

MINISTRY PAPER No.: _____

PERFORMANCE OF THE CONSUMER AFFAIRS COMMISSION FOR FINANCIAL YEAR 2006/2007 AND FOCUS FOR FINANCIAL YEAR 2007/2008

1.0 Purpose of Ministry Paper

The purpose of this Ministry Paper is to inform Parliament and the public about the performance of the Consumer Affairs Commission over the 2006/2007 Financial Year and its focus for the 2007/2008 Financial Year.

2.0 Mission

The mission of the Consumer Affairs Commission (CAC) is to:

- (i) educate and sensitise Jamaicans as to their rights & obligations in their capacity as consumers
- (ii) provide the consumers with vital information that can be utilized as they participate in daily activities in the home, school, work or in the marketplace and,
- (iii) resolve consumer complaints against providers of goods and services

The Consumer Education Programme of the CAC, is based upon the Charter of Rights of the Consumer and the United Nations Guidelines for Consumer Protection to which Jamaica became a signatory in 1985. The programme is predicated upon the following eight (8) basic Consumer Rights:

- (i) The Right to Safety
- (ii) The Right to Choose
- (iii) The Right to be Informed
- (iv) The Right to be Heard
- (v) The Right to Redress
- (vi) The Right to the Satisfaction of Basic Needs
- (vii) The Right to a Healthy Environment
- (viii) The Right to Consumer Education

Consumers are educated on issues that may tend to impinge on these rights, their own responsibilities as consumers and the laws that protect them. The modalities employed include education of the population at large, through the local print and electronic media, including the use of the Internet.

The Commission also makes presentations on consumer issues to school children, adult members of the public and businesspersons by means of workshops, seminars and community meetings. Other available opportunities such as expositions, trade

fairs, debates, shows, and discussions with persons in various fora such as clinics, plazas and markets are also used to sensitise consumers.

The Commission liaises with domestic Regulatory agencies, such as the Fair Trading Commission (FTC), Bureau of Standards Jamaica (BSJ), Office of Utilities Regulation (OUR) and Departments of the Ministry of Health (MOH).

Links are also maintained with regional and international consumer organisations such as Consumers' International and the Caribbean Consumer Council (CCC), which enable the CAC to garner information for dissemination locally. With the implementation of the Caricom Single Market (CSM) it is even more critical for the link to be strengthened. The CCC facilitates this. In addition, the Commission responds readily to requests from various international consumer organisations largely via the Internet and at international conferences.

Scheduled, as well as, impromptu surveys are conducted as the need arises and the results are posted on the CAC's website. In addition, the data obtained, in particular those relating to prices have proven to be very useful to a number of organizations such as the Bank of Jamaica and the Planning Institute of Jamaica.

The Commission encourages the development of strong consumer lobby groups and therefore continues to provide support to Non-Government Organisations (NGOs) such as the National Consumers' League (NCL). In an effort to inculcate in the young the need for strong consumer activism, Consumer Clubs were established in seven schools year-to-date.

3.0 Priority Programmes and Targets – Financial Year 2006/2007

During the Financial Year 2006/2007, the CAC continued core programmes to educate consumers and businesspersons via the mass media, the Internet and through community outreach activities, coupled with the resolution of consumer complaints.

Surveys were also conducted to determine the prices of some petroleum products, select grocery items and school textbooks. The island was spared the ravages of hurricanes and/or any serious flooding, but nevertheless during the months July to November 2006 the CAC surveyed those critical items needed to maintain life in the event of a disaster. They included canned foods, bottled water, selected agricultural products, particularly imported vegetables, hardware items and kerosene oil. This was in order to determine (a) availability (b) prices.

The implementation of the Consumer Protection Act, 2005 (CPA 2005) has greatly assisted the Commission in resolving a number of complaints. The CPA 2005 is continuously being reviewed, with the objective of ensuring that the Act remains relevant to the needs of the Jamaican people. The CAC launched its CPA 2005

Public Awareness Campaign to familiarize both consumers and vendors on the provisions contained in the Act.

Various agencies within the Caribbean Region and Latin America continue to rely on the Commission for guidance, support and comments on a range of consumer issues of global concern. At the invitation of Consumers' International, the CAC participated in discussions throughout the year on a number of issues via information and communication technologies and by attending international conferences.

In November 2006, the Commission participated in a seminar held in St Lucia under the collaborative sponsorship of United Nations Conference on Trade and Development (UNCTAD), Caricom Single market (CSM), and the St. Lucia Government. The area of focus was consumer protection in the Caribbean Region with emphasis on redress mechanisms.

4.0 Main Achievements

- (i) Resolution of **1,860** or **91%** of a total of **2,039** complaints handled between April 1, 2006 and March 31, 2007. This total comprised of **1,897** new complaints received during the period with **142** being brought forward from the previous period. The largest number of complaints was in the category of Appliances and Electronic Items; accounting for **559** or **30%** of the cases resolved and **587** or **29%** of those handled. The other major categories were Automotive, Hardware Items, and Services accounting for **1161** or **62%** of the cases resolved and **1,291** or **63%** of those handled.
- (ii) For the Financial Year 2006/2007, advice to consumers totalled **1,974**. Requests were mainly for guidance before committing to the purchase of an item or engaging in any other business transaction. There were also requests from vendors who consulted the Commission before taking action or making offers of redress to consumers. The requests for advice this Financial Year, though **937** less than the number recorded during the same period, FY2005/2006, still remain a significant service area, resulting in a total of 4,013 consumer contacts for the FY 2006/2007.
- (iii) Following the recall by Caribbean Cement Company Limited (CCCL), of all cement packaged February 19 to 26, 2006, the Commission provided assistance to consumers who had used the non-conforming cement for construction purposes. The CAC's interaction with representatives from the Cement Company led to changes in the way that claims were processed, for example: (a) A copy of the Investigator's Report being given to the claimant (b) Amendment of the report form to allow the claimant to sign attesting to the visit (c)

Creation of an information brochure to give assistance in making claim on faulty cement.

- (iv) During the Financial Year 2006/2007 the CAC dealt with **112** cement related complaints and brought closure to **76**. The Commission's intervention was usually sought because the complainants were not satisfied with the slow pace of the Cement Company's processes whether at the stage of promised visits, assessment of claims made, or the payment of the agreed compensation sums.
- (v) A total of **\$54.47M** was secured on behalf of aggrieved consumers during the review period (April 1, 2006 - March 31, 2007), comprising rebates, refunds, payments, and compensation. Of this amount, **\$29.36M** was compensation secured on behalf of cement complainants while **\$13.71M** was recovered from complaints made in the automotive category. This has proven to be an area of great concern to the CAC and discussions will be held with vendors to develop a code of conduct. These two major issues accounted for **79%** of the funds secured on behalf of aggrieved consumers.
- (vi) The enactment of CPA 2005 has given rise to the provision for the creation of a Tribunal to provide a forum whereby vendors and complainants can meet in an attempt to amicably resolve disputes before considering litigation. For the Financial Year there were nine (**9**) sittings of the Tribunal, which has negotiated settlements for consumers in twenty-nine (**29**) cases.
- (vii) Direct sensitization of over ninety-eight thousand (**98,000**) consumers at two hundred and one (**201**) events including presentations, exhibitions, expositions, debates, shows and other events in all fourteen (14) parishes. The year so far has seen collaboration between the CAC and a number of agencies that have requested the Commission's involvement in their planned activities such as the eight (**8**) sessions organized by the Petroleum Corporation of Jamaica (PCJ) for students of high schools located in the challenging communities, 4-H Clubs Parish and National Achievement Days, National Health Fund, National Youth Service and the Social Development Commission to name a few.
- (viii) World Consumer Rights Day, the Commission's yearly flagship event, was celebrated worldwide on March 15 under the theme "**The Unethical Promotion of Drugs**". Minister the Honourable Phillip Paulwell's message spoke to the issue and his presentation was circulated to churches and schools islandwide to be read at services and devotions as close to the day as possible. The CAC also sponsored the public affairs television programme "**Your Issues Live**"

- (ix) Several surveys were conducted during this period including, ten **(10)** on petrol, six **(6)** on groceries, five **(5)** on agricultural products, five **(5)** on critical items needed for survival in the event of a disaster such as hurricane, four **(4)** on hardware items and one **(1)** on school textbook prices. The textbook survey is conducted annually during the first week of August, to provide consumers with information on the availability of books required, and the best deals to be had in the areas that they shop. A press conference was held to announce the results of the survey. Survey results were published on the Commission's website and in some instances in the print media. A review of the sample size used for the Petrol Survey resulted in an increase in the numbers from **76** to **140** stations. This led to the incorporation of the parishes of St. Elizabeth and Westmorland and increases in eight parishes. During the period, the CAC collaborated with the FTC to conduct a survey on the Pharmaceutical Industry, with specific reference to the awareness and use of Generic Drugs. Research, to develop a policy to address the pricing of goods in foreign currency, started during the year. It began with the review and analysis of the classified advertisements posted in the Sunday Gleaners of January and February 2007. The additional data required, will be collected during the Financial Year 2007/2008.
- (x) During the Christmas shopping period, the CAC initiated the collaboration of Courts Jamaica Limited and Singer Jamaica Limited to have officers from the Commission posted at their various outlets islandwide, to facilitate interaction on a one-on-one basis with customers to offer prudent advice on consumer spending.
- (xi) There continues to be designated days for the presence of CAC Officers in the parishes of St. Thomas and Manchester to facilitate enquiries, settlement of complaints and to access the general services provided by the CAC.
- (xii) Several media houses consistently sought the opinion of the CAC on a number of issues of national interest that specifically affect consumers. This has facilitated the CAC in the dissemination of utilizable information to the Jamaican Consumer. As a result of this, one hundred and three **(103)** media interviews were conducted, covering themes such as Unlabelled Meat from Cloned Animals, the CAC's Achievements and the Way Forward, Consumers Entitlement to Change in Small Denominations (coins)., the Consumer Protection Act 2005 and a Consumer Guide to Christmas Shopping were some of the topics discussed with officers of the Commission.

- (xiii) In addition to direct contact interviews, seven hundred and thirty-eight **(738)** indirect media contacts and advertisements were recorded throughout the year. These included articles generated by the CAC, or articles and other placements where information provided by the CAC had been included or otherwise referenced. The themes included Hurricane Safety Tips, Energy Conservation, ATM Security and Identity Theft, Proper Receipting for Goods Sold or Services Provided, Christmas Shopping Tips, Gift Ideas for Teens, Hazardous Toys, Personal and Home Safety Tips and generally any area that was found to be of interest or need to the Jamaican Consumer. The advertisements were, primarily due to the education campaign in respect of the Consumer Protection Act 2005.
- (xiv) The Commission accepted the invitation to be a regular guest on a new radio programme “**Auto Talk**” hosted by a CAC’s Board Director, aired weekly on Power 106. The opportunity was used to sensitize the public on the rights and responsibilities of consumers and vendors, issues reported to the Commission in particular matters relating to the purchase, repair and care of automobiles.
- (xv) In an effort to have current information on recalled items, for example, medicines, food, children’s toys, the CAC registered with the Washington based Consumer Protection and Safety Commission. The CAC is immediately advised if there are recalls in a selected number of products.
- (xvi) The Commission’s Website continues to be a source of information for consumers as well as members of the media in search of material for articles and students at the secondary and tertiary levels involved in research projects. Year-to-date there were **7,662** visits to the site involving a search of **13,756** articles, brochures, laws and data relating to the activities of the CAC.
- (xvii) The CAC continues to be the Secretariat for the Meetings held with key players involved in the Importation, Distribution, and Manufacture of essential foods and services. Nine such meetings were held at the Ministry of Industry Technology Energy and Commerce (MITEC) during the period under review.
- (xviii) The Commission played the lead role in the consultative process that led to the creation of a National Disaster Management Strategic Action Plan, a response strategy for the Distributive Trade. The Plan was expected to minimize dislocation and the deleterious impact of any disaster on the distribution of essential goods and services. The

document was launched during the Financial Year and the contents are available for viewing on the CAC's website.

- (xix) A new Complaints Management System was implemented at the start of the year. The new system provides greater security for the data, increased interactivity, improved monitoring of cases outstanding including the tracking of cases by the complainants, and an easier reporting facility. The Commission also continues to handle and process complaints referred by the Fair Trading Commission (FTC) under the terms of a Memorandum of Understanding. Complaints and other requests continue to be received online.
- (xx) There continued to be strong inter-agency cooperation with the Bureau of Standards Jamaica which assisted greatly in the testing of products that are the subject of complaints in the areas of quality, and food contamination. The CAC also served on committees responsible for reviewing and creating standards. In addition the CAC actively supported the Bureau's National Quality Awards by serving on the Examiner's Board and providing sectional prizes for excellence in customer service in manufacturing and service sectors.
- (xxi) The CAC attended a workshop on Consumer Redress held in St. Lucia, under the theme 'Framework for Investigating and Resolving Consumer Complaints'. The Commission made the first presentation at the workshop.
- (xxii) Twelve (**12**) new posts were created to increase overall efficiencies in the Commission viz Legal Unit, Complaints Unit, Information Technology, Communication Publication, and Access to Information,
- (xxiii) The Commission participated in regional and international meetings addressing a range of consumer issues. During the January 2007, the CAC participated in a series of working meetings along with representatives of the Inter-American Development Bank (IDB), Consumers International (CI), Government and Non-Government Consumer Protection Agencies from Jamaica and Barbados. The meetings revisited a proposal made in 2003 for a project for the promotion of consumer protection in the Caribbean Region. This project, to be funded by the IDB, and coordinated by CI, will involve three countries, Barbados, Jamaica and Trinidad and Tobago. The purpose of the project is to reinforce the capacity of consumer organization with the ultimate goal of deepening regional integration and market reform efforts.
- (xxiv) There were two new brochures produced specifically for children that sought to present consumer information in a manner that could be

easily assimilated by the young. They also included puzzles that could be solved by using the information supplied in the brochures. In addition, two workbooks were also created, again targetting our young consumers.

(xxv) A Consumer Clubs Handbook was created for the students desirous of forming clubs in secondary schools. It sets out the aims and objectives and provides guidance to those persons involved in the formation and day-to-day running of the clubs.

(xxvi) The Commission conducted a workshop for schools in the Corporate Area that had expressed an interest in having Consumer Clubs and coordinated the tasks that subsequently resulted in the formation of seven **(7)** new Consumer Clubs. A competition was also launched aimed at creating a name and logo for the clubs. The winners were announced at a press briefing on December 1, 2006.

4.1 SUMMARY OF MAIN ACHIEVEMENTS APRIL 1, 2006 – MARCH 31, 2007

ACTIVITY	TARGET	ACHIEVEMENT	SHORTFALL/ EXCESS	EXPLANATION
Complaints Handled	2600	2,039	-561 (21.6%)	Fewer complaints were received than anticipated
Complaints Settled	2200	1,860	-340 (15%)	91% of those handled
Advice/Information Provided	0	1,974	1,974	
Monies Secured	0	\$54.47M	+54.47M	
Community Outreach	45,000	98,249	+53,249 (118%)	WCRD yielded higher results than was anticipated
Media Exposures (including interviews)	400	841	+441	Increase in the number of paid spots due to the CPA 2005 publicity campaign
Production of New Material	3	2	-1	Brochures on Owning Your Own Home and the CPA, 2005 need to be finalized.
Grocery Survey	12	11	1	Insufficient resources
Petrol Survey	12	10	2	Insufficient resources
School Textbook Survey	1	1	0	
Pharmaceutical Survey	1	0	-1	Insufficient resources
Agricultural Products	5	5	0	

Survey				
Hardware Items Survey	0	4	4	
Meeting of the Distributive Trade	12	9	-3	

5.0 Strategic Focus for FY 2007/2008

The strategic focus of the Commission devolves from the policy priorities identified in the corporate plan. The Commission's policy priorities are listed in that document as follows:

- Effective complaint handling systems, which respond promptly to the public's needs and which utilize all available resources and technology as efficiently as possible
- Legal framework, which offers the best possible protection for final consumers, while facilitating free trade and global competitiveness
- Development and execution of appropriate consumer education programmes tailored to reach school children and adults using all available and practical means
- Commitment of all Officers of the Commission to deliver excellent public service and peak performance.

The programmes to support the policy focus have been designed to:

- (a) Protect Consumers from hazards to their health and safety
- (b) Promote and protect Consumers' economic interests
- (c) Ensure Consumers' access to adequate information to enable them to make informed choices according to their individual wishes and needs
- (d) Provide consumer education
- (e) Ensure effective consumer redress
- (f) Provide support for the formation of consumer groups and foster the opportunity for such organizations to present their views in decision-making processes, which affect Consumers.

To achieve the overall objective, the groups targeted will continue to be the general public, businesses, media houses, educators, and other administrators of consumer protection legislations. Selected grades from the school population are also being targeted as well as trainers and students in tertiary level educational institutions. Other target groups from the general public include the elderly, motorcar owners and persons who conduct business using credit and debit cards.

6.0 Summary of Main Programmes for FY 2007/2008

The programmes to be pursued over the short term are reflected in the operational plan (2007/08). They are captured under the broad headings as below:

- (i) Consumer Education through direct contact
- (ii) Business Education
- (iii) Complaint Resolution Services
- (iv) Support of Consumer Advocacy Groups
- (v) Market Intelligence Services
- (vi) Incorporation of Consumer Protection Act 2005 within operations and management of the Commission and its work programmes.
- (vii) International Cooperation
- (vii) Corporate Services

The activities shown below are proposed with a view to achieving maximum success.

- Restructuring of the CAC and the upgrading of its human resource to enable a more timely response to consumer complaints.
- Production and broadcasting of messages aimed at reaching at least 1.6 million consumers through the dissemination of information in the print and electronic media, expositions, exhibitions, fairs and the provision of information to various groups.
- Serving and voicing Consumers' interest at Committee meetings dealing with Standards, the Environment, Food (Security & Distribution), and Utilities.
- Resolution of at least 80% of Complaints received (within 10 working days) for the FY. On average 2,000 complaints are handled each Financial Year.
- Continued improvement in the level of Educational presentations to civic organizations, service clubs and other groupings of consumers on the specifics of redress, development of consumer advocacy skills, etc.
- Provision of Survey and Research Services towards the dissemination of information to consumers in support of their exercise of choice in the market place
- Development of a Consumer Advocacy Kit for NGOs, Community Based Organizations etc.
- Establishment and Maintenance of four **(4)** additional In-School Consumer Advocacy Clubs

- Establishment and maintenance of two (2) Consumer Advocacy Groups for adults especially in communities
- Development of a Document Centre to enable the Commission to better respond to students' need for assistance in conducting research. Information will be accessed by Consumer NGOs (and other clients) and a response issued to enquiries as mandated by the Access to Information Act.
- Monitoring of projects supported through the Consumer Alliance initiative/development and testing of monitoring instruments
- Maintaining links with known consumer organizations, electronically and otherwise with a view to obtaining relevant information and continued participation in International workshops and conferences on consumer issues
- Participation in meetings, workshops and conferences within the region.
- Dissemination of information gleaned through International and Regional contacts to local policy makers, consumer advocates, and the public at large.
- Ongoing review of the Consumer Protection Act and providing technical support to the portfolio Ministry on amendments required to the Act.
- Launching of the CAC Citizens Charter.

6.1 SUMMARY OF MAIN PROGRAMMES FOR FY 2007/2008

ACTIVITY	TARGET QUARTER1	TARGET QUARTER2	TARGET QUARTER3	TARGET QUARTER4
Resolution of consumer complaints	Average of 500 Resolve in 10 working days 80% of complaints handled	Average of 500 Resolve in 10 working days 80% of complaints handled	Average of 500 Resolve in 10 working days 80% of complaints handled	Average of 500 Resolve in 10 working days 80% of complaints handled
Advice/Information to consumers	Ongoing Minimum of 600	Ongoing Minimum of 600	Ongoing Minimum of 600	Ongoing Minimum of 600
Monies secured	Ongoing Minimum of 3M	Ongoing Minimum of 3M	Ongoing Minimum of 3M	Ongoing Minimum of 3M
Community Outreach	4,000 adults 12,000 students	8,000 adults 3,000 students	5000 adults 2,000 students	8,000 adults 13,000 students
Presentation to groups of business persons	2	2	2	2

Meeting with providers of basic consumer items	3	3	3	3
Media Exposures – Advertisements	25	25	25	25
Advisories, Releases and Interviews	12	30	30	18
Production of new material	1	1	1	1
Formation and maintenance of regional consumer Advocacy Groups	1 Formed	1 Maintained	1 Formed 1 Maintained	2 Maintained
Newsletters	1 Kiddies Alert	1 Back to school	1 Christmas tips Alert	
Grocery Survey	2	0	1	3
Critical Items Survey	1	3	2	0
Agricultural Product	1	3	2	0
Petrol Survey	3	3	3	3
School Textbook Survey	0	1	0	0
Pharmaceutical Survey				1
Consumer Knowledge, Behaviour, and Attitude Survey	1	1	1	1
Launch of the Citizen's Charter		1		

7.0 Budgetary Allocation

The budgetary allocation to the CAC was \$51.43M for the Financial Year 2006/2007.

Phillip Paulwell
Minister
Ministry of Industry Technology Energy and Commerce
May 30, 2007