

# JOINT COMMUNIQUÉ

## MINISTERIAL COUNCIL ON CONSUMER AFFAIRS MEETING FRIDAY 29 AUGUST 1997

The Ministerial Council on Consumer Affairs (MCCA) held its sixth meeting in Melbourne today. MCCA comprises Commonwealth, State, Territory and New Zealand Ministers responsible for fair trading and consumer protection laws and including trade measurement and credit laws.

### **Post Implementation Review of the Uniform Consumer Credit Code**

Ministers agreed today to conduct a post implementation review of the Uniform Consumer Credit Code over the next 12 months. The Code commenced operation on 1 November 1996 and it was always intended that there should be an early review of progress. In addition the review also addresses the Recommendations of the Wallis Report.

The purpose of the review is to:

- determine whether the objectives of the Code are being achieved;
- identify the impact the Code has had in the marketplace;
- identify opportunities for improving the effectiveness of the national management structure for the Code;
- see if the legislation has contributed to micro-economic reform by reducing cross-jurisdictional barriers and improving competition in the marketplace; and
- identify opportunities for improving the national management structure for the Code.

Ministers reaffirmed their commitment to the Code and their intention that the Code should remain relevant to the marketplace.

### **Implications of the Year 2000 Date Change**

MCCA, today, warned consumers who are considering buying or upgrading computer hardware or software to seek a written statement from the supplier that what they are buying is designed so as not to be affected by the year 2000 date change.

Variouly referred to as the Millennium Bug, the Year 2000 Bug and Y2K Bug, it is a simple computer date change problem which has the potential to cause enormous ramifications for traders and consumers worldwide. Home computers, software packages and a wide range of consumer products which have a date based electronic function could be affected.

Ministers also agreed to the establishment of a Working Party to develop, in consultation with the relevant government forums and industry groups, appropriate strategies for addressing consumer issues arising out of the year 2000 problem.

### **Consumer Issues in Electronic Commerce**

As electronic commerce activity continues to increase in importance, MCCA took steps today to address consumer concerns and enhance consumer confidence in the electronic marketplace. A

working party has developed a program of strategies focusing on consumer protection and education issues relating to electronic commerce which will include:

- the development of an online system to handle complaints relating to electronic commerce; and
- the development of a consumer education and awareness campaign.

A particular focus of the work on complaints handling will be to establish workable co-operative arrangements within Australia and between Australia and New Zealand. By its nature, electronic commerce often occurs across national and state boundaries. Cooperation between regulators is crucial. If good arrangements can be put in place to cover the trans-Tasman market, they could provide a template for broader Multilateral arrangements.

Ministers also agreed to launch a brochure '*Shopping in the Electronic Age*' on the inaugural National Consumers Day to be celebrated on Thursday 30 October 1997. The theme of the day and aim of the brochure will be to make consumers better informed of the variety of electronic shopping mediums available, for example direct marketing, the internet and smartcards. The brochure will contain advice for consumers on the benefits and possible pitfalls of each medium.

### **Direct Marketing**

MCCA agreed today to release its 'Distance Selling Code of Practice' as a model code on which industry organisations can model their own codes.

MCCA called upon ADMA to adopt the model code including having in place appropriate independent dispute resolution procedures within the next 12 months.

Direct marketing, or distance selling, covers a wide range of goods and services. Direct selling practices include traditional catalogue and mail order houses and the increasingly popular mediums of television, Internet and Telemarketing. Distance selling has the potential to deliver enormous benefits to consumers in terms of increased choice, better prices and greater convenience.

The model Code will include:

- Fair trading rules for distance selling;
- Rules governing telemarketing for distance sellers, fundraisers and charities; and
- Dispute resolution procedures.

Ministers determined to put proposed direct marketing rules on privacy on hold pending the outcomes of the Privacy Commissioner's work.

The Code, which will provide consumers with additional protection, is the end product of extensive government, industry and community consultation.

### **Labelling of Genetically Engineered Food**

Ministers agreed today to recognise consumers, as a matter of principle, should have adequate access to information about genetically engineered food and sought the support and co-operation of the Ministers of Health or other relevant Ministers who have responsibility for food labelling.

## **Petrol**

The Chair of MCCA will write to the Federal Treasurer seeking implementation of the petrol pricing policy as soon as possible and an indication from the Treasurer as to when a decision can be expected.

## **Injury Prevention Program for Nursery Furniture**

In an effort to reduce the high level of injuries to infants and children associated with the use and maintenance of nursery furniture, Ministers agreed on a three tiered approach for addressing nursery furniture safety.

Household cots which are implicated in more infant deaths than any other nursery item will now be subject to a mandatory consumer product safety standard under the Commonwealth Trades Practices Act. The standard will come into effect on 30 June 1998. MCCA agreed to notify industry of this decision and of the existing voluntary standard and encourage their immediate compliance with that standard.

The ability of agencies to provide Ministers with advice regarding the role of products in consumer injury has been hampered by the lack of detailed, centralised, statistically valid data on consumer product injury. An enhanced system of data collection would provide an important and timely link between products and injury. MCCA will be progressing the matter further.

In addition MCCA endorsed the establishment of a reference group to develop strategies for addressing hazards identified in a report on child injuries associated with nursery furniture carried out by the Monash University Accident Research Centre.

MCCA has also requested its Consumer Education Advisory Committee to develop a community education and awareness program on the possible hazards associated with the use and maintenance of nursery furniture.

## **Disposable Cigarette Lighters**

In line with a decision taken by MCCA last year to ban non child resistant disposable cigarette lighters, MCCA agreed to a national approach to prohibit any device which removes the child resistant mechanism.

## **Trade Measurement**

To update the national trade measurement scheme, MCCA today requested Queensland to prepare a range of technical and administrative amendments to trade measurement legislation as a matter of priority.

## **Next Chair**

As of 1 September 1997 the new Chair of the Ministerial Council will be the New Zealand Minister for Senior Citizens and Consumer Affairs the Hon Robyn McDonald.