



Ecological Sustainability - Social Justice - Peace and Non-violence - Grassroots Democracy

## CONSUMER ACTION LAW CENTRE FEDERAL ELECTION 2010

The Australian Greens are strong advocates of the rights of consumers. During the term of the current Parliament, we have acted in the interests of consumers in many ways.

For instance, we have sought a better return for banking customers through Senator Brown's *Banking Amendment (Delivering Essential Financial Services for the Community) Bill 2010*, which is presently before the Senate Economics Committee. This bill does four things:

- Obliges lenders to offer mortgages with an interest rate fixed at a negotiated margin above the institution's cost of funds, meaning it can only move in step with changes to the institution's own cost of funds;
- Caps mortgage exit fees at the cost to the lender of the early termination, and requires the upfront notification of these fees to potential customers;
- Obliges banks to offer customers basic transaction accounts with no account-keeping fees, no fees for unavoidable actions of third parties, and other fees for breach of contract limited to a level that reflects the cost to the bank of the penalised conduct;
- Caps fees for the use of 'foreign' ATMs at the cost to the bank of providing the service.

Also in the financial sphere, Senator Brown has decried exploitative credit cards that create incentives for consumers to run up risky debt. For example, he urged the Government to act against credit cards 'with an immediate purchase capability but consequent serious debt obligations'<sup>1</sup>.

On toxic chemicals, the Greens have sought to have known hazardous chemicals banned or restricted and a more precautionary approach adopted by the regulators – Food Standards Australia New Zealand (FSANZ) and the Australian Pesticides and Veterinary Medicine Authority (APVMA). Some recent examples of our efforts in this area include:

- Senator Rachel Siewert's recently renewed call for a ban on the chemical bisphenol-A in baby food products<sup>2</sup>;
- Senator Siewert's comments on the recent *Agricultural and Veterinary Chemicals Code Amendment Bill 2010*, where she raised concern with a range

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<sup>1</sup> <http://bob-brown.greensmps.org.au/content/media-release/put-a-lid-debt-traps-%E2%80%93-greens>

<sup>2</sup> <http://www.greensmps.org.au/content/media-release/greens-call-total-ban-bisphenol-baby-products>

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Authorised by Ebony Bennett, Australian Greens, Canberra

of agricultural chemicals and questioned how their use could be permitted in Australia while they're banned or heavily restricted elsewhere<sup>3</sup>;

- Senator Bob Brown and Senator Christine Milne have also quizzed APVMA about the use of Triazines in agriculture at numerous Senate Estimates hearings, given that this chemical has been de-registered in the EU after persistently making its way into groundwater yet it is permitted here despite persistently being found in our drinking water;
- A further announcement on banning known harmful chemicals and having our regulators adopt a more precautionary approach is planned for the election campaign.

You also raised consumer protection in the telecommunications sector. Greens communications spokesperson, Senator Scott Ludlam, is working hard in this area. One of the biggest problems in the sector is the market dominance of a vertically-integrated monopoly telco – Telstra. As the owner of the national fixed line infrastructure that sells wholesale access to rival retail telcos, Telstra has been able to ensure that high prices for poor services are a defining feature of the Australian telecommunications market. For this reason, Senator Ludlam has supported the Government's efforts to structurally separate Telstra, although he has also moved amendments to safeguard the provision of payphones, disabled access and end user protections.

Market reform is also one of the reasons the Greens support the NBN. However, we are concerned to see the NBN plan improved in two key ways that will deliver better results for consumers:

- By opposing the automatic privatisation of the NBN. There is a strong risk that it will not be run in the best interests of end users when it becomes a private monopoly with a fiduciary duty to maximise shareholder value. This creates an incentive to over-charge and under-invest. Senator Ludlam intends to continue his efforts to prevent this from occurring, or to ensure that at a minimum there is a comprehensive public interest assessment and Parliamentary vote before privatisation proceeds.
- By pushing for measures to be implemented to bridge the geographic and socio-economic digital divides, which will otherwise mean that not all Australians will enjoy the same benefits from the new network. In his additional comments in the reports of the Senate Select Committee on the NBN, Senator Ludlam repeatedly drew attention to this issue and endorsed various sensible remedies suggested in submissions to the Committee<sup>4</sup>. These may include complementary service delivery to compensate for essential services that can not be delivered over a 12mbps service to people in remote areas, a free connection with access to essential services for every household, or a revamped Universal Service Obligation. On this latter point, the Greens support the NBN Implementation Study's call for a review of the

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<sup>3</sup> [http://parlinfo/parlInfo/genpdf/chamber/hansards/2010-06-24/0134/hansard\\_frag.pdf;fileType=application%2Fpdf](http://parlinfo/parlInfo/genpdf/chamber/hansards/2010-06-24/0134/hansard_frag.pdf;fileType=application%2Fpdf)

<sup>4</sup> Access Senator Ludlam's comments in full from [http://www.aph.gov.au/Senate/committee/broadband\\_ctte/index.htm](http://www.aph.gov.au/Senate/committee/broadband_ctte/index.htm)

USO to determine how it should operate in an NBN future. Senator Ludlam will be continuing his work on these issues during the next Parliament.

You also made passing mention of privacy protections for telecommunications consumers. Senator Ludlam is very concerned about online privacy, especially in light of the recent controversies involving Google, Facebook, and the Government's consultations with ISPs about 'data retention' (storing information about everyone's online activities). He recently initiated a Senate inquiry to examine the threats to end user privacy posed by the private sector and by Government<sup>5</sup>. The Greens' response to these issues will be guided by the evidence received by the Committee.

The Greens agree with the Consumer Action Law Centre's preference for consumers to be given more information about the health and ethical dimensions of products. We plan to introduce legislation for a 'traffic light' front-of-pack food labelling system on all food and beverage products sold in Australia to assist consumers in selecting healthier food products. This will use easily understood colour coding to indicate high (red), medium (amber) or low (green) concentrations of saturated fat, sugar, total fat and sodium. We will also push for a public information campaign to accompany the implementation of the traffic light labelling system to educate consumers on how to use it to make healthy choices. We would welcome input on other labelling schemes that should be implemented to aid consumers.

The Greens have also been active on consumer protection in energy and water markets. Initiatives to promote energy efficiency are one of the best ways to protect consumers from energy price hikes, as they can reduce demand to largely offset increases in price. The Greens have a number of policies to improve the energy efficiency of existing homes, including schemes tailored to the needs of low income households. Details of these schemes are available on our website<sup>6</sup>.

The Greens recognise that a proportion of the revenue collected by either an emissions trading scheme or a carbon tax should be used to offset electricity price increases, particularly for low income households. Our proposal for an interim carbon tax includes a provision for nearly half of all revenue raised to be returned to low and medium income households – in this regard the Greens interim carbon tax is the same as the Government's proposed Carbon Pollution Reduction Scheme.

On water, we have a policy for a Water Tight Fund that could be accessed by households to make their homes more water efficient. Water users would then direct the savings on their water bill to repaying the Fund. This approach is more useful for low income households who do not benefit from rebate schemes as they cannot afford the up-front costs.<sup>7</sup>

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<sup>5</sup> [http://www.aph.gov.au/senate/committee/eca\\_ctte/online\\_privacy/index.htm](http://www.aph.gov.au/senate/committee/eca_ctte/online_privacy/index.htm)

<sup>6</sup> <http://greensmps.org.au/the-safe-climate-bills>

<sup>7</sup> <http://greensmps.org.au/content/urban-water>

These are just some of the ways that the Greens are looking after the interests of consumers. We are keen to continue to make a strong contribution in this area and we welcome input from organisations with specialist knowledge about consumer affairs, such as the Consumer Action Law Centre.

18 August 2010