

CONSUMER LAW CENTRE VICTORIA

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Editorial

Having always been a great admirer of the CLCV and the excellent policy and advocacy work it does, I was excited and honoured to be offered the position of Executive Director, replacing Chris Field. My first month has been marked by getting to know the staff better, catching up on recent developments in consumer policy and acquainting myself with the range of issues and advocacy work the Centre is involved in. Prior to taking up this role, I had been working at the National Consumer Council in the UK on their new Public Services initiatives. However, *e-bulletin* readers may know me from when I worked as Senior Policy Officer, Financial Services at the Australian Consumers' Association. Since my return, I've also been elected Chair of the Consumers' Federation of Australia.

As ever, there are many issues competing for the Centre's attention – and for that of the consumer movement more generally. In mid-October, the Federal Government announced the creation of a Regulation Taskforce, to review and reduce the 'red tape burden' on business. While many in the consumer sector could just as readily identify regulations they believe to be ineffective or inadequately enforced, the lack of reference to consumers in the Prime Minister's announcement, or in the membership of the Taskforce underlines the importance of ensuring the consumer voice is heard in this process.

This review marks the Federal Government's third such investigation of regulation of business in recent years. It follows the Dawson Review of the *Trade Practices Act* in 2002 and the 2002-3 Uhrig Review of Corporate Governance of Statutory Authorities and Office Holders. It appears to mirror a similar initiative in the UK – the Better Regulation Taskforce, which is still in the process of implementing recommendations of its own review of regulation. Interestingly, one of the recommendations of the associated Hampton Review in that country has been an acknowledgement of insufficient consumer protection infrastructure, leading to the creation of a Consumer and Trading Standards Agency.

In addition to the Taskforce on Regulation, a review of Consumer Protection by the Productivity Commission is in the offing, and the Ministerial Council on Consumer Affairs is currently accepting responses to its Discussion paper on Civil Penalties for Australia's Consumer Protection Provisions. So there's no shortage of relevant reviews and inquiries into the nation's consumer protection infrastructure. Where possible, the Centre will make submissions to these processes, and welcomes views from *e-bulletin* readers. I am particularly keen to obtain examples of both effective and ineffective regulation at the industry and self-regulatory, State and Federal levels.

In other news, it's been a time of broader change at the Centre. We farewelled Anoushka Bondar in September, who has taken up a position with the Psychologists Registration Board of Victoria. Anoushka was highly-respected for her work at the Centre, and we wish her well in her new role. Sadly, we are also saying farewell to Anna Stewart, the Centre's Principal Solicitor and Deputy Director, who is joining AGL as Manager Business Relations. For the last four years, Anna has been a passionate advocate for consumer rights and she is widely respected for her insight and leadership. Her contribution to the Centre and to the broader consumer movement has been invaluable and we wish her all the best in her new role. Eliza Collier has been appointed as the new Principal Solicitor and Deputy Director. Eliza can be contacted on (03) 9629 6901 or at eliza@clcv.net.au.

Catherine Wolthuizen
Executive Director

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1. What are we doing?

1.1 Refunding of Consumer Legal Practice Outreach Project

Early in 2003, the Centre realised that low-income people from rural and regional Victoria and Indigenous Victorians were encountering difficulties in accessing our Legal Practice in its current form. Accordingly, we sought funding to commence a Consumer Legal Practice Outreach Project (the **Outreach Project**). In June 2003, the Centre received a funding grant payable over two years, from the William Buckland Foundation for the employment of a full-time lawyer for the Outreach Project. In addition to this funding, the CLCV also received a funding grant from the Collie Foundation, payable over two years, to provide a real-time on-line website for advice to rural, regional and Indigenous Victorians and for the employment of an additional full-time lawyer for the Outreach Project. Both the William Buckland Foundation and the Collie Foundation are managed by ANZ Charitable Services.

The Outreach Project adds to the value of the existing Consumer Affairs Victoria funded Legal Practice and facilitates greater access to the Legal Practice for low-income and vulnerable rural and regional and Indigenous Victorians. As a result of the Outreach Project, the CLCV has established strong relationships with community legal services, financial counselling agencies, Indigenous organisations and other local services in rural and regional areas of Victoria, particularly in South-West Victoria, Gippsland and the Ballarat region.

Our new website, www.clcv.net.au, funded through the grant from the Collie Foundation, further promotes the Legal Practice and provides important information and advice to rural and regional and Indigenous consumers.

We are delighted to announce that both the William Buckland Foundation and the Collie Foundation recently agreed to fund the Outreach Project for a further and final year. The funding will ensure the Outreach Project is vital and ongoing while we seek recurrent government funding from July 2006.

Since the start of the year Centre lawyers have made a number of visits to Morwell, Warrnambool and Ballarat, to meet with financial counsellors and other community workers and discuss client matters, as well as to present training to workers on consumer law issues, such as mobile phone debt, unfair contract terms, door-to-door marketing and vendor terms contracts. In addition, since the inception of the Outreach Project, the number of rural and regional consumers seeking legal assistance from the Centre has doubled, with around 20 per cent of all consumers contacting the Centre now coming from rural and regional Victoria.

If you would like further information about the Centre's Outreach Project, please contact Eliza Collier on (03) 9629 6901 or at eliza@clcv.net.au.

1.2 National Electricity Market Capacity Building Project

The National Electricity Market (NEM) Capacity Building Project (**NEM Project**) continues to be successful in increasing collaboration around community sector responses to NEM policy and regulatory debates, including via written submissions, the production of the

quarterly newsletter *On the Wire* and through lobbying activities. Since the departure of Natasha Leigh from the Centre in July, the NEM Project has been managed by Anna Stewart and Anthony Jayamaha. The NEM Project has been funded by the NECA Advocacy Panel until the end of December 2005.

The two key NEM issues currently being addressed by consumer and community advocates as part of the NEM Project are the recent release by the Ministerial Council on Energy (MCE) of an Options Paper on the National Framework for Electricity and Gas Distribution and Retail Regulation, and future arrangements for consumer advocacy in the NEM. In terms of the Options Paper, in collaboration with NEM Network members, the Centre is planning a 1-day community roundtable to be held in late November/early December to enable community advocates to prepare a response to the Options Paper. Information will be circulated about the roundtable to NEM Network members shortly.

With respect to the national consumer advocacy arrangements, the Centre, again in collaboration with a large number of consumer and community advocates around Australia, continues to lobby for the development of an effective model for consumer advocacy to ensure the needs of consumers are taken into account as the NEM develops. In March 2005 the MCE released a Consultation Paper and research report by KPMG asking for submissions on four proposed options for future consumer advocacy arrangements. Overall, as noted in the June edition of *e-bulletin*, we supported option 4 - the creation of a new national advocacy body to add to and enhance the ongoing work of existing community organisation based advocacy. While we understand that the Standing Committee of Officials have agreed to develop a set of principles on the structure of consumer advocacy in the NEM, there has been no public release of that document and we are currently unaware as to how this dialogue is developing.

Finally, we note that the penultimate edition of *On the Wire* will be distributed at the end of October, with the final edition due out in December. Current and past editions of *On the Wire* are also available on our website at www.clcv.net.au.

If you would like further information about the Centre's NEM Project, please contact Anthony Jayamaha on (03) 9629 6300 or at tony@clcv.net.au.

1.3 Water Policy Officer Update

Policy Proposals for the Department of Sustainability and Environment

One of the major projects of the Centre's Water Policy Officer (see *e-bulletin*, edition 32, February 2005) has been to provide the Department of Sustainability and Environment (DSE) with detailed, informed policy recommendations on water policy and regulation that advance the interests of low-income and vulnerable consumers (the **Policy Proposals**).

The Policy Proposals were provided in two stages. The initial Policy Proposals, provided to DSE on 6 June 2005, recommended the use of a social or alternative water tariff for consumer's suffering from extreme financial hardship and the introduction of minimum standards of water efficiency for water products and appliances. We also suggested measures to improve water efficiency in gardening practices.

The second tranche of Policy Proposals, provided on 7 September 2005, primarily related to the water price review process undertaken by the ESC during 2005 (see *e-bulletin*, edition 33, June 2005). Broadly, the Policy Proposals supported the Government's approach to regulating prices and pricing structures in the water sector, particularly the emphasis given to consultation with consumers and the need to institute pricing structures and customer service standards that ensure consumers' access, affordability and quality of supply. However, the Policy Proposals also suggested ways in which the Essential Services Commission's (ESC's)

approach to regulating water and sewerage services might be improved to take into account more effectively the interests of low-income and vulnerable consumers. In particular, we recommended amendments to the *Water Industry Regulatory Order 2003* and the Statements of Obligations issued by the Minister for Water to water businesses to ensure that the impacts of increases in the end-price of water on low-income and vulnerable consumers are fully considered as part of the ESC's regulation of water pricing. For example, the Policy Proposals suggested that the implementation of effective measures to assist consumers who are disproportionately affected by price increases be more actively encouraged and enforced by the ESC as part of the water review process.

The Water Policy Officer continues to meet with DSE in relation to the Policy Proposals. Copies of the Policy Proposals provided to DSE are available on the Centre's website, at www.clcv.net.au.

Hardship Policy Research Project

The Water Policy Officer is currently undertaking a research project about the implementation of hardship policies by Victorian metropolitan and regional urban water businesses. Since the introduction of the *Customer Service Code* on 1 July 2005, water businesses have a regulatory obligation to have a hardship policy that details procedures for assisting customers in financial hardship. By analysing the hardship policies that are currently being implemented by the water businesses, the project aims to assist with the development and implementation of effective hardship policies that best assist low-income and vulnerable water consumers. The Water Policy Officer is currently consulting with water businesses, as well as financial counsellors and community workers, about the implementation of effective hardship policies.

If you would like further information about the CLCV's work on water policy and regulation, please contact Gerard Brody, Water Policy Officer, on 03 96296300 or at gerard@clcv.net.au.

1.4 Credit and Debt Workshops in Rural and Regional Victoria

The Centre is currently presenting a series of half-day workshops on credit and debt jointly with the Public Interest Law Clearing House and Consumer Credit Legal Service (Vic).

Following the success of similar workshops in 2004 and early 2005, the workshops have been generously funded by the Victorian Consumer Credit Fund. They cover a range of topics including an introduction to credit and debt; debts to energy and water businesses; PERIN court fines and infringement notice debts and social security debts and overpayments. The workshops are aimed at financial counsellors, community workers, homelessness workers, community lawyers and pro bono lawyers and assist participants to advocate for financially and socially disadvantaged people in credit and debt matters to ensure that their rights are protected.

The first workshop in the series was successfully presented in Wodonga on Monday 24 October with approximately 30 participants attending the sessions. The next workshop will be held in Ballarat on Tuesday, 8 November 2005 and workshops are currently being arranged for Warrnambool, Geelong, Bairnsdale, Morwell, Swan Hill and Bendigo in early 2006.

For more information, please contact Eliza Collier on (03) 9629 6901 or at eliza@clcv.net.au.

2. Representing the consumer interest in the development of product and service standards

The Centre's Consumer Representatives on Standards Australia Committees Project places and supports consumer representatives on Standards Australia technical committees on behalf

of the Consumers' Federation of Australia. Through this project consumers can provide direct input to the development of key standards in the interests of Australian consumers.

The following draft standards are available for public comment.

- Biodegradable plastics packaging (*DR 05402*) - comments by 16/11/05;
- Gas space heating appliances (*DR 05412*) - comments by 28/11/05;
- Closed circuit television (CCTV): Parts 1 - 3 (*DR 05405 – DR 05407*). - comments by 10/12/05; and
- Glycemic index of foods (*DR 05435*) - comments by 12/12/05.

Draft standards may be viewed at www.standards.org.au via the 'Standards Development' link.

We are currently seeking consumer representatives for the following committees:

- Motor vehicle lifting systems;
- Protective helmets for vehicle users;
- Safety of Household Electrical Appliances;
- Power Quality; and
- Four wheel drive accessories.

Consumer representatives attending Standards Australia committee meetings are entitled to have their travel expenses reimbursed through this project.

If you would like to make comment on any of the above draft standards, would like to join a committee, or simply require further information, please contact the Standards Co-ordinator, Angela Russell, on (03) 9629 6300 Tuesdays and Thursdays, or at angela@clcv.net.au

3. Next Edition: December 2005

Our *e-bulletin* is designed to keep our stakeholders up to date on the work of the Centre. We welcome your comments on the *e-bulletin*. If you would like to be added to the Centre *e-bulletin* mailing list, please contact Ebony Gallacher at ebony@clcv.net.au or (03) 9629 6300.