

Fresh new look for MCA website

The Ministry launched its revised website in October 2003. The main objective in re-designing the site was to improve access to information as well as to improve the look and feel of the site, so consumers and businesses can quickly find information they are looking for.

Improvements include replacing the old Advice and Traders sections with Consumer Information and Business Information sections. The new names more accurately reflect their content and intended audience. Other sections have undergone more than a name change - Product Safety has been expanded to provide more information on product safety standards especially targeted at businesses.

Another important objective in re-designing the site was to ensure compliance with e-government guidelines. The guidelines aid government agencies in developing sites which are easy to access for all internet users, regardless of internet connection speed.

Motor Vehicle Sales Act - information campaign

The Motor Vehicle Sales Act came into effect on 15 December 2003. The Act makes changes to the way motor vehicles are sold to consumers. Motor vehicle traders must now be registered on the Motor Vehicle Traders Register and are required to display Supplier Information Notices on motor vehicles offered for sale. The operation of the Motor Vehicle Disputes Tribunal has also changed - for example, consumers can now take a claim directly to the Tribunal rather than filing a claim through the Motor Vehicle Dealers Institute.

To inform consumers and businesses about this new Act the Ministry began an awareness campaign late last year. The campaign was launched in December by the Minister of Consumer Affairs Judith Tizard.

The campaign is based on the theme "Check before you drive" to encourage consumers to check out vehicles **BEFORE** they buy. Advertisements appeared on radio, in newspapers, in the 2004 Road Code, and in magazines during December. Similar advertising will appear in newspapers and on radio in February and April 2004, highlighting different aspects of the Motor Vehicle Sales Act.

To accompany the campaign the Ministry has released two new consumer publications. *Fit for the Road - what consumers should know BEFORE buying a motor vehicle* provides a guide on what to check when buying a new or used vehicle. Most questions that a consumer may have about buying a car are covered, from carrying out pre-purchase inspections to checking if a vehicle is stolen. For consumers who experience a problem with a motor vehicle they have bought, we have produced *Back on the Right Road - Consumers' rights AFTER buying a motor vehicle*. The booklet covers rights consumers have if the vehicle is faulty or if information about the vehicle turns out to be false, and how to take a claim to a tribunal.

Both publications are available from any Citizens Advice Bureau. They are also available online on our website in the Consumer Information/Motor Vehicles section.

The website can still be found at the same address www.consumeraffairs.govt.nz. If you haven't been to our site in a while, come for a visit, we'd like to receive your feedback!



The new Ministry website



Consumer Affairs Minister Judith Tizard in a vehicle displaying the Supplier Information Notice.

The information campaign also targets businesses. In November and December thousands of motor vehicle traders attended seminars on the Act run by the Ministry of Economic Development (MED), the Ministry of Consumer Affairs and the Commerce Commission. MED informed traders how the online register would operate (the register website is www.motortraders.med.govt.nz). The Commission, who will enforce the provisions of the Supplier Information Notice (SIN) regulation, informed traders on how to comply with the SIN regulations. The Ministry of Consumer Affairs covered the wider aspects of the Act.

The Ministry also developed a printed resource on the Motor Vehicle Sales Act and related laws for business. This publication is available on our website in the Business Information/Motor Vehicles section, or it can be ordered by emailing mcainfo@mca.govt.nz. Also available online in the Business Information section (under Fair Trading Act) is an example Supplier Information Notice and Frequently Asked Questions about the SIN.



Consumer publications produced by the Ministry as part of the MVSA information campaign.

Money Talks in Porirua

In November 2003 a community information day, Money Talks Expo, was held at Pataka Museum in Porirua in response to concerns that families in the Porirua area were suffering from bad finance contracts.

The main aim of the day was to inform consumers about their rights when dealing with money. Particular concerns were people paying high finance rates and unreasonable fees on their loans, and illegal repossessions.

The Expo was a joint initiative, developed by the Ministry of Consumer Affairs, the Budget Advice Service, Taeaomanino Trust, and the Porirua branch of PACIFICA.

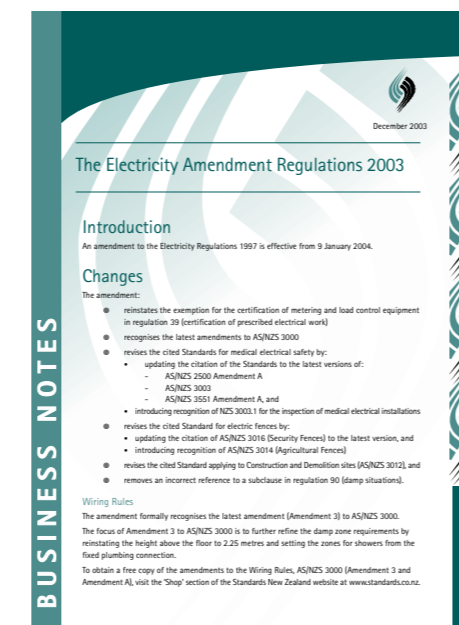
Josephine Bartley represented the Ministry of Consumer Affairs, speaking to the group on the law of loans. Other speakers included Grant Aislabie from the Disputes Tribunal, David Russell from the Consumers' Institute, Mele Sanerivi from the Budget Advice Service, Rowena Sutton from PACIFICA, Sikoti Tuiloma from the Ministry of Housing, and Michael Salanoa from the Department of Courts. Topics included fines, renting rights, family trusts and money management.

Besides the presentations, an information marketplace was held, including stalls from the Citizens

Advice Bureau, Victoria University, and Tenancy Services.

The Expo was supported by the community and feedback was positive with comments received on evaluation forms like "well done and congratulations for a wonderful, informative programme".

The event was considered a great starting point for working with the Porirua community, especially regarding consumer issues, and another Expo is being planned for 2004. The Money Talks Expo was sponsored by the Budget Advice Service and the Ministry of Consumer Affairs.



The Electricity Amendment Regulations 2003 are detailed in this Business Note.

Cabinet Heater Review

Several incidents involving LPG cylinders and the equipment that is connected to them have triggered an inquiry by the Environmental Risk Management Authority (ERMA) into their use. The inquiry will build on an investigation by the Energy Safety Service into a house fire in Hastings last year which claimed the lives of two eight-year-old girls when an LPG heater reportedly exploded into a fireball.

The ERMA inquiry will expand on that investigation to take a broader perspective on the use of LPG cylinders, focussing on the use of LPG in the indoor domestic environment. The inquiry aims to establish how and why these incidents have occurred, and to determine how further incidents can be prevented.

Electrical Regulations Amended

In December 2003, the Ministry's Energy Safety Service (ESS) published a Business Note detailing the Electricity Amendment Regulations 2003 that came into effect on 9 January 2004. This is an amendment to the Electricity Regulations 1997.

The amendment reinstates the exemption for the certification of metering and load control equipment in regulation 39 (certification of prescribed electrical work), recognises the latest amendments to AS/NZS 3000, revises the cited Standards for medical electrical safety, revises the cited Standard for

Energy Safety

electric fences, revises the cited Standard applying to Construction and Demolition sites, and removes an incorrect reference to a subclause in regulation 90 (damp situations).

The Business Note was distributed to licensed electrical workers in January 2004 with *Electron* magazine, a publication of the Electrical Workers Licensing Group. It is also available, along with a full copy of the Amendments, on the ESS website www.ess.govt.nz in the Rules and Reports section.

The inquiry highlights safety issues around the use of LPG cabinet heaters in New Zealand. If you have an LPG cabinet heater, the Energy Safety Service gives the following advice:

- Check the connections to cylinders for leaks every time you connect or move the connected cylinder. Check threaded connections about the cylinder and hose about two or three times a year. A good test is to spread a solution of water and dishwashing liquid on the connections - if bubbles appear, LPG is leaking.
- Check heater equipment regularly and have it serviced every 12 months.

- Do not install or remove adapters to your cylinder valve as this could

damage the valve mechanism and cause a high pressure gas leakage.

- Follow carefully the manufacturers instructions supplied with your LPG heater.

- Make sure you only use your heater in a well ventilated space - never use them in a bedroom, bathroom or confined space such as a caravan.

- Keep your heater away from flammable materials - never hang clothes on heaters to dry as this is a common cause of fires.

The inquiry is now underway, with a probable report date of mid-March 2004. To view a copy of the terms of reference for this inquiry, visit ERMA New Zealand's website at www.ermanz.govt.nz.

Better protection against home buy-back schemes

In October 2003 a new credit law, the Credit Contracts and Consumer Finance Act, was passed by Parliament. The Act, which comes into effect on 1 April 2005, provides greater protection for consumers in relation to credit contracts, consumer leases and buy-back schemes.

Buy-back schemes are a particular focus of the new law. The section of the Act that relates to buy-back schemes took effect on 14 October 2003, meaning that consumers have better protection if they are considering entering into such a scheme.

The schemes have resulted in many homeowners losing their homes.

Tough penalties and new information requirements will make it more difficult for buy-back operators to continue running these schemes. These measures will protect consumers against further losses from buy-back schemes as well as providing remedies for those already involved in such schemes.

The Act also improves the information disclosure requirements for all consumer credit transactions, so consumers will receive important information about the cost and terms of credit. This will ensure that consumers are able make informed decisions when entering into, and during the course of, financial transactions.

Rules relating to fees and interest charges will protect consumers from unreasonable charges.

The legislation also meets the needs of creditors by simplifying the law, and reduces compliance costs for providers and borrowers of commercial credit.

Creditors who breach the law and exploit consumers face increased penalties and the prospect of strict enforcement. The new Act empowers the Commerce Commission to take action in response to breaches of the law.

The Ministry is currently developing regulations that will provide calculations and assumptions to supplement the operation of the Act. The regulations are expected to be in place in the second half of 2004.

Second-hand bicycles Standard amended

The Product Safety Standard for Pedal Bicycles has been amended to exempt second-hand bicycles. The standard was first developed in response to cheap kitset bicycles and included a provision that each bicycle must have an adequate assembly instruction manual. No differentiation was made between new bicycles and second-hand bicycles.

Unfortunately this also meant that auction consignments of bicycles without assembly instruction manuals were caught by the

standard. This left second-hand dealers and people such as the Police uncertain whether they were able to sell the second-hand bicycles.

The Police were in an awkward situation with the number of lost and unclaimed bicycles and not knowing what to do with them. The amendment to the Product Safety Standards (Pedal Bicycles) Regulations has clarified the situation. The regulations now do not apply to the supply of second-hand bicycles.

Consumers can be assured that second-hand bicycles purchased from a trader are covered by the general safety provisions of the Consumer Guarantees Act. The bicycle is still expected to be roadworthy and meet minimum performance standards unless otherwise agreed between the buyer and trader.

The Product Safety Standards (Pedal Bicycles) Amendment Regulations 2003 came into effect on 12 September 2003.

Consumer Affairs

Newsletter of the Ministry of Consumer Affairs

New Zealand represented at the 38th CIML meeting

New Zealand became a full member of the Organisation Internationale de Métrologie Légale (OIML) last year, which meant it was able to attend the 38th Committee Meeting (CIML) held during November 2003 in Kyoto.

The main discussion surrounded a proposed Mutual Acceptance Arrangement (MAA) for type approval evaluations. The CIML approved the MAA but further work will be done on the financial aspects of implementation before it comes into effect.

This meeting was the first opportunity for New Zealand to contribute to the OIML decision making process. John Barker, Manager of the Measurement and Product Safety Service (MAPSS), reports the committee agreed on a number of key international recommendations or standards. These include revision of requirements on automatic gravimetric filling instruments relating to quantity of product in prepackages and a new recommendation for spectrophotometers for medical laboratories.

The meeting also enabled the New Zealand delegates to make some important contacts, in particular relating to type approval testing of flowmetering systems. This was a chance to look at internationally available training courses with the aim of ensuring that MAPSS staff has access to modern training in the very technical measurement area.

Asia-Pacific Legal Metrology

This meeting was held in Kyoto directly before the CIML meeting. At this meeting Terry Collins, Senior Advisor Legal Metrology, took over the role as chair of the working group on Goods Packed by Measure from his colleague John Barker.

APLMF noted New Zealand's experience in drafting legislation for compliance with the OIML recommendation on quantity of product in prepackages. New Zealand has agreed to a request from APLMF to provide a seminar on developing model legislation in this area, and to follow this up with a further seminar on practical implementation.

Review of the Trade Measurement Accreditation Scheme

Comments have been received on the Ministry's preferred options for the revision of the scheme that accredits private sector organisations to carry out verifications of measuring equipment under the Weights and Measures Act 1987. Those submissions are currently being analysed and a report will be presented to the Minister of Consumer Affairs outlining the options for improving the current scheme. It is anticipated that any policy changes will be submitted to Government for approval later this year.

Launch of the Water Meter Code of Practice

The Minister of Consumer Affairs Judith Tizard launched the Water Meter Code of Practice at a function at Watercare Services in Auckland last September.

- the right to request a meter accuracy test at any time
- provision of advice on self assessment of a customers water usage
- written advice on the costs associated with any testing of meters as a result of a customer request
- provision of a meter test report of a meter tested following a customer request and
- the right to request a meter reading.

The Code ensures that installed water meters will meet international standards, will not be installed unless they have been tested to the required standard, and that water suppliers have a meter replacement or refurbishment programme. Approved meter test houses are required to be accredited against ISO 17025 - the recognised international standard for testing laboratories.



John Barker, Manager of the Measurement and Product Safety Service, Len Clapham, Chief Executive of New Zealand Water and Wastes Association, and Consumer Affairs Minister, Judith Tizard at the launch of the Water Meter Code of Practice.

The code contains a disputes resolution procedure and other benefits for consumers such as:

- the right to request a meter connection if mains water supply is available
- the right to easily and safely read the meter
- the right to request relocation of a meter to a more convenient area

Scamwatch: Scamming the scammers

Many consumers who contact the Ministry about scams tell us they have, or are tempted to, respond to the scammers. They would like to email or write back to the scammers with the purpose of leading them on. Eager to find out what is behind a scam, or make the scam operator think they roped in another gullible consumer, consumers may be tempted to respond without thinking of the potential consequences.

form or not. Replying to scam emails serves to do one thing – to confirm that an email address is accurate and in use. As a result consumers may receive more emails as their address is circulated more widely. The Ministry also wants to deter consumers from getting into any dispute with a scammer who has realised they are being conned.

from their “winnings”. Although the prize may not exist, consumers could find a hidden prize in taking such action - receiving more of the same type of notifications in their mailbox.

We also recommend consumers do not reply to prize notifications or “Nigerian letter” scams. We are aware of some consumers who have replied asking that the requested “processing” fee just be deducted

The best approach if you think the mail or email you received is a scam is to check Scamwatch on our website first. If it's listed - throw the material away. If it is not listed and you suspect it's a scam, you can report it to us by phone on 04 474 2750, email mcainfo@mca.govt.nz or write to PO Box 1473, Wellington.

The Ministry discourages consumers from responding to known scams, whether in a joke

Upcoming Events

Consumer rights is the theme for this year's Citizens Advice Bureau Awareness Week. The week, to be held from 15-21 March, aims to let people know that CAB can provide them with information about their rights when they have problems with goods or services. Bureaux will also be working with retailers to highlight their rights and responsibilities to customers. CAB can be accessed in person (at one of the 87 bureaux throughout the country), by phone or by email. Local CABs are listed in the white pages of the phone book.



Feedback

Consumer Affairs is the official newsletter of the Ministry of Consumer Affairs, and is now available as a PDF on our website, www.consumeraffairs.govt.nz. We welcome your feedback and suggestions for *Consumer Affairs* - please contact us either via email editor@mca.govt.nz, or by post PO Box 1473, Wellington.

If you wish to receive the newsletter electronically, require further copies, or would like to be removed from our mailing list, please email us at editor@mca.govt.nz.

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Ministry Review completed

During 2003 the Ministry of Consumer Affairs completed a review of itself. The review was in two phases, the first phase looked at the role of the Ministry and its strategic direction – what should it do and why. The second looked at organisational and structural issues.

The Phase One report *Creating Confident Consumers: the role of the Ministry of Consumer Affairs in a modern dynamic economy* concluded that the main role of the Ministry is to create an environment, that is conducive to good and accurate information flows between suppliers and consumers, so that consumers can transact with confidence.

This is about developing, or helping develop appropriate rules governing the behaviour of consumers, suppliers, markets and institutions so that the gap between what consumers expect and what they get from a transaction is as small as possible.

In Phase Two of the review, Ministry of Consumer Affairs General Manager Liz MacPherson, considered what the Ministry needed to do to put into action the recommendations and conclusions of Phase One of the Review. Here she focussed on the Ministry's structure, organisation and resourcing.

After looking at how the Ministry was organised and resourced, Liz concluded that the Ministry did need a new organisational structure to reflect and support its future direction.

The Phase Two: Organisational Review Report was completed, after consultation and feedback from Ministry staff, and presented to them at the end of August last year. In the report Liz looked at “how” the Ministry does its work. Liz also considered the specific structure, systems, staff, skills, style, and shared values necessary to support the strategic direction and role of the Ministry of Consumer Affairs arising from Phase One.

In the Phase Two report Liz set out the future direction of the Ministry, its new structure and staffing arrangements and the rationale behind her thinking.

New Structure

In the new structure the Branch is made up of the Ministry of Consumer Affairs and the Energy Safety Service. The Branch is divided into four sections: Policy (covering consumer and energy safety policy advice); Research, Information and Capability; Measurement and Product Safety; and Energy Safety Operations.

The policy capability of the Ministry has been strengthened and expanded to include consumer protection and related policy issues, energy safety, measurement and product safety policy.

The work of the former Consumer Information Service, now the Research, Information and Capability Group, has been refocused and expanded to cover not only information provision, but also information gathering and research and working to build capability in consumer groups and organisations, including Maori and Pacific organisations.

The trade measurement and product safety capability of the Ministry has been combined into the Measurement and Product Safety Service to provide a broader and enhanced focus.

The work of Ministry head office staff is now supported by a co-ordinated and centralised team of administrative and finance staff.

The new structure of the Ministry came into effect on 3 November 2003.

The Phase Two report is available from the Ministry; it is also on our website, www.consumeraffairs.govt.nz, along with the Phase One report and supporting papers.

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