the preferred option of the working party for regulation is nationally consistent state and territory legislation in line with unfair contract terms provisions in the Victorian Fair Trading Act.

Stakeholders will be given an opportunity to comment further on the option following public release of the final RIS, expected to be in September 2005.

### **Strategy 3 – Education**

#### *Consumer Protection for Indigenous Australians*

Ministers today agreed on the general principles and action on National Priorities for a five year National Indigenous Consumer Protection Strategy.

The finalised strategy is to be released at the next proposed Ministerial Council meeting in August 2005, in conjunction with a forum of Indigenous consumer protection staff employed by fair trading agencies.

Commonwealth, state and territory consumer and fair trading agencies will be responsible for implementation of actions under the strategy. Accountability will be ensured through a system of annual reporting and consultation with a reference group that will include at least two non-government Indigenous representatives.

Ministers noted a number of initiatives of the strategy are already underway, including the preparation of a "book-up" kit through the Australian Securities and Investment Commission, a "fairstore" best practice model and development of a "Best Practice Enforcement Guide" to foster compliance and enforcement activity in the interest of Indigenous consumer rights.

## ***Consumer and Financial Literacy for Young People***

MCCA approved the national plan for addressing consumer and financial literacy which has the key pillars:

- (1) to seek Ministerial Council on Education, Employment, Training and Youth Affairs support for embedding consumer and financial literacy knowledge, skills and understandings in national Statements of Learning;
- (2) a national research project on financial literacy and youth debt;
- (3) a national communication strategy; and
- (4) expansion of available consumer and financial literacy resources for young people.

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

## **Other issues**

### ***Consumer Policy Research***

Ministers discussed the importance of consumer focused research to the development of consumer policy. Consequently Ministers have requested that officials develop a structure for undertaking greater research into consumer concerns and trade practices, so as to assist in the development of the policy agenda.

### ***Information Sharing on Complaints and Alerts (Auzshare)***

MCCA noted the development of Auzshare, a secure and effective tool designed to assist fair trading and consumer protection agencies in combating fraud and serious complaints.

Auzshare provides the facility for consumer protection agencies across Australia and New Zealand to post on a secure website alerts on scams and consumer complaints in real time.

Auzshare will assist fair trading and consumer protection agencies to provide more effective compliance and enforcement as a result of improved and more timely information sharing. Auzshare will also facilitate improved coordination of regulatory activities and enable easier identification of systemic fraud.

### ***Consumer Promotions Using Premium Rate Telephone Numbers***

An investigation is to be carried out into the issue of consumer detriment associated with premium rate 190 service competitions. Recommendations are to be made to MCCA by August on the adequacy of current regulatory arrangements and options for reform.

### ***Wine labelling***

Ministers directed a working party to develop options for their consideration in relation to labelling requirements for wine bottles.

### ***Two-part Pricing***

MCCA endorsed the need for Federal legislation to close off opportunities to mislead consumers by way of two-part pricing and welcomed the recent announcement by the Treasurer. MCCA also endorsed a preferred model for price display so that the total price is always prominently displayed.

States and territories agreed to explore any necessary legislative implications arising from this decision.

### ***Commonwealth Games***

MCCA supported a cooperative approach to ensuring effective consumer protection for the forthcoming Commonwealth Games, to be held in Melbourne during March 2006.

Over the next twelve months SCOCA will work together to identify consumer protection issues, promote awareness of Australia's consumer protection framework and promote fair trading practices that could impact on the success of the Games.

### ***Next Meeting***

Ministers agreed to meet again around late August 2005.