

JOINT COMMUNIQUÉ

MINISTERIAL COUNCIL ON CONSUMER AFFAIRS MEETING FRIDAY 4 AUGUST 1995

The Ministerial Council on Consumer Affairs (MCCA) held its fourth meeting in Canberra today. MCCA is one of the 21 Ministerial Councils established in 1992 by the Council of Australian Governments (COAG). It comprises Commonwealth, State, Territory and New Zealand Ministers responsible for fair trading and consumer protection laws, trade measurement and credit laws.

Direct Marketing

Consumer Affairs Ministers today agreed in principle that there should be a Code of Practice to cover direct marketing. The Australian Direct Marketing Association has been involved in the development of this proposal.

Direct marketing covers a wide range of selling practices at places other than registered retail premises.

The Code of Practice will deal with the fair trading aspects of direct marketing such as the type of information that should be provided to consumers buying products or services through direct marketing and cooling off periods for such purchases.

The Code of Practice is likely to cover:

- the protection of consumers' personal information in direct marketing so that consumers can refuse to have their personal information used for direct marketing purposes;
- the rights of consumers to access their personal information held on mailing lists;
- the rights of consumers to have that personal information corrected, flagged as not to be contacted, or removed; and
- the requirement for telemarketers to identify themselves and only call during certain hours.

The Code of Practice will be drafted by representatives from industry, consumer groups, the Standing Committee on Consumer Affairs (SCOCA) and the Office of the Privacy Commissioner.

Travel Compensation Scheme

MCCA discussed a range of issues concerning reform of the Travel Compensation Fund (TCF). The TCF protects consumers who have paid monies to travel agents against the possibility of insolvency of the agent.

Among the issues discussed by Ministers were:

- reduction in the membership of the Board of Trustees of the Fund; and
- the question of whether the risks to consumers represented by agents operating in-bound travel services justify exemptions or reduced fees.

Ministers agreed that, because of the detailed nature of the report and its recommendations, they would provide a full response to the report out of session.

National Competition Policy

Following November's special meeting of MCCA to discuss the implications for consumers of the National Competition Policy, Ministers gave close consideration to the need to ensure the consumer interest is protected in the implementation of competition policy in the public and private sectors.

Ministers recognised that effective reform also requires the clear recognition of consumers' interests, such as:

- ensuring that consumers' rights for fair dealings are protected;
- ensuring consumers have access to appropriate information;
- ensuring that monetary and service benefits produced by greater competition are passed on to consumers to the maximum practicable extent; and
- ensuring that access by consumers to services is safeguarded.

Given the importance of these issues, MCCA decided to make a submission to the House of Representatives Standing Committee on Banking, Finance and Public Administration, which is currently conducting an inquiry into aspects of the national competition policy reform package.

Ministers agreed to maintain an active involvement, both individually and collectively, in the development of competition policy reforms and the implementation of those reforms within their jurisdictions.

Culture of Safety

Ministers discussed the changes which trade liberalisation are generating in the Australian marketplace. They noted the Commonwealth's proposals to develop strategies to ensure that the Australian community continues to receive goods and services that meet appropriate safety standards.

Jurisdictions will be working together, in close consultation with consumer and business groups, and experts in the field, to explore a number of specific proposals, including:

- a general provision of safety which requires all consumer products to be designed for safe use;
- standards which address a safety hazard characteristic in a range of products rather than a particular product;
- establishment of mechanisms to collect data and help in assessing priorities in the consumer safety field; and
- examination of a system of Marks for use by suppliers to indicate compliance with safety standards.

Consumer Credit Code - National Implementation Strategy

The Consumer Credit Code is due to commence on 30 March 1996. Ministers recognise that its success will depend in large part on strategic national education campaigns and consistent administrative outcomes.

To facilitate this, MCCA agreed to develop a national approach to policy, compliance, education and administrative matters. The strategy will focus not only on the information needs of consumers

and industry, but also on the staff of individual consumer agencies and financial and credit advisors. The development of this strategy will be given a high priority to ensure the smooth introduction of the Credit Code.

It is expected that the credit regulations will be available in the week commencing August 14 1995.

Petrol

MCCA noted recent initiatives by a number of States and Territories to address the issue of petrol pricing, particularly pricing disparities between city and country retailers. Ministers expressed concern that this issue is one which continues to attract a high level of consumer complaint.

MCCA noted the announcement by the Assistant Treasurer, the Hon George Gear MP, that the new Australian Competition and Consumer Council (ACCC) would be reviewing the petrol industry later this year.

MCCA agreed that the issue of petrol pricing was of such national significance that consideration will be given out-of-session to referring it to COAG.

Consumer Education

MCCA reviewed progress on the Strategic National Consumer Affairs Agenda and agreed to the public release of an updated Agenda later this year.

Ministers are particularly aware of the importance of consumer and business education in achieving effective outcomes, and the Strategic National Consumer Affairs Agenda will be augmented to reflect this. MCCA is committed to a national approach to consumer education whenever appropriate.

MCCA also recognised the special education needs of Aboriginal and Torres Strait Islander (ATSI) peoples by agreeing to a new initiative on the Strategic National Consumer Affairs Agenda that will aim to address the particular needs of ATSI communities.