



## **Budget fails consumers – again!**

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For the 10<sup>th</sup> year in a row, the Howard Government has refused to give a lifeline to the national peak bodies for consumer groups.

Consumers make up the largest single group in our community, and there are many small organisations across the country trying to make a difference. Until 1996, their efforts were supported and coordinated by two national peak bodies, funded by Government – the Consumers Federation of Australia (CFA), and the Australian Financial Counselling and Credit Reform Association (AFFCRA).

“Sadly, in its first budget, the Howard government capriciously cut all funding to both organisations”, explained Carolyn Bond, CFA’s Chairperson. “Since then, both CFA and AFFCRA have survived largely due to the considerable voluntary efforts of the executive members and member groups.”

“Despite the non-existent funding, the demands for consumer input from government and industry are increasing,” said Jan Pentland, AFFCRA’s Chairperson. “We’re regularly asked to provide comments on government or industry proposals, sit on taskforces, and to nominate consumer representatives for committees and boards. But our ability to respond is heavily compromised by the fact that we ask our executive and members to do this work in their ‘spare’ time.”

The market for consumer goods and services is becoming increasingly complex, as is the regulatory environment. Vibrant markets need confident consumers, but without strong representation, the consumer interest can struggle to be heard in legal and policy debates. Even worse, the interests of the most disadvantaged consumers can be ignored.

To take just one example, in an environment of record levels of household debt, the work of CFA and AFFCRA in promoting changes to credit law and practice is vital.

“Governments and industries across the industrialised world recognise the importance of consumer advocacy and representation. National bodies like CFA and AFFCRA can increase the effectiveness and reach of these activities, and the result will be fairer, and more efficient markets,” said Ms Bond.

“By continually disregarding the needs of consumers and the organisations that advocate on their behalf, the Howard government misses the opportunity to develop a rigorous and outward-focused environment for making consumer rights a reality and consumer policy an independent priority,” said Ms Pentland.

CFA has 98 member groups, including legal centres, health rights groups, local consumer organisations and public interest bodies. It was established in 1974 to develop and promote the consumer perspective. Much of its work focuses on advancing the interests of disadvantaged or vulnerable consumers, who often miss out in the market.

AFCCRA is the national peak body representing financial counsellors across Australia. Financial counsellors provide free, independent and confidential advice on debt and money management to low income and marginalised consumers.

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