

# JOINT COMMUNIQUÉ

## MINISTERIAL COUNCIL ON CONSUMER AFFAIRS MEETING FRIDAY 27 SEPTEMBER 1996

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

### **Disposable Cigarette Lighters**

Consumer Affairs Ministers today decided to require all disposable lighters to be constructed soundly and to comply with a recent USA standard for child resistance. This followed a number of deaths of young children attributed to disposable lighters.

A draft Australian standard, prepared by New South Wales and to be made under the Commonwealth Trade Practices Act, will be released for industry and consumer comment by 31 December 1996. The draft Australian Standard will effectively make the USA requirement for child resistance mandatory for Australia. Non-complying lighters will be unable to be imported after 1 March 1997 and will not be able to be sold or supplied after 1 July 1997.

MCCA has also requested that the Consumer Education Advisory Committee (CEAC) develop a community education and awareness program on the possible hazards associated with disposable cigarette lighters, and in particular those dangers relating to children.

### **Direct Marketing Code**

MCCA decided to release a draft voluntary code of practice for direct marketing. Direct marketing, or distance selling, covers a wide range of goods and services that do not occur through retail premises. Direct selling practices include traditional catalogue and mail order houses and the increasingly popular mediums of television, Internet and Telemarketing.

A working group appointed to address consumer issues associated with direct marketing developed a series of proposals based on a Code of Practice to deal with problems identified in their investigations.

The draft Code will be released for consumer and industry comment, and attempts to :

- ensure the rights of privacy (and disclosure) are protected;
- improve the market for consumers and sellers;
- discourage fraudulent and unacceptable conduct;
- ensure that fair trading practices are followed; and
- ensure that there are adequate redress mechanisms in relation to direct marketing sales.

The draft code will be accompanied by a discussion paper which draws particular emphasis to contentious issues identified by the Working Party.

## **Smartcards**

Ministers agreed to closely examine consumer issues arising from the introduction of various types of smartcards and noted the importance of privacy as a critical matter.

It was agreed that the results of a consumer phone in would be forwarded to the Standing Committee of Attorneys-General to urgently consider the privacy aspects of smartcards.

## **Review of Mandatory Standards**

Consumer Affairs Ministers made decisions about a review of national Mandatory Product Safety Standards under the Trade Practices Act.

In line with the Mutual Recognition Act 1992 States and Territories have undertaken to strive for national consistency in product safety issues in the interests of consumer protection and the interstate operations of manufacturers and retailers.

The review has recommended the deletion of several standards which are no longer necessary. Other standards will be updated to reflect the latest developments in safety issues. This will mean that the revised standards will focus on the issues of concern to consumers.

Ministers have agreed to:

- remove standards relating to airpots, self relighting candles, 'Tris' fire retardant for clothing and reflectors for pedal bicycles;
- modify four other standards dealing with exercise cycles, sunglasses and fashion spectacles, swimming aids and balloon blowing kits to remove unnecessary requirements; and
- update nine other standards after consultation with industry and other interested parties.

## **National Guide on Codes**

Consumer Affairs Ministers decided to adopt and release a National Guide on Codes. It is intended that the guide will assist industries proposing to develop codes of practice (conduct) providing for 'fair dealing' between consumers and suppliers. Codes of Practice are an alternative to Government developing prescriptive legislation and provide opportunities for self regulation of industry and a fairer marketplace.

## **Electronic Commerce and the Internet/The Electronic Consumer**

Ministers discussed implications to consumers and suppliers of the increasing use of technology in the market place and agreed to place the issue of electronic commerce and use of the Internet on the Strategic National Consumer Affairs Agenda.

MCCA also directed the Standing Committee of Officials of Consumer Affairs, its primary advisory body, to identify key issues and develop options and strategies to ensure that consumer protection and fair trading issues are addressed.

In short the resolution has arisen from:

- the need to find protective mechanisms in the context of global transactions where local laws may be largely irrelevant to the transaction;

- the need to ensure ethical transactions on the Internet to protect the interests of both consumers and traders; and
- the need to develop protocols for international co-operation in respect of Internet transactions.

### **Travel Agents Issues**

MCCA today discussed three issues relating to the national regulation of travel agents. It was decided that a review of the regulation of travel agents was a national priority and should be dealt with as a matter of urgency. A working party led, by Western Australia, will develop terms of reference for the review of existing regulations.

MCCA also considered the membership in the Travel Compensation Fund of Northern Territory agents notwithstanding that the Northern Territory has permitted certain types of agents to operate under an alternate scheme. The Council accepted the desirability of finding an option that may be able to accommodate the Northern Territory policy within the current system, pending the national review of travel agents regulation.

Accordingly, MCCA is to seek advice from Trustees of the Travel Compensation Fund as to whether Northern Territory Agents which have offices in other States may operate as members of the TCF on the basis that all their clients are covered by the compensation scheme. This is seen as a possible option for an interim accommodation of the Northern Territory within the current scheme.

MCCA also discussed the composition of the Travel Compensation Fund Board of Trustees and resolved that the Board would be comprised of nine members, including two consumer representatives and an independent Chair.

### **Consumer Education and Awareness**

Ministerial decisions today highlighted the importance of consumer education. Ministers adopted a national education strategy prepared by a working group headed by the ACT. Education initiatives for smartcards, the safety aspects of disposable lighters and baby walkers will be developed.

### **National Consumer Day**

In addition Ministers agreed in principle to an Australian National Consumer Day, the date of which will be determined in the next few weeks.

The national day will be held in the period leading up to Christmas and will allow consumer agencies to develop uniquely Australian initiatives.