

JOINT COMMUNIQUÉ

MINISTERIAL COUNCIL ON CONSUMER AFFAIRS MEETING FRIDAY 21 JULY 2000

The Ministerial Council on Consumer Affairs (MCCA) held its ninth meeting in Perth, Western Australia 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 Doug Shave, MLA (Chair) (Western Australia)
Hon Peter Patmore, MHA (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 Marsha Thomson, MLC (Victoria)
Hon Phillida Bunkle MP (New Zealand)
Hon Tim Baldwin MLA (Northern Territory)

The Hon Phillida Bunkle MP (New Zealand), Mr Gary Humphries (ACT), and the Hon Tim Baldwin MLA (Northern Territory) were unable to attend the meeting and were represented by senior fair trading and consumer affairs officers from their administrations.

Outcomes of the meeting included:

Pay Day Lenders

The Council expressed concern at the activities of pay day lenders. Presently there are no specific regulations of pay day lending in most States and Territories. Ministers discussed the problems of pay day lending, including lack of contracts, no assessment of the borrowers ability to repay loans, excessive fees charged, and lack of information disclosed to borrowers. Queensland has set up an inquiry into the activities of pay day lenders, and Ministers foreshadowed that amendments to the Uniform Consumer Credit Code, which governs all other forms of consumer lending in Australia, may be warranted.

Credit Card Practices

Issues were raised relating to rising levels of credit card debt in Australia over the past five years and whether this was sustainable. Ministers agreed that the issues of credit over-commitment and other issues presented in a discussion paper should be considered by the Uniform Consumer Credit Code Management Committee.

Banking Issues

The Commonwealth undertook to provide, within two months, a response to the recommendations contained in the discussion paper prepared by NSW.

GST – Handling of Complaints post 1 July 2000.

Ministers discussed their respective jurisdictions initial experiences in relation to GST complaints handling in terms of types of complaints, volume and referrals to the Australian Competition and Consumer Commission.

Consumer Issues in Electronic Commerce

Ministers expressed support for the Commonwealth's *E-Commerce Best Practice Model* as a valuable tool for business to adopt when engaging in E-Commerce and urged on-line businesses to adopt the model. Ministers noted the development of a similar model Code for operation in New Zealand. Ministers also noted the ongoing work of the Commonwealth and New Zealand in relation to the regulatory framework for consumer protection in electronic commerce.

Mobile Phone Radiation of Concern to Ministers

Concerns have been recently expressed about possible health risks associated with the use of mobile phones, and the hands free kit. The Chair of MCCA will be writing to the National Health and Medical Research Council and to the Australian Radiation Protection and Nuclear Safety Agency requesting them to advise Consumer Affairs Ministers on information that could be given to the community in regard to the current position on radiation from mobile phones. Ministers also requested that MCCA be regularly informed of the progress on research and public information issues, both here in Australia and at the international level.

Frequent Flyer Points and Loyalty Programs.

The Council expressed concern at a number of issues associated with redemption of frequent flyer points and associated loyalty programs. Issues discussed included whether there is sufficient disclosure by airlines of terms and conditions of these schemes and the lack of availability of frequent flyer seats, particularly during popular travel times. Ministers called on the Australian Competition and Consumer Commission to give its inquiry into frequent flyer points and loyalty programs a high priority and to vigorously pursue any breaches of the Trade Practices Act.

The Sale of Antique Cots

Ministers agreed to amend the Mandatory Safety Standard for cots for household use to allow the sale of antique and collectible cots, subject to strict guidelines and appropriate warning labels. Ministers noted a comparable Mandatory Safety Standard was about to be introduced in New Zealand.

Regulation of Travel Agents.

The continuing regulation of travel agents has been the subject of a National Competition Policy Review carried out by a team of independent consultants. All jurisdictions have serious reservations about the recommendations because the report did not sufficiently consider the public benefit and whether that outweighs any possible anti-competitive effects of the existing scheme.

Consumer Credit Code Comparison Rates

Ministers noted the development by NSW of a Bill to require a mandatory comparison rate, and agreed to establish a working party to consider and report to MCCA on the issues by 31 October 2000.

The Use of Weighing Instruments in the Mining Industry

Ministers agreed that mining companies and contractors hauling and moving ore will now be permitted to use Class 4 measuring instruments for the determination of charges for freight and haulage. This provides a more flexible method for determining charges for freight and haulage, removing unnecessary cost on industry both in terms of processing time and equipment purchase and installation. The mining sector has indicated a commitment to achieve and promote compliance given this more practical and realistic framework.

Working Group to Examine Activities of Some Car Rental Companies

Some unscrupulous car rental operators, particularly in some of Australia's more popular tourist destinations, have been targeting the lower end of the tourism market. Ministers agreed to the formation of a national working group to examine the extent of the problems in the car rental industry across Australia and, if necessary, develop and consider options to address these problems. The Australian Competition and Consumer Commission would be part of this high level working group.

ACT Minister to be Next Chair of MCCA

As of 1 September 2000 the new Chair of the Ministerial Council will be the Australian Capital Territory Minister responsible for Fair Trading matters.