

JOINT COMMUNIQUÉ

MINISTERIAL COUNCIL ON CONSUMER AFFAIRS MEETING FRIDAY 15 SEPTEMBER 2006

The Ministerial Council on Consumer Affairs (MCCA) held its seventeenth 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 Marsha Thomson MP (Chair - Victoria)
Hon Chris Pearce MP (Commonwealth)
Hon Diane Beamer MP (New South Wales)
Hon Margaret Keech MP (Queensland)
Hon Michelle Roberts MLA (Western Australia)
Hon Jennifer Rankine MP (South Australia)
Hon Steven Kons MHA (Tasmania)
Mr Simon Corbell MLA (Australian Capital Territory)
Hon Syd Stirling MLA (Northern Territory)
Hon Judith Tizard MP (New Zealand)

Apologies were received from Mr Simon Corbell, MLA and the Hon Syd Stirling, 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).

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 agreed to significant reform of the consumer product safety system in Australia to increase the harmonisation of product safety regulation. MCCA has agreed in principle that there should be uniformity in product safety legislation across the country. This will ensure that businesses are subject to the same law regardless of where they operate in Australia. This promises to make it simpler for business to supply goods throughout Australia encouraging businesses to enter new markets, improving competition and allowing businesses to realise economies of scale. Consumers will have greater confidence in the products that they buy and will also benefit through being able to purchase a wider range of goods at more competitive prices.

Ministers are committed to working together to progress these important reforms as a matter of priority. Ministers agreed to Queensland leading a working group to consider the details of the harmonised model and undertake the preparation of a regulation impact statement in consultation with the Commonwealth, States and Territories. Ministers agreed to a target date of end June 2007 for endorsement of the proposal and the end of September 2007 for the introduction of legislation.

Trade Measurement Review

MCCA noted that the Commonwealth accepts that a national system administered by the Commonwealth is the best option for trade measurement legislation and administration.

MCCA also noted that the Commonwealth agreed in principle to taking full responsibility for trade measurement laws and administration.

The Commonwealth has agreed to undertake further study as a priority to evaluate the feasibility and cost effectiveness of the options for Commonwealth administration of trade measurement laws. The final option agreed should maintain a rigorous compliance inspection regime that is appropriately resourced and meets as a minimum the standards currently applied by each of the States and Territories.

Ministers agreed to the preparation of a regulation impact statement for the review of the options, which will include administration by the Australian Competition and Consumer Commission and National Measurement Institute, to be released for public consultation when available.

Further work will be done to develop an implementation timeline for reporting to COAG.

National Regulation of Finance Brokers

Ministers today discussed issues related to the national regulation of finance and mortgage brokers. The proposals have been the subject of on-going consultation with industry and consumers. A decision on the scheme will be announced after further consideration out of session.

Responsible Lending Practices by Credit Card Issuers

Ministers welcomed the initiative of the Australian Bankers Association to introduce best practice guidelines in relation to increasing credit card limits. However, Ministers continued to be concerned about the lending practices of some credit providers and credit card issuers in granting excessive amounts of credit to the most vulnerable consumers and have called for options for dealing with this issue to be developed.

Strategy 5 - Research

Consumer Policy Research

MCCA noted the important work that the Australasian Consumer Fraud Taskforce will be undertaking in the area of scams and looks forward to the insights this research will offer. Consequently, MCCA will pursue the baseline study for consumer product safety as a matter of priority.

The baseline study for consumer product safety responds to the Productivity Commission's recommendation in the *Review of the Australian Consumer Product Safety System*. The baseline study will seek to identify the incidence, causes and costs of consumer product related accidents, and analyse the significance of different causes of accidents. This information will be used to inform and improve hazard identification and help guide government interventions to address consumer product injury and death. The study will be completed by 30 June 2007.

Other issues

MCCA Strategic Agenda

The Ministerial Council today determined changes to its operating protocols and procedures designed to speed decision making and the achievement of outcomes in the consumer interest.

Review of Consumer Policy

MCCA discussed the work of the Working Party on National Consumer Policy, which it agreed to establish at its May 2006 meeting. The Working Party has met on two occasions and is developing a work program that will take account of the terms of reference of the Productivity Commission's proposed review of consumer policy and assist the Council to respond to that review.

The Working Party will compile and circulate Australian and overseas research on consumer policy development and reform. It will foster inter-jurisdictional cooperation where new research is needed and provide a forum to discuss issues and exchange information. The information assembled by the Working Party will help inform MCCA, Australian and New Zealand consumer policy agencies and the Productivity Commission inquiry into the consumer policy framework recently announced by the Australian Government.

MCCA also noted that in announcing the Productivity Commission inquiry the Australian Government foreshadowed that MCCA will consider the Productivity Commission's final recommendations.

Fundraising

Ministers noted renewed efforts by regulators and stakeholders involved with fundraising to develop a joint understanding of issues affecting the industry. This will be a first step toward a harmonised national approach to fundraising regulation.

Travel Compensation Fund

Ministers acknowledged industry concerns about limitations of the current scheme for the regulation of travel agents. They directed SCOCA to commission a comprehensive study, including research of industry trends, to identify and review the effectiveness or need for consumer protection measures in the broader travel related services market. A report is to be presented by 30 June 2007. MCCA anticipates receiving advice from the Australian Travel Compensation Fund in relation to a risk base contribution premium structure by October 2006.

Electrical Equipment Safety Review

The Ministerial Council on Consumer Affairs supports a review by the Electrical Regulatory Authorities Council of the electrical equipment safety system as it relates to consumer product safety subject to funding.

The Ministerial Council on Consumer Affairs will consider any recommendations on completion of the review.

Residential Tenancy Databases

Ministers endorsed the work of the Ministerial Council on Consumer Affairs/Standing Committee of Attorney Generals working party and has agreed to the development by the states and territories of uniform model legislation for Residential tenancy databases.

Next Meeting

Ministers agreed to meet again in May 2007.