



MINISTERIAL STATEMENT ON CONSUMER PROTECTION

**The Hon Peter Toyne MLA
Minister for Justice and Attorney-General**

**Northern Territory Legislative Assembly
20 February 2003**

In 2003 I will be working with my Office of Consumer and Business Affairs and my Consumer Affairs Council on a number of initiatives to ensure Northern Territory consumers are aware of their rights and how to assert them, and to establish an equitable and informed market place.

I am looking at empowering consumers through education, access to advice, dispute resolution mechanisms, legislative reform and a strong representative consumer affairs council. Indigenous consumer issues, regionalisation of initiatives, and access will be particular areas of focus.

Access to Information

Madam Speaker, one of the best ways to empower consumers is to ensure they have ready access to information and advice. The Office of Consumer and Business Affairs works hard to ensure that NT consumers are protected and have access services and information when they need it.

For example, a toll free enquiry hotline operates seven day a week and is well used by Territory consumers. Currently it assists around eleven hundred consumers each month and can be contacted on 1800 019 319. Consumers can also seek advice by e-mail by directing inquiries to consumer@nt.gov.au

Consumers and traders can also access a wide range of information on consumer protection issues through the Office of Consumer Affairs website at www.caba.nt.gov.au. The website is comprehensive, providing information on the Consumer Affairs Council, product safety, property agents licensing, residential tenancies, and trade measurement.

It covers hot topics, events, media releases, NT fuel watch, and provides access to licence application forms, publications and fact sheets.

I would like to take this opportunity to highlight NT Fuel Watch, which was established at the instigation of the Chief Minister in March 2002. Under this initiative, the Office of Consumer Affairs tracks fuel prices in Darwin, Alice Springs, Tennant Creek, Katherine and Nhulunbuy and posts prices on the NT Fuel Watch website on Friday of each week. The website lists the highest, lowest and median price per unit of fuel in each area.

Since monitoring began there has been very little in rapid price movement for any product in any region. Consumers are able to log into the site and determine whether the price at their preferred retailer is value, or whether to shop around.

Publications on a wide range of consumer topics are also available throughout the Territory. Now that the Consumer Affairs Office has been amalgamated into the Department of Justice it is able to extend the availability of its publications into regional areas through the courthouses at Tennant Creek, Katherine and Nhulunbuy, helping to empower consumers across the Territory.

A pro-active approach to informing traders and consumers of issues involving the retail market is maintained. A mobile information display ensures that Consumer Affairs is prominent at community events and shows, and staff regularly conduct information sessions in schools. A program of trader visits is also conducted and a close working relationship with industry associations is maintained.

Every effort is being taken to ensure that consumers living in rural and remote parts of the Territory are informed of their consumer rights and not disadvantaged by remoteness and distance. The Commissioner for Consumer Affairs will be visiting Alice Springs, Tennant Creek and Katherine as well as smaller communities such as Elliott, Mataranka and Pine Creek next week to promote the services available within the agency.

Consumer Affairs Newsletter

The Consumer Affairs Council also produces a regular newsletter which provides information on new laws and regulations, advice of current issues including unsafe goods and financial management, and other matters. The newsletter has a circulation of 5,000 copies and can also be downloaded from the Consumer Affairs website.

Conciliation and Dispute Resolution

Madam Speaker, one of the most valuable services for consumers are the conciliation and dispute resolution services provided by the Office of Consumer Affairs. These ensure a cheap and readily available avenue for disputes to be settled quickly. A conciliation service for consumers and traders is available, as is a tenancy dispute resolution service to assist tenants, landlords and real estate agents. This is a particularly valuable service given that approximately 45% of people in the Territory live in rental accommodation.

During the six month period to 31 January 2003 the office received 274 requests for assistance compared to 144 in the previous corresponding period. This represents an increase of 90% use of the service. Of these applications, 70% were from landlords or real estate agents seeking possession of their properties following non-payment of rent and other disputes.

Weights and Measures

The Office of Consumer Affairs also monitors the accuracy of weight and measures used by Territory businesses. Approximately 6,000 tests are conducted annually to ensure consumers receive correct weights and measures for purchases, such as fruit and vegetables, volumes for fuel, and liquor.

Staff from the Office of Consumer affairs tested approximately 2,000 measuring instruments and visited over 600 premises during the past twelve months. This is an expansive program operated to ensure consumers are not being shortchanged and ripped-off.

Product Safety

Consumer Affairs also provides advice on product safety issues.

It completes surveys to ensure that products available in the marketplace are safe and that the information provided with goods is accurate and easily understood.

Consumer Affairs works closely with community groups, such as Playgroup, Kidsafe, Nursing Mothers and children's groups to promote product safety. Officers attend community fun days and events and provide 'Keeping Kids Safe' information and safety tips on play equipment, buying nursery furniture and toys.

Investigations and Inquiries

One of the important functions of the Office of Consumer and Business Affairs is to conduct investigations and inquiries. To support these activities a fulltime Investigations Officer was appointed early last year and another officer was seconded from the Motor Vehicle Registry. These additional personnel allowed 106 investigations to be commenced over the last 12 months looking at dealings within the motor vehicle industry, fax and other scams, misleading and unconscionable conduct, and breaches of the *Consumer Credit Act*.

In the past twelve months the Commissioner for Consumer Affairs has also conducted a number of inquiries under the Consumer Affairs and Fair Trading Act into Licensed Motor Vehicle Dealers and Commercial and Private Agents. These Inquiries have led to actions including suspension and revocation of licenses and the refusal of an application for a Motor Vehicle Dealer's License.

One of these investigations was conducted into the proprietor of Paul Reid's World of Wheels, who had sold vehicles but not paid the proceeds to the owners. Twelve consumers who had placed vehicles on consignment were owed a total of around \$100,000.

Following the investigation by the Office of Consumer Affairs, Mr Reid's dealers licence was revoked. A successful action was also taken in the Supreme Court to obtain an injunction against him to prevent the sale of his Australian based asset – his property on the Stuart Highway, Berrimah.

The injunction was sought to secure payment for outstanding monies owed to those consumers. It will prevent the property being sold by Mr Reid without payment to the consumers and will allow time for the consumers or Consumer Affairs to instigate action on their behalf.

In another action by the Office of Consumer Affairs, the pay day lender Ezy Money, has closed its payday lending operation in Darwin. Once again, affected consumers have been those who are often the most vulnerable with Ezy Money's advertisements targeting pensioners, the unemployed and single mothers.

Consumer Affairs officers raided Ezy Money's offices in late January seizing all loan documentation. This led to the business proprietor being interviewed in regard to a number of breaches of the NT *Consumer Credit Act*. Documentation revealed interest on the bulk of the loans was set at 520%p.a. With the additional fees that were being charged on loans, total interest of up to 1,000% pa could be charged.

In one case, a consumer who borrowed \$500 ended up owing more than \$6,000 with interest, fees and charges. Around 70 loan contracts are being investigated where security appears to have been taken over all household effects for small sum loans – a clear breach of the law.

Consumer Affairs officers have met with North Australian Aboriginal Legal Aid, the Northern Territory Legal Aid Commission and Darwin Community Legal Service to put in place processes to ensure the consumers who are affected are aware of their rights and remedies under consumer legislation.

New Consumer Affairs Council

Madam Speaker, one of the initiatives I have been keen to advance is revamping the NT's Consumer Affairs Council. In November last year, I appointed new members to the Council, and tasked them with specific responsibilities. The Council will be one of the key contributors representing consumer interests in legislative initiatives such as the new code of practice for auctioneers, new real estate and conveyancing agent legislation, retail tenancy legislation and government consideration of a centralised tenancy bond board as well as looking at indigenous consumer affairs issues like book up & community stores.

The new membership is broadly representative of the community and includes Indigenous representation, which is particularly pertinent given the Territory's responsibility as lead jurisdiction on the national consideration of Indigenous consumer affairs issues.

The Consumer Affairs Council is comprised of ten members with three former board members retained to ensure consistency and continuity of knowledge. The three previous council members are Chair Ms Cheryl Kuhn, Ms Kezia Purick and Mr Mark Holecek from Tennant Creek. The seven new Consumer Affairs Council members, who have been appointed for three years, are:

Mr Graeme Bevis, current Executive Director of the Motor Trades Association, with extensive experience in consumer issues relating to the motor trades industry;

Mr Frank Procter, an Indigenous Territorian with broad private industry and government experience and expertise in indigenous community development and culturally appropriate approaches;

Mr Rajeev Sharma, the Associate Dean of International Programmes and Marketing at Northern Territory University with extensive experience of marketing and consumer behaviour;

Ms Sue Shearer, CEO of the Real Estate Institute of the NT with extensive experience in both public and private housing;

Mr Mick Uiho, an Educator with particular interest in consumer issues, particularly those of remote Indigenous communities;

Mrs Barbara Vos, Darwin business operator with international public relations and marketing experience and member of the Licensing Commission; and

Mr Randle Walker, an Alice Springs accountant with extensive experience of consumer legislation and corporate governance.

The Council meets monthly throughout the regions of the NT. I will be attending some of these meetings and will be receiving a report from the Chair, Ms Cheryl Kuhn and another member after each meeting. I am looking forward to their advice on all consumer affairs and matters of concern to Territorians.

New Indigenous Consumer Affairs Campaign

Madam Speaker, as part of a focus on ensuring indigenous territorians are aware of their consumer rights, I am announcing tonight that well-known Territorian and AFL Football legend Michael Long is the face of the soon to be launched Indigenous Consumer Education Campaign. Michael Long is currently the Chairman of the Australian Football League Indigenous Australian Foundation, and will feature in videos, posters and television commercials targeted at urban, regional and remote Indigenous Territorians.

The campaign will focus on consumer advice in relation to cars, warranties and refunds on purchased goods; and promote the safe use of debit cards and PIN numbers. I am particularly proud of this initiative which responds to the need to target existing consumer education programs to indigenous consumers.

Other Indigenous Consumer Protection Measures

Consumer Affairs officers have been actively working on a number of other strategies and investigations to improve protection for Aboriginal people. One example relates to the purchase of motor vehicles in the remote communities of the NT.

Vehicles being sold in those communities have been notoriously unroadworthy or unregistered, not value for money, and lacking proper sale contracts and transfer of ownership is not carried out. Consumer Affairs staff have visited a number of remote communities over the past 12 months investigating unlicensed dealing and educating consumers in regard to their rights when purchasing motor vehicles. Within these investigations two individuals are being pursued in relation to unlicensed dealing.

Communities visited include Mutitjulu, Kintore, Santa Teresa, Lajamanu and Ti Tree. The communities have all welcomed the visits and opportunity to learn of the rights in regard to vehicle purchase, and a number of communities have also indicated an interest in seeking a motor vehicle dealers licence.

Legislative Reform

Madam speaker, I would now like to move on to my legislative reform program for consumer affairs. This Government is committed to social justice for all Territorians, including a fair and equitable market place. Modernised consumer and trader legislation will underpin this commitment.

In the coming months I will be kicking off our legislative reform program by releasing a number of discussion papers to seek community input on a wide range of legislative measures. These discussion papers will enable wide consultation, both by the Office of Consumer Affairs and through the Consumer Affairs Council.

As a commitment to wide consultation I will be releasing:

- An Issues Paper on the Regulation of Land, Business and Conveyancing Agents. This will lead to reform of the current Agents Licensing Act;
- A Discussion Paper canvassing the possible establishment of a Territory Bond Board;
- A Discussion Paper on Motor Vehicle Dealer Regulation (Part 10 of the Consumer and Fair Trading Act);
- A Discussion Paper on Vendor Disclosure – requiring vendors to declare inspection reports on structural issues, termite detection and defects to potential home purchasers;
- A draft Discussion Bill on Retail Tenancy requiring full disclosure of all conditions of leases to retailers in shopping centres – to protect the small retailer; and
- A paper on the modernisation of the Disposal of *Uncollected Goods Act*.

Modernised legislation which will result from this consultative approach will provide greater certainty for traders while at the same time underpinning consumer rights.

I hope to have this backlog of much needed legislative reform completed by the end of 2003.

I am also pursuing consumer affairs issues at the national level. Unlike my CLP predecessor, I am attending the national consumer affairs Ministers meetings. At the last Ministers meeting I secured agreement for the NT to be the lead jurisdiction to co-ordinate a national approach on Indigenous consumer affairs issues. We will be leading efforts to achieve a five year National Indigenous Consumer Strategy and I am currently in the process of advising relevant organisations and seeking their support.

This is an achievement for the Territory and I expect to be able to announce further developments shortly.

I am proud to be the Minister for Consumer Affairs. Consumer affairs is a very important area that can help protect and advance the interests of all Territorian consumers. I will continue to work closely with the Office of Consumer Affairs and the new Consumer Affairs Council to advance the many initiatives I have outlined today.