



24 May 2016

SUBMISSION ON AUSTRALIAN CONSUMER LAW REVIEW
ISSUES PAPER

BACKGROUND

The Queensland Consumers' Association (the Association) is a non-profit organisation which exists to advance the interests of Queensland consumers.

The Association's members work in a voluntary capacity and specialise in particular policy areas.

The Association is a member of the Consumers' Federation of Australia, the peak body for Australian consumer groups.

The Association welcomes the opportunity to make this submission which, due to resource constraints, is brief.

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GENERAL COMMENTS

The Association strongly supports this 5 year review of the ACL, and the associated new Australian Consumer Survey, being undertaken.

The rapidly changing environments in which consumers have to operate, including increasing complexity and globalisation, mean it essential to frequently review existing consumer protection, information, empowerment, dispute resolution, and other arrangements to ensure that they remain relevant and effective and, where required, that new arrangements are provided.

The Association considers that the Review should take account of, and wherever possible reflect, the views of the recent Review of Competition Policy on the importance of informed consumers and its recommendations on this topic - viz:

Recommendation 21 — Informed choice

Governments should work with industry, consumer groups and privacy experts to allow consumers to access information in an efficient format to improve informed consumer choice.

The proposed Australian Council for Competition Policy (see Recommendation 43) should establish a working group to develop a partnership agreement that both allows people to access and use their own data for their own purposes and enables new markets for personal information services. This partnership should draw on the lessons learned from similar initiatives in the US and UK.

Further, governments, both in their own dealings with consumers and in any regulation of the information that businesses must provide to consumers, should draw on lessons from behavioural economics to present information and choices in ways that allow consumers to access, assess and act on them.

SPECIFIC COMMENTS

The Association requests that the following significant problems, which cause substantial consumer detriment and have adverse effects on competition, be addressed during the Review.

However, the Association emphasises that there are also many other significant problems not mentioned below which hopefully will be identified and examined in submissions by other consumer/community organisations.

Unfair Terms and Conditions in Contracts

- Making it a condition of sale that in the case of a dispute the customer must use a mediation service nominated by the business and can not go to court.
- Making non posting on the internet of adverse comments about the business a condition of sale.
- Making non use of credit/debit card chargeback a condition of sale.
- Requiring the hirer to compensate the business for loss of earnings while equipment damaged during the hire is being repaired or replaced.
- Making confidentiality/non disclosure a condition of settling a dispute with a consumer.

Excessively High Charges/Costs to Consumers

- For example, for late payment of bills.

Misleading/Deceptive Packaging

- Excessive amounts of slack fill in pre-packaged products in opaque packaging, such as vitamins, supplements and breakfast cereals.

Insufficient Price Transparency

- Non display by retailers of the price of any or some goods/services, for example in some small convenience stores and bars.
- Not selling goods/services long enough at a regular price before advertising discounts off the regular price.
- Not indicating the price of only 1 item with multi-buy offers, eg 3 for \$5.
- Sub optimal consumer use of grocery unit pricing to compare values due to deficiencies in the Retail Grocery Industry (Unit Pricing) Code of Conduct and in ensuring retailer compliance.
- Non provision of unit pricing by non grocery retailers for constant measure packaged products, for example by large hardware stores, pet food stores and chemists (for non prescription items).

Lack of Price Competition

- For example, parity pricing agreements between providers/sellers and agents.