

# *The Year in Review*



Consumer Protection achievements in 2007/2008

From the Commissioner's desk



### Anne Driscoll

As a state, Western Australia has been experiencing a period of great economic prosperity on the back of the resources boom.

The boom has changed the economic and social landscape of life in the West and Consumer Protection now operates in an environment of polarised consumer needs.

Beneficiaries of this resources bonanza have led an unprecedented spending spree, buying up big on luxury cars, property and a host of big-ticket electrical items.

An influx of interstate and overseas workers has helped ease the skills shortage and swelled the state's population. In the year to September 2007, Western Australia's population grew by 2.5 per cent – the biggest increase of any state and well ahead of the national increase of 1.5 per cent over the same period.

For those left behind by the boom, life has become tougher. In 2007, Perth gained the unenviable title of Australia's least affordable city for first-home buyers with the median price for a house in Perth reaching a record \$474,000 in December 2007.

Our rental market is also under stress due to a state-wide shortage of housing and higher migration as median weekly rents hit \$310 for units and \$335 for houses while the vacancy rate for rental accommodation hovered around one per cent – at one point dipping to a mere 0.8 per cent. This has resulted in Consumer Protection's Advice Line fielding a large number of calls from tenants seeking information and advice on their rights.

Meeting the competing needs of such a diverse range of consumers is an ongoing challenge for Consumer Protection.

At one end of the scale we have commenced moves to approach overseas manufacturers of electrical goods over their lack of back-up service amid growing consumer disquiet. Demand from WA's cashed up consumers for items such as large-screen plasma televisions have been growing rapidly while the provision of follow-up service has been slipping.

In contrast, our Advice Line is reporting an increasing number of calls from consumers distressed at the possibility of losing a rental property while faced with the very real prospect of being unable to secure another.

Overall, Consumer Protection has continued to be responsive to the unique and dynamic needs of WA consumers while developing policies and regulations that will be needed in the future.

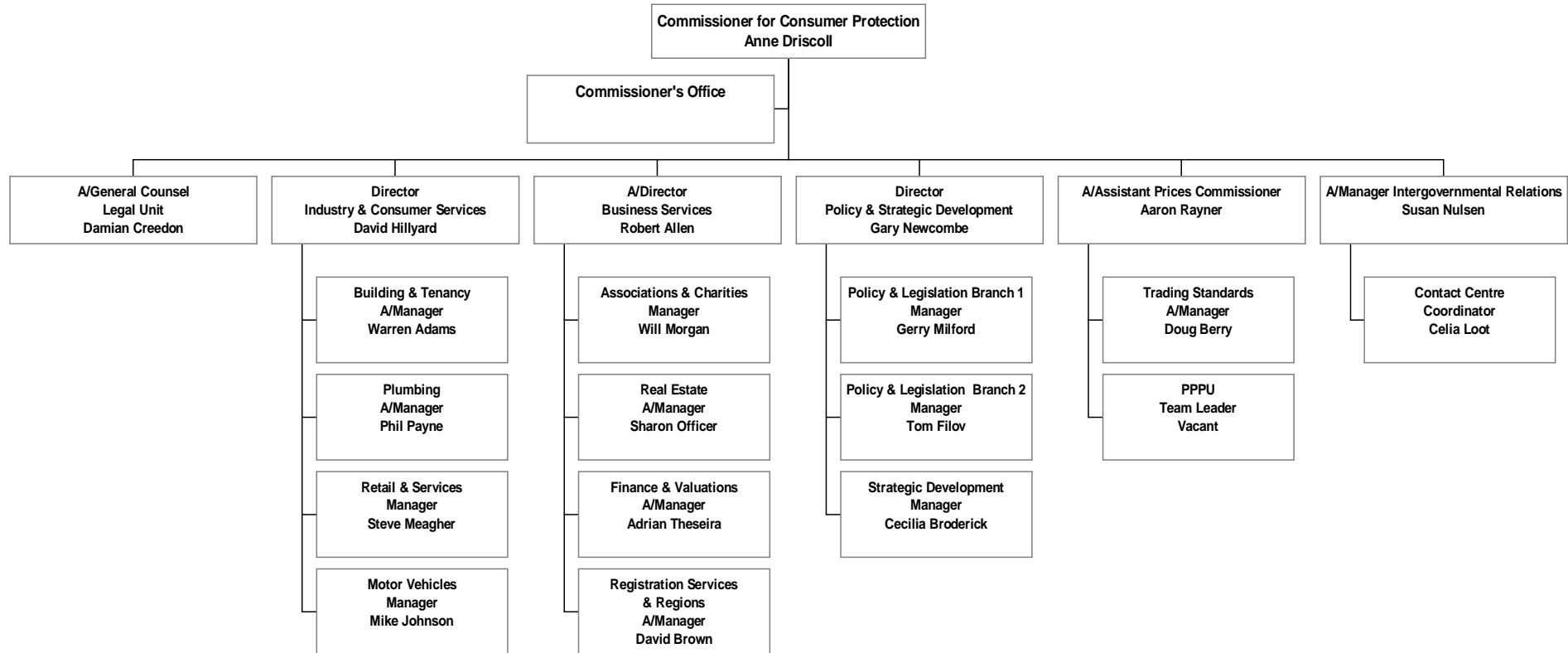
Highlights for Consumer Protection during 2007/2008 included:

- hosting the 5<sup>th</sup> National Consumer Congress, a gathering that attracted delegates from across the nation and helped forge links with important consumer organisations around the world;
- developing a discussion paper and the consultation with Indigenous communities regarding the issues surrounding the use of book up;
- rolling out new legislation involving motor vehicle repairers and residential parks; and
- the launch of the Inc. Manual (refer page 15).

The current Council of Australian Government's agenda points the way to major changes in the way consumer protection measures are administered in Australia, with many areas targeted to fall under national regimes.

Consumer Protection looks forward to assisting the new State Government implementing its agenda in the coming year.

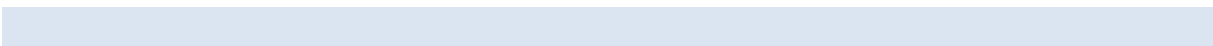
# Consumer Protection Organisational Chart as at 30 June 2008.



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## HIGHLIGHTS

In conjunction with other jurisdictions, Consumer Protection undertook audits of bank and non-bank lenders in Western Australia in order to examine compliance with the **Uniform Consumer Credit Code** in the provision of housing finance.

The National Uniform Consumer Credit Code Compliance project had a particular focus in the audit on “**low-doc**” **housing loans**. These loans generally have higher interest rates (some loans can revert back to standard variable rates after a period of time) but require borrowers to supply less documentation than usual in establishing their eligibility for finance.

During 2007/8 Consumer Protection progressed a number of significant policy projects on behalf of the former Government including:

- introducing new legislation governing Co-operatives into State Parliament. The **Co-operatives Bill 2007** was introduced to State Parliament in November 2007, and progressed to the upper house in early 2008. The Bill will replace two Western Australian laws relevant to co-operatives: the *Companies (Co-operative) Act 1943* and the *Co-operative and Provident Societies Act 1903*;
- developing Stage 2 of the **Motor Vehicle Repairers Act 2003** in preparation for the commencement of business licensing on 1 July 2008;
- commencing the **Residential Parks (Long-Stay Tenants) Act 2006** in August 2007;
- drafting amendments to the **Commercial Tenancy (Retail Shops) Agreement Act 1985**;
- renewing the fitness industry code with the **Fair Trading (Fitness Industry Code of Practice) Regulations 2007** coming into effect on 1 January 2008;
- progressing the review of the **Residential Tenancies Act 1987** and the *Residential Tenancies Regulations 1989*;
- drafting a new Act to replace the **Associations Incorporation Act 1987** and development of new model rules;
- ongoing support for the proposed **transfer of building licensing functions** to a new Western Australian Building Commission; and
- preparing the Western Australian submission to the Productivity Commission’s **Review of the Australian Consumer Policy Framework**.

In March 2008 Consumer Protection hosted the **5th National Consumer Congress** in Perth. The Congress attracted renowned national and international speakers and 244 delegates from consumer protection agencies across Australia attended the two-day event. The breadth of the Congress program highlighted both the changing nature of consumer policy and the benefits of learning from our colleagues around the world.

We hope that some enduring professional relationships have been established and look forward to renewing acquaintances at the 2009 National Consumer Congress to be hosted by the Office of Consumer and Business Affairs (OCBA) South Australia.

Relationships with international consumer organisations and agencies forged during the congress have brought to light a number of projects that would greatly benefit from future collaboration.

A range of new **information resources** were developed to meet the needs of various stakeholders. These included:

- *Smart Choice: A Consumer Guide for Western Australians 50+*, developed with assistance from the Council on the Ageing.
- *Carers' Guide to Consumer Protection*, a general guide to help carers protect the welfare of those in their care.
- *Reverse Mortgages for Seniors*, a brochure designed to provide information on this complex financial product.
- *Tourists' Guide to Consumer Protection* was developed for international tourists visiting Western Australia. The brochure is in five languages and is distributed through visitor centres throughout the State.
- An information pack for new business proprietors was developed that will be handed out at the time of business name registration.

A range of **trader information and education** initiatives were implemented to support two major rollouts of legislation – the Residential Parks Act and the Motor Vehicle Repairers Act.

## 2007/08 AT A GLANCE

### ***Policy development and regulatory review***

- Legislation administered: 57.
- Acts and regulations amended: 38.

### ***Services to the public***

- Number of responses to customer enquiries: 851,924.
- Consumer Protection website visitor sessions: 2,857,781.

### ***Register of Encumbered Vehicles***

- Enquiries (REVS checks) 206,944.
- Encumbrances on register: 330,000.
- Number of new encumbrances registered: 120,000.

### ***General public enquiries handled***

- Phone calls from general public: 143,193.
- Counter enquiries handled: 18,298.
- Email/website queries answered: 8,400.
- Conciliation provided: 6,675.
- Participation at public seminars and information sessions: 6,723.
- Community participation at shows and expos: 4,342.

### ***Transactions completed***

- Rental bond transactions: 109,241.
- Total occupational licences on register: 6,378.
- Business names: 30,000 new businesses added and approximately 180,000 currently registered.
- Indemnity certificates: 798.
- Total co-operatives on register: 72.

### ***Compliance related activities***

- Infringement notices issued: 83.
- Prohibition notices issued: 654.
- Traders named: 41.
- Prosecutions: 36.
- Successful prosecutions: 23.
- "Orders to remedy" defects: 102.
- Matters referred to State Administrative Tribunal: 5.

### **Consumer Protection staff**

- Total FTE's: 334.
- Consumer Protection offices: 8 (2 metro 6 regional).
- FTE's in the metropolitan area: 327.
- FTE's in the regional areas: 7.

## COMPLIANCE

Ensuring traders and other service providers comply with Western Australia's fair trading laws is an important role of Consumer Protection.

Much of our work in this area is of a proactive nature – informing traders of their responsibilities and obligations under relevant laws and assisting them to meet these requirements.

Sometimes, however, more punitive measures are needed in order to protect consumers from unscrupulous traders.

Consumer Protection has a range of enforcement options at its disposal. These range from infringement notices and formal warnings through to naming and prosecutorial action for more serious contraventions.

The type of enforcement action taken depends on the seriousness of the offence.

Similarly, the decision to prosecute is a complex one based on a range of factors including, deterrence, the likelihood of a successful outcome and the cost effectiveness of such action.

Essentially, each case is taken on merit – there are no prescribed enforcement measures for particular contraventions.

In determining the enforcement method to be used in a particular case or whether or not to prosecute, Consumer Protection has traditionally relied on the prosecution policy of the Office of the Director of Public Prosecutions (DPP).

However, Consumer Protection is now developing an **enforcement and prosecution policy** of its own.

Work began on the policy this year and should be completed in the new financial year. The new policy will remain consistent with DPP guidelines.

Other major initiatives of Consumer Protection's Legal Unit in 2007/2008 were the commencement of work on a:

- **disclosure policy**, outlining the documents legal officers will be required to give defendants when involved in court or tribunal matters;
- **policies and procedures manual**, detailing issues of which legal officers need to be mindful; and
- **charges manual**, listing the charges available to legal officers. This should lead to more consistent terminology being used.

### **At a glance:**

- Prosecutions: 36.
- Successful prosecutions: 23.
- Naming: 41.
- Infringement notices issues: 83.
- Formal warnings: 447 (This is across the division. Formal warnings to traders are issued as "administrative warning letters").

## **CONSUMER PROTECTION ADVICE LINE**

Consumer Protection's Advice Line is a single, convenient point of access for Western Australians seeking information and advice on consumer-related matters. It can be accessed via email at [consumer@docep.wa.gov.au](mailto:consumer@docep.wa.gov.au) or through the 1300 number (1300 30 40 54) for the cost of local call from anywhere in WA.

The Advice Line is the first point of contact for about 150,000 customer inquiries each year and handles enquiries across a range of issues including residential tenancies, motor vehicle purchasing, licensing, fair trading issues, scams and home building queries.

The 1300 number has deliberately avoided the use of automated voice-recognition or filtering services and calls are answered promptly – in fact nearly 90 per cent are picked up within 40 seconds.

The nine consultants who staff the Advice Line are highly trained, local and have a breadth of knowledge that spans more than 63 Acts of Parliament.

The Advice Line is centrally located in the heart of Perth but fields calls from around the state.

Most inquiries are handled from initial contact through to completion by a single officer, with very little need for callers to be transferred to other branches or referred on to other organisations.

Customer satisfaction surveys are conducted every two years. The last, in 2007, showed more than 80 per cent of customers were satisfied with the level of service they received.

Though there has been a slight drop in the number of calls received by the Advice Line in the past year, possibly as a result of increased consumer confidence at using the internet, staff have noticed changes in the nature and complexity of callers' queries.

Explains Contact Centre Coordinator Celia Loot:

"About two years ago, the calls we received in relation to residential tenancies were mostly about maintenance-related disputes."

"With the current rental crisis in Perth and people facing rent rises sometimes as high as 60 per cent, the calls we are getting are much more serious. People are having to decide whether to pay their rent or feed their kids."

“It is really difficult for them. If they lose a rental they often can’t find another so there is a lot more customer aggression.”

Ms Loot says such callers can benefit from dealing with Advice Line staff who, being local, have a good understanding of the local climate and can empathise with their situations.

The Advice Line also responds to about 8000 online queries each year and is committed to providing these responses within one business day. In 2007/2008 Advice Line staff also took over the processing of email queries sent to WAScamNet (for further information on this program see page 13).

## REGIONAL OFFICES

Staff in Consumer Protection’s six regional offices have the job of raising awareness of the consumer rights of an estimated 600,000 Western Australians who reside outside the Perth metropolitan area.

Located in the centres of Albany, Bunbury, Geraldton, Kalgoorlie, Karratha and Kununurra, Consumer Protection’s offices service a combined area of more than 2.5 million square kilometres.

For regional consumers, isolation and the tyranny of distance present unique disadvantages including limited retail choice and exposure to unscrupulous itinerant traders who often see them as easy targets.

The personal service provided by regional officers of these non-metropolitan outposts is highly valued by regional consumers and businesses, many of whom would shy away from dealing with somebody located in Perth, said former Regional Services Manager, Phil Payne.

“Life really is different in the regions,” he said.

“People are more laid back and they expect face-to-face contact.”

“Our regional officers live locally and are well known within their communities.”

They are also a vital source of intelligence for Consumer Protection, their daily contact with a broad range of stakeholders providing valuable insights into the trends and issues affecting regional Western Australia.

The work of regional officers consists of:

- educating consumers and businesses about their rights and responsibilities and Consumer Protection’s services;
- conciliation; and
- proactive inspection activities.

Consumer Protection's regional offices provide access to all Consumer Protection services including business name registrations, bond lodgments and indemnity certificates.

***At a glance:***

- Counter enquiries handled by regional offices: 10, 000.
- Email/website queries answered: 400.
- Conciliation provided by regional officers: 550.
- Indemnity certificates: 110.

## WA SCAMNET

Education is the key to protecting consumers from the plethora of scams that flood the internet, arrive in the mail or catch unsuspecting consumers on the phone or even in person.

WA ScamNet is a dedicated scam website and a key educational tool in Consumer Protection's war on scams. It teaches consumers how to recognise and avoid scams and alerts them to current scams.

ScamNet provides a reporting service for victims and those who come across suspected scams. It also works with other agencies such as the WA Police's computer crime squad, the UK Office of Fair Trading and the Economic and Financial Crimes Commission in Nigeria to bring scammers to justice.

In 2008, information provided to WA ScamNet led to WA police arresting a 29-year-old Nigerian man living in Perth, on 27 charges of fraud and four counts of money laundering.

Another highlight of 2007/2008 was the addition of a search engine to the WA ScamNet website to enable consumers to research scams more easily.

During 2007/2008, the WA ScamNet website received 357,781 visits, almost 66,000 up on the previous financial year. ScamNet has a dedicated website, which can be accessed at <http://www.docep.wa.gov.au/scamnet>.

***At a glance:***

- WA ScamNet site visitors for 2007/2008: 357,781.

## FUELWATCH

FuelWatch has been providing Western Australian motorists with information on the cheapest fuel prices available around the State since 2001.

The service consists of a website, [www.fuelwatch.wa.gov.au](http://www.fuelwatch.wa.gov.au), and phone line, 1300 55 08 08 both of which provide 24-hour fuel price information, 7 days per week. After 2.30pm daily, consumers can also obtain information on tomorrow's fuel prices as well as subscribe to regular email alerts of the cheapest fuel prices in areas they nominate within the Perth metropolitan area and most regional areas.

The past 12 months has been tough for motorists. In June 2008, the average price of petrol in Perth was 157.8 cents per litre, the highest ever and an increase of 27.9 cents per litre on the corresponding period the previous year. Similarly, for diesel, in June 2008 the average price was 185.3 cents per litre, an increase of over 50 cents per litre from 12 months ago. LPG users were not spared; the average price of LPG in Perth for June 2008 was 68.5 cents per litre, and increase of 13 cents per litre over the year. Regional motorists were similarly affected.

The increases in local fuel prices were on the back of record international prices for petroleum based products. The price of crude oil doubled in the 12 months to 30 June 2008, finishing at USD149 per barrel.

The one saving grace for motorists was the strength of the USD/AUD exchange rate. In the 12 months to June 2008 the value of the Australian dollar increased 13 percent against the US dollar. Without this exchange rate buffer, local prices could have been up to 15 cents per litre higher.

As fuel prices have risen so has the popularity of the FuelWatch service. In the past 2 years, the number of people using the FuelWatch website has increased 80 percent. The number of people subscribing to the free email service has likewise increased.

In response to findings of the 2007 Australian Competition and Consumer Commission (ACCC) Inquiry into the price of unleaded petrol, the Commonwealth Government announced the planned roll out of a national FuelWatch scheme. This scheme is to be modeled on the Western Australian system and administered by the ACCC. Subject to parliamentary approval, the system is scheduled to be operational by December 2008. Consumer Protection will continue to liaise with the ACCC to ensure that Western Australians are not disadvantaged by the introduction of a national system.

### ***At a glance:***

- Subscribers to FuelWatch alert: 38,564.
- FuelWatch site visits for 2007/2008: 2.5 million.

## ASSOCIATIONS, CHARITIES AND CO-OPERATIVE COMPANIES

The launch of a comprehensive manual for Incorporated Associations was one of the major initiatives of the Associations and Charities Branch in the 2007/2008 financial year. The manual is a comprehensive operational document that builds on the research and consultation undertaken in 2005 by the Gosnells Community Legal Centre.

Titled simply "Inc." the 150-page document provides instruction to associations explaining what they must do to comply with the law. The manual provides detailed and practical information on everything from how to write a constitution to running meetings and presenting accounts.

A CD of the guide was distributed to the more than 15,000 Incorporated Associations throughout Western Australia.

The manual has also been made available online, with its own dedicated website. A benefit of the online format is that it will be easy to update when the new Incorporated Associations legislation is introduced.

Consultation for the development of new model rules for incorporated associations also continued throughout the financial year. In May 2008, a forum of 40 representatives from a broad range of associations was assembled. Input from participants, along with a further 600 written submissions, will be reviewed and used to develop a fresh set of model rules for the new legislation.

### ***Indigenous associations***

As part of its commitment to helping indigenous incorporated associations, many of which are the basis of entire communities, Consumer Protection officers visited the Goldfields, Pilbara and Kimberley to speak to associations. The visits were designed to build links and to assist and advise associations on issues of good governance.

### ***Keeping associations informed***

*Associations Info* was one of two new newsletters launched by Consumer Protection's Associations and Charities Branch in 2007/2008.

The six-monthly publication will be distributed to incorporated associations throughout Western Australia keeping them informed of the latest issues.

### **Database access**

Often associations are required to provide proof of their incorporated status, such as when they apply for a grant from another organisation.

To eliminate the time and paperwork required of both the association and the other party, Consumer Protection is working towards having limited information from its incorporated association's database made available through the National Names Index, a public register administered by the Australian Securities and Investments Commission (ASIC). Consumer Protection has had talks with ASIC and negotiations are continuing.

## **CO-OPERATIVES**

The development of an education program to support the introduction of new legislation for co-operatives has been the focus of activity in the co-operatives area. The *Co-operatives Bill 2007* was introduced to State Parliament in November 2007, and progressed to the Legislative Council in early 2008.

The Bill was considered in detail by the Legislative Council's Uniform Legislation and Statutes Review Committee, which recommended on 27 May 2008 that the Bill should be enacted.

Western Australia currently has 72 co-operatives, from small agricultural enterprises to billion dollar organisations.

Information sessions on the new legislation will be run in conjunction with Co-operatives WA, to which 75 per cent of co-operatives in Western Australia belong.

## **CHARITIES**

Consumer Protection has been investigating the feasibility of improving networks for charity administrators, including the development of a national agenda for charities. With different states having different government bodies regulating charities, a challenge for Consumer Protection will be in establishing and maintaining dialogue between the different regulators.

Consumer Protection also launched *Charities Info*, a newsletter that will keep Western Australia's 680 licensed charities informed of important issues and developments.

## MOTOR VEHICLES

Consumer Protection's Motor Vehicles Branch and Motor Vehicle Industry Board activities fall into three broad categories – licensing, conciliation and compliance.

### **Licensing**

The licensing of motor vehicle repairers, under the *Motor Vehicle Repairers Act 2003*, means that Western Australia and New South Wales are the only two Australian States to regulate the motor vehicle repair industries.

The new regulations have been designed to improve the quality of workmanship of vehicle repairers, encourage training, formally recognise the experience and qualifications of vehicle repairers and ensure consumers the highest level of protection.

Under the Act, anybody operating a motor vehicle repair business must be licensed and employ at least one certified repairer for each of a possible 30 classes of repair work offered.

Business licences are renewable after three years but the certification of individual repairers is a one-off requirement.

The Motor Vehicle Industry Board is halfway through implementing the new licensing regime. Individual repairers had 12 months until 18 March 2008 to seek certification. The board is currently processing 500 applications.

Licensing of repair businesses commenced on 1 July 2008, with about 7,500 applications expected to be filed.

Consumer Protection also held information sessions in regional and metropolitan centres throughout WA to ensure those subject to the new legislative requirements were aware of, and understood, their obligations.

In addition to the new motor vehicle repairers' licensing scheme, the Motor Vehicles Branch licenses motor vehicle dealers, yard managers and salespersons.

### **At a glance:**

Dealers, yard managers and sales people

- New licences issued: 659.
- Licences renewed: 673.

Motor Vehicle Repairers

- Applications for certification: 3,550.
- Information sessions held: 30.

### ***Resolving disputes with traders***

Consumer Protection also offers a conciliation service to help consumers resolve disputes with traders and repairers. This service is available only in cases of disputes involving vehicles for domestic use.

Consumer Protection also offers traders an enquiry service. Through this service a trader can call Consumer Protection about a customer's complaint. Our staff will examine the issue and provide advice about the cause of the problem back to the trader. The trader can then use this information to determine how to resolve the customer complaint. The service is available for traders at the cost of \$70.00 and is increasingly being utilised.

### ***At a glance***

- Requests for advice: 10,869.
- Disputes reported to Consumer Protection: 993.
- Disputes for which Consumer Protection provided conciliation: 1,028.

### ***A focus on Motor Vehicle Industry compliance***

Compliance activities of the Motor Vehicles Branch help maintain the integrity of genuine operators within the industry and offer a vital form of consumer protection for Western Australian motorists.

The department investigates possible breaches of the *Motor Vehicle Dealers Act 1973* and *Fair Trading Act 1987* and the *Motor Vehicle Repairers Act 2003*.

Promoters of products said to enhance fuel performance or reduce vehicle emissions are among the dubious claims investigated by the branch under the *Fair Trading Act*. Consumer Protection has removed several such products from the market following the investigation.

Another major focus of investigations has been in the area of unlicensed dealing. Investigations of this kind can be detailed and protracted but those convicted of such offences can face fines of up to \$50,000.

The Motor Vehicles Branch has a close working relationship with the Department of Planning and Infrastructure and the WA Police motor squad and in the past year was instrumental in uncovering a major vehicle rebirthing racket, for which criminal charges have been laid. The operation led to police seizing more than 60 vehicles.

The dealer inspection program is another important part of the branch's compliance work.

The program has two components, the first of which involves officers visiting newly licensed dealers to ensure they understand their obligations under the *Motor Vehicle Dealers Act 1973*. Officers are available to assist dealers with any operational issues they may have. The visits take place within three months of new dealers commencing trading.

This second component involves officers visiting dealerships to inspect vehicles and transaction records and focuses on dealers selling older cars not protected by statutory warranty provisions of the Motor Vehicle Dealers Act. This ensures cars being sold by licensed dealers are roadworthy and of an acceptable standard.

During these audits, cars deemed to be unroadworthy or unsafe receive “unfit for sale” stickers while their dealers receive “order to remedy defects” notices. Until the vehicles have been repaired and passed a further inspection, this time by the Department of Planning and Infrastructure, they may not be offered for sale.

All regional dealers have been inspected at least once. Consumer Protection is committed to visiting every licensed dealer in Western Australia at least once every two years.

**At a glance:**

- Prosecutions before the courts: 4, resulting in a total of \$13,000 in fines and \$10,076 in costs.
- Infringement Notices issued: 3 - resulting in \$900 in fines.
- New dealers visited: 77.
- Dealerships inspected: 676.
- Vehicles inspected: 13,443.
- “Order to remedy defects” issued: 102.

## REAL ESTATE BRANCH

Consumer Protection’s Real Estate Branch serves two independently funded boards – the Real Estate and Business Agents Supervisory Board (REBA) and Settlement Agents Supervisory Board (SASB).

**REBA** is a statutory authority, established under the *Real Estate and Business Agents Act 1978* to regulate those who conduct real estate – and certain business – transactions.

It issues licences and certificates of registration and also supervises industry compliance with the Act and standards of conduct required under the Code of Conduct for Agents and Sales Representatives.

**SASB** is a statutory authority, established under the *Settlement Agents Act 1981*, to regulate those who conduct settlement transactions.

It also licenses settlement agents and supervises compliance with the Act and standards of conduct required under the *Settlement Agents Code of Conduct 1982*.

Consumer Protection also provides staff and other services to both boards under a Service Delivery Agreement.

Major initiatives of the two Boards in the 2007/2008 financial year included:

- development and implementation of a Compulsory Professional Development Program for real estate agents. Under a points system, incorporated into the policy, agents must undergo professional development to the value of 10 points a year in order to renew their triennial licences;
- introduced BPAY for licence renewals. The BPAY service has been fully functioning since January 2008;
- the development of a discussion paper that went out to the settlement industry seeking its views on a review of the Settlement Agents Act;
- the creation of a database of legal opinions. This was developed with the assistance of the Boards' solicitor;
- the conduct of training for all REBA and SASB compliance staff on evidence gathering and the preparation of briefs and warrants; and
- arrangements for Real Estate Branch staff to be trained in the real estate and settlement industry. This training involved spending time in actual agencies.

### ***Real Estate and Settlement Agents' hotline***

In addition to the general inquiry line, the Advice Line also manages a dedicated real estate and settlement agents' hotline. The real estate and settlement agents' hotline - 1300 30 40 64 provides specialist advice to real estate and settlement agents and property managers.

The line receives around 5,000 calls per year.

## **FINANCIAL SERVICES**

Consumer Protection is responsible for regulating consumer credit and related industries in Western Australia.

The Finance and Valuations Branch licenses debt collectors, finance brokers, credit providers and land valuers. It also administers four pieces of legislation - the Credit Administration Act, Finance Brokers Act, Debt Collectors Licensing Act, Land Valuers Licensing Act and Consumer Credit Code.

Consumer Protection will investigate complaints from consumers about people working in these industries and act against those who fail to meet their obligations under the law. During the past year, Consumer Protection successfully prosecuted two people working in the finance industry – one, a debt collector for undue harassment and the other, a finance broker for breaches of the Door to Door Trading Act.

Where appropriate, Consumer Protection will conciliate between parties.

Ensuring industry complies with its regulatory obligations is another important role of Consumer Protection. As well as investigating complaints from consumers, officers of the Finance Branch also conduct proactive visits to licensed businesses to ensure they are fulfilling the regulatory requirements of their particular industry.

***At a glance:***

- Finance broker licences finalised: 558.
- Credit provider licences finalised: 12.
- Debt collector licences finalised: 11.
- Land valuer licences finalised: 36.
- Total number of licences renewed: 967.
- Compliance visits conducted: 67.
- Reverse mortgage seminars held: 4.
- Complaints lodged and investigated: 141.
- Matters conciliated: 159.
- Agreement between parties following conciliation: 71.
- Successful prosecutions: 2.

***A focus on reverse mortgages***

Reverse mortgages are a type of credit product and can be used by seniors to help fund their retirement. They enable retirees to access equity in their homes. With the ageing of our population, more and more people are considering such products.

They are not without pitfalls however, so during the year Consumer Protection joined forces with the Council on the Ageing to run a series of seminars on reverse mortgages.

The seminars were well attended and held at various locations throughout the metropolitan area. Further seminars are planned for regional centres.

During the year Consumer Protection also increased its consumer advice in regard to reverse mortgages by generating stories in its bi-monthly *Better Trading* Newsletter and in the general press.

## CREDIT REGULATION

National regulation of consumer credit was a recommendation of the Productivity Commission's Inquiry into Australia's Consumer's Policy Framework and the Commonwealth Government has indicated its intention to take over consumer credit regulation.

Consumer Protection supported the transfer of credit regulation to the Commonwealth in principle. However, that support has been subject to the new regulation being responsive to emerging credit issues, increasing understanding of the market and having the capacity to deal swiftly with poor market behaviour.

Western Australia's position with regards to the entire Council of the Australian Government's reform agenda, of which consumer credit is just a part, is a matter for determination by the new State Government.

### ***National Uniform Code Compliance Program***

National compliance audits of both bank and non-bank lenders were undertaken during the year. Consumer Protection undertook these audits in conjunction with other jurisdictions, examining compliance with the Uniform Consumer Credit Code in the provision of housing finance. A particular focus of the audit was on "low-doc" housing loans, for which borrowers require less documentation than usual in establishing their eligibility for finance.

A report on the audit will be out early in the 2008/09 financial year.

### ***Review of interest-free credit***

Consumer Protection has responded to the growing emergence of interest-free offers and the potential for consumers to be exposed to high debt levels by commencing a review of interest-free arrangements. The review will assess legislative compliance under the Code and *Fair Trading Act 1987*.

A project team consisting of compliance officers from the Finance and Valuation Industries Branch and the Retail and Service Industries Branch as well as Consumer Protection legal officers has been formed to work on the review.

## PLUMBING

The Plumbers Licensing Board (PLB) and Consumer Protection's Plumbing Branch play an important role in protecting Western Australians from the costs and health risks associated with substandard plumbing work.

This is achieved through:

- issuing licences to qualified plumbers;
- monitoring plumbing standards and ensuring compliance with regulations and standards;
- investigating complaints; and
- educating licence holders and consumers of their rights and responsibilities.

### ***'As constructed' diagrams***

'As constructed' diagrams are maps of underground plumbing infrastructure for all buildings, both residential and commercial.

The WA Water Corporation currently has responsibility for these diagrams. During the year however, negotiations between the Plumbers Licensing Board (PLB) and the Corporation were held to implement a planned takeover of the maps' administration by the PLB.

### ***National harmonisation of licensing***

Although plumbers throughout Australia work to the same Australian and New Zealand standard (AS 3500) they must currently be licensed in every state in which they work.

Consumer Protection has been working with the Council of Australian Governments (COAG) on a plan to harmonise the issuing of plumbing licenses with a view to creating a national licensing scheme administered by the individual states.

In the meantime COAG's skills recognition taskforce has developed a system that makes it easier for various tradespeople - including plumbers and gasfitters – to gain licences in different states and territories of Australia. A mutual recognition website informs plumbers of the licences to which they are entitled under the various jurisdictions and the authorities to whom they need to apply to obtain these licences.

Licensing harmonisation would provide greater continuity of employment for plumbers who move between states. It would also go some way to easing the skills shortage being experienced in Western Australia. An agreed training package may be the key to a more integrated licensing system.

During the financial year just gone, the PLB granted 56 plumbing contractor, 78 tradesperson and 2 restricted plumbing permit licences under the Mutual Recognition category.

### ***Migrant plumbers***

The skills shortage has led to an increasing number of migrant plumbers, particularly from countries such as the United Kingdom (namely Ireland) and South Africa, seeking licences to operate in Western Australia.

The Plumbers Licensing Board is open to licensing these plumbers provided they can produce evidence of at least four years practical work experience and a qualification commensurate with Western Australian training standards. Some applicants are required to pass a course – offered through local TAFE colleges – tailored specifically for migrant plumbers wishing to be licensed here.

### ***At a glance:***

- Rectification notices issued by the Plumbers Licensing Branch: 84.
- Plumbing contractor's licences issued: 261.
- Licence renewals: 3,681.
- Tradespersons licences issued: 609 (of these 100 were migrant applications).
- Total number of complaints: 159.
- Complaints conciliated: 68.
- Complaints investigated: 91.
- Compliance inspections (includes Water, Sanitary, Pre-Lay and Drainage): 4,828.
- Prosecutions: 11.

### **Registration of plumbing work**

- Notified of commencement of more than 47,000 plumbing jobs.
- Verification of completion of more than 26,000 jobs.

## RETAIL AND SERVICE INDUSTRIES

The Retail and Services Industries Branch oversees a number of key areas within the Western Australian market including:

- conciliation for consumers in disputes with traders over the purchase of household goods;
- product safety;
- retailer compliance;
- regulation of retail trading hours; and
- licensing of employment and travel agents.

### ***Mystery shopping***

Mystery shopping is a proactive surveillance tool that provides an effective means of gathering information about retailers' trading practices.

It is among a range of measures used by Consumer Protection to ensure WA consumers get a fair deal at the checkout.

A mystery shopper can scrutinise a retailer's refund and exchange policies whilst checking for unfair practices such as "bait" advertising, misleading marketing and unjustifiable dual "was/now" pricing.

Numerous retailers were prosecuted during the 2007/2008 financial year including a fashion store advertising a policy that denied consumers their statutory right to a refund and a furniture retailer who made false and misleading representations about retail prices.

**Electronic scanning audits** are another major part of the mystery shopper program.

Consumer Protection participates in the annual National Electronic Scanning Audit as well as conducting quarterly audits of its own.

This year's national audit involved five stores from each of the following categories: service stations, pharmacies, variety stores, hardware stores and supermarkets.

Of the 625 items involved in the audit, **30** scanned incorrectly, producing an error rate of **4.8 per cent**, an improvement on the 7.67 per cent of the previous year. In total 37 per cent of the errors found were occurring in favour of the consumer and 63 per cent of the errors were occurring in favour of the traders.

Consumer Protection's own scanning audits involve mystery shoppers buying a basket of goods from 10 stores, checking the dockets against the goods' advertised prices.

If the prices don't tally, retailers are advised and provided with educational information. Further visits are made to ensure scanning problems have been resolved.

Retailers who fail to act can face on-the-spot fines or – in more serious cases – prosecution.

So far these audits have been confined to the metropolitan area but there are plans to extend the program to regional areas.

### ***At a glance***

- Retail outlets audited for electronic scanning accuracy: 31.
- Items audited: 450.
- Items that scanned incorrectly: 27.
- Fines /infringement notices issued: 1

### ***Resolving disputes***

The Consumer Protection Advice Line is the first point of call for consumers who have a dispute with a trader. While consumers are always encouraged to try to resolve issues themselves, sometimes the provision of information and advice is not enough.

In these instances, Consumer Protection may assist consumers by providing conciliation of their disputes.

The number of conciliation services to consumers about disputes with traders rose **30 per cent** this financial year.

In 2006/2007, the Retail Trading and Service Industries Branch resolved **2,158** conciliation complaints while in 2007/2008 this figure rose to **2,817**.

Greater awareness among consumers of their rights and a big increase in spending is believed to be responsible for this rise in demand for conciliation.

This year the branch received 2,742 complaints about traders. Agreement between parties was achieved in 1,463 (53%) cases.

### ***At a glance:***

- Complaints about traders: 2,742.
- Agreements reached: 1,463.

### ***Misleading marketing***

Misleading marketing harms consumers and honest traders and Consumer Protection is committed to stamping it out.

The dubious claims of a number of traders are investigated each year following complaints from the public and information gathered from Consumer Protection's own surveillance programs.

The Retail and Service Industries Branch will continue to prosecute unscrupulous traders in relation to false and misleading advertising.

***At a glance:***

- Traders investigated: 215.
- Traders prosecuted: 3.
- Successful prosecutions: 3.

***Forum of electrical retailers***

Early in the 2008/2009 financial year Consumer Protection will approach major manufacturers of electrical goods to impress upon them the need for improved provision of repair facilities, spare parts and follow-up service.

The move follows a forum organised by Consumer Protection of Western Australia's four major electrical retailers in March 2008. The forum was held in response to a growing number of complaints about service in the electrical goods area (particularly with big-ticket items such as large-screen televisions).

WA's resources boom and a strong Australian dollar has led to a surge in consumer spending in the high-end electrical goods market. Though demand for merchandise is being met, demand for back-up service is not.

Building on the cooperation established with the major electrical retailers, Consumer Protection has been able to utilise the information gathered about customer complaints in its representations to manufacturers.

***Retail trading hours***

Only retailers who meet specific criteria (such as being in the Perth or Fremantle tourism precincts) and are certified as meeting these criteria are permitted to operate outside regulated trading hours.

Consumer Protection's proactive inspection program ensures retailers comply with the State's trading hours requirements.

***Employment and Travel agents***

The Retail and Service Industries Branch of Consumer Protection has responsibility for the licensing and regulation of employment and travel agents.

It also investigates complaints against these industries.

### ***At a glance:***

- Number of employment agents licensed: 619.
- Number of employment agent investigations: 29.
- Number of travel agents licensed: 422.
- Number of travel agent investigations: 62.

## **PRODUCT SAFETY**

Consumer Protection works hard to rid the marketplace of unsafe products.

Safety standards exist for a range of items including cots, children's toys, flotation toys, candles and cigarette lighters and Consumer Protection conducts rigorous year-round surveillance of products in the marketplace.

Consumer Protection has a proactive testing program, including sampling issues such as the lead levels in children's toys.

Items that are unsafe or fail to comply with the State's safety laws are removed from sale.

Consumer Protection also has the power to ban or recall unsafe items and issue on-the-spot fines to those who sell or supply them.

### ***At a glance:***

- Outlets visited: 355.
- Items checked for safety compliance: 3,762.
- Unsafe or non-compliant products detected: 109 withdrawn from sale.
- Product bans: 6 new bans and mandatory standards introduced during the year; 3 mandatory standards upgraded.
- Product recalls: 10.
- Successful prosecutions: 1 prosecution; 24 infringements.

### ***Perth Royal Show***

Every year ahead of Perth's Royal Agricultural Show, Consumer Protection inspects the contents of children's showbags.

In 2007 officers checked all **257** bags destined for the event. They also had many items sent away for heavy-metal screening. Of those, 15 returned levels above the Australian standard - *AS/NZS ISO 8124.3.2003 Safety of Toys - Part 3: Migration of Certain Elements* and were subsequently removed from sale.

Officers also surveyed traders during the show, randomly inspecting items of merchandise.

Products were checked against a set of national guidelines, details of which were supplied to showbag traders. During these inspections no further items were removed from sale.

### ***Product Safety online***

The development and launch of a website dedicated solely to product safety was another important Consumer Protection initiative during the 2007/2008 financial year.

The website lists product safety standards and alerts people to any new standards and product recalls.

Visitors to the site can register their details to receive email alerts of the latest bans and recalls. The site is a valuable resource for retailers, suppliers, manufacturers and consumers.

## **TRADE MEASUREMENT**

The *Trade Measurement Act 2006* has brought long overdue change to Western Australia's trading standards legislation.

The new Act - implementation of which began in June 2007 – has been effective in controlling activities in the trade measurement area including the licensing of servicing licensees and the regulation of public weighbridges.

It replaces antiquated 1915 legislation, a section of which required traders to “weigh their horses at the same time as their carts”.

### ***Trade measurement in the market***

A wide range of transactions rely on some form of measurement – from minerals and LPG being exported from the Pilbara to the purchase of fuel and groceries from local outlets.

The value of goods and services in Australia that depend on measurement is estimated at \$400 billion a year.

It is proposed that in 2010, the Commonwealth will assume responsibility for the regulation of trading standards under a national Trade Measurements Act. Section 51(XV) of the Constitution gives power to make laws in respect of weights and measures to the Commonwealth.

In the meantime Consumer Protection's Trading Standards Branch has been using powers under the newly acquired state legislation to issue infringement notices, with a crackdown last Christmas on short weight hams and turkeys. The exercise led to the issuing of 13 infringement notices. A further seven trade measurement infringement notices were issued during the year for incorrectly priced pre-packed articles and one trader using an uncertified measuring instrument.

In the lead-up to the handover, Consumer Protection has been passing on information about its processes and procedures to the Commonwealth because Western Australia is now the jurisdiction with the most modern legislation.

Trading Standards Branch is also responsible for supervising FuelWatch compliance. During 2007/2008 it issued 15 service stations with infringements for non-compliance of FuelWatch regulations or breaches of section 12 of the Fair Trading Act (section 12 deals with false and misleading information).

***At a glance:***

- Infringements for non-compliance of FuelWatch: 15.
- Infringement notices for short weight hams: 13.
- Infringement notices for short weight pre-packaged articles: 5.
- Inspected pre-packed articles: 11,143.
- Infringement notices for using an uncertified measuring instrument: 2.

## TENANCY

### ***Residential Tenancies***

Western Australia's rental market has become fast-paced and competitive.

Increased demand for accommodation from the booming mining and resources sector has driven up prices and made renting a struggle for many Western Australian families.

The volume of complaints to Consumer Protection involving residential tenancies increased significantly during the 2007/2008 financial year. Consumer Protection also dealt with a big rise in the number of contractual disputes and claims of unfair rent increases (sometimes by as much \$50 to \$100 a week).

***At a glance:***

- Phone complaints received involving residential tenancies: 51,748.
- Conciliation files dealing with residential matters: 532.
- Compliance-related actions: 384.
- Prosecutions: 7.
- Bond lodgements: 57,128 bonds worth \$76,396,774 were lodged.
- Bonds paid out: 77,373 bonds worth \$50,445,177 were paid out.
- Variations to bond: 11,450 compared to 6,056 to 30 June 2007.
- Tenancy Advice & Education Program Funding: 40 percent increase.

## TENANCY ADVICE AND EDUCATION

Consumer Protection administers funding through the Tenancy Advice and Education Program (TAEP) and supports 67 per cent of the WA Tenancy Network in Western Australia (additional funding is sourced via the Commonwealth and other sources). The Network provides twelve tenancy service centres in several regional and metropolitan areas throughout Western Australia. The Tenants Advisory Service (TAS) role is to resource and support both funded and unfunded initiatives that support tenants throughout the State.

The program funds TAS to provide a state-wide telephone advice service, education and training services, policy and law reform activities and a publications service.

The funding for the Tenancy Advice and Education Program is generated by the Rental Accommodation Fund (RAF). The RAF is the interest accrued on tenants' bond monies and this fund may only be used for specific purposes, one of which is the funding of non-government agencies that provide tenancy advice and education.

During 2007/2008 funding to Tenants Advisory Services was increased by approximately 40 per cent (\$4million in new funding over the next five years) in order to provide an additional service in the Wheat belt and the South West.

## A FOCUS ON LANDLORD EDUCATION

Consumer Protection has also been working on establishing a series of seminars that will help private landlords make the most of renting a property under the Residential Tenancies Act.

The seminars are scheduled to run in early 2009 and are planned to be held at locations across the metropolitan area including Fremantle, Armadale, South Perth, Stirling and Joondalup.

The seminars are designed to assist landlords who may be unaware of their responsibilities under the Act.

### **Course Review**

An audit, by Consumer Protection, of a Real Estate Institute of Western Australia (REIWA) course on property managers has revealed content is in need of review.

Consumer Protection has subsequently approached REIWA to suggest that it work with the Real Estate and Business Agents Supervisory Board to revise the course content.

## RESIDENTIAL PARKS ACT

In 2008 Consumer Protection commenced a review of the *Residential Parks (Long Stay Tenants) Act 2006* in order to closely monitor the impact of the new legislation.

The Residential Parks Act was designed to bring clarity to lease arrangements for tenants, most of whom had previously had only verbal agreements with their park landlords.

A provision of the new legislation required park owners and operators to offer all tenants written fixed-term or periodic agreements.

Monitoring of the introduction of the Residential Parks Act has discovered a trend towards periodic, rather than fixed-term leases being offered. Many tenants have been faced with the prospect of signing a lease agreement that they feel does not reflect the verbal agreements they previously had. This uncertainty of tenure has had many flow-on effects including impacting on the resale value of existing park homes.

Consumer Protection is currently reviewing options in order to address security of tenure issues for long term residential parks tenants.

## RETIREMENT VILLAGES

A full review of the retirement village legislation, which began in June 2006, continued throughout the 2007/08 financial year.

An issues paper was released in June 2007 and interested parties given until the end of October to make submissions. Retirement village residents and key stakeholder groups such as the Retirement Villages Association and Western Australian Retirement Complexes Residents' Association were among the 124 individuals and organisations to make submissions.

Consumer Protection is analysing these submissions and will use its findings to prepare recommendations on the future regulation of the retirement village industry.

Concerns have already been raised regarding:

- misleading and deceptive marketing of retirement villages;
- a lack of accessible independent legal advice before and after signing contracts;
- unfair and ineffective dispute-resolution processes; and
- problems associated with villages on purple titles.

## KARRINYUP LAKES LIFESTYLE VILLAGE

In May 2008, Consumer Protection presented an in-depth submission to the Legislative Assembly's Economics and Industry Standing Committee inquiry into Karrinyup Lakes Lifestyle Village.

The inquiry followed complaints from village residents about management of the complex. The complaints involved allegations of bullying, improper conduct and flouted building approvals.

The committee's findings were tabled in the Legislative Assembly on June 19, 2008. A response to the findings is currently being prepared by the Department.

## INDIAN OCEAN TERRITORIES – SERVICE DELIVERY ARRANGEMENT

The Indian Ocean Territories (IOT) of Christmas Island (CI) and the Cocos (Keeling) Islands (CKI) are non-self governing territories, with the Australian Government fulfilling the role of both the federal and state government. The *Territories Law Reform Act 1992* applies most Commonwealth Acts and such laws of the state of Western Australia as are capable of being applied.

All Western Australian consumer protection laws administered by the Department of Consumer and Employment Protection have been applied in the IOTs except for the *Companies (Co-operative) Act 1943*, which has been repealed.

The Australian Government's position is that functions and services under the applied WA laws are best provided by the same WA state agencies that carry out the functions or deliver the services on the mainland. The IOT's laws contain powers enabling the Commonwealth to enter into arrangements with the WA Government for the effective application and administration of laws in force in the IOTs.

There is a Service Delivery Arrangement (SDA) between the Commonwealth Government, which is represented by the Commonwealth Attorney-General's Department, and the State for the provision of consumer protection services to the IOTs. Under the SDA Consumer Protection (CP) exercises powers, performs functions and duties and provides services in or in relation to the IOT as described within the operational brief of the SDA. The current SDA covers the period 1 July 2007 to 30 June 2011.

All non-court powers in applied WA laws are vested in the Commonwealth Minister for Home Affairs and the Minister may exercise, vest or delegate those powers. In practice, where there is an SDA with a WA Department or authority, the Minister has delegated the powers to the relevant WA officers. WA Government Ministers have not been delegated any powers under the IOT's applied WA laws.

Consumer Protection provides residents and businesses in the IOTs with a full range of services at all levels, consistent with those provided in Western Australia in terms of access, timeliness and cost.

Functions are undertaken at a distance, in a context that requires cultural sensitivity and, at times, with language barriers and involve liaising with other State and Commonwealth agencies on issues relating to the IOTs.

Specific services provided by Consumer Protection under the SDA are as follows:

**Community assistance and information services** – including provision of advice and information to IOT consumers and traders about their rights and responsibilities, responding to customer enquiries, assisting consumers to resolve disputes with traders and providing community education services including publications, on-line services, media releases (translated into IOT languages where required), presentations and conducting seminars among others.

**Regulation enforcement services** (including occupational licensing for IOT) extend to:

- travel agents;
- motor vehicle dealers;

- motor vehicle repairers;
- motor vehicle car hirers;
- trade measurement servicing licensees;
- plumbers and employment agents;
- registration services including lodgement and disposal of tenancy bonds;
- registration of business names, incorporated associations and charities;
- investigating complaints about unfair trading practices; and
- monitoring compliance with legislation and where necessary applying sanctions.

**Regulatory framework services** – including assisting the Commonwealth Government in developing and implementing IOT legislation and policies within Consumer Protection’s regulatory framework. This includes reviewing and amending legislation and assessing and responding to the implications of new or amended regulation for the IOT.

**Visiting the IOTs** - to provide individual IOT consumers, traders and community groups with an opportunity to make personal contact with Consumer Protection officers. Visits are also made by relevant officers to carry out regulatory inspections.

**Financial and reporting requirements** – including the provision of reports (including financial and annual performance reports), budget and quarterly invoices to the Commonwealth Attorney-General’s Department.

## COMMUNITY EDUCATION INITIATIVES

Consumer Protection is committed to empowering consumers to better understand their rights and responsibilities in the marketplace. Community education initiatives are an effective means of targeting particular groups of consumers with information and advice relevant to their needs.

## OLDER CONSUMERS

A range of information resources was developed for seniors during the 2007/2008 financial year. These included:

*Smart Choice: A consumer guide for Western Australians 50+*. This comprehensive guide includes a community directory for seniors and was developed with assistance from the Council on the Ageing.

*Carers’ Guide to Consumer Protection*. This booklet provides information to family and professional carers to assist them in protecting the welfare of those in their care.

*Reverse Mortgages for Seniors*. This brochure is designed to provide seniors with simple, impartial information on a complex financial product.

### ***New Advisory Service***

Consumer Protection has been examining options for establishing an independent advisory service for seniors. It is envisaged the service would provide legal and other advice to prospective retirement village and residential park tenants.

Plans for the service follow a review of the *Retirement Villages Act 1992*, which identified, amongst other things, a lack of legal practitioners available to provide such advice.

## **YOUNG CONSUMERS**

During the year Consumer Protection reviewed its information developed for younger consumers to refocus on current issues and to ensure new trends and the latest gadgets are not causing undue harm

### ***Buy My Duck***

*Buy My Duck* is an educational campaign aimed at improving the consumer knowledge of young Western Australians.

It ran for the first time in 2007 and was so successful it has been repeated for 2008.

While a competition for school students – requiring them to create a shopping guide for young adults or children – is the focus of the campaign, a complementary school-based program has also been developed. *Buy My Duck* has its own website, attached to Consumer Protection's main website, which contains curriculum-based teacher resources and classroom activities as well as details on the competition.

The campaign was well received last year and is expected to attract even more support this year having prizes valued at \$14,000 and an established profile.

About 100 primary and secondary schools across Western Australia are expected to participate in the campaign.

## **INDIGENOUS CONSUMERS**

Consumer Protection has an ongoing program to explore areas of disadvantage and to address the consumer issues of Indigenous Western Australians.

### ***Book up***

Book up is a type of informal credit in which consumers literally book up goods for which they later pay. Traders often hold keycards as security and in some cases Personal Identification Numbers are also disclosed.

The use of book up is common in remote communities of Western Australia where banking and retail services are limited.

The potential for book up to be abused is of concern to Consumer Protection.

During March and April 2008 Consumer Protection officers met indigenous organisations, traders and government agencies to find out how book up was operating in these remote communities and whether there was a need to regulate its use.

A total of 150 meetings were held in four locations – the Kimberley, Pilbara, Carnarvon and the Northern Goldfields.

As views on the way forward for book up were mixed, there are no plans to regulate the practice of book up at this stage. Consumer Protection will continue to monitor book up in regional areas.

During the book up meetings several other consumer protection concerns were identified including:

- a case of unlicensed payday lending in which borrowers were charged a 50 per cent premium on the loan amount;
- exploitative trade in indigenous art;
- vehicles of dubious quality being sold to indigenous people in Warburton; and
- the sale of plates containing significant levels of lead and cadmium.

These issues have been further investigated.

### ***Financial literacy grants***

Raising levels of financial literacy may be one means of tackling book up issues in remote indigenous communities.

The Indigenous Financial Literacy Grants program has been established in response to concern over such issues. The grants will be given to appropriate organisations to provide financial literacy education opportunities to vulnerable consumers.

In this pilot program – being run in the Kimberley – a number of outstanding submissions were received that show the range and scope of projects needed in the year. In early 2008/2009 the successful funding recipients will be announced.

At the end of 2007/2008, Consumer Protection was awaiting Ministerial approval for funding from a credit code penalty fund for the first round of grants.

## **CULTURALLY AND LINGUISTICALLY DIVERSE CONSUMERS**

A new range of booklets is being developed for consumers with limited language skills.

The booklets, the first of which will cover product safety for children and maintaining a rental property, will be presented in an easy- to-understand format, with simple language and illustrations.

The resources will draw on information contained in a series of existing brochures, making them available in a single format that will be accessible to a broad range of vulnerable consumers.

The booklets were initially planned to assist Sudanese refugees who were having difficulties maintaining rental properties on settling in Western Australia. However it was considered prudent to broaden the target of the publications to include other consumers with limited language skills.

## NATIONAL CONSUMER CONGRESS

In March 2008, Consumer Protection hosted the 5<sup>th</sup> National Consumer Congress. Speakers of national and international renown headlined the event that attracted 244 delegates from consumer protection agencies across Australia. Relationships with international consumer organisations and agencies that were forged during the Congress will have lasting benefits for Western Australia and the nation.

## CONSUMER PROTECTION IN THE MEDIA

The media plays an important part in raising public awareness of Consumer Protection issues while the “naming and shaming” of unscrupulous traders has been an effective last resort. During 2007/2008 Consumer Protection named 39 traders for engaging in unfair trading practices.

During that same period scams, tenancy/rental matters, fuel, building/real estate, the National Consumer Congress and retail issues were the major areas of media focus.

During the financial year Consumer Protection also responded to 1,123 enquiries from the media, issued 131 media statements and participated in 167 interviews. Consumer Protection material appeared in the media 38,054 times.

## BETTER TRADING

Since its launch in June 2007 *Better Trading* has led discussion on a range of Consumer Protection issues, many of which have been picked up by the mainstream media.

The newsletter is also an effective means of informing stakeholders of Consumer Protection activities and developments, especially in the areas of research, legislation and compliance.

About 350 subscribers receive the bi-monthly broadsheet newsletter, either by email or in hardcopy format.

A reply-paid subscription postcard has also been developed to encourage subscription uptake and is distributed at all Consumer Protection promotions and outreach activities.

## CONSUMER PROTECTION AWARDS

The Western Australian Consumer Protection Awards are an important means of recognising outstanding contributions of individuals, non-government organisations and businesses in protecting the rights of everyday consumers.

The awards are a highlight of Western Australia's Consumer Protection calendar and help raise the profile of Consumer Protection, attracting extensive media coverage, particularly in the print media.

The 2008 winners included Graham Mabury who has been championing the rights of Western Australian consumers for 25 years through his long-running radio talkback program Nightline on 6PR. Finalists in the Rona Okely Award category in 2008 were Denise Brailey and Rowena Strain.

The winner of the Richard (Dick) Fletcher Award was the Southern Communities Advocacy Legal Education Service Inc (SCALES) for its outstanding tenants advice and court service. Finalists in the Richard (Dick) Fletcher Award category in 2008 were Citizen Advocacy Perth West Inc. and WA No Interest Loans Network Inc.

In 2008 the awards were expanded to include a third category - the Kidsafe WA Award. The first Kidsafe WA Award was won by Sharynn and Graeme McCormack, the wife and husband team behind Lee-Beau Creations. The couple created a heat-resistant and fire retardant cover that reduces an oven door's surface temperature and the risk of severe contact burns to babies and small children. The other finalist in the Kidsafe WA Award category in 2008 was Hurphy Durphy Pty Ltd – Seat Belt Buckle Guard.

The awards are held annually in March and are timed to coincide with National Consumer Day and World Consumer Rights Day.

## CONSUMER LAW CENTRE

The Centre for Advanced Consumer Research at the University of WA is a joint initiative of the University of Western Australia's Law Faculty and the Department of Consumer and Employment Protection (of which Consumer Protection is a division) that was established in November 2006 to conduct quality independent research on issues affecting WA consumers. It also provides an independent, authoritative voice on these issues.

During 2007/2008 the centre undertook a range of activities including:

- conducting research on the deregulation of trading hours;
- running a unit on consumer law and an intensive course on consumer law and policy;
- commencing a three-year PhD scholarship focusing on the impact of information disclosure;
- a review of international practices in relation to unconscionable conduct and renewal of licences in the franchising industry;
- conducting a forum on consumer credit; and
- publishing two books and a journal article.

## A FOCUS ON THE CONSUMER ISSUES OF TOURISTS

By participating in Tourism WA's ongoing survey program of departing tourists and developing a new Tourist Guide to Consumer Protection in a number of common languages. Consumer Protection has explored the consumer issues of tourists visiting Western Australia.

### ***2020 submission***

Consumer Protection has responded to a call from Tourism WA for comment on how tourism in Western Australia should operate up to and beyond the year 2020.

In a submission to the tourism authority's 2020 discussion paper, Consumer Protection is proposing a range of measures that will provide visiting consumers with greater confidence and peace of mind when dealing with traders in Western Australia.

Harmonising complaint management systems across State Government and encouraging businesses within the tourism industry to give greater consideration and attention to the needs of tourists are among proposals contained in Consumer Protection's submission.

### ***Holiday accommodation***

Consumer Protection will try to identify the reasons for the poor uptake of an accreditation program for the providers of short-term holiday accommodation in Western Australia.

The National Tourism Accreditation Program for Holiday Accommodation Managers was developed by the Holiday Accommodation Management Review Working Party – of which Consumer Protection was a member – to provide consumers with the assurance that participating businesses were committed to professionalism in both operations and service delivery.

The program was based on a non-legislative self-regulatory framework. However since its inception in January 2007, less than 5 per cent of the State's holiday accommodation managers have sought accreditation. Consumer Protection is considering surveying holiday accommodation managers on behalf of the working party to establish the reasons for the poor uptake.