

Chairperson's Report – 2002

In 1999, the Consumers' Federation of Australia was facing a crisis that threatened its continued existence. The question was a simple one – reform and find a structure that would operate in an unfunded environment, or close. The resounding decision was reform and press on.

The problems inherent in operating a national peak without a resource base, without a secretariat, without an effective or ongoing engagement with regulators and policy makers might have suggested that the reformed CFA was in for a rocky ride. There have been difficulties. The absolute reliance on volunteers within the consumer movement, especially in the Executive roles of the Association has made life tough. The story at the end of 2002, however, is far from all doom and gloom. When you consider the way that CFA is forced to operate at the moment, this has been a very busy and productive year.

We end 2002 with 96 member organisations. They are spread far and wide around the country, across a variety of interests and areas of expertise. Financial Services remains our most active network, primarily because so many centres and advocates within the financial services area have some form of resourcing. We have however maintained active engagement in traditional areas of CFA activities, such as the work with Standards Australia, even forging new alliances and inputs on issues of critical importance to Australian consumers such as telecommunications.

Some of our submissions and policy comments include:

- Ongoing work in the development of a revised Code of Banking Practice
- Detailed submissions and consultations with the Telecommunications Industry Ombudsman
- Input in the Australian Communications Authority's investigation of complaints under the Complaint Handling Code
- Comment on the Storecharter initiative developed by the ACCC
- Detailed submissions on the role and maintenance of appropriate consumer representation on Standards Australia Committees
- Press releases on a variety of issues, from World Consumer Rights Day, to reform of credit card marketing
- Comment on the Commonwealth Consumer Affairs Advisory Council paper on consumer representation
- Submissions (oral and written) to the application for Authorisation of a Basic Bank Account
- Submission to the review of the Direct Marketing Model Code
- Submission to the Estens Inquiry into regional telecommunications
- Representations to State and Territory leaders about nominations to the ACCC

And so on.

We have developed and implemented a Consumer Representative Policy, that has at its heart the principals of capacity, engagement, consultation and commitment in the selection and ongoing roles of consumer reps. The facilitative role the CFA plays in finding and endorsing consumer reps is hard work. It is time intensive and without the dedication of the members of the CFA Executive and others who have assisted in the policy development and selection processes, would not have occurred. From that

effort the CFA probably has more endorsed consumer representatives on more Committees, Board, Panels and Forums than at any other time in its history. More importantly, those representatives are actually capable of and committed to fulfilling the role of representing consumers.

Mixed in with the good news are some enormous disappointments. The CFA Food Network, replete with talented and committed volunteers finds itself disengaged from effective consultation. Time limits applied for consumer input are ridiculous and no resourcing is provided to facilitate proper response. The message from a regulatory level seems to be “don’t worry we know what you need and we will look out for you.” Consumer groups are right to suspect such an approach is flawed and will produce flawed outcomes.

In spite of the energy put into telecommunications this year, the industry remains in regulatory shambles. The complex web of self-regulatory Codes, dominated and manipulated in development by vested industry interests, does not even provide the appearance of effective consumer protection. The CFA has made clear its view that we cannot and should not contemplate the creation of a mega-commercial entity of the type that would follow the full privatisation of Telstra, unless and until a safe and fair market with effective consumer protection can be assured.

To this year’s Committee and many others who have acted as representatives of the CFA throughout 2002, you have the thanks of the entire membership. Whilst 2003 does not necessarily promise to be easier, or that proper resourcing will be provided, one thing is clear. Australian consumers want to be heard and engaged on the issues that affect them and they will force that engagement whether invited or not.

David Tennant
Chairperson.