

# JOINT COMMUNIQUÉ

## MINISTERIAL COUNCIL ON CONSUMER AFFAIRS MEETING FRIDAY 20 JULY 1999

The Ministerial Council on Consumer Affairs (MCCA) held its eighth meeting in Hobart, Tasmania 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 Peter Patmore, MHA (Chair) (Tasmania)  
Hon Joe Hockey MP (Commonwealth)  
Mr Gary Humphries, MLA (Australian Capital Territory)  
Hon John Watkins MP (New South Wales)  
Hon Judy Spence MLA (Queensland)  
Hon Trevor Griffin, MLC (South Australia)  
Hon Jan Wade, MP (Victoria)  
Hon Doug Shave, MLA (Western Australia)  
Hon Peter McCardle (New Zealand)

The Hon Tim Baldwin (Northern Territory) was unable to attend this meeting and was represented by The Hon Shane Stone, QC, MLA.

New South Wales declined to be a party to this Communiqué.

### **Outcomes of the meeting included:**

#### ***Petrol Pricing***

The Council recognises the impact of price volatility and regional disparity on consumers and has resolved to ask the Commonwealth to request the ACCC to investigate how movements in the barrel price of crude oil are translated into retail prices in Australia with particular reference to the retail price increases over the past six months and whether there have been factors other than crude oil price increases at work.

#### ***Council Takes Action on Scams***

To mark the celebration of the International Year of Older Persons, the Council agreed to release a publication entitled *The Little Black Book of Scams*. The booklet focuses on scams which particularly target older people and offers relevant case studies in an easy-to-read style. The booklet, which will be released in October to mark the 1999 National Consumers Day will be promoted through seniors' newspapers, newsletters and the MCCA Website ([www.consumer.gov.au](http://www.consumer.gov.au)). The booklet will be translated into other community languages.

Get Rich Quick and Pyramid Selling Schemes continue to attract a high level of concern by the public. The Council is aware that there are many schemes which are causing significant financial loss and need to be stamped out. Ministers therefore agreed to tighten up inconsistent and outdated laws by reviewing legislation banning pyramid selling. By having a consistent approach to the problem, disreputable business will find it much more difficult to operate across state and territory boundaries. Ministers also agreed to continue to work to reduce other inconsistencies in consumer protection laws to ensure that they remain relevant to community needs.

### ***Referral of GST Related Complaints to the ACCC***

In preparation for the introduction of the Goods and Services tax (GST) the Council considers there should be a consistent national approach to related consumer protection issues. State and territory governments will consider taking action to transfer power under Fair Trading legislation to enable the ACCC to undertake enforcement action in this area. Any such transfer of power would be for a limited time.

### ***Real Estate Marketers***

The Council expressed concern about the unscrupulous activities of some real estate operators who are charging interstate and overseas investors excessive prices certain properties and noted the content of reports in relation to the Gold Coast area. There appears to be a high level of collusion between certain marketers, financiers and legal practitioners. The Australian Securities and Investment Commission will be asked to work with the Council to develop a strategy to prevent such exploitive activities in the marketing of properties. Other jurisdictions are taking steps to monitor any exploitive property marketing practices in their States and Territories.

### ***Women as Consumers***

Independent reports indicate that women often pay more for goods and services, particularly in the motor vehicle industry. Women's policy units have reported similar findings. The Council has decided to seek support and participation from States and Territories to assess data and to develop a series of initiatives to address any discrimination against women in the industry.

### ***Year 2000 Date Change***

With the Year 2000 only a few months away the Council acknowledges that consumers may require information concerning appliances that may be affected by the Y2K problem, and their consumer rights. The Council has directed Fair Trading agencies to develop a strategy to handle complaints in a nationally consistent manner. Existing public awareness campaigns and information packages are to be further enhanced by a newly released brochure from the Office of Government Online and other publications from State and Territory agencies.

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

Electronic commerce is a fast growing industry with many businesses using the Internet to market and sell products. The Council recognises that consumers want confidence in the electronic trading environment. They will want protection from misuse of private data and regulation of the fair trading principles which apply to the market place generally. The Council has requested the ACCC to determine, in conjunction with Fair Trading Authorities specific procedures for the referral of complaints between State and Territory agencies. The ACCC will also be asked to specify procedures to handle referrals of international complaints

### ***The Feasibility of Introducing Lemon Laws for Motor Vehicles***

The sale of new cars that prove to be faulty has been raised as an issue for consumers. The Council noted NSW's offer to undertake a preliminary cost-benefit analysis of the proposal and alternatives for further consideration by Council.

### ***Banking***

The Council noted that was concern about the level of financial services in remote and rural parts of Australia. The Commonwealth was asked to provide information to the Council on standards of service provided by financial institutions to the community.

### ***Next Chair***

As of 1 September 1999 the new Chair of the Ministerial Council will be Western Australia.