



VOTE CONSUMER AFFAIRS

BRIEFING FOR THE INCOMING MINISTER

2008

Prepared by the Ministry of Economic Development and Consumer Affairs

CONTENTS

Page 3	Chief Executive's Introduction	
Page 4	Overview	
Page 6	Major Policy and Implementation Issues	
	Page 6	<i>Restoring consumer confidence in the financial sector</i>
	Page 7	<i>Balancing improved product safety risk management against innovation</i>
	Page 8	<i>Taking advantage of opportunities for regulatory alignment with Australia</i>
Page 9	Pending Decisions or Actions	
Page 11	Appendix 1	Legislation administered by the Ministry of Consumer Affairs
Page 13	Appendix 2	Ministerial responsibilities in relation to Crown entities and other boards
Page 15	Appendix 3	Key stakeholders
Page 20	Appendix 4	Statutory functions within the Consumer Affairs portfolio
Page 21	Appendix 5	International agreements relevant to the portfolio

INTRODUCTION

This briefing provides you with an introduction to the Consumer Affairs portfolio and Vote Consumer Affairs in the light of the Government's stated intentions in this portfolio. It summarises key areas of policy and major policy issues. It also lists pending actions and decisions that you will need to consider in the next three months.

This briefing is supplemented by the Ministry's broader overview brief on *Key Economic Development Opportunities and Challenges*, along with a *Guide to the Ministry of Economic Development*, which details the Ministry's role, structure, and functions.

Much of the current work under Vote Consumer Affairs focuses on promoting consumer confidence and trust in both the financial sector and in the safety of imported consumer products. In particular, the Vote is responsible for implementing the new dispute resolution regime for financial service providers and reviewing the credit contracts and consumer finance regulation, including options for incentivising responsible lending practices. The Vote is also responsible for ensuring that New Zealand's product safety regime is robust to the global increases in product safety incidents and recalls.

Taking forward these areas of work in the current global environment, including developing regulatory responses without risking over-regulation, will be challenging.

We would welcome an early meeting with you to discuss your priorities and how we can best help you achieve them.



David Smol
Chief Executive



Liz MacPherson
General Manager
Ministry of Consumer Affairs

OVERVIEW

Consumer confidence is an essential condition for innovation and productivity growth

1. Work under Vote Consumer Affairs ensures that effective policy and regulatory frameworks are in place to promote an environment in which consumers can transact with confidence, and honest businesses can compete on a level playing field. By demanding higher quality, safe products and services, making good choices among the offerings of competing suppliers, and seeking satisfaction where their purchasing expectations are not met, confident consumers not only meet their own needs, they also stimulate greater competition and innovation.
2. Work under this Vote aims to create dynamic and trusted markets by:
 - promoting good and accurate information flows
 - striking the right balance between consumer protection and the effective management of risk, and incentives to innovate.
3. It also aims to establish effective international linkages so that consumers and firms can have confidence in trading across borders.
4. Key current challenges within the portfolio are:
 - restoring consumer confidence in the financial sector
 - ensuring that our consumer product safety regime remains appropriate, given the global increase in product safety incidents and recalls
 - taking advantage of the Australian Government's strong push to nationalise, rationalise and harmonise consumer and credit law, to achieve greater alignment between New Zealand and Australia.
5. These and other issues within the portfolio are discussed in the *Major policy and implementation issues* section of this briefing.
6. The annual appropriation for Vote Consumer Affairs is approximately \$6.1 million. About \$1.2 million of this is for policy advice; \$2.4 million is for information, education and capability-building activities to improve consumer decision-making; \$2.3 million for measurement and product safety compliance and enforcement activities; and just under \$0.1 million for the provision of consumer information from the New Zealand Citizens' Advice Bureaux. The budget baselines are forecast to be around \$5.9 million (a reduction of \$0.2 million or 3.3 percent) for 2009/10, reflecting the cessation of time-limited funding initiatives.
7. In line with your policy for state services, the Ministry is reviewing all Vote expenditure it has responsibility for, and is looking at specific opportunities to improve the cost effectiveness of delivering the Government's priorities. This includes identifying any areas where savings might be considered.

The Ministry of Consumer Affairs has primary responsibility for advising on consumer issues

8. The Ministry of Consumer Affairs (MCA) is what is known as a semi-autonomous Ministry¹. Since its inception in 1986, it has been part of the Ministry of Economic Development and its predecessors.
9. MCA is currently based within the Effective Markets Branch – a branch which focuses on ensuring that markets work for both consumers and business. The General Manager of the Ministry of Consumer Affairs is also the Ministry of Economic Development Deputy Secretary responsible for the Effective Markets Branch.
10. The placement of MCA within the larger Ministry of Economic Development creates opportunities to add value through collaboration, for instance on financial sector work. As part of a large organisation, MCA is also able to benefit from access to corporate support, such as IT and legal services. This would not be possible in a small stand-alone entity.
11. Vote Consumer Affairs currently funds a variety of functions including:
 - developing, setting and reviewing rules that govern the way in which consumers and businesses interact in markets ²
 - ensuring that a consumer perspective is applied to policy initiatives from other agencies. This includes reviewing Cabinet proposals with the potential to have a significant impact on the economic welfare of consumers, as required by the Cabinet Manual
 - ensuring compliance with consumer law – either directly, or through the Commerce Commission or other enforcement bodies
 - monitoring the activities of the Commerce Commission
 - developing and supporting a national consumer enquiries infrastructure through partnership with community organisations, including providing them with an expert assistance 0800 line
 - providing consumers with information on their rights, responsibilities, and remedies, and current scams
 - promoting consumer representation in decision-making processes where these processes are likely to impact on consumers
 - supporting you in nominating consumer representatives to a number of consumer-orientated schemes and services, and appointing the Motor Vehicles Dispute Tribunal Adjudicators and Assessors.

¹ It was established in 1986 as a semi-autonomous Ministry with the Cabinet mandate to “be directly responsible to the Minister of Consumer Affairs”, including the ability to provide independent policy advice. As part of the Ministry of Economic Development, under the Public Finance Act and State Sector Act, the Chief Executive of the Ministry of Economic Development is accountable for all aspects of the performance of the Ministry of Consumer Affairs.

² These rules include the Fair Trading Act 1986, the Consumer Guarantees Act 1993, the Weights and Measures Act 1987, the Credit Contracts and Consumer Finance Act 2003, the Motor Vehicle Sales Act 2003, aspects of the Financial Service Providers Act 2008, and a number of other Acts.

MAJOR POLICY AND IMPLEMENTATION ISSUES

Restoring consumer confidence in the financial sector

Consumer confidence in the financial sector has been dealt a severe blow

12. A combination of over-borrowing, over-lending, poor financial advice, corporate fraud and poor quality decision-making, linked in part to low levels of financial capability amongst consumers, has driven the current global credit crunch and undermined consumer confidence in the financial sector. Restoring this confidence must be a priority.
13. Confidence is self-reinforcing: if people believe markets work well, they act with confidence and that tends to reinforce confidence and further strengthen the market. Rules and institutions that contribute to well-functioning markets can reinforce consumer confidence. Finding the right balance in regulatory design to restore confidence in the financial sector, manage risk and encourage innovation is a key issue for you to consider.

Key consumer credit data

As at September 2008, total consumer credit demand is at its lowest level since 2004, while debt defaults have doubled over the same period.

Credit defaults are up 18 percent (year to date) and up 24 percent on September 2007.

Total credit applications are at a four-year low, down 10.5 percent on September 2007.

Credit card applications are up 10.5 percent compared with September 2007.

The highest area of growth in default payments is credit cards, which grew by 23 percent in 2007 and 28 percent to the end of June 2008.

People under 28 years of age make up a quarter of all credit applications, but represent about a third of all defaults.

Phone bill defaults are up 32 percent in the year to September 2008.

It is estimated that 70 percent of credit card users pay only their minimum monthly balance.

Source: Veda Advantage

Ensuring timely implementation of new financial service regimes is critical...

14. Significant reforms have been made with the passage of the Financial Advisors Act and the Financial Service Providers Act. These Acts are designed to ensure the provision of high quality financial services, including financial advice, along with access to effective dispute resolution and redress. The Commerce and Consumer Affairs portfolios have worked closely together on these issues.
15. As Minister of Consumer Affairs, you are responsible for the implementation of the new dispute resolution regime that is an essential prerequisite for the operation of the new regime. Careful planning and early consultation with the sector will be important.

...as is incentivising responsible lending practices without restricting access to credit

16. We also think that the current “operational review” of the Credit Contracts and Consumer Finance Act (CCCFA) could be extended, given the issues arising out of the financial crisis. In particular, the high level of concern regarding the practice of “over-lending” suggests that priority should be given to consideration of responsible lending approaches. Recent conversations with our Australian counterparts indicate that the Australian credit reform programme will include consideration of responsible lending provisions.
17. The introduction of a registration requirement for all financial service providers provides the opportunity to link further conduct requirements to registration. When the CCCFA was introduced, registration requirements did not exist. But the Government will have to be careful to ensure that any potential solution reached in the area does not backfire on consumers by restricting their ability to use credit appropriately.

Comprehensive credit reporting may be another way to encourage responsible lending

18. Industry stakeholders have told us that they believe that introduction of positive (or comprehensive) credit reporting is fundamental to their ability to make assessments of credit risk. New Zealand, with Australia, is one of the only countries in the world to have a negative credit reporting regime (where only debts are recorded) as opposed to a system which records all credit transactions. Consumer stakeholders, while seeing the potential benefits from a “slate-cleaning” perspective, remain concerned from a privacy perspective.
19. The credit reporting regime is regulated within the Credit Reporting Privacy Code 2004, which is currently under review by the Privacy Commissioner.

Improving financial capability is also an important part of the solution

20. Estimates suggest that 70 percent of credit card holders only pay the minimum repayment on their credit card. While this may sometimes be due to ability to pay, in many cases it reflects a lack of understanding of the implications of this behaviour for the longevity of the debt. Low levels of financial capability can have the effect of “neutralising” the impact of information and disclosure-based instruments.
21. Work on financial literacy is occurring across many government agencies. The Ministry of Economic Development (including the Ministry of Consumer Affairs) is looking to take a coordination and leadership role across government for financial capability initiatives.

Balancing improved product safety risk management against innovation

Global product safety risks are increasing in absolute terms

22. There is an emerging international consensus, based on good empirical data, that product safety risks are increasing.

23. The US Consumer Product Safety Commission noted that, in 2007, it oversaw the largest annual number of voluntary product recalls in the last decade. Some 472 separate product lines were subject to recall, involving 110 million products. This included 2.4 million magnetic play sets that posed severe injury hazards and 1.5 million wooden toys that posed a risk through lead in paint. The European Commission reported a 47 percent increase in notifications of products posing serious risks to consumers from 2006 to 2007. Half of the products reported originated from China.

The causes of these risks are well known and apply globally

24. The causes of the change in the balance of risk are:
- consumer preferences for cheap goods
 - products are becoming more complex and/or the potential risks less “visible” and therefore less able to be discerned and managed by the consumer
 - a trend towards global supply chains, with product manufactured in newly industrialised countries without a tradition of norms and institutions that support comprehensive risk management at source
 - inadequate risk assessment and risk management approaches taken by firms establishing global supply chains, particularly with respect to the impact of cultural differences on approaches to safety and accountability
 - technologies being put on the market that have not been proven to be safe in all the situations in which they might be used.

New Zealand must assess the robustness of its own regime

25. Other jurisdictions have responded to the increased risk by intensifying and modifying their product safety strategies. MCA constantly reviews where it makes its investment as a modern product safety regulator – and our current focus is on ensuring that our approach is robust to current and future trends.
26. One issue we need to address as part of this work is the fact that our model is currently skewed towards rapid reaction to incidents, rather than taking a more proactive approach to emerging risks. We also need to consider how to sheet accountability home appropriately to those who are most able to influence the safety outcome. Striking the right balance between protection, and openness and innovation is challenging, particularly when lack of confidence in product safety frameworks can in itself reduce public support for open borders, free trade and innovation.

Taking advantage of opportunities for regulatory alignment with Australia

New Zealand and Australian markets are merging, but there are still regulatory differences

27. Increasingly, the New Zealand and Australian markets are merging. Our businesses trade on both sides of the Tasman, our consumers trade across borders, the products on our markets are similar, and problems experienced in one market are usually found in the other, often perpetrated by the same individuals or firms.

28. The Trans-Tasman Mutual Recognition Arrangement (TTMRA) provides that any product that can be legally sold in one jurisdiction can be legally sold in the other, without any further restrictions. This means that we are effectively the “back doors” to each other’s regimes. Consequently, both consumers and businesses express frustration when they experience differential treatment between our two jurisdictions. Until recently, it was impractical for New Zealand to seek to harmonise further with Australia because of the lack of a single national approach within Australia.

Australia is currently nationalising and rationalising much of its key consumer law...

29. The Rudd Government has, however, placed a priority on moving towards a more seamless national market within Australia. Particular focus has been placed on accelerating moves towards a single national consumer law, product safety law and regulatory approach; a single national approach to consumer credit; and a single law and regulatory approach for trade measurement. While much of the detail of these regimes is yet to be worked through, it is expected that legislation will be introduced in a staggered fashion over the next three to 18 months.

...which gives us a real opportunity to pursue greater regulatory alignment

30. We are also currently reviewing the enforcement and redress aspects of the Fair Trading Act, the Credit Contracts and Consumer Finance Act, and our approach to product safety. Discussions with Australian colleagues indicate that they are dealing with many of the same issues (such as how to design an approach to responsible lending and ensuring enforcement agencies have the right tools to deal with emerging risks). Our membership of the Ministerial Council on Consumer Affairs, together with our status as observers on the Australian Financial Sector and Credit Implementation Taskforce, gives us a real opportunity to engage in some real-time harmonisation. We are currently assessing what this may mean for our work going forward and would appreciate the opportunity to discuss this with you.

PENDING DECISIONS OR ACTIONS

31. You will be asked to take decisions on the following over the next few months.

Issue	Reason	Timing
Amendments to legislation and regulations		
Introduction of Amendments to the Motor Vehicle Sales Act.	A Bill setting out the proposed amendments has been drafted and your agreement to proceed with this Bill will be sought shortly.	Early 2009
Approve water efficiency labelling regulations.	Decisions were taken in September 2008 to put in place water efficiency labelling regulations that align us with Australian practice. The regulations will need Cabinet approval.	March 2009

Amendments to the Weights and Measures Regulations.	Decisions were taken in mid-2008 to amend the Weights and Measures Regulations to bring New Zealand in line with international practice, and to correct some mistakes in the regulations.	March 2009
Release of discussion documents		
Release a discussion document on the Credit Contracts and Consumer Finance Act 2003 early on 2009.	MCA is reviewing this legislation, with particular emphasis on fringe credit provision and vulnerable consumers. As part of the review it is proposed to release a discussion document to seek comments on possible amendments to the Act to improve its effectiveness.	February 2009
Release discussion papers on the framework and proposed rules for the Reserve (consumer dispute resolution) Scheme and the matters that the Minister will have regard to when considering applications to become approved schemes.	The Financial Service Providers (Registration and Dispute Resolution) Act 2008 requires the Minister of Consumer Affairs to make a recommendation to the Governor General for the establishment of a Reserve (consumer dispute resolution) Scheme by September 2010. The discussion papers seek views on these matters.	March 2009
Release a discussion paper on children's toy standards.	The paper covers possible amendments to the Children's Toys Regulations to require compliance with the Children's Toys Standard with respect to migratable substances (such as lead).	by February 2009
Appointments		
Assessors Panel for the Motor Vehicle Disputes Tribunal.	The five-year term of the current Panel expires in November 2008, however a two month extension has been agreed in order to avoid the immediate post-election and Christmas periods.	January 2009
Telecommunications Disputes Resolution Service Consumer Representative (TDRS).	Telecommunications providers are required to participate in a consumer complaints resolution system. The Minister of Consumer Affairs makes appointments to the Board of the TDRS. You will be asked for your views on potential candidates for this role and to make a recommendation to the Cabinet Appointment and Honours Committee.	February 2009

LEGISLATION ADMINISTERED BY THE MINISTRY OF CONSUMER AFFAIRS

Auctioneers Act 1928

The Auctioneers Act requires all auctioneers to be licensed. Entry to the occupation is dependent upon applicants being able to satisfy a District Court Judge that they are "fit and proper" and financially secure. This is in accordance with the Act's primary objective, to protect consumers from reckless/incompetent auctioneers and financial loss. This Act is enforced by the New Zealand Police and also allows for private or self-enforcement.

Consumer Guarantees Act 1993

The Consumer Guarantees Act covers consumer protection in the post-sale period (after a purchase is made). It creates statutory guarantees that are automatically conferred each time a consumer purchases a good or a service from a trader. The Act also provides clear remedies for consumers if a breach of the guarantee occurs. This Act is self-enforcing.

Credit Contracts and Consumer Finance Act 2003

The Credit Contracts and Consumer Finance Act regulates consumer credit, including home loans, personal loans, credit sales/hire purchase, credit cards, long-term leases and housing buy-back schemes. The Act requires disclosure on key information to the debtor, prohibits unreasonable fees, allows for contracts to be varied in cases of hardship and provides for re-opening of oppressive contracts.

This Act replaced the Credit Contracts Act 1981 and the Hire Purchase Act 1971. It is enforced by the Commerce Commission. These Acts apply to credit contracts and hire purchase agreements entered into before 1 April 2005.

Credit (Repossession) Act 1997

The Credit (Repossession) Act standardises procedures relating to the repossession of goods under a security agreement. It covers the repossession process that a creditor (or agent) must follow for all secured loans and hire purchase agreements over consumer goods. This Act is self-enforcing.

Door to Door Sales Act 1967

The Door to Door Sales Act regulates agreements for the sale of goods and the provision of services on credit, entered into at places other than appropriate trade premises. This Act is self-enforcing.

Fair Trading Act 1986

The Fair Trading Act aims to maximise consumer protection in the pre-sale period (before a purchase is made and at the point of sale). It attempts to ensure that all trading

activities are based on accurate and honest information. It also allows for bans and recalls of unsafe products and the imposition of mandatory standards if necessary. This Act is enforced by the Commerce Commission.

Under Parts 3 and 4 of the Fair Trading Act 1986, the Minister of Consumer Affairs can recommend mandatory standards for products or services, ban unsafe products or order a compulsory recall of an unsafe product. These measures are generally used only when attempts to have the product amended or withdrawn voluntarily fail.

Financial Service Providers (Registration and Dispute Resolution) Act 2008

The Financial Service Providers (Registration and Dispute Resolution) Act requires financial service providers to be registered and to be members of an approved dispute resolution scheme. The Act is administered by the Ministry of Economic Development. However, the Minister of Consumer Affairs is the responsible Minister for Part 3. Under this Part, the Minister of Consumer Affairs approves dispute resolution schemes, and establishes a reserve scheme, in consultation with the Ministers of Commerce and Finance.

Layby Sales Act 1971

The Layby Sales Act sets out rules for layby sales - where the goods being bought are not available to the buyer until the purchase price is paid off by instalment. The Act does not apply to layby sales over \$7,500 or to a motor vehicle being sold by a licensed dealer. This Act is self-enforcing.

Motor Vehicle Sales Act 2003

The Motor Vehicle Sales Act requires that all motor vehicle traders are registered on the Motor Vehicle Traders Register (including car market operators and vehicle auctioneers). Traders are required to display a Consumer Information Notice (CIN), in the form prescribed under the Fair Trading Act, with all used motor vehicles for sale.

The Motor Vehicle Traders Register is administered by the Ministry of Economic Development. Enforcement activity relating to the register is carried out by the Economic Development Ministry's National Enforcement Unit. Compliance with CIN requirements is enforced by the Commerce Commission.

Unsolicited Goods and Services Act 1975

The Unsolicited Goods and Services Act provides protection for people who receive unsolicited goods or invoices for unordered goods or services. This Act is self-enforcing. However, parts of this Act provide for criminal penalties.

Weights and Measures Act 1987

The Weights and Measures Act protects New Zealand's system of metric weights and measures, and prescribes their use in the marketplace. It attempts to ensure that goods sold by weight, measure or number are traded fairly and in accordance with internationally recognised principles. This Act is enforced by the Ministry of Consumer Affairs.

MINISTERIAL RESPONSIBILITIES IN RELATION TO CROWN ENTITIES AND OTHER BOARDS

As Minister of Consumer Affairs you are not directly responsible for any Crown Entities. However, you do have an important “indirect” relationship with the Commerce Commission and this is detailed below.

Commerce Commission

An independent Crown entity established under the Commerce Act 1986. It is responsible for protecting competition and consumers, and regulating specified markets in which competition does not exist, or is very limited. The Commission aims to foster and develop healthy competition among businesses, informed choice by consumers, and sound economic regulation through its enforcement, quasi-judicial and regulatory responsibilities under the Commerce Act 1986, Fair Trading Act 1986, Electricity Industry Reform Act 1998, Dairy Industry Restructuring Act 2001, Telecommunications Act 2001, and Credit Contracts and Consumer Finance Act 2003. The Commission has four to six members appointed by the Governor-General, and a number of associate members appointed by the Commerce Minister.

The Minister of Commerce is the responsible Minister for the Commission. The Ministers of Commerce, Communications and Information Technology, and Energy purchase services directly from the Commerce Commission, while the Minister of Commerce purchases services on behalf of the Minister of Consumer Affairs and the Minister of Agriculture. As a result of the amended Commerce Act, the Minister of Energy will lose its direct purchase relationship next year, and the Minister of Commerce will purchase services for the Minister of Energy.

The Ministry of Consumer Affairs monitors the performance of the Commerce Commission with respect to its consumer-focussed activities on your behalf as part of a Vote-Commerce-led team.

Electricity Commission and the Gas Industry Company

Both the Electricity Commission and Gas Industry Company are able to make recommendations to the Minister of Energy to make or make changes to regulations. The Minister of Energy is required to consult with you regarding regulations on consumer matters.

Appointment of Consumer Representatives to External Disputes Resolution Schemes

As Minister of Consumer Affairs, you have responsibility for nominating consumer representatives/members to the following self-regulatory bodies:

- Banking Ombudsman Scheme
- Insurance and Savings Ombudsman Scheme
- Electricity and Gas Commissioner Schemes
- Telecommunications Dispute Resolution Service

Appointment of Motor Vehicle Disputes Tribunal Adjudicators and Assessors

You also have joint responsibility (with the Minister of Justice) for the appointment of Adjudicators and Assessors to the Motor Vehicles Disputes Tribunal.

KEY STAKEHOLDERS

Ministerial Council on Consumer Affairs

The Ministerial Council on Consumer Affairs (MCCA) is a body established under the Council of Australian Governments (COAG). It comprises the Ministers of Consumer Affairs from the Commonwealth, State and Territory Governments. The New Zealand Minister of Consumer Affairs is a full member of the Council. The General Manager of the Ministry of Consumer Affairs is a member of the Standing Committee of Officials of Consumer Affairs (SCOCA) which supports the Ministerial Council. The permanent secretariat for the Council is based with the Commonwealth consumer policy functions at the Australian Treasury. The Chair of the Council rotates annually between members. New Zealand was chair for 2007/08. The current Chair is the Minister of Consumer Affairs for Tasmania.

Contact:	Hon. David Llewellyn	MCCA Chair
	Hon. Chris Bowen	Commonwealth Minister of Consumer Affairs & Minister of Competition Policy

PRIVATE SECTOR

Advertising Standards Authority

The prime function of the Advertising Standards Authority (ASA) is to self-regulate advertising in New Zealand. Advertising Codes of Practice provide the rules by which all advertisements in all media should comply. Members of the public may complain at no cost about any advertisement in any media which they believe breaches the Codes. Complaints are heard by an independent Advertising Standards Complaints Board (ASCB) and there is a right of appeal to the independent Advertising Standards Complaints Appeal Board (ASCAB).

Contact:	Hilary Souter	Executive Director	04 472 7852
----------	---------------	--------------------	-------------

Banking Ombudsman

The Banking Ombudsman scheme was set up in 1992 as a free, external and independent process to help people sort out their unresolved problems with banks. Under the scheme the Minister of Consumer Affairs is responsible for nominating one consumer representative (and substitute) to the Board.

Contact:	Liz Brown	Ombudsman	04 471 0006
----------	-----------	-----------	-------------

Business New Zealand

Business NZ is New Zealand's largest advocacy group for enterprise, and champions policies leading to:

- international competitiveness
- balanced employment, economic and environmental legislation

- compliance and tax levels that foster growth and investment
- innovation and skill development
- an environment fostering the production of high value goods and services.

Export New Zealand, a membership organisation for promoting the interests of exporting firms, recently became a division of Business NZ.

Contact:	Phil O'Reilly	Chief Executive	04 496 6555
----------	---------------	-----------------	-------------

Consumer NZ

Consumer NZ is an independent, non-profit organisation funded by membership subscriptions. It undertakes comparative tests and surveys of consumer goods and services, research into and advice on financial, food, health, safety, welfare and environmental matters, representation at parliamentary committees and public enquiries and an interest in consumer education and complaints advisory work.

Contact:	Sue Chetwin	Chief Executive	04 384 7963
----------	-------------	-----------------	-------------

Community Law Centres

Community law centres provide a range of community legal services including free legal advice, legal assistance and representation, legal information, legal education and law reform activities.

Contact:	Each branch is semi-autonomous.		
----------	---------------------------------	--	--

Electricity and Gas Complaints Commission

The Electricity and Gas Complaints Commissioner Scheme provides a forum where consumers can access an independent dispute resolution service for complaints about their electricity or gas lines or retail companies. The office is funded by member companies, but remains independent of the industry in its investigation processes and decision-making. Under the Scheme rules, the Minister of Consumer Affairs is responsible for nominating two consumer representatives (and substitutes) to the Commission.

Contact:	Judi Jones	Commissioner	04 914 4524
----------	------------	--------------	-------------

Insurance and Savings Ombudsman

The New Zealand Insurance & Savings Ombudsman is an independent service for resolving insurance and savings disputes which is free to consumers. Under the scheme rules, the Minister of Consumer Affairs nominates two consumer representatives (and substitutes) to the Board.

Contact:	Karen Stevens	Ombudsman	04 499 7614
----------	---------------	-----------	-------------

New Zealand Citizens Advice Bureau

The New Zealand Association of Citizens Advice Bureaux (NZACAB) is an independent community organisation whose member bureaux and specialist services around New Zealand provide information, advice, advocacy and support to individuals. The Citizens Advice Bureau (CAB) service is provided from 90 locations around New Zealand.

Contact:	Kerry Dalton	Chief Executive	04 382 8759
----------	--------------	-----------------	-------------

New Zealand Federation of Family Budgeting Services

The New Zealand Federation of Family Budgeting Services Inc (the Federation) is a collective of community organisations delivering free budgeting advice to family/whanau and individuals. The current membership comprises 148 budget services nationwide that employ more than 1200, mostly volunteer, staff.

The Federation national office provides training, support, and resources to its members and offers advocacy and advice.

Contact:	Raewyn Fox	Chief Executive	04 471 1420
----------	------------	-----------------	-------------

New Zealand Retailers Association

The NZRA assists members by providing retail advice, savings, information, education and are the main retail industry lobby group to Government. Members represent a wide variety of retailers, from small independent operators to large national and international chain stores.

Contact:	John Albertson	Chief Executive	04 472 3733
----------	----------------	-----------------	-------------

Telecommunications Dispute Resolution Service

The Telecommunications Disputes Resolution Service is an independent service for resolving telecommunications disputes which is free to consumers. Under the scheme rules, the Minister of Consumer Affairs nominates a consumer representative to the Board.

Contact:	Anne Scragg	Manager, Mediation	04 962 9000
----------	-------------	--------------------	-------------

CROWN ENTITIES

Commerce Commission

The Commerce Commission enforces legislation that promotes competition in New Zealand markets and prohibits misleading and deceptive conduct by traders. The Commission also enforces a number of pieces of legislation specific to the telecommunications, dairy and electricity industries.

Contacts:	Paula Rebstock Nick Hill	Chair Chief Executive	04 924 3600
-----------	-----------------------------	--------------------------	-------------

Electricity Commission

The Electricity Commission is a Crown entity set up under the Electricity Act to oversee New Zealand's electricity industry and markets. The Commission regulates the operation of the electricity industry and markets, to ensure electricity is produced and delivered to all consumers in an efficient, fair, reliable and environmentally sustainable manner. The Commission also promotes and facilitates the efficient use of electricity.

Contact:	David Caygill	Board Chair	04 460 8860
----------	---------------	-------------	-------------

Gas Industry Company

The Gas Industry Company is a co-regulatory that is able to make recommendations to the Minister of Energy on a wide range of industry matters, including the making of rules and regulations in relation to the wholesaling, processing, transmission, distribution and retailing of gas. This includes a focus on consumer outcomes.

Contact:	Sir Jim Bolger	Board Chair	04 472 1800
----------	----------------	-------------	-------------

Retirement Commission

The Retirement Commission is responsible for helping, through education, information and promotion, New Zealanders get their finances sorted so that they can retire with an income that meets their lifestyle expectations.

Contact:	Diana Crossan	Commissioner	04 499 7396
----------	---------------	--------------	-------------

Standards New Zealand

Standards New Zealand is the operating arm of the Standards Council, an autonomous Crown entity operating under the Standards Act 1988. The Standards Council, an appointed body with representatives from a wide range of community sectors, is the governing body for Standards New Zealand.

The majority of Standards are developed in partnership with Standards Australia. As New Zealand's representative for the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC), Standards New Zealand ensures that New Zealand has a voice in the international Standards community.

Contact:	Debbie Chin	Chief Executive Officer	04 495 0914
----------	-------------	-------------------------	-------------

TRIBUNALS

Disputes Tribunal

The Disputes Tribunal provides a route through which consumers and businesses can seek to have their disputes resolved by a trained referee. Any decision they make is binding and can, if necessary be enforced by the Courts.

Contact:	Dr Peter Spiller	Principal Disputes Referee	04 918 8161
----------	------------------	----------------------------	-------------

Motor Vehicles Disputes Tribunal

The Motor Vehicle Dispute Tribunal is a special purpose tribunal established under the Motor Vehicles Sales Act 2003 to provide an efficient way in which consumer and businesses seek to have their disputes resolved. The Minister of Consumer Affairs jointly appoints the Adjudicator and Assessors for this Tribunal with the Minister of Justice.

Contact:	Chris Cornwell	Senior Adjudicator	09 524 0820
----------	----------------	--------------------	-------------

STATUTORY FUNCTIONS WITHIN THE CONSUMER AFFAIRS PORTFOLIO

Area	Policy Advice	Registers	Enforcement/ Adjudication	Key MED Staff
Financial Service Providers – dispute resolution	EMB	n/a	Securities Commission	Evelyn Cole, Manager, Consumer Policy, MCA, EMB
Credit Contracts	EMB		Commerce Commission and private enforcement	Evelyn Cole, Manager, Consumer Policy, MCA, and Peter Mumford, Director, EMB
Fair Trading	EMB	n/a	Commerce Commission and private enforcement	Evelyn Cole, Manager, Consumer Policy, MCA, EMB
Fair Trading: product bans, compulsory recalls and compulsory product safety standards	EMB	n/a	Commerce Commission, NZ Customs Service	Evelyn Cole, Manager, Consumer Policy and Stephen O'Brien, Manager, Measurement and Product Safety Service, MCA, EMB.
Weights and Measures	EMB	n/a	Measurement and Product Safety Service, Ministry of Consumer Affairs, EMB	Stephen O'Brien, Manager, Measurement and Product Safety Service, MCA , EMB
Motor Vehicle Sales	EMB	BSB	Motor Vehicle Disputes Tribunal; Commerce Commission for Consumer Information Notice, NEU for register	Evelyn Cole, Manager Consumer Policy, MCA, EMB.

Key

- BSB** Business Services Branch, MED
- CTI** Competition, Trade and Investment Branch, MED
- EMB** Effective Markets Branch, MED
- I&RD** Industry and Regional Development Branch, MED
- IPONZ** Intellectual Property Office of New Zealand, BSB
- ITS** Insolvency and Trustee Service, BSB
- NEU** National Enforcement Unit, BSB
- MCA** Ministry of Consumer Affairs

INTERNATIONAL AGREEMENTS RELEVANT TO THE PORTFOLIO

New Zealand is a signatory to the following international agreements relevant to the Consumer Affairs portfolio:

Free Trade Agreements / Closer Economic Partnerships
• Australia and New Zealand Closer Economic Relations Trade Agreement
• New Zealand and Singapore Closer Economic Partnership Agreement
• New Zealand and Thailand Closer Economic Partnership Agreement
• Trans-Pacific Strategic Economic Partnership (P4)
• New Zealand-China Free Trade Agreement (note that negotiations on government procurement will commence as soon as possible following the completion of negotiations on China's accession to the WTO Agreement on Government Procurement)
International Agreements on Legal Metrology
• New Zealand is a member of the International Organisation of Legal Metrology (OIML)
• OIML Mutual Acceptance Arrangement
Other International Obligations
• OECD Recommendation on Dispute Resolution and Redress