



24 May 2013

**SUBMISSION ON CCAAC ISSUES PAPER ON REVIEW OF  
BENCHMARKS FOR INDUSTRY-BASED CUSTOMER DISPUTE  
RESOLUTION SCHEMES**

**BACKGROUND**

The Queensland Consumers' Association (the Association) is a non-profit organisation which exists to advance the interests of Queensland consumers. The Association's members work in a voluntary capacity and specialise in particular policy areas. Association members have been, and continue to be, interested and involved with industry-lead dispute resolution schemes.

The Association is a member of the Consumers' Federation of Australia, the peak body for Australian consumer groups.

The Association welcomes this review of the Benchmarks and the opportunity to make this submission. However, due to lack of resources the submission is brief.

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**COMMENTS**

1. The Benchmarks have been beneficial for consumers and that there is a definite a need for national Benchmarks. However, this review is required because the benchmarks were introduced in 1997 and since then there have been substantial changes in many areas such as communications, consumer expectations, legislation, media, information sources, etc.

2. The 5 Benchmark topics/areas and the associated approach of Principle, Purpose and Key Practices provides a very useful framework under which to present the required information and ideas. However, if necessary they should be changed to ensure that the document meets contemporary and expected future needs.

3. Independence Benchmark 1.11, which requires that a scheme be free for consumers to access, must be retained.

4. Benchmark 2 - Independence - should specify that schemes must be not for profit.

5. The current benchmarks do not refer specifically to several matters very relevant to the development of a new scheme.

Such matters, which are mentioned and expanded on to varying degrees in the ACCC and ASIC guidelines/regulations on code development, include:

- consultation with all stakeholders
- transparent processes

- consideration of a range of options.

The benchmarks or the document should include the above, and other relevant matters and reference the ACCC, ASIC and any other relevant documents..

Ideally there should be a separate section dealing with this topic which has characteristics and requirements that differ significantly from the operation and review of existing schemes. However it may be possible to deal with it satisfactorily by expanding the current reference in the Preface to the development of a new scheme.

The desirability of highlighting this topic in a new document is illustrated by the recent refusal of an industry to consult with consumer groups prior to, and during the development of, an ERD scheme.

5. Consider including more ways that schemes might work to achieve reductions in systemic problems. Currently the benchmarks only mention referral to members (5.3) and overseeing entity (6.4), and putting in annual report (4.3).

6. Without reducing the emphasis of 1.19 on a non legalistic and non adversarial approach by schemes, 1.20 should better recognise that someone with legal qualifications may be able to assist some consumers in some situations, and it should refer to all processes not just determinations/decisions.

7. Benchmarks 2 and 4 (independence and fairness) should cover all procedures not just determinations/decisions

8. Benchmark 3.1 should include "community standards" as well as "good industry practice".

9. Footnote 3 should recognise that "customer" also includes consumers who have not actually purchased goods or services. For example, some consumer complaints to EDR schemes only involve marketing methods used, eg D2D, even though there has been no sale.

10. Implementation guidance documents on several topics have been issued by some schemes and appear to be beneficial for all stakeholders. More schemes should consider issuing their own or using existing guidance documents on relevant topics. On issues that are common to all or most schemes, for example systemic issues, the development of generic documents or templates for individual documents would be beneficial.