

July 2007

NEWSLETTER OF THE
MINISTRY OF CONSUMER AFFAIRS

CONSUMER AFFAIRS

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how to save money on your power bills

It's getting cold and wet outside and so an unavoidable winter battle begins between one British cold weather-sensitive flatmate and one hardened Kiwi who doesn't seem to notice the cold.

Heaters get put on by the Brit. Heaters get turned off by the Kiwi. A delicate game of cat and mouse ensues. The Brit skulks in the hallway corridor waiting for the Kiwi to leave the house, and then as soon as the front door clicks shut he dashes to the heater, setting it to maximum heat output.

The Brit seems to be winning the battle, able to move from the lounge to the bathroom without having to don Sir Edmund Hillary-style mountain climbing clothing. That is until the power bill arrives. \$595 for one month. Ouch!

CURRENT CHARGES (SEE OVER FOR ACCOUNT DETAILS)	
Electricity Charges (based on phone read)	\$404.05
Gas Charges (based on phone read)	\$191.19
Total Current Charges	\$595.24
<small>(The current charges for this statement include GST of \$66.11)</small>	

The Kiwi flatmate is not happy ...but there could be a solution.

www.powerswitch.org.nz

Powerswitch is a free, independent, website which lets you compare your current power costs with other suppliers. The website lets you find out if you could save money by changing to another electricity supplier, or by being on a different plan.

If you've got your most recent power bill the Powerswitch website can provide personalised information for you and your household. The website takes the information you put in an online form, and estimates how much electricity you will use in a year. It then compares the different pricing plans and suggests the most suitable one for you.

With this information you'll be able to make an informed choice about whether to switch power companies, change plans, or stay with your current power company or plan.

Powerswitch also gives you other useful information like how to switch to a new power provider, how to make a complaint to the Electricity and Gas Complaints Commission, tips for energy saving in your home, pricing plans, information about customer contracts, and contact details for power companies.


If you don't have internet access at home, your local library may have internet access available for you to use.

Over the last two months the Ministry has been promoting the Powerswitch website along with the Consumers' Institute. Adverts have appeared in magazines, newspapers and on the internet.

So check out the Powerswitch website at www.powerswitch.org.nz and maybe you'll be able to save some money on your power bill. You may even be able to stop any debates about the size of your power bill.

Sadly, in the case of the culturally diverse house, after visiting the Powerswitch website it seems that the household was already on the best plan for them. So until spring arrives, it looks like heated clashes will continue to occur between the Brit and the Kiwi...

An advertisement from the campaign.



**ARE YOU PAYING TOO MUCH
FOR YOUR POWER?**

Find out if you could save money
with another supplier – or by being on
a different plan.

www.powerswitch.org.nz

Powerswitch is an independent service brought to you by
the Ministry of Consumer Affairs and Consumer Institute.

ministry worker wins development award

Wiebe Zwaga, team leader of the Ministry's Research, Evaluation and Monitoring team, has won a managerial skills award from our parent government department, the Ministry of Economic Development (MED).

Originally from the Netherlands, Wiebe has been with the Ministry of Consumer Affairs for three and a half years. Nominated for the award by his manager, Wiebe says: "It's going to be a great opportunity to develop my skills and be able to share my experiences with others upon my return."

Wiebe's manager, Liz Stretton, says: "By putting Wiebe forward for the development award I wanted to acknowledge the commitment and enthusiasm he has shown whilst working at the Ministry and further develop his management abilities."

Wiebe will attend a five-day management development programme at Mt Eliza Business School in Melbourne later this year.

The aim of the development awards programme is to improve the Ministry's capability by strengthening areas of expertise, leadership and managerial skills.

On completion of their programme of study, award recipients will be involved in both formal and informal knowledge sharing activities across the Ministry.



Wiebe Zwaga (far left) is joined by other Development Award winners and Geoff Dangerfield (far right), Chief Executive of MED, and Liz MacPherson (second from right), General Manager of Consumer Affairs.

past and present NEWSLETTER

You'll have noticed a new look to this edition of the Consumer Affairs newsletter. Many thanks to all of those who responded to the survey in the last edition, we thought it was great so many of you took the time to reply and appreciate all of your feedback.

The results of the survey showed that overall most of you are happy with the way the newsletter is written (88%). Over half of those who responded said that the look of our newsletter could do with a change, so that's what we've done. We hope you like the new look.

The redesign of the newsletter is the first part of a revamp of all the Ministry's publications. In the coming

months you'll notice that we will be gradually introducing a new look to all of our information leaflets and pamphlets we produce.

The aim is to make all the Ministry's publications look like they are from the same family, and that they are easily recognisable for consumers, consumer organisations and for businesses alike.





Always look for the safety standard when buying a hot water bottle.

A new product safety notice has been issued by the Ministry's Product Safety Service called the Unsafe Goods (Hot Water Bottles) 2007.

This means that all hot water bottles entering New Zealand have to comply with the British Standard for hot water bottles. This includes hot water bottles made from rubber and from PVC. Anyone wanting to sell hot water bottles in New Zealand must have the bottles tested to this standard and have testing certificates from an approved laboratory to prove this. These certificates are usually shown at importation to customs officers.

hot water bottles come under scrutiny

Shopping for a hottie

When shopping for a hot water bottle, take time to make sure the screw top fits snugly and check the safety standard is the current British Standard BS 1970. Before using your hot water bottle, check for signs of wear such as splits or aging in the rubber and loose thread in the tops. Test it with cold water first to make sure there are no leaks.

Don't use boiling water to fill your hot water bottle – over time this reduces the durability of the rubber, and also creates a risk of burns. For extra safety cover the hot water bottle with a towel or hottie cover.

Don't overfill your bottle as this puts pressure on the bottle and they can burst. After filling your bottle, shake it upside down and away from you, to check that the screw top fits snugly.

For children and the elderly, use the bottle to warm the bed, and then remove it before they get into bed. A wheat bag is not a good option for heating a bed. Wheat bags must always have plenty of free air around them because they continue to heat and can spontaneously ignite.

txt b4 u buy

Buying a car? Don't buy someone else's debt! Government agency the Personal Property Securities Register (PPSR) has a text message service called TXTB4UBUY so you can check if there is any money owing on a vehicle before you buy it. If you don't, you run the risk of the vehicle being repossessed.

Step by step guide:

1. Select the write (text) message option on your mobile phone.
2. Enter the vehicle's registration number, VIN or chassis number into the message (If you have all of these identifiers enter them all, in any order, separated by a ? (question mark symbol).

3. Send the message to FIND (3463). Add 3463 into your address book now so you have the number where and when you need it.

4. PPSR will automatically send you a text message that will indicate whether there is a registered security over the vehicle. The text message will also include an SMS ID that you can enter on the PPSR website to complete your search and get the full result list.

Each submitted search costs \$1. Visit www.ppsr.govt.nz for further information. More information on buying a car can be found on the Ministry of Consumer Affairs' website.



SCAMS

TARGET YOU

PROTECT YOURSELF

Scamwatch: Advance Fee Fraud

“I am Mrs. Mary Rossman, the widow of late Sir Goodwill Jonathan Rossman, the renowned Zimbabwean Wine and Cattle Ranch farmer and owner of Rossman Farms in Zimbabwe. I got your contact courtesy of a business journal from the South African Information Exchange in my earnest search for a reliable and trustworthy individual or company who can assist my family in this business...”

Sound familiar? Even the Ministry of Consumer Affairs isn't immune to getting these advance fee fraud scam emails, which are also called Nigerian letter scams or 419 scams. The term '419' comes from the part of the Nigerian criminal code which deals with fraud.

Traditionally, promoters of these scams came from African countries like Nigeria, South Africa and the Ivory Coast. More recently this type of scam has started to originate from other countries, including Asia and Eastern Europe.

They come in a number of guises via fax, letter and email, but the theme is normally the same. The scammer will tell a fictitious story, saying that due to some misfortune in their country, they wish to discreetly transfer large amounts of funds overseas. Often the scammers refer to recent political events to give an air of authenticity about their statements.

“In the course of the revolution in the country, the ZANU-PF armed group attacked and invaded my husband's farms, burning, destroying and eventually killing him.”

“...I solicit for your assistance in moving my family's money into your bank account for safekeeping pending our future arrival for investments. The family has resolved to compensate you adequately by offering a brokerage commission of 20% of the money...”

The promoters of these scams will normally ask for bank details. Consumers who provide their account details will then find that their account gets drained.

They scammers may also ask you to send them a 'fee'. If the fee is paid, guess what? You'll never see that money again. Frequently, if some money is paid, the scammers will come back again and again requesting further fees before your 'share' of the money is released.

An example of the type of email received –

From: Mrs Mary Rossman, Johannesburg, South Africa
Dear Sir/Madame, Greetings!

With due respect, trust and humility, I write to you irrespective of the fact that you do not know me, but please do consider this letter as a request from a widow and family in dire need of assistance. I am Mrs. Mary Rossman, the widow of late Sir Goodwill Jonathan Rossman, the renowned Zimbabwean Wine and Cattle Ranch farmer and owner of ROSSMAN FARMS in Zimbabwe. I got your contact courtesy of a business journal from the South African Information Exchange in my earnest search for a reliable and trustworthy individual or company who can assist my family in this business.

During the war waged against the farmers in Zimbabwe by the supporters and cohorts of President Robert Mugabe to claim all the white owned farms in our country, my late husband belonged to one of the classes of farmers targeted by the ZANU-PF armed group, because he did not support their ideas and policies. In the course of the revolution in the country, the ZANU-PF armed group attacked and invaded my husband's farms, burning, destroying and eventually killing him. After my husband's death, I managed to escape the boundaries of Zimbabwe into neighbouring South Africa with my two surviving sons because our lives were threatened and Zimbabwe was no longer safe for us.

We escaped safely into South Africa with my husband's lifetime fortune of US\$ 20M (Twenty Million United States Dollars) cash, Important documents of property title and other valuables, which were concealed and secured in two treasure boxes, and transported to Johannesburg through diplomatic means. The consignment box is currently safely lodged and secured into the vaults of a reputable security and brokerage firm here in Johannesburg.

Presently, I am residing temporarily with my sons in Johannesburg as political asylum seekers. At the moment, I am in a dilemma on how to move this money safely out of South Africa for investments overseas, because South Africa's government's stringent monetary policies/regulations. More so, owing to the sensitive and volatile political status of the region, it would be most dangerous to attempt investments here as such act could jeopardize our chances. In recognition of your personal executive powers and investment opportunities that abound in your country, I solicit for your assistance in moving my family's money into your bank account for safekeeping pending our future arrival for investments. The family has resolved to compensate you adequately by offering a brokerage commission of 20% of the money. I have in mind to establish a good business and friendly relationship with you in the nearest future if you are able to assist us. Please, let me receive your approval or reply through my son by telephone. If you are unable to assist please be kind to notify me so that I can look for a suitable alternative.

Please accept my warm compliments, as I earnestly await your response.

Respectfully, MARY ROSSMAN (MRS)

Our advice is simple: don't respond. If you receive an offer like this, stop, think and be sceptical. Why does somebody you don't know want you to send them money upfront? Why should you trust them? If it sounds too good to be true then it probably is.

The Ministry of Consumer Affairs runs the Scamwatch website which provides consumers with information on the types of scams currently operating, and links to New Zealand and global enforcement agencies that consumers can report scams to www.scamwatch.govt.nz.

consumer representative network meetings

The Consumer Representative scheme aims to make sure that the consumer voice gets heard in government. The Ministry sources consumer representatives for nomination to government agencies, boards and committees to give the consumer perspective.

The Consumer Representative Network consists of many of the consumer representatives available for nomination by the Ministry. The Network provides a forum for mentoring, networking and support for consumer representatives. As the Network has grown and matured over the past four years since its inception, it was felt it was time to reflect on its role and future direction.

A small group of 15 consumer representatives, who reflected the diversity within the Network, met for a day in March to discuss and provide advice to the Ministry on the best way to move the Network forward. The recommendations from this meeting were circulated to the entire Network and were one of the major agenda items of the June meeting, which was attended by about 50 Network members from all over the country.

After discussion, members agreed a work programme would be developed to assist the Ministry and the members to achieve their aims.

The meeting was also an opportunity to provide relevant training and information to the consumer representatives to help them in their role. Information was provided on the workings of, and the relationship between, the Ministry, an industry-related disputes resolution scheme, and the Commerce Commission with regard to industry related complaints and their resolution.

Speakers included:

- ▶ Josephine Bartley and Debbie Bidlake (Ministry Consumer Issues Advisors) spoke about their role in identifying problems that have become major consumer issues.
- ▶ Liz Brown (Banking Ombudsman) spoke about her role in this independent disputes resolution scheme and showed a video clip showing what consumers can do if they are not happy with a bank's proposed resolution to a dispute they may have. Yvette Popovic (Commerce Commission) spoke about the Fair Trading Act and the investigatory and enforcement roles the Commerce Commission has on legislation under its jurisdiction.
- ▶ Network members Helen Walch and Claire Dale, who were appointed by Consumer Affairs Minister, Judith Tizard, to be on the Banking Ombudsman Commission and Insurance & Savings Ombudsman Commission. They spoke about being on a governing body of an industry-related disputes resolution scheme and provided useful pointers to the duties, interests, skills and experience required.

The main afternoon information session focused on conflicts of interest. Doug Matheson (author of *The Complete Guide to Good Governance in Organisations and Companies*) provided an overview of the duties of a Board member and gave practical advice about identifying and managing any conflicts of interest.

Mark Holman (State Services Commission) focused on nomination and appointment processes for statutory boards and committees in relation to conflicts of interest. And Nicola White (Office of the Auditor-General) gave some insight into the work of the Office of the Auditor-General and disclosure of conflicts of interest in relation to members of local authorities.

The three speakers formed a panel to answer questions, of which there was a great deal of interest. The outcome of the session was that written information about identifying and managing conflicts of interest will be added to the information available for consumer representatives.



Consumer Representatives Jean Drage and Raewyn Fox.

water efficiency labelling scheme in the pipeline

We're all pretty used to seeing the 'star ratings' on white-wear electrical goods we buy nowadays. The more stars, the more energy efficient the goods are, and so the cheaper it is to run and the better it is for the environment.

Now, a similar scheme is in the pipeline for water-using appliances, including washing machines, dishwashers, taps, toilets, showerheads and urinals.

The government's aim is for New Zealand to be the first nation that is truly sustainable. One way to encourage a more sustainable behaviour is to provide information to consumers to help guide their purchases. The proposed water efficiency labels will provide information on how water efficient a product is.

Research has shown that nearly a third of us avoid buying from companies because of their impact on society or the environment; and we will pay a premium for products and services which have a positive social or environmental benefit.

Water efficiency labelling based on accurate, comparable and relevant information will help those households and businesses who are taking up the sustainability challenge to make informed choices about their purchases.

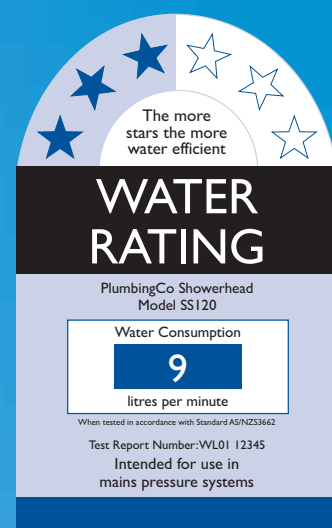
Saving water will also help save money. Variable charges are made for water supplies in Auckland, Tauranga, Tasman and Whangarei. But those of us who aren't metered for water still have a financial incentive to be water conscious, with savings coming from our power bill. Improvements in the water efficiency of appliances and fixtures that use hot water will result



in energy savings, and so a lower power bill at the end of the month.

The Ministry has released a discussion paper called *The Proposed Implementation of Mandatory Water Efficiency Labelling* which looks at the issues surrounding putting efficiency labels on water equipment. The proposed new regulations will apply to products manufactured or imported into New Zealand after 1st July, 2008.

The discussion paper can be viewed on our website at www.consumeraffairs.govt.nz and clicking on 'Policy, Law and Research'. Submissions on the paper can be made to the Ministry until 10th August, 2007.



How the new labels may look.

MAPSS staff provide training in Cambodia and Laos

In February 2004, two staff from the Ministry's Measurement and Product Safety Service conducted a needs assessment of legal metrology (formerly known as 'weights and measures') in Cambodia, Laos, Myanmar and Vietnam.

The assessment team was commissioned by the New Zealand Agency for International Development (NZAID) with the aim of addressing concerns raised by several ASEAN members that Cambodia, Laos, Myanmar and Vietnam did not have sufficient capability in the field of legal metrology to support the development of their economies.

A more specific aim was to make sure that all members of ASEAN can develop at a similar pace, take advantage of their membership of the ASEAN scheme, and utilise co-operation programmes operated with partner countries and trade blocks. The goal was to improve the social well-being and economic activity through the development of a credible measurement system.



As result of the report provided to NZAID after completion of the needs assessment, funding was provided to the four legal metrology agencies of Cambodia, Laos, Myanmar and Vietnam.

The countries of Cambodia and Laos were assigned a contractor by NZAID to help develop their legal metrology infrastructure. To help with this work, the consultant contracted three Ministry staff to develop training resources and provide training for both Cambodia and Laos' legal metrology officers.



The training will cover areas of legal metrology including: laboratory procedures and calibrations, the testing of non-automatic weighing instruments and the testing of packaged goods.

Measurement and Product Safety (MAPSS) officer Julian Crane, who conducted training in Sihanoukville, Cambodia, said of his experience: "The staff in Cambodia and Laos were fantastic to work with, very enthusiastic and eager to learn. Conditions were sometimes tough for the training but both courses were completed successfully."

Acting Manager of MAPSS, Stephen O'Brien, says: "Being able to offer specialised training to countries such as Cambodia and Laos will be of lasting benefit to their legal metrology practices. By ensuring that correct training is given hopefully we will be playing a part in the development of these economies.

"The training has also been of benefit to the staff who travelled over to Asia and helped to develop strong working relationships with our counterpart agencies."

Consumer Affairs is the official newsletter of the Ministry of Consumer Affairs

Post: PO Box 1473
Wellington

Ph: +64 4 474 2750
Fax: +64 4 473 9400

Email: mcainfo@mca.govt.nz
Web: www.consumeraffairs.govt.nz

