

Consumer affairs

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Government strengthens partnership with Citizens Advice Bureaux

In early August Consumer Affairs Minister Judith Tizard and New Zealand Association of Citizens Advice Bureaux (NZACAB) President Lynne Barraclough-Wood signed a two-year memorandum of understanding that further strengthens the relationship between government and the Citizens Advice Bureaux (CAB). Government and the CAB have entered a new era of partnership, says Consumer Affairs Minister Judith Tizard.

The agreement will see the Ministry of Consumer Affairs working closely with the CAB on a number of new consumer-focused initiatives, including a pilot project to capture data from the 75,000 consumer enquiries handled by CABs every year. Funding of \$660,000 has been provided to undertake this project over the next four years.

"Information gathered from this project will enhance the Ministry's understanding of consumers and strengthen CAB's capacity to provide up-to-date information and advice to consumers," says Consumer Affairs Minister Judith Tizard.

"Citizens Advice Bureaux volunteers handle over 2200 enquiries every working day across a range of consumers' issues. They play an important role in ensuring consumers throughout New Zealand are well informed and able to transact with confidence."

"The Government recognises the vital link CABs provide to consumers at a community level. By working in partnership with CABs we are able to ensure information gets to the people who need it, especially those who are most vulnerable."

NZACAB President Lynne Barraclough-Wood said the partnership reflected a common goal of ensuring consumers in New Zealand are well informed about their rights.



NZACAB President Lynne Barraclough-Wood and Consumer Affairs Minister Judith Tizard

Consumer representation

Consumer representation is an important issue and activity for the Ministry of Consumer Affairs. The Ministry completed research into the nature of effective consumer representation in 2001. The report of this research is available online through the Ministry's website (www.consumeraffairs.govt.nz).

As a result of that research *A Guideline for Officials* was developed. This includes the requirement to identify the consumer constituency when calling for nominations for consumer appointments.

How the Ministry can help you

The Ministry of Consumer Affairs can help organisations looking to appoint consumer representatives. It:

- nominates consumer representatives for consumer or lay positions on boards and committees
- provides the opportunity for consumer representatives to network and support each other, with training for consumer representatives through the Consumer Representative Network
- provides advice on the purpose and value of consumer representation especially the breadth and difference that consumer representatives bring to the deliberation of issues and decision-making
- provides advice about the qualities of effective consumer representatives
- provides advice about the practical difficulties consumer representatives encounter when acting as consumer representatives.



New resources available from the Ministry

A set of resources has been developed on consumer representation. These are available electronically on the Ministry's website or copies can be requested from the Ministry.

Applying to be a consumer representative

This resource describes the qualities someone needs to be a consumer representative. It provides help on writing a curriculum vitae and information people need when they apply to be a consumer representative.

Being a consumer representative

This booklet provides a job description for a consumer representative. It talks about how and why consumer representatives network with other consumers and how to be effective in meetings. It provides information on fees and expenses, and joining the Consumer Representative Network run by the Ministry.

Recruiting effective consumer representatives

This booklet describes the value of consumer representation, the qualities of effective consumer representatives, and the Ministry's nomination process. It also describes a process that will help people find and appoint effective consumer representatives – 'Four steps to locating effective consumer representatives'.

Consulting consumers

This booklet provides specific advice on consulting consumers. It covers the purpose of consulting consumers, the qualities of effective consumer representatives, the principles and value of a genuine exchange of views, and a checklist for effective meetings with consumers.

Guidelines for chairpersons

This booklet discusses the role of the chairperson within a board or committee and in a meeting. It also covers the ways in which they can help consumer representatives and others to be effective.

Alternatives and complements to regulation: creating confident consumers

The Ministry of Consumer Affairs is developing a policy framework for alternative and complementary forms of regulation in consumer protection.

The policy framework will assist industry, consumers and government in developing, operating and evaluating alternative and complementary regulatory structures, such as self-regulatory schemes and codes of practice.

Self-regulation can have a positive role in creating an environment in which consumers transact with confidence. For example, self-regulation can:

- promote good practice and target specific problems within industries;
- add to the existing broad rights and responsibilities of consumers and businesses under the law by providing specific guidance that is tailored for the particular market;
- improve the image of suppliers or gain consumer acceptance of new products and technologies;
- provide access to quick and informal complaint handling and redress mechanisms and allow businesses to avoid potentially costly litigation; and
- set agreed quality standards of work that can serve as benchmarks in settling disputes.

However, self-regulation can also have disadvantages. Self-regulatory dispute resolution may lack teeth. For example, businesses who have signed up to a self-regulatory scheme may choose to withdraw if faced with a sanction or enforcement.

This project acknowledges the potential advantages and disadvantages of self-regulation. Its purpose is to investigate whether alternative and complementary regulatory structures are effective compared with other forms of regulation, such as legislation, in creating an environment in which consumers transact with confidence, and to clarify the circumstances in which such structures work best.

While self-regulation is primarily a matter between industry and consumers, there is also a role for government. This project will consider the extent of government involvement in establishing, operating, monitoring and reviewing self-regulatory schemes.

The project will be conducted in a number of stages. The first stage, a context paper examining self-regulation within the wider regulatory environment, is expected to be released in March 2005.

Measurement and Product Safety

Measurement and Product Safety Service Call Base

In March the new Measurement and Product Safety Service (MAPSS) Call Base became fully operational. The Call Base is a modern web-based system that has been set up to record complaints and enquiries received from consumers and business.

The system is managed through the Ministry of Economic Development's Contact Centre. Details of calls are logged on a database and then referred to the appropriate MAPSS personnel or other government agencies for their information and action.

Since March, the Call Base Team has successfully met the challenge of assisting callers with a large variety of enquiries covering a wide range of issues. The Team has fielded an increasing number of enquiries ranging from: faulty taps to pedestrian crossing not flashing long enough; from baby buggies to boots; from supermarket scales weighing onions to council weighbridges weighing tonnes of rubbish.

The new system's use of a toll free number, that is available during business hours, has resulted in significant improvement in MAPSS' accessibility. It has enabled MAPSS' Officers to increase market surveillance and enhanced their ability to investigate consumer complaints with confidence that telephone calls will not be missed.

Information obtained through analysis of the calls has also proved valuable in identifying emerging trends and subsequent targeting of MAPSS' responses to issues. As a result unsafe products and incorrect measuring equipment can quickly be identified and appropriate follow-up action taken.

The Measurement and Product Safety Service Call Base is proving to be a valuable point of contact for consumers and business.

If you have any queries or complaints the new number to call is: **0508 MAPSS Info (0508 627 774)**.

Product Safety Standards to be updated

The Ministry of Consumer Affairs has recently published a discussion paper on proposed changes to a number of product safety standards. The proposed changes are mostly to incorporate recent revisions of the national standards.

We are seeking comment on the changes **by Friday 19 November 2004** and this will form the basis of recommendations to Government on any amendments that will be needed to current product safety regulations.

The discussion paper covers the following product safety standards:

The Product Safety Standards (Cots for Household Use) Regulations 2000, (reference document AS/NZS 2172).

The revision includes changes to some dimension requirements and to the performance requirements for access fastening devices. It clarifies the standard's intentions with regard to labelling and marking and makes explicit the relationship of the testing protocols to the general construction requirements.

The Product Safety Standards (Children's Nightwear and Limited Daywear Having Reduced Fire Hazard) Regulations 1999 (reference document AS/NZS 1249).

AS/NZS 1249:1999 represented a major change in the nightwear standard through its introduction of a separate category of garment – the all-in-one. This brought into the coverage of the standard many garments, which before could have been classified as either daywear or nightwear, and some garments made from knitted fabric, which were more obviously daywear only. The revision, AS/NZS 1249: 2003, has attempted to clarify this situation and to remove from the coverage of the standard those types of all-in-one garments, which by their design, and the weight of fabric used, are unlikely to be worn as nightwear. Technical errors have also been addressed and where considered desirable, some interpretations have been clarified.

The Product Safety Standards (Baby Walkers) Regulations 2001, (reference document ASTM F977).

The existing national standard ASTM F977-00 Standard Consumer Safety Specification for Infant Walkers has now been superseded by ASTM F977-03 Standard Consumer Safety Specification for Infant Walkers. There are no significant technical changes between ASTM F977-00 and ASTM F977-03. The changes relate to terminology, editorial and formatting only. But a recent investigation carried out by the Commerce Commission highlighted some difficulties of enforcement with the current regula-

tions and the reappearance of inferior quality baby walkers on the New Zealand market. It is proposed that the construction requirements of clause 5 of ASTM F977-03 be adopted in the new revised regulation. These relate to broad structural integrity requirements as well as scissoring, shearing and pinching hazards, small openings hazards and exposed coil hazards.

The Product Safety Standards (Children's Toys) Regulations 1992, (reference document NZS 5822 now superseded by AS/NZS ISO 8124).

AS/NZS ISO 8124 is the adoption by New Zealand and Australia of the International Standard ISO 8124 Safety of Toys. ISO 8124 represents an international initiative to establish a global standard for toys, which has been in existence since 2000 and was adopted by New Zealand and Australia in 2002. It is an attempt to bring all the national standards together into one document, so that the global market has one set of rules that are acceptable to all.



We are seeking comment on the changes by Friday 19 November 2004 and this will form the basis of recommendations to Government on any amendments that will be needed to current product safety regulations.

Report released into the use of LPG cylinders indoors

In August the Environmental Risk Management Authority (ERMA) New Zealand released the Report of the Inquiry into the use of LPG cylinders in Indoor Situations, along with a 'whole of government' response to the 16 recommendations contained in the report.

Last December ERMA New Zealand appointed Dr Bill Wakelin, a chemical engineer, to conduct this inquiry. The inquiry was triggered by a number of incidents involving the indoor use of LPG cylinders and equipment that is connected to them.

The inquiry considered the accident records of fires involving the use of LPG indoors, how and why they occurred, prevention measures, and how to achieve more effective risk management.

The scope of the inquiry included whether these issues are related specifically to indoor use of LPG cylinders, risks and benefits of the use of different types of couplings, as well as situations where the couplings are used. The inquiry also investigated any common causes of these incidents and in particular the extent to which they are related to inadequacies in safety requirements and/or compliance with those requirements.

Working in conjunction with industry, the Energy Safety Service (ESS) and the Department of Labour (Occupational Safety and Health), ERMA has agreed to a response to the inquiry. This includes:

- the publication of additional information on the use of LPG cylinders, so that all of those involved including households are aware of 'good practice'
- the re-specification of cylinder valve designs to minimise potential problems and the progressive replacement of fittings made to old designs at the time of the 10-year test for cylinders
- co-ordination of system approvals in future for the use of LPG cylinders indoors (domestic).

While the report found no cause for substantial concern, the agencies involved strongly recommend that anyone using an LPG cylinder indoors, leak test their cylinder

regularly, particularly after refilling, and have the valves replaced at the 10-year test. There are also many other simple safety steps that may be taken including reacting to any unusual smells or sounds, having the cylinder regularly serviced and not adding any extra adaptors to the system.

A key outcome of the inquiry report is the need for a package of publicity material on LPG use indoors. This will be a mixture of guides and codes that relate to all of the recommendations. This winter the LPG Association, in conjunction with the ESS, produced swing tags with safety information that are being attached to cylinders at the time of refilling.

The inquiry report identified issues with some types of

Quick Closing Coupling (QCC) cylinder valve. It is emphasised that these valves are safe if used properly, but can be damaged with the risk of leaking, if not used properly. It has been decided that:

- ERMA will withdraw approval of the older QCC valve designs. Cylinder valves currently in use will however not be recalled. The older QCC fittings having known design problems will be required to be replaced at the normal 10-year cylinder test
- subject to some final analysis, a new design for the QCC valve will be approved that is identical to the latest approvals, but with a modification to prevent improper use.

The agencies involved will be working collaboratively to approve systems in future. ESS will take the co-ordination role for all aspects of LPG cabinet heaters. ESS will have input into ERMA New Zealand approvals for valve and fitting designs, and will use approvals for individual cylinders, fittings and valves for system approvals. OSH has responsibility for controlling cylinder over-filling.



A copy of the report – *Report of the Inquiry into the use of LPG cylinders in Indoor Situations* will be available on the ERMA New Zealand website www.ermanz.govt.nz

Ministry of Consumer Affairs' research programme

Following its review in 2003, Ministry of Consumer Affairs established a dedicated Research, Evaluation and Monitoring team within the Research, Information and Capability section of the Ministry.

This team has recently completed research needs assessment, which in turn led to the development of a research, evaluation and monitoring programme for the next three years. In this article Wiebe Zwaga, the Ministry's Senior Advisor for Research, Evaluation and Monitoring, highlights the research programme for 2004-2005.

The reasons for the Ministry to engage in research, evaluation and monitoring are wide ranging. However, three main reasons jump out. First, research enables us to address existing gaps in knowledge in areas where information is lacking. For example, insights derived from consumer behaviour studies may assist the Ministry to target particular groups in society with its publicity campaigns.

Second, evaluation studies will provide the Ministry with data to establish whether policies and programmes are achieving their intended outcomes.

Finally, through monitoring the Ministry is able to judge whether legislation is implemented timely and effectively.

Planned research for 2004-2005

Earlier this year the four sections within the Ministry: Energy Safety Service (ESS), Measurement and Product Safety Service (MAPSS), Policy Group, and Research, Information and Capability (RIC) were asked to identify their research, evaluation and monitoring requirements. These were prioritised and a research programme for the coming year was developed.

One of the first priorities for the Ministry is to create an

information capture structure. To this effect, the Ministry is in the process of creating databases that are able to monitor market trends and issues affecting consumers. One example of such a database is HEAT, which allows the Ministry to store and analyse all contacts made to it through the Ministry of Economic Development's Contact Centre in Christchurch.

The ESS is embarking on a project that will look at compliance issues within the gas and electricity sectors. The research project will seek to research electricians' and gas fitters' perceptions on compliance, and interview industry stakeholders on their viewpoints.

In 2004-05 the main research task for MAPSS is the scope of measurement project. This project will assess capability issues for New Zealand within legal metrology in the context of economic and technological developments.

The Ministry's Policy Group has some major reviews on the boil. One such review concerns the enforcement of consumer protection. Research undertaken together with RIC will survey New Zealanders on their awareness of consumer protection legislation and the rights to redress. Another project will look at the relative merits of self-regulatory and statutory regulatory regimes. Research on consumer expectations about regulation will feed into this review.

As is the case in other public sector organisations, research, evaluation and monitoring increasingly informs how government can improve services for consumers and business.

With the building of research capability, it is anticipated that the Ministry can contribute to the drive to provide more effective policies and programmes as it learns from what does work and what doesn't.

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 te ratonga whakaruru pūngao