

## Consumer Action Law Centre Policy and Campaigns Plan 2011-12

Consumer Action Law Centre (**Consumer Action**) is a not-for-profit, independent community organisation, focusing on advancing the interests of consumers, particularly low-income and vulnerable consumers.

We advocate for more equitable outcomes for consumers, particularly those who are disadvantaged and vulnerable. We do this through legal advice and casework (directly to individuals, or through other consumer advisors), and financial counselling and more broadly through our policy and campaigns work.

### Consumer Action's Policy and Campaigns Practice

In line with Consumer Action's strategic plan for 2011-14, our policy and campaign work is well integrated with our casework. Our policy and campaign work achieves broader benefits through identifying issues (from casework and other sources) that contribute to consumer problems and responding to those issues.

The policy and campaign practice works in these areas in a number of ways, including:

- Seeking to ensure the consumer interest is recognised and represented in policy debates that impact on the consumer interest;
- Representing an effective and credible voice for consumers, particularly disadvantaged and vulnerable consumers, in media and other forums;
- Bringing about change in laws, regulation, and industry practices, in the consumer interest;
- Contributing to the body of knowledge of consumer issues and laws;
- Developing strategic partnerships, including alliances beyond "traditional" stakeholders; and
- Building capacity within the consumer movement.

### Prioritising Policy Issues and Campaigns

Consumer Action recognises that the policy areas and issues that impact on consumers are numerous, and the capacity of Consumer Action's policy and campaign practice to engage with consumer issues is necessarily limited by constraints on its resources. It is therefore important to prioritise the policy issues that Consumer Action will focus on in order to ensure that our resources are used strategically, efficiently and effectively for the benefit of consumers, particularly low-income and vulnerable consumers.

In setting our policy and campaigns plan for 2011-12, we conducted an internal review of our 2010-11 policy plan and drew upon our recent organisational strategic planning.

We affirmed that our policy and campaigning priorities should be identified based on the following factors:

- Impact on disadvantaged or vulnerable consumers;
- Impact on consumers as a whole, for example market failures or lack of competition;
- Issues arising out of our casework practice;

- Our ability to effect change, including use of Consumer Action's skills and strengths;
- Responding to and maximising current opportunities; and
- Efficiency in terms of what we and other organisations are working on, including opportunities for effective collaboration and, conversely, avoiding duplication.

During 2011-12, Consumer Action will:

- focus on four campaign areas. By campaign, we mean "a coherent and planned series of actions, designed to achieve an overall aim and objectives"<sup>1</sup>;
- regularly identify other problem traders or issues from our casework and undertake specific activities to address issues;
- focus our other policy activities around specific priority areas.

## Campaigns

### 1) "Save the Cap" - effective consumer protection in payday lending

Continuing our campaign from 2010-11 and particularly drawing upon our research report, *Helping Hand or Quicksand*, we will continue to campaign for a national comprehensive interest rate cap (inclusive of fees and charges) as the best mechanism to protect borrowers of payday lenders.

### 2) "Do Not Knock" - unsolicited door-to-door marketing

Unsolicited door-to-door marketing continues to cause significant consumer concerns. In partnership with Financial Counselling Australia, we will expand our "Do Not Knock" campaign, which provides consumers with information and tools to protect themselves from door-to-door marketers.

### 3) Regulator watch

The new Australian Consumer Law and significant amendments to national consumer credit laws have been enacted recently. We will initiate a campaign to monitor the enforcement of these and other consumer laws by relevant regulators, to ensure they operate effectively for Australian consumers.

### 4) Low-income debtor rights

Low-income debtors often get the worst deal when it comes to dealing with debt—misleading or severe debt collection practices (including problems with outsourcing debt collection); default judgments and harsh debt enforcement; inappropriate bankruptcy or debt agreements. This campaign will focus on improving the deal for low-income debtors.

### 5) An energy market for consumers

This campaign will pursue better consumer outcomes in the national energy market. An initial focus will be fairer distribution pricing, including appeals mechanisms, following consumer problems in engaging with previous pricing determinations. We will also pursue improved enforcement of new energy laws, including ensuring compliance efforts and penalties for contraventions, provide incentives for businesses to improve services for consumers.

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<sup>1</sup> Rich N, *Reclaiming Community Legal Centres: Maximising our potential so we can help our clients realise theirs*, April 2009, available at: <http://consumeraction.org.au/downloads/VLFCLCFellowship07-08reportWebFinal.pdf>.

#### 6) Effectiveness of the ACL amendments

This campaign, to be further developed later in the year, will look particularly at the effectiveness of the new unfair contract term and/or consumer guarantees laws.

#### **Emerging issues (mini-campaigns on problem market practices)**

We will regularly identify emerging issues from our casework (legal practice and financial counselling) services. From these issues, we will undertake targeted interventions aimed at addressing consumer or market problems arising from these emerging issues. Activities might include:

- issuing warnings to consumers through the media and our website;
- providing public information about trader conduct; and
- making complaints to consumer regulators.

#### **Policy priorities**

While we will ensure we remain responsive to consumer policy issues and debates as they arise, we will particularly focus on the following priority areas during 2011/12:

##### 1) Consumer protection and competition

- Implementation of the Australian Consumer Law, particularly consumer guarantees and unfair contract term laws
- High pressure sales, including unsolicited marketing
- Effective operation of competition, particularly in banking and utilities
- Improving poor trading conduct in problem areas, particularly retirement villages

##### 2) Consumer Credit

- Credit-card over-commitment
- Further consumer credit reforms including consumer leases and point of sale finance
- Credit reporting reforms
- Debt collection, particularly outsourcing practices

##### 3) Financial services

- National insurance reforms
- Direct debits and fair payment mechanisms
- Competition in banking sector - demand-side initiatives

##### 4) Utilities

- Retail and distribution market and fair trading issues
- Electricity distribution pricing
- National energy market design in the best interests of consumers
- Water—household prices and services

##### 5) Effective consumer dispute resolution

- Access to and effectiveness of industry internal dispute-resolution processes
- Access to and effectiveness of industry external dispute resolution (EDR) schemes
- Expanding industry EDR schemes to new market sectors
- Ensuring consumers not disadvantaged by mediation and ADR procedures