

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2016 - 2017

Division/Agency: Australian Competition and Consumer Commission

Question No: 121

Topic: Consumers in remote and indigenous communities

Reference: Written

Senator: Ketter, Chris

Question:

1. What work is the ACCC doing regarding consumer protection issues in remote and Indigenous communities? What reports has the ACCC had of the following predatory trading practices taking place in Indigenous communities:
 - a. Sales of consumer leases representing poor value for money;
 - b. High pressure sales of funeral insurance (as opposed to pre-paid funerals) covering persons for whom it is inappropriate, such as very young people;
 - c. Shops taking people's card and PIN as a kind of security against goods purchased on credit?

Answer:

1.a-c. The ACCC has identified that Indigenous consumers living in remote areas face particular challenges in relation to asserting their consumer rights. This is reflected in our Compliance and Enforcement Policy in which we state that the ACCC will always prioritise its work in these areas while these challenges remain.

For several years the ACCC has conducted a national outreach program to Indigenous communities with a focus on Northern Territory, Far North Queensland and Northern Western Australia. In recent years the ACCC has sought to expand these areas of focus with activity in central Australia and other locations. This program provides consumer advice and education on Australian Consumer Law issues which allows Indigenous consumers to discuss possible issues with the ACCC.

As a part of this project, the ACCC commenced a social media campaign to assist in delivering the advice and education to Indigenous consumers. This campaign included the 'Your rights Mob' Facebook page and a series of eight videos covering various Australian Consumer Law topics available on the Facebook page and YouTube.

In the course of its work in this area the ACCC is aware of and concerned about the prevalence of scams directed to Indigenous consumers and to direct selling practices of a broad range of goods and services. The ACCC has taken a number of enforcement actions in relation to traders of concern. We have also initiated projects with individual communities to assist in addressing these issues.

Consumer leases, funeral insurance and backup matters are classified as financial products, and as such are matters within the jurisdiction of the Australian Securities and Investments Commission (ASIC). The ACCC works closely with ASIC in addressing consumer protection issues in these areas and where appropriate may seek or use delegation to take ancillary action.

We would be pleased to provide a more comprehensive brief on our work in this area as would assist.