



# CONSUMERS SA

[CONSUMERS' ASSOCIATION OF SOUTH AUSTRALIA INC.]

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## 2015 CSA Consumer Policy Agenda & Priorities

The Consumers Association of South Australia (Consumers SA) is the consumers' voice in South Australia. It is a community based, non-profit organisation that represents consumers' interests, encourages the dissemination of information on issues affecting consumers, provides a forum for discussion of those issues and lobbies on them to all levels of government.

This agenda focuses on South Australian consumers but it is based on the national Consumer Policy Agenda developed by the Consumers Federation of Australia for consumer policy throughout Australia. Support for the national policies advocated by the Federation will clearly benefit South Australian consumers.

We urge all governments and businesses to review this Agenda, engage with consumer advocates on the ideas presented and implement enabling policies, regulation and legislation as opportunities arise or where urgency requires swift action.

The Agenda has three key themes:

### **1. Consumers should be placed at the centre of all decision-making that affects their interests:**

A robust market economy recognises that it should achieve outcomes that are in the interests of consumers. South Australian legislation acknowledges the primacy of protecting the long-term interests of consumers with respect to the price, quality and reliability of essential services. That approach should be extended to all sectors and mechanisms within and outside government strengthened to achieve it.

### **2. Consumers should have ready access to information, advice, assistance and avenues for dispute resolution:**

While Australia has made great progress in access to better dispute resolution in some industries, including financial services and communications, many consumers are left without adequate access to remedies for wrongful conduct by a business. Improvements are required in the legal assistance system, the provision of non-legal advice services, including financial counselling and tenant's advice, and in the establishment and refinement of dispute resolution schemes in key markets including motor vehicles.

### **3. Specific problems in particular industries should be fixed:**

There are a number of key areas where Consumers SA has identified particular challenges for South Australian consumers of specific goods and services. While not an exhaustive list, they represent current areas of most concern and include policy solutions that would clearly improve outcomes for consumers.

## **1. Put consumers at the centre of decision-making:**

Consumers have the right to be heard but their voices are often drowned out on specific issues by the business lobby. Where this happens, government decisions may be taken that are counter to consumer interests and ultimately counter to the interests of the whole community.

Open public debate is a vital part of effective policy development.

Consumers interests must be given due weight in policy debate. This requires government agencies and nongovernment organisations to be given the mandate, access and resources necessary to contribute effectively.

There is likely to be a strong return on investment in recognising the value of information and input to policy development from front-line consumer services and advocacy organisations. Their advice can be critical to the development of robust and fair government policy solutions.

The terms of reference of local inquiries that impact on the economy and consumer policy generally or in industries providing essential services to consumers including financial services, communications, energy, water, food and health should include a focus on providing policy advice that serves the long-term interests of consumers.

This is critical for all regulation reviews. A reduction in red tape should not be sought as an outcome in its own right, but should be balanced with the need to ensure that the community – and consumers, in particular - do not suffer adverse consequences.

In selecting the members of an inquiry panel, every effort should be made to include those with consumer policy experience in the relevant market.

Inquiry budgets and regulation reviews employing external consultants should make allocations to assist consumer organisations or representatives to provide submissions or other input into the inquiry.

### *Recommendations:*

- Maintain the separate portfolio of Minister for Consumer Affairs to ensure that consumers have a strong advocate in the development of government policy.
- Value and protect community voices that speak up for local consumer interests by adequately funding independent South Australian consumer organisations and supporting their efforts to become fully self-funding.
- Funding for a state consumer organisation should support a full-time policy coordinator and administrative coordinator to enable the operation of a full-time office, a suite of contemporary communications functions, representation of consumer issues and interaction with other consumer organisations.
- Ensure the consumer voice is heard as part of major inquiries that impact on consumers by including a person with consumer policy experience on the inquiry panel and providing financial support to consumer representatives to have input into the inquiry.
- A Consumer Advocacy Panel should be established to collect, analyse, advise about and advocate consumer opinions about any legislation affecting them.
- Representation of consumers should be supported on all relevant government bodies.

- Support implementation of the Productivity Commission recommendations to fund a representative peak national consumer body and establish a national consumer policy research centre.

## **2. Ensure consumers have adequate access to advice, assistance and avenues for redress when faced with consumer problems:**

As in most jurisdictions it is difficult and expensive in South Australia for low-income and vulnerable consumers, and even for many middle-income consumers, to gain access to legal advice and assistance in civil law consumer matters.

Access also varies by area of law. Specialist assistance is available in some areas but it is particularly difficult, for example, for health consumers to challenge the power imbalance that is involved when they take on health professionals and the health bureaucracy.

Consumers deserve consistent access to good quality advice and information and assistance with access to justice where they are unable to afford legal advice and representation.

Allocation of sufficient resources to provide for those consumers who cannot afford legal advice will help ensure that the market operates efficiently as it was intended.

An efficient, streamlined and accessible court system will also assist: the establishment of a new Civil and Administrative Tribunal in South Australia is therefore welcome.

### *Recommendations:*

- South Australian Consumer and Business Services should provide advice to consumers on any consumer problem; where appropriate provide representation for a consumer in relation to any consumer dispute; conduct research into consumer products, particularly toys, bedding and clothing constituting a safety hazard for children; assist disadvantaged consumers; publicise consumer issues and promote consumer awareness in the community.
- Maintain ongoing support for the local independent credit advisory service.
- Ensure the provision of adequate civil legal services, including local community legal centres, with sustainable funding.
- Support the creation of a national network of legal services to provide advice in consumer matters including consumer financial services.
- Ensure that the new Civil and Administrative Tribunal in South Australia is sufficiently resourced and adopts procedures that will encourage informal, affordable, timely and accessible redress in consumer matters.
- Consider extending the Community Visitors Scheme to other health consumers.

## **3. Consumer Protection: sectors of interest:**

### **Retail:**

A marketplace in which informed consumers have the capacity to activate competition through their choices is essential for an efficient economy and to maximise consumer welfare. There are significant problems in

parts of both the “bricks and mortar” and online spheres which warrant intervention to promote better competition.

*In the supermarket:*

Australia’s supermarket sector continues to consolidate, as the major supermarkets extend their reach through new products and aggressive marketing. While consumers stand to benefit from lower prices on selected items, current trends raise concerns about consumer choice and price-based competition into the medium term.

*Third-party trading schemes:*

Consumers SA is concerned about aspects of third-party trading schemes that may impact adversely on consumers in South Australia. The ACCC has also expressed concerns about the impact of shopper docket petrol discounts on the competitive process. Our concerns centre on: the illusory value and anti-competitive nature of these schemes, the need for consumer education and information about them, access to redress and the threats to privacy they pose.

*Online sales:*

While online retail remains a relatively small proportion of total spending, it is rapidly growing. This presents challenges for Australian consumers in how they interact with online businesses, and also in changing regulations, for example proposals to reduce the threshold at which GST is applied to imports. Online retail has also made the higher prices faced by Australian consumers more apparent, particularly for digital products and services that are identical across borders. The emerging global marketplace for products such as music and movie downloads and software also presents opportunities for Australians to circumvent the virtual walls that sustain higher prices.

*Unit pricing:*

Unit pricing was introduced in supermarkets in 2009 and has provided benefits for consumers. However the present compulsory grocery unit pricing scheme for large supermarkets can be improved by better enforcing the current regulations, where appropriate modifying them, and by extending and improving consumer education. These benefits can be further extended by requiring large hardware stores and large chemist stores to also provide unit price information for packaged consumer products.

*Product safety:*

The right to safety is a basic consumer right: the right to purchase products that will not injure or kill and the right to be informed about the safe use of products. Consumers should feel confident that, regardless of where they shop, they will not be sold dangerous products. Consumers SA is particularly concerned about the monitoring of dangerous toys in South Australia. The removal of toys prior to sale is of fundamental importance in the prevention of accidents to children.

*Recommendations:*

- Support continued monitoring of competition in the supermarket sector and ensure that any future regulatory changes promote genuine competition to benefit consumers.
- Supermarket scanning practices should be regulated so that when the scanned price is greater than the shelf price the buyer is entitled to either: one item without charge or an immediate refund of the charged amount or, if the buyer discovers the error after leaving the retailer’s premises, a fixed penalty (e.g. \$50) to encourage retailers’ compliance.
- Make regulations to prescribe a code of practice to be complied with by promoters of third-party trading schemes and issue public warnings in relation to predatory schemes, particularly internet scams.

- ❑ Make telephone marketing subject to rules similar to those relating to door-to-door selling; enable consumers to nominate that this service is to be free of commercial marketing and require charities, when requested by a person, to remove a person's name from their database.
- ❑ Any advertising should feature the major impact of any transaction such that whenever a partial price is mentioned the total price must be fully disclosed - including GST and other charges.
- ❑ The accuracy of any advertisement should be judged without reference to small print or terms or conditions available elsewhere.
- ❑ Large retailers should clearly set out their refund policies.
- ❑ Support increase consumer access to legitimate cheaper products online through legislative reforms and education on consumers' rights to get around the geo-blocking that sustains higher prices in the Australian market, in line with the recommendations of the Commonwealth Parliament's recent IT pricing inquiry.
- ❑ Lobby the Commonwealth Government to ensure Australian consumers are not subject to punitive and disproportionate impacts through the collection of GST on imported goods.
- ❑ Support an investigation into the successful grocery unit pricing scheme to consider opportunities to:
  - increase the benefits of unit pricing by expanding it to a wider range of retailers and products, including to non-prescription products sold in chemist shops and to hardware stores
  - increase the usefulness to consumers of unit pricing provided by grocery retailers under the Grocery Unit Pricing Code, including requiring minimum font sizes and standardising when products should be packed by weight or volume.
- ❑ Ensure that South Australia continues with its product safety role in protecting children and others from hazardous products despite the ACCC taking over the major role in product safety.

## **Health:**

All South Australians should have access to safe, quality health services that are delivered in an appropriate and timely manner. We should also be able to access a regular general practitioner in their local area at an affordable price.

- ◆ Consumers' treatment should be holistic and multi-disciplinary, community primary health care services should be the cornerstone of the health system.
- ◆ Dental treatment must be seen as part of health services, therefore all South Australians should be able to access dental services in a timely and appropriate manner.
- ◆ All South Australians should have access to pharmaceutical advice and services and essential pharmaceuticals should be available according to need and the cost of prescriptions should not prevent people accessing medications.
- ◆ Mental health services should be adequately funded, ensuring that those accessing mental health services receive treatment before they get to crises point, that is services available to all in the community who need them, not just the acute sector (hospital administrations).
- ◆ Complaints should be dealt with promptly, acknowledging that consumer complaints are a valuable tool that improves the safety and quality. Funding and structuring of health services should emphasis prevention and equity.
- ◆ All patients' rights must be respected including -

- Treatment with dignity, courtesy and respect
  - Appropriate information about their health care, including options and possible complications
  - Informed consent to be obtained before going ahead with treatment
  - A right to a second opinion
  - A right to refuse treatment
  - Privacy
  - Respect for cultural and religious beliefs
- ◆ Patients must have the right to complain, without fear of recrimination. A person lodging a complaint should be supported through their complaint process, taking into account the power imbalance that exists between health services.

## **Communications:**

Effective communications systems underpin both private and commercial life. They and the products and services made possible by new Information and Communications Technology (ICT) are an increasingly important source of value to all consumers. New ICT services also have an important role in improving both commercial and government services to many in the population. Increased disability access and eHealth are just two of many examples.

Despite the growing importance of the internet to day-to-day transactions (for example terms and conditions that are only available, or must be agreed to online, now form the basis of many consumer transactions), low-income earners are deprived of this increasingly essential service. Almost half of those on low incomes can't afford home internet and don't access internet on their mobile.

Despite the proliferation of alternatives, fixed line voice telephone communication remains very important to consumers. There is no guarantee that fixed line voice quality over the NBN will be as good as current services. Enforceable standards are required to ensure consumers who rely on fixed line voice services are not worse off as their services are transferred from the existing copper network to the NBN fibre network.

Retailers should be required to make rate plans available in machine-readable form, and to provide consumers with their usage data in machine readable form on request. These reforms would enable a market to develop in comparison services that would promote competition.

Australia's current copyright regime is outdated and restrictive, denying consumers many reasonable uses of content they legitimately own, and failing to keep pace with new technologies. The Australian Law Reform Commission is reviewing Australia's copyright law and has proposed moving to a 'Fair Use' approach that would fairly reward copyright holders without unfairly restricting consumer rights or holding back new technologies.

### *Recommendations:*

- Lobby the Commonwealth Government to set binding standards for quality of voice calls under NBN.
- Support proposals to make it easier for consumers to compare telecommunications plans and find the best deal for their circumstances.
- Telecommunications suppliers should be subject to community obligations so that all consumers can access a telephone service that provides no-charge calls to emergency services and no-charge incoming calls.

- ❑ Internet advertising should be subject to regulations similar to those applying to television and radio advertising.
- ❑ Lobby the Commonwealth Government to reform Australia's copyright law by moving to a 'Fair Use' approach that fairly rewards copyright holders but doesn't unfairly restrict consumers' reasonable use of the content they own nor hold back new technologies.

## **The financial services system:**

Consumer interests and outcomes must be central to policy and practice in the Australian financial system. There is a range of important issues facing consumers in financial services, some of which will be addressed as part of the current comprehensive review of the system, while others could be the subject of more immediate policy action.

There is a need to ensure that consumer protections are sufficient in the face of evolving markets in areas such as consumer credit, insurance and banking.

Small scale loans – or “pay day lending” - are a particular problem for many disadvantaged consumers.

While Australia did not experience the global financial crisis to the extent of other developed economies, many consumers and investors lost money, and the banking sector became more concentrated. Despite the recent wave of consumer banking reforms aimed at increasing consumer mobility, Australians are still not switching products in significant numbers, particularly beyond the big four banks.

It has become evident in a number of sectors including managed investments and financial advice that product disclosure is insufficient to protect consumer interests.

Recent collapses of debenture companies and other similar schemes indicate a need to better protect consumers and investors, particularly so that these schemes are regulated to the same level as banks where the product is similar.

Superannuation is compulsory, increasingly complex and confusing. It is vital to quality of life in retirement, and given demographic shifts, the quality of living standards of retirees will increasingly define living standards for Australia as a nation.

Given the low levels of engagement with super and the vulnerability of retirees as a group, a well-resourced national consumer organisation with responsibilities for consumer education, advice, referral, and consumer research and policy in relation to the superannuation system would significantly improve consumer outcomes.

The significant take-up of self-managed superannuation funds highlights the lack of consumer protections, such as compensation where there is fraud or theft, compared to retail and industry superannuation funds.

Despite recent Reserve Bank rules aimed at limiting credit card surcharges, consumers continue to pay credit card fees well in excess of transaction costs. A national regulator should be empowered to enforce and monitor credit card surcharges to ensure they are reduced to reflect the reasonable costs of transactions.

There should also be a review of component pricing to ensure consumers are able to purchase products at the advertised price using an accessible, convenient payment method, without hidden fees.

## *Recommendations*

- ❑ Support competition in banking by increasing consumer mobility, accelerating the move to electronic signatures for account switching and revisiting the case for full bank account portability.
- ❑ Ensure that all consumers can access a basic no-frills bank account.
- ❑ The term “financial counsellor” should be given a statutory meaning and its use denied to persons connected with the finance industry.
- ❑ Credit providers should be subject to a licensing system such that the persons in charge are identified, forms are lodged with government and misconduct leads to business suspension.
- ❑ Special rules should be established for small scale loans such as those offered by pay-day lenders and pawnbrokers so that, inter alia, all fees are specified on a monthly basis and the consequences of default are specified (e.g. forfeiture of goods or additional charges).
- ❑ Support empowering and resourcing a national regulator to enforce and monitor limits to credit card surcharges, ensuring they reflect the reasonable costs of using credit cards, and reviewing component pricing to ensure consumers can access goods at the advertised price free of hidden costs.
- ❑ Support efforts to build on the success of the National Consumer Credit Code by:
  - introducing consistent national debt collection laws that protect consumers ensuring that they are set at no less than the highest standards currently available under state and territory laws
  - reforming regulation of consumer leases to require lessors to properly disclose the cost of leases and remove unnecessary exemptions for short term and indefinite leases
  - including a general anti-avoidance provision in the Credit Code.
- ❑ Support significant capital funding for a new national superannuation consumer centre that would provide consumer education, advice and referral to individual consumers, and provide government with input to policy development arising from the centre’s engagement with consumers and research.
- ❑ Support the protection of investors and retirees through regulation of managed investments schemes, mortgage funds, debentures and similar schemes comparable to banking industry regulation, and proper disclosure of the protections lost when going from an APRA-regulated super fund to a self-managed super funds.
- ❑ Support the protection of insurance consumers by:
  - implementing the recommendations of the Natural Disaster Insurance Review, particularly the establishment of a national flood risk management framework; a system of premium discounts and a flood risk reinsurance facility, supported by a funding guarantee from the Commonwealth
  - extending unfair contract terms protections to insurance contracts
  - implementing consumer protection in relation to genetic testing for insurance purposes, similar to UK legislation
  - improving access to affordable home and contents insurance regardless of where you live or housing type including by exploring ways to evaluate and act on the recommendations of the pilot for community development insurance/micro-insurance.

## Essential services – energy and water:

Prices for electricity and gas and water have risen far above inflation over the past ten years and are now the main financial concern for consumers. Most studies forecast that household energy, water and sewerage prices will continue to rise, impacted by a range of factors including infrastructure costs and wholesale prices.

Bills for these essential services, basic costs that cannot be avoided, form a disproportionately high slice of the outgoings of low-income and vulnerable consumers. Consumers SA is particularly concerned with gas. For pensioners the supply charge is now commonly about seven times that of usage charges and pensioners, whether land owners or renters, have few housing change options.

The National Electricity Market (NEM) is complex, and that complexity is increasing, making it virtually impossible for consumers to engage with the market as it was intended, to ensure only the best products and services would survive. Better market regulation could make it easier for consumers to compare energy plans and tariffs, and find the best deal for their circumstances, thus better meeting the NEM's goal of maximising consumers' interests.

South Australia's essential service legislation acknowledges the primacy of protecting the long-term interests of consumers with respect to the price, quality and reliability of essential services.

All providers of an essential service need a social licence to operate. Their business models must consider the needs of all consumers, particularly those with a limited, and in some cases declining, capacity to pay. This will require government oversight through regulation to ensure provision of essential services no matter the personal circumstance of the consumer, with particular sensitivity to those experiencing long-term financial hardship.

Numerous inquiries have found that better regulation of monopoly elements of supply is needed, including appeals mechanisms.

In South Australia Consumers SA is particularly concerned about:

- the impact of the deregulation of retail domestic electricity prices on the discounts offered by retailers.
- disconnection and reconnection policies and their impact on consumers.
- the link between falling demand for electricity (including from the installation of solar panels) and calls by retailers for increased prices to cover capital costs.
- the inequitable impact of fixed increases in residential gas supply charges on different types of consumers.

### *Water rebates:*

Consumers SA is concerned that long-term residents of residential parks are not entitled to the same water rebates as other home owners and tenants – basically because the land they occupy is zoned for recreational use. This is both technical and inconsistent. Dedicated residential parks have permanent residents who own their own homes and rent the site from the park owners. The site fee covers a portion of council rates, sewerage and water. They should not be penalised for their location in a communal living area. Residents of retirement villages are not similarly penalised.

### *Recommendations:*

- Regulate charges for essential services to ensure that profits are kept within reasonable limits.

- Empower consumers to make good choices about their energy and water usage and costs, by enabling them to readily compare discount offers and to switch retailers without incurring significant penalties.
- Require energy retailers to assist households to become more energy efficient by, inter alia: maintaining free advisory services on the costs of energy consumption and advising clients if their consumption is excessive.
- Retain and improve current regulations for energy efficiency and demand-side participation.
- Ensure all consumers on low incomes receive equal assistance with their water, electricity and gas bills and remove inconsistencies in concessions and rebates.
- Support maintenance of the connection between the Australian Energy Regulator and the Australian Competition and Consumer Commission.
- Support energy market reforms (particularly changes to limited merits review) designed to ensure a fairer and more efficient framework for reviewing electricity and gas distribution network pricing decisions.
- Review and regulate retailers' disconnection and reconnection policies and charges and assist consumers facing disconnection of essential services to minimise the impact.
- Review the increasing rise in residential gas supply charges to avoid the inequitable impact on different types of consumers.

### **Ethical and sustainable consumption:**

Consumers have the right to choose the goods and services that meet their needs, and that includes making choices which go beyond consideration of price and quality and consider the impacts associated with the production and consumption of those goods and services.

In recent times consumers have shown that they are interested in and take into account sustainability and animal welfare issues when making purchases. As a result some manufacturers and producers have taken advantage of the public, particularly with regard to free range produced eggs and poultry, and misrepresented their products in order to gain market advantage and to increase profits unfairly.

Policy settings should ensure that provision of accurate information to consumers is prioritised and is readily available to consumers who need it. Consumer confidence is at risk where ethical claims are inconsistent or misleading and that risk to confidence will often justify intervention such as mandatory standards and enforcement action.

Consumers SA supports local legislation as a first step towards providing consumers in South Australia with certainty and truthfulness in free range egg labelling.

#### *Recommendations:*

- Ensure consumers have access to clear information about ethical, environmental and safety features of products allowing them to make choices consistent with their preferences.

- While enacting local legislation, also work towards a mandatory national standard for free-range eggs that is based on robust, independent evidence and supported by animal welfare experts.

## **Nanotechnology:**

Nanotechnology has been termed the 'science of the small'. It has the potential to affect every facet of modern life from communications to health.

The International Standards Organisation (ISO) defines nanotechnology as the 'application of scientific knowledge to manipulate and control matter predominantly in the nanoscale (which is the length range from 1 nanometre (nm) to 100 nanometres (nms) ), distinct from those associated with individual atoms or molecules, or extrapolated from larger sizes of the same material.'

The nanoscale is an agreed descriptor principally referring to the length of 1 nm to 100 nm when 1 nm is 10 to the minus 9 or one billionth of the particular material. It is the size range where unique properties ascribe to nanotechnology are *most* likely to be observed, although those same unique properties can occur both below and above those measurements in some materials.

Because of those unique properties at such a small scale some materials may -

- change colour
- become super conductors
- enable targeted delivery of medicines
- used for water treatment to filter more efficiently
- used in 'smart packaging' for food
- enable materials to be more flexible
- behave as antimicrobials in wound dressings
- become more efficient catalysts and
- strengthen materials – to name just a few.

When combined with another technology such as biology for example, - nanotechnology becomes a 'convergent' technology, (i.e. converges with others) to form a new field that encompasses the attributes of both. In this example, either bio-nanotechnology or nano-biotechnology.

With any new field of technology there are sometimes unknown consequences. In the enthusiasm to embrace a technology that may be seen to bring great benefits to the community, regulation often lags behind the science. Research is needed to ensure that any new technology is safe, and until the dangers are known and ameliorated or satisfactorily controlled, the Precautionary Principle should be observed.

Consumers SA's policy is that consumers should be given the information with which to make an informed choice as to the products they want to purchase. Because it is known that some nanoparticles are cause for concern either for Occupational Health and Safety or Environmental reasons, people should know when they are using/purchasing nano-materials or products. Therefore Consumers SA supports the labelling of products that are produced using nanotechnology.

### *Recommendation:*

Consumers SA will continue to advocate for labelling of products produced through the use of nanotechnology.

## **Food:**

Consumers should be able to access safe, nutritious and affordable food, and make informed choices about what they eat. However, food labelling is either insufficient or confusing in a range of areas. Food origin is a priority concern for many consumers. Although country of origin labelling is mandatory for most food for retail sale, the terminology used is generally vague and poorly understood by consumers.

Front of pack nutrition labelling is also a priority and there is a strong consumer demand for interpretive labelling that translates the complex, numerical information on the back of packages into a format that appears on the front of the pack and can be easily understood at a glance.

Regulation of health and nutrition claims on food products is critical to ensuring that consumers are not misled. While a new government standard will ensure that health claims are restricted to healthy foods, nutrition claims can continue to be made on products that are high in saturated fat, sugar and sodium. Another problem with the new standard is that companies can determine whether there is sufficient evidence behind new health claims with no scrutiny by the food standards agency.

### *Recommendations:*

- Support clearer and more meaningful terminology for food country of origin labelling.
- Support the widespread and consistent introduction of interpretive front of pack nutrition labelling.
- Support improved regulation of health and nutrition claims on food products.
- Support consistent, national and enforceable standards for organic food. In addition, whenever food or medicine has been produced through a process of genetic modification that fact should be disclosed by labelling.
- Support mandatory labelling of palm oil as an ingredient in food.
- Support appropriate labelling of all food that is older than three months.

## **Packaging:**

Packaging serves a useful purpose in protecting goods from contamination and damage. Consumers today are more aware of the types of packaging their goods are wrapped in. There is an environmental cost in how the packaging is produced as well as how packaging is either disposed of or recycled, so it is important that consumers (and manufacturers) try to minimise the use of packaging wherever possible.

While there is in place a system to enable consumers to recognise plastics that can be recycled, there is now a raft of newer materials for packaging, particularly for food, coming into the market. This will include 'smart' packaging that enables consumers to detect whether a food is either safe or unsafe to consume.

Australia does not have a standard as yet relating to chemicals which may leach into food, for example, printing inks. Similarly there is little information available as to how such contaminants are dealt with in recycling food packaging, although Food Standards Australia New Zealand are assessing the situation.

### *Recommendations:*

Consumers SA will continue to –

- Keep abreast with the advantages/disadvantages of smart packaging materials.
- Monitor the work Food Standards Australia/New Zealand are carrying out on chemicals from packaging leaching into food.
- Encourage manufacturers to accept the return of packaging for their disposal/recycling in an effort to reduce the amount used, particularly where that used is excessive to need.

## **Shelter:**

- *Housing stress:*

The cost of housing is the single biggest cost of living issue in Australia today. Compared to other expenditure items, housing costs comprise the biggest share of household budgets. While the average household expenditure is eighteen per cent, over 720,000 low-to-middle-income households pay more than thirty per cent of their income in housing and are therefore in 'housing stress'. A further 460,000 households spend more than half their income on housing costs.

The high cost of housing puts pressure on other areas of essential spending, like food, healthcare, transport and the costs of education. There is simply not enough low-cost rental housing in Australia. Between 1997 and 2007 the number of public housing properties in Australia shrunk by 30,000. During this same time the population grew by over 2 million. Despite the significant, but one-off, investment in social housing through the Nation Building Stimulus package, Australia still has fewer public housing units than in 1996. Overall there is less low-cost rental housing to go around.

- *Renting:*

Australian society has devalued the importance of renting and not appreciating its significance for less advantaged members and its importance in allowing greater geographic mobility and thus employment flexibility

Shelter is a basic need of all citizens and living standards affect all members of the tenant's family. The need for shelter leaves the tenant in a vulnerable bargaining position, so that compulsory terms are justified.

Consumers SA appreciates that burdens upon a landlord may increase costs and those costs may be passed on in higher rents. However the interests of all landlords are served where premises are maintained in good condition and where the fairness of the deal induces a tenant's goodwill and respect for the premises.

### *Recommendations:*

- Make affordable housing a key goal of government policy and act on that goal with support for national strategies to address rental affordability and for change the housing investment tax arrangements that drive up house prices.
- Provide and maintain adequate funding for South Australian tenancy advice and advocacy services.
- Support the establishment of a national network of Homeless Persons' Legal Services that are accessible to all homeless people.
- The new SACAT should allow access without charge and with personal representation to aggrieved residents under tenancy, boarding house, caravan park and similar accommodation arrangements and to residents within a community or strata title scheme and residents of a retirement village.
- Commit to improving the South Australian legislation by:

- re-examining the current exemptions in the Residential Tenancies Act for student and employee accommodation
- requiring the supply of a written agreement and supporting documentation prior to entry into possession
- expressing the obligations of the parties as statutory obligations not contractual terms
- expanding the definitions of parties to recognise multiple tenants', third party and agents' rights and obligations
- further limiting the right of landlords to enter premises - recognising tenants' rights to privacy and extending this protection to the use and enjoyment of common property by occupiers of strata title units
- guaranteeing tenants premises fit for habitation without any requirement of prior notice of any defect
- encouraging tenants' efficient use of energy and their compliance with any strata or community corporation regulations
- expanding the remedies and powers available to the SACAT including requiring the attendance of expert witnesses, remedial training for agents and premises rehabilitation by tenants
- reinforcing tenants' security of tenure through a right of pre-emption similar to that enjoyed by retail tenants and protection from retaliatory eviction for seeking to exercise tenant rights
- giving retirement village residents ownership of their units unless occupying on a genuine tenancy basis
- requiring landlords (and their agents) and strata corporations (and their agents) to make equitable contributions to funding regulation of their businesses with any surplus provided to welfare organisations assisting disadvantaged persons, particularly the homeless
- appropriating fines to measures to assist landlords and tenants - including education and advocacy
- regulating the activities of community or strata title managers and reviewing maintenance charges.

## **Legal Regulation:**

Consumers SA supports the concept of uniform national legal regulation of the legal profession and we strongly believe that consumers must be at the heart of all decision-making in matters such as the development of any uniform laws.

Yet there has been negligible consumer consultation in the development existing regulation of the profession. This is particularly true for the small and medium clients: the pillars of the system.

We therefore support the establishment of a Small and Medium Clients Advisory Panel (SAMCAP) to develop recommendations about the uniform legal regulatory system clients would prefer. The panel would consist of experts in the various disciplines involved in legal regulation. Its recommendations would balance the well-represented interests of lawyers with those of clients – particularly small and medium clients.

### *Recommendations:*

- ☐ All Australian governments should jointly establish a Small and Medium Clients Advisory Panel (consisting of experts in the various disciplines involved in legal regulation) to consider, inter alia:
  - the structure of a national uniform law for the legal profession and its likely efficiency and effectiveness

- client-practitioner relations, including the need for regular, professionally designed and administered client satisfaction surveys
- education and admission issues, including whether undergraduate, graduate diploma and continuing education courses are producing and equipping lawyers with the skills and knowledge needed by clients
- education of clients about client-practitioner relationships and their obligations
- business structures, including their responsiveness to client needs and, in particular, the position of family-servicing law firms if e.g. supermarkets begin providing legal services
- professional indemnity and its adequacy from clients' perspective
- clients' attitudes to costs, disclosure and billing methods, including up-front costs, pay-as-you-go billing, event billing and time billing, contingency and conditional fees and legal insurance
- regulatory funding systems, trust accounts and fidelity funds, including: the possible establishment of a single national statutory fully-insured trust account to ensure that clients' interests are protected
- legal aid funding and methods for resolving the continual crisis
- responsive and accountable dispute resolution systems.

## Consumer Policy Priorities 2015-6:

In the coming year Consumers SA will actively pursue the following recommendations drawn from its policy agenda in the following order:

- Funding for a state consumer organisation should support a full-time policy coordinator and administrative coordinator to enable the operation of a full-time office, a suite of contemporary communications functions, representation of consumer issues and interaction with other consumer organisations.
- A Consumer Advocacy Panel should be established to collect, analyse, advise about and advocate consumer opinions about any legislation affecting them.
- Ensure that the new Civil and Administrative Tribunal in South Australia is sufficiently resourced and adopts procedures that will encourage informal, affordable, timely and accessible redress in consumer matters.
- Support an investigation into the successful grocery unit pricing scheme to consider opportunities to:
  - increase the benefits of unit pricing by expanding it to a wider range of retailers and products, including to non-prescription products sold in chemist shops and to hardware stores
  - increase the usefulness to consumers of unit pricing provided by grocery retailers under the Grocery Unit Pricing Code, including requiring minimum font sizes and standardising when products should be packed by weight or volume.
- Special rules should be established for small scale loans such as those offered by pay-day lenders and pawnbrokers so that, inter alia, all fees are specified on a monthly basis and the consequences of default are specified (e.g. forfeiture of goods or additional charges).
- Regulate charges for essential services to ensure that profits are kept within reasonable limits.
- Support the widespread and consistent introduction of interpretive front of pack nutrition labelling, plus the advice of the use of nanotechnology in the product.
- The new SACAT should allow access without charge and with personal representation to aggrieved residents under tenancy, boarding house, caravan park and similar accommodation arrangements and to residents within a community or strata title scheme and residents of a retirement village.
- All Australian governments should jointly establish a Small and Medium Clients Advisory Panel (consisting of experts in the various disciplines involved in legal regulation) to consider, inter alia, the structure of a national uniform law for the legal profession and its likely efficiency and effectiveness.