

Annual Report

Commissioner of Consumer Affairs
2009-10

Department of Justice

Commissioner's Comments

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Northern Territory Consumer Affairs plays a vital role in the NT Economy by safeguarding consumer rights while educating traders and business on their rights and responsibilities under the legislation administered.

I am pleased to present this year's report, which highlights the outcomes we have achieved in promoting our role as an effective regulator throughout the Territory.

The past year has seen significant change within Consumer Affairs with the Trade Measurement section transitioning across to the Commonwealth and the repeal of the *Consumer Credit Act* with the Australian Securities and Investments Commission taking on a national focus for credit related regulation.

The impending introduction of the Australian Consumer Law has seen significant work undertaken in ensuring Northern Territory issues are considered in the development of the law which has involved introduction of legislation already in place in other jurisdictions.

Our role in educating Territorians about their rights and responsibilities under fair trading, tenancy and other legislation administered has been extensively increased this year with almost 80 formal presentations provided to organisations, groups and at events. These presentations encourage consumers and traders to take up fair trading issues with each other to seek to resolve issues.

While the above activities improve communication between consumer and traders, we continue to receive a high number of enquiries by phone and

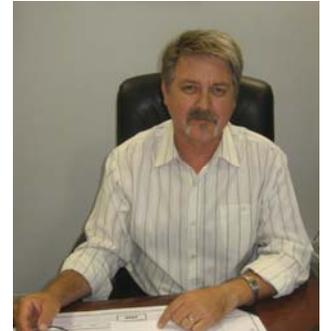
through the internet. The professional staff at Consumer Affairs dealt with almost 3,000 significant enquiries recorded on the client enquiry recording system.

An ongoing regional and remote visitation program continues with the sole Consumer Affairs Indigenous Officer visiting a large number of remote communities throughout the NT. We continue to maintain a strong commitment to visit these areas as regularly as possible informing and educating consumer and traders.

Residential Tenancy regulation throughout the NT continues to represent around 40% of our workload with the tight rental market and high rents impacting on both landlords and tenants. The office provides guidance and assistance to tenants, landlords and agents in regard to operation of the *Residential Tenancies Act* and the manner in which applications can be submitted.

Our Compliance program is both proactive and reactive in nature and has resulted in actions undertaken throughout the NT to protect consumers and traders from the activities of rogue traders. The past year saw one international company enter into an enforceable agreement with the Commissioner to cease its operation and promotional activities within the NT. This was an excellent result achieved with the assistance of the office of the Solicitor for the Northern Territory.

This vital work continues to seek to protect Territorians from the barrage of scams and rogue traders which arrive through the internet, post or at their front door.



I thank and acknowledge the work of the Consumer Affairs staff, both in Darwin and in Alice Springs for their enthusiasm and dedication throughout the past year.

NT Consumer Affairs continues to work to ensure Territorians are provided with services which deliver the best possible protection and which enhance the economy of the Northern Territory. The introduction of the Australian Consumer Law and a number of new pieces of legislation over the next year will see a changing focus for Consumer Affairs with the aim of enhancing protection for consumers and traders throughout the NT.

Gary Clements

Commissioner of
Consumer Affairs
19/10/2010

Output Statement

Provision of a regulatory framework where the community is informed on consumer rights and responsibilities and responsible business conduct is promoted.

Legislative Responsibilities

- *Accommodation Providers Act*
 - *Business Tenancies (Fair Dealings) Act*
 - *Consumer Affairs and Fair Trading Act (CAFTA)*
 - *Consumer Credit Act*
 - *Partnerships Act*
 - *Price Exploitation Prevention Act*
 - *Registration of Interests in Motor Vehicle & Other Goods Act*
 - *Residential Tenancies Act*
 - *Retirement Villages Act*
 - *Sale of Goods Act*
 - *Trade Measurement Act*
 - *Trade Measurement Administration Act*
 - *Uncollected Goods Act*
 - *Warehousemen's Liens Act*
-

Programs

Promote and regulate responsible business conduct through administration of a regulatory system that protects community interests.

Inform consumers of their rights whilst assisting conflict situations through dispute resolution processes.

These programs are delivered by the following two operational units of Consumer Affairs :

- Consumer Affairs; and
 - Trade Measurement.
-

National Meetings

During the reporting year, officers of Consumer Affairs attended national forums, including the:

- Australian Consumer Fraud Task Force (ACFTF);
- Complaint and Dispute Resolution Committee (CDRAC);
- Education and Information Advisory Committee (EIAC) *Formerly National Education and Information Advisory Taskforce (NEIAT)*;
- Fair Trading Operations Group (FTOG) *Formerly Fair Trading Officers Advisory Committee (FTOAC)*;
- Ministerial Council on Consumer Affairs (MCCA);
- National Indigenous Consumer Strategy (NICS);
- Product Safety Consultative Committee (PSCC) *Formerly Consumer Product Advisory Committee (CPAC)*;
- Society of Consumer Affairs Professionals (SOCAP) Annual Symposium;
- Standing Committee of Officials of Consumer Affairs (SCOCA); and
- Trade Measurement Advisory Committee (TMAC).

**“Consumer
Affairs
continues to
work with
national
counterparts for
the
harmonisation
of the
Australian
Consumer Law”**

Law Reforms

The Commonwealth has stated that a single national consumer law is required to rationalise the numerous consumer laws around Australia in order to reduce consumer confusion and reduce compliance burdens for business. The Australian Consumer Law (ACL) is a single, national law concerning consumer protection and fair trading, which will apply in the same way nationally in each state and territory.

The main changes being implemented in the ACL will be new :

- Unfair contract terms covering standard form contracts
- National product safety law and enforcement system
- National law guaranteeing consumer rights when buying goods and services, which replaces existing laws on conditions and warranties
- Enforcement powers for Australia's consumer agencies, including substantiation notices, infringement notices and public warning notices
- Civil penalties for breaches of the ACL, including civil pecuniary penalties and disqualification orders
- Powers for courts to order redress for consumers affected by breaches of the law
- Simple national rules for lay-by agreements and
- National regime for unsolicited consumer agreements, replacing State and Territory door-to-door sales and other direct marketing laws

australian consumer law



Consumer Affairs continues to work with national counterparts for the harmonisation of the Australian Consumer Law due to be implemented in early 2011.

Staff contributed to the development of national policy and legislative reforms through participation in a range of national working groups while continuing work with relevant business and industry organisations to assist in improving the way that business address consumer concerns and complaints.

Our involvement in working groups such as the Complaints Dispute Resolution Advisory Committee, the Education and Information Advisory Committee and the Product Safety Advisory Committee ensure the Northern Territory is represented at a national level.

National Financial Services and Consumer Credit

From 1 July 2010 responsibility for regulating consumer credit and finance broking became the sole responsibility of the Commonwealth, taking over from the various states and territories. The Australian Securities and Investments Commission (ASIC) administers the legislation. The *Consumer Credit Act (NT)* was repealed at the time of commencement of the Commonwealth legislation.

Presentations and Events

A total of 77 formal presentations, talks and information sessions were undertaken by Consumer Affairs staff this financial year. This is up from 27 last year and represents an increase of 185%.

A wide range of venues and organisations were visited including :

- Money Management Services Alice Springs;
- Darwin Correctional Centre;
- Charles Darwin University;
- High schools in Darwin and Palmerston and the NT Open Education Centre;
- Salvation Army Sunrise Centre;
- Seniors groups;
- Young Mothers Group, Palmerston;
- Territory Business Centres staff meetings, Katherine and Darwin;
- Orientations for Electorate Officers, Members of the Legislative Assembly;
- Society of Consumer Affairs Professionals (SOCAP) national conference Sydney; and
- National Tenancy conference.

*“Presentations
have increased
by 185%
this year...”*

Target audiences included :

- Prisoners participating in the reintegration program;
- University students;
- Salvation Army rehabilitation clients;
- Students from local schools and those from remote areas attending residential sessions;
- Real estate agents and property managers – Katherine, Nhulunbuy, Elliott, Tennant Creek, Alice Springs, Howard Springs and Darwin; and
- Indigenous consumers in urban, regional and remote areas.

Consumer protection issues such as tenancy, scams, warranties, mobile phones, moving out of home, contracts, handling complaints and product safety were highlighted. These information and education sessions assist in raising awareness of consumer rights, responsibilities and available services.

Consumer Affairs staff participated in events such as :

- Defence Community Organisation’s Fun Day;
- Council for Aboriginal Alcohol Program Services (CAAPS) Open Day;
- Homeless Connect ;
- Government to Business Expo at the Darwin Waterfront and Alice Springs; and
- The Garma Festival of Traditional Culture.



Displays and Distribution of Resources

Rotational displays highlighting children's safety on the notice board installed in the Royal Darwin Hospital emergency area are continuing. Free standing displays were also provided in libraries in the greater Darwin region and Alice Springs.

The Education and Promotions Officer also took the opportunity to provide resources for display and distribution as part of :

- National Youth Week;
- Palmerston Seniors Forum;
- Adult Learners Week;
- Child Protection Week;
- Water Safety Week;
- Seniors Month; and
- National Consumer Fraud Week.

As part of regular networking with other service providers, information and promotional material was distributed to a range of organisations and government departments including :

- Katherine Women's Legal Forum;
- Desert Papunya;
- Traditional Credit Union;
- Enterprise Grant Workshops in remote communities (Department of Education and Training);
- Kidsafe NT;
- Nhulunbuy Community Library;
- Council of the Ageing; and
- Business kits for new business owners–Territory Business Centres.

Publications



Three issues of 'The Consumer' newsletter were produced this financial year. This year's themes included 'Part of your everyday life', 'Contact Us' and 'Connecting with Communities'. Topics covered included tenancy issues, mobile phone usage, scams, online fraud, buying a pet, photographers, repairs to motor vehicles, blind cord safety, building and renovating tips and car rentals.

These newsletters are an effective way to communicate with Territory consumers in urban, rural and remote areas, keeping them informed of emerging consumer and trader issues in the market place. Circulation is 5,000 copies per edition. The newsletter is also available electronically on the Consumer Affairs website at www.consumeraffairs.nt.gov.au. Emails are also sent to a large number of requested recipients.

Our 'Guide to Renting in the NT' booklet was reviewed and reprinted. It continues to be distributed widely via the Real Estate Institute of the NT, Sommerville Community Services, Centrecare, Territory Housing and other local agencies. More than 10,000 copies are published each year.

Promotional brochures continue to be reviewed and produced to offer consumer advice on emerging and current issues. These are distributed throughout the Territory for display at various libraries, shopping centre information booths, schools and as part of displays and presentations attended by staff.



Media

Eleven media releases were issued in the reporting year. This resulted in 38 interviews with radio, TV and print media.

Topics covered included :

- Suspect bitumen layers;
- 10,000 toys inspected;
- 3D TV safety;
- Pyramid scheme shut down;
- Itinerant traders;
- Show inspections;
- Consumer fraud week; and
- Blind cord safety campaign.

In addition, Consumer Affairs received media coverage on topical issues as they arose such as :

- Caravan Parks
- Dodgy developers and real estate agents
- Rental scams
- Telemarketers
- Sales people targeting Indigenous consumers

Media outlets included the following newspapers, TV and radio stations :

- Centralian Advocate;
- NT News and Sunday Territorian;
- ABC Darwin radio 105.7 FM;
- 783 ABC Alice Springs radio;
- Mix 104.9 radio news;
- TOP FM radio 104.1; and
- ABC Television News.

The reach of Consumer Affairs messages is likely to be have been extended with the growth of social media, such as Twitter, which picks up stories from mainstream media. The Michael Long Indigenous campaign core messages relating to pin numbers, receipts and vehicles continue to be played on Radio Larrakia.

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NEWS

Beware, 3D TV and alcohol don't mix

Territorians warned of new technology's dangers

By BEN LANGFORD

WATCHING 3D television can be dangerous — especially when drinking alcohol, Territorians have been warned.

People are being advised the technology could make them nauseous, disoriented or even liable to topple down stairs.

The 3D phenomenon is sweeping Australia and the first wave of 3D TVs is being sold in the Top End.

The technology requires people to wear special glasses while watching TV. But Consumer Affairs Commissioner Gary Clements said it can be dangerous — particularly for pregnant women, people with epilepsy, young children and those who live in elevated homes.

He said it might be a good idea to see a doctor before spending more than \$200 on a 3D TV.

"Manufacturers especially give a wide range of advice, which includes health warnings and injury prevention advice," he said.

"Anyone planning to buy a 3D TV and glasses should speak to a staff member in-store, visit the manufacturer's website or consult a medical practitioner to determine whether the product is suitable for them and their family."

Mr Clements said some warnings advise against watching under fluorescent lighting or sunlight. And the TVs should not be put near stairs as the viewing may disorient people.

"This warning is particularly important as many Territorians live in elevated homes," he said.

TV antenna technician Mark Sellers said people were advised not to drink alcohol and watch the 3D TV. He said this could be a problem.

"Most people are going to be wanting to watch their sport and be on the booze," he said.

In the Territory, 3D watching is limited to store-bought movies, only a few of which have been produced so far.

No television stations are broadcasting 3D signals to Darwin and they don't have plans to do so soon.

Mr Sellers said 3D broadcasts would need more bandwidth than most channels have available.

Collaborative Activities

The Education and Promotions Officer participated in regular meetings, teleconferences and campaigns to keep abreast of developments in consumer protection, both nationally and locally, to ensure the Northern Territory perspective was represented and to network with other service providers. These included the Education and Information Committee (EAIC), Australian Consumer Fraud Taskforce (ACFT), the Australian Security Commission (ASIC) financial literacy group, National Measurement Institute (NMI), Australian Competition and Consumer Commission (ACCC) blind cord safety campaign.



Blind Cord Safety Campaign

A national blind cord safety campaign was conducted during December 2009, in the lead up to the school holidays and Christmas. Posters, brochures and letters warning the public of the dangers of blind cords were distributed to child care centres, early childhood organisations, pre schools and relevant traders. Advertisements were also placed in local newspapers and editorial was provided for inclusion in relevant newsletters.

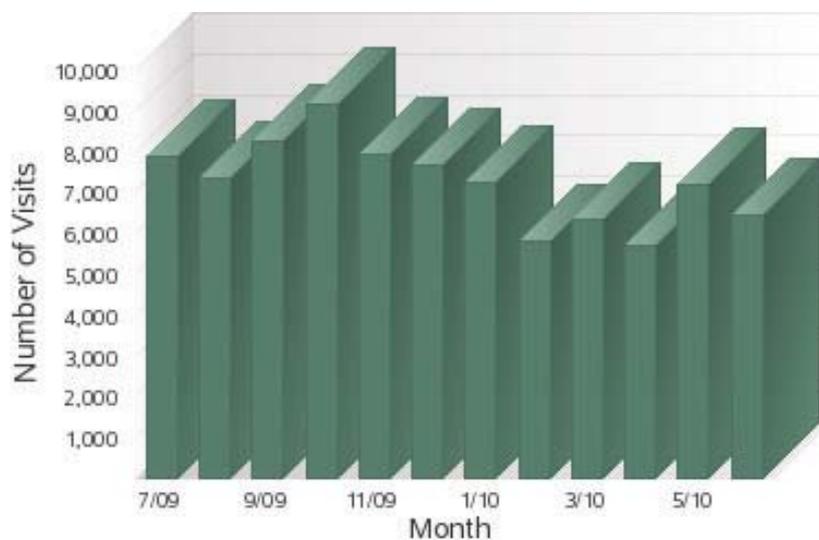
Internet Site (www.consumeraffairs.nt.gov.au)

Consumer Affairs continues to promote its internet site on all of its products and at displays, visits and presentations. As a result, consumers are making good use of our online resources. Content is regularly updated and includes newsletters, media releases, hot topics, links to useful websites, relevant legislation and developments in consumer protection.

Internet Statistics

“Visits to the internet site are slightly up on last year...”

Total visits to the Consumer Affairs webpage for the reporting year were 86,929 slightly more than last financial year. The busiest month was October 2009 and the average visits per day was 238. Some of the most popular search terms were ‘refund letters’ and ‘second hand cars’. Residential tenancies, fuel watch and refund letters were amongst the most popular internet pages visited.



July 2009	7,880
August 2009	7,343
September 2009	8,266
October 2009	9,155
November 2009	7,951
December 2009	7,697
January 2010	7,251
February 2010	5,819
March 2010	6,322
April 2010	5,667
May 2010	7,168
June 2010	6,428
TOTAL	86,929

Overview

The Consumer Affairs Call Centre handles telephone consumer and trader enquires five days a week.

The enquires received are varied and can range from a car rental company incorrectly charging thousands of dollars for alleged repairs to a grievance about an increase in the price of a coffee.

Callers are generally seeking information on their rights as consumers, often resulting from a real or perceived injustice.

Detailed information received from enquires where a matter may require follow up, are recorded on the Client Enquiry Record System (CERS).

In situations where it appears a trader may be involved in unconscionable or unlawful conduct, general advice is provided to assist the consumer in negotiations with the trader.

The consumer is encouraged to contact Consumer Affairs again if the trader is unwilling to negotiate. At this stage, completion of a formal Complaint Form is required so that Consumer Affairs staff can conciliate on behalf of the consumer.

This will result in a formal investigation that is carried out by a Fair Trading Officer in an attempt to resolve the dispute.

This dispute resolution process involves developing open communication with the trader and consumer to ensure factual and relevant details are established.

This is followed by a conciliation process that often results in a positive outcome for both parties.

Most traders are willing to participate in conciliation processes.

This process also results in education of traders, improved understanding of and subsequent compliance with legislation.

Fair Trading Officers are active in visiting businesses throughout the Northern Territory in an effort to educate traders about their rights and obligations under consumer legislation.

“... formal complaint investigations are up by 29% ...”

Enquiry Service and Dispute Resolution

During the reporting period, Fair Trading Officers received 15,925 telephone calls, emails and counter enquiries.

We investigated 229 formal complaints, up by 29% on those investigated last financial year.



Enquiry Trends

Telephone calls, email and counter enquiries in this reporting period showed a 14% increase over the previous year. As with the previous year, this increase in enquiries appears to be attributed to the current economic climate where people are more aware of their spending habits and are expecting more for their money. Consequently, consumers are more inclined to seek advice on their consumer rights to ensure they receive value for money. The distribution of enquiries across the various categories showed a slight decrease in tenancy related enquiries and little change in other areas from the previous year.

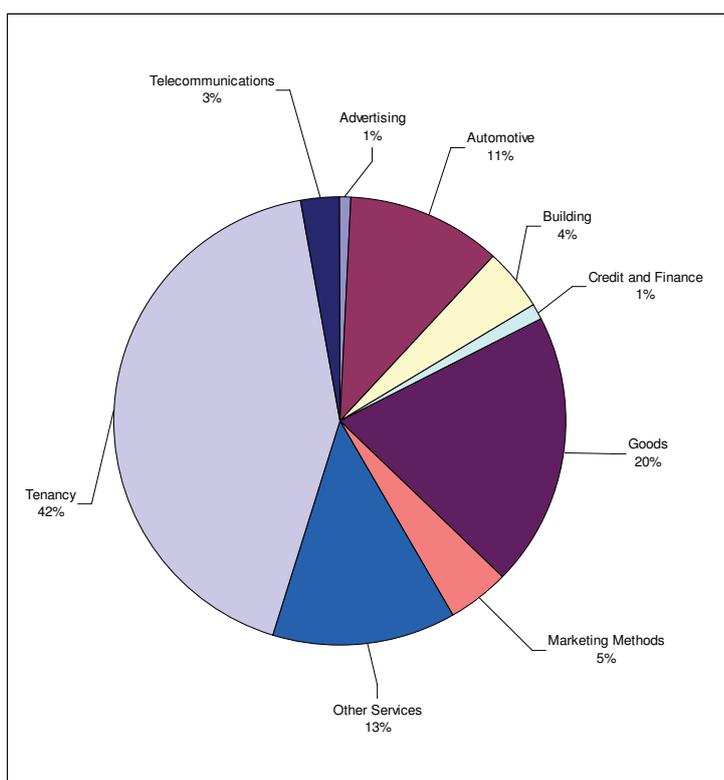
Complaints

The lodgement of a formal Complaint Form from a consumer initiates an assessment of the details contained in the form. This results in an investigation, which involves contacting both parties to ensure that the full facts are presented, allowing a conciliation process to commence. The investigation can include independent technical input, contact with third parties and site visits to traders. Although some complaints may seem frivolous, an investigation is carried out to ensure procedural fairness to all parties involved.

A total of 229 complaints were investigated by Fair Trading Officers. Of these complaints, more than half resulted in the consumer receiving full or partial redress. On a number of occasions, breaches of licence conditions were also detected, which were forwarded to the Licensing, Regulation and Alcohol Strategy division of the Department of Justice for further action.

Enquiries

Of the total number of telephone calls and counter enquiries, 2,881 were recorded on the Client Enquiry Recording System (CERS) database. This is a 32.6 % increase on last year's figures. A categorised breakdown of these can be seen in the table below. The major enquiries related to tenancy (42%), goods (20%) and automotive (11%).



Consumer Affairs Enquiries 2009-10

Advertising	22
Automotive	319
Building	128
Credit and Finance	32
Goods	573
Marketing Methods	130
Telecommunications	78
Tenancy	1,230
Other Services	369
Total	2,881

“Total number of calls and enquiries recorded increased by 32.6 %”

Regional Visits

As part of a continued commitment to educate consumers and traders throughout the Northern Territory, Fair Trading officers conducted promotional visits to a number of regional areas.

These officers visited Elliot, Tennant Creek, Jabiru, Katherine and Nhulunbuy to educate traders about consumer legislation and provide an opportunity for consumers to discuss their concerns.

Local traders throughout Darwin, Palmerston, outer rural retail centres and Alice Springs were all

visited by the officers. Visits to retail outlets increased from 90 to 360 this financial year.

This represents a 300% increase.

The Indigenous Liaison Officer visited various communities across the Northern Territory to promote consumer awareness. Some of these communities included Mataranka, Elliott, Yirrkala, Ngukurr, Bulman and Daly River.

The officers also visited electorate offices of the Members of the Legislative

Assembly, community groups, schools, Indigenous organisations, libraries, welfare organisations, as well as trainers, educators and service providers. Presentations by Fair Trading officers to various groups include detailed information on consumer rights regarding warranties, repairs and refunds, purchasing second-hand vehicles and scams.

These presentations are also used to promote the Consumer Affairs website that is updated regularly to provide traders and consumers valuable information about their rights and responsibilities.

“This represents a 300% increase in trader visits...”

Motor Trades Association (NT) Inc.

Consumer Affairs has a unique arrangement with the peak industry association, the Motor Trades Association (MTA) (NT) which allows the MTA, with the agreement of consumers, to handle consumer complaints, disputes and enquiries against its members, as referred from Consumer Affairs.

This financial year, the MTA dealt with 53 disputes. This figure is comparable to the previous year's figure of 52.

The number of disputes does not take into account various enquiries which are treated as part of the MTA's daily business.

As the number of disputes has not increased significantly, it would indicate that MTA members are providing a professional service to their clientele.



Licensing

As at 30 June 2010, the following licences were current:

- Motor Vehicle Dealers – 106
- Motor Vehicle Dealers' Managers – 91
- Travel Agents – 85
- Second-hand Dealers – 21
- Pawnbrokers/Second-hand Dealers – 8
- Commercial and Private Agents – 111

Licensing of occupations under CAFTA is administered by the Licensing, Regulation and Alcohol Strategy division of the Department of Justice on behalf of the Commissioner.

Over the reporting year, there were 12 motor vehicle dealer investigations, no private agent investigations and no second-hand dealer investigations. No compliance visits or inspections were conducted during the period.

Presentations and visits to Indigenous Organisations

Consumer Affairs continues to provide education and promotion of consumer rights throughout remote and regional Indigenous communities with the Indigenous Liaison Officer visiting numerous locations to help protect against potential itinerate and rogue traders. These visits provide an opportunity for consumers to have issues addressed face-to-face and gather information from vulnerable consumers. The Indigenous Liaison Officer provides a focus for advocacy and mediation in relation to resolving specific cases. The main consumer issues of concern in remote communities continue to be 'book up', door-to-door trading, car purchases and repairs and mobile phones.

The Consumer Affairs Indigenous Liaison Officer conducted regular visits, presentations and distributed educational resources and materials to shire councils, Indigenous organisations, local groups, and educators, such as the Council for Aboriginal Alcohol Program Services (CAAPS), Aboriginal Hostels, Aboriginal Health and Legal Services.

The main aim is to promote the Office as a point of contact to assist Indigenous consumers with disputes and provide advice about fair trading, tenancy etc. Specific information sessions were also delivered to Indigenous Financial Literacy workers and other service providers. Information and education sessions as part of the Prison Reintegration Program were also initiated in 2009-10.

During the reporting year, Consumer Affairs and the NT Anti-Discrimination Commission (ADC) ran the final series of 'Your Rights Film Nights'. Ngukurr, Minyerri and Binjari were visited. The project aimed to provide consumer legal information as part of an outdoor movie experience. A wide range of service providers participated in the film nights project including NT Legal Aid Commission, North Australian Aboriginal Justice Agency (NAAJA), Australian Securities and Investment Commission (ASIC), and the Australian Competition and Consumer Commission (ACCC).

Ingkintja Congress Male Health Conference

The Indigenous Liaison Officer attended the Ingkintja Congress Male Health conference held at Inteyerrkwe, Ross River, east of Alice Springs. Consumer Affairs used the opportunity to increase its profile throughout communities in the Central Australian region. Senior cultural men, young leaders and future leaders were joined by representatives of government and non-government, Indigenous and non-Indigenous organisations to develop recommendations to help 'Stop the Violence'. The men were able to share information about general Consumer Affairs services, along with specific information and messages directly relevant to people's lives in remote areas, where access to services is often limited. Money troubles related to purchasing and repairing vehicles, electrical equipment, signing contracts, mobile phones and other debt issues were identified as factors contributing to family stresses. The men also heard what is being done by Consumer Affairs to assist people in regard to door-to-door traders.

GARMA Festival of Traditional Culture

Consumer Affairs Indigenous Liaison Officer also participated in the Garma Festival of Traditional Culture, along with others from various government and legal organisations. They presented as part of a series of forums held with the theme of "Indigenous Creative Industries: Opportunities, Culture and Knowledge". The target audience were academics and professionals in attendance. The Garma Festival draws in clan groups and representatives from north east Arnhem Land and neighbouring areas and Indigenous people from throughout the Northern Territory and Australia. An information tent was set up for consumers in collaboration with NT Legal Aid Commission, North Australian Aboriginal Justice Agency (NAAJA), Anti-Discrimination Commission, Australian Competition and Consumer Commission (ACCC) and the NT Ombudsman. The Officer also visited Gapuwiyak, Maningrida, and Ramingining.



**“...Prison
Reintegration
Program
information
sessions were
initiated ...”**



Community Education

Community Education sessions were held during visits to several regions. These included Warrawi, Minjilang and the Katherine region (Timber Creek, Lajamanu, Kalkarindji, Jilkmingan, Kalano and Mataranka).

Consumer Affairs conducted expos, information and education sessions in partnership with NT Legal Aid Commission, Australian Competition and Consumer Commission (ACCC), Australian Securities and Investment Commission (ASIC), Aboriginal Legal Services, Commonwealth Ombudsman and the NT Anti-Discrimination Commission.

Combined displays were held at Daly River for the Merrepen Arts and Sports Festival. Radio Larrakia continues to be used to broadcast regular Consumer Affairs community service announcements.



Indigenous Consumer Network

The Indigenous Consumer Network continues to meet three times per year to discuss issues and work cooperatively towards improving Indigenous consumer protection education and understanding. Its membership ensures regular participation by staff from a range of organisations in regional areas.

Members include NT Legal Aid Commission, Centrelink, Outback Stores, Anglicare, Tangentyere Council, Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), Central Australian Aboriginal Legal Aid Service (CAALAS) and North Australian Aboriginal Justice Agency (NAAJA).

The Network's Chair has been rotated through Australian Securities and Investments Commission (ASIC), Australian Competition and Consumer Commission (ACCC) and Consumer Affairs.



Photographs © Yothu Yindi Foundation/Garma

COMPLIANCE

Statistics

Please note:

These statistics are only available for matters which concluded in the 2009-10 financial year.

Investigations that commenced in 2009-10 but did not conclude prior to 30 June 2010 will be counted in later annual reports.

Some matters result in multiple outcomes which means that the total outcomes will outnumber the number of individual investigations.

For example, a complaint may be received which is relevant to multiple other organisations, as well as requiring a compliance visit which leads to compliance education.

Investigations conducted	52
Investigations concluded	44
Complaints withdrawn, resolved to the satisfaction of the complainant or where no breach was disclosed	15
Complaints referred to other organisations	59
Traders placed on notice	12
Investigations referred for prosecution	1
Trader visits	105
Compliance education provided	64
Contracts annulled or varied	251
Investigations involving or leading to banned products	1
Investigations /notification involving or leading to recalled products	45
Investigations involving or leading to mandatory standards	1
Investigations involving or leading to warning labels on products	5

Achievements

Supa Cheap Rentals Pty Ltd

In April 2009, a complex and detailed investigation was conducted into the practices of Supa Cheap Rentals Pty Ltd.

The Melbourne based company targeted Indigenous communities in the NT by signing up vulnerable consumers to rental agreements for household goods such as TVs, DVD players, air conditioners, white goods, laptop computers and personal entertainment devices.

The door to door trading practices used were found to involve significant breaches of the *Consumer Affairs and Fair Trading Act (CAFTA)*.

Due to the quick action taken by Consumer Affairs, the company willingly cancelled all 248 contracts valued at over \$721,000. Refunds totalling almost \$5,000 were made to consumers where direct debit payments had immediately been made including refunds of associated direct debit fees.

The company, Supa Cheap Rentals Pty Ltd, ceased trading as a result of Consumer Affairs' involvement and have since been wound up.

“Due to the quick action taken by Consumer Affairs, the company cancelled contracts valued at over \$721,000”

TSC2000 Europe Ltd

In late 2009, legal proceedings were commenced in the NT Supreme Court alleging that TSC2000 Europe Ltd (TSC) was operating an illegal pyramid scheme in the Northern Territory.

The scheme known as the OzPower System promised members benefits connected with weekly lottery draws and bonuses for signing up new members.

On 27 May 2010, TSC gave detailed, court enforceable undertakings to cease operating and promoting the OzPower System in the NT.

TSC was required to publish a prominent notice on its website, provide details of the undertakings to all existing Territorian members and allow existing Territorian members to cease participating without being required to pay a cancellation fee.

TSC's agreement to stop operating in the NT meant that the Court did not need to determine whether the OzPower system is an illegal pyramid scheme.

This is the first time this form of agreement has been made in the protection of NT consumers and represents the culmination of an extensive investigation by Consumer Affairs officers.

Rental business

In June 2010, an investigation into the practices of a Palmerston based household equipment rental business, was conducted.

It was revealed that in at least one case, the door to door trading provisions of CAFTA were not complied with and several direct debit payments were made although the subject goods had not been delivered to the consumer.

The company agreed to cancel the contract and the consumer was fully refunded.

Compliance staff worked closely with the company resulting in the review of the rental contract in use and the implementation of business procedures to enhance consumer protection and ensure future compliance with CAFTA requirements.

Banned Toys

Surveillance of the marketplace is an important part of the NT product safety regime. Through trader visits across the NT, Consumer Affairs staff found on sale expanding toys which are subject to a ban in the NT that prohibits the supply of these dangerous items. Compliance action included the removal from sale and supply of the banned items, education in product safety and four traders were put on notice in regard to potential breaches of the CAFTA.

Activities

Show Circuit

“...show bag inspections are up 74.5% ”



Product safety compliance checks were conducted at both the Alice Springs Show and the Royal Darwin Show. A total of 274 show bags from 26 suppliers were inspected. This is a 74% increase on last year.

Compliance action involved the removal of five items from show bags and the addition of five warning labels was required. A prohibited toy on sale in contravention of NT safety bans was also removed and seized during the inspection of novelty stalls. The program included education of 26 suppliers and stall holders on current product bans and mandatory safety standards.

Photo: Justin Brierty, Centralian Advocate

Compliance & Dispute Resolution Advisory Committee (CDRAC)

Participation continued in the national Compliance and Dispute Resolution Committee with nationally coordinated investigations and compliance activities. In particular, staff participated in a campaign which focussed on refund policies within the general retail industry. During this campaign, 40 retail outlets were visited across the Darwin and Palmerston area revealing a 90% compliance level with the *Consumer Affairs and Fair Trading Act*. The results will be included in a national report to be released in the near future.

Product Safety Consultative Committee (PSCC)

“...the audit resulted in about 10,000 products being assessed...”

A major initiative of the Product Safety Consultative Committee (PSCC) was the National Christmas Toys Compliance Audit which implemented surveillance activities in every Australian jurisdiction, including the Northern Territory. In the NT, the audit resulted in approximately 10,000 products being assessed with 47 types of toys found to have regulatory issues.

Nationally only 0.05% of products assessed or tested by safety agencies failed to comply with the various mandatory product standards in force across the country. Children's toys producing choking hazards were accountable for the majority of non compliance identified in the audit with approximately 186 product lines removed from sale. Appropriate enforcement action including recalls was undertaken by the ACCC and state and territory regulators.

Fair Trading Operations Group (FTOG)

Consumer Affairs officers participated in the national Fair Trading Operations Group (FTOG) and nationally coordinated compliance activities and investigations. FTOG acts as a strategic advisor to the Standing Committee of Officials of Consumer Affairs (SCOCA), providing an effective mechanism for interjurisdictional cooperation at the operational level.

International Consumer Protection and Enforcement Network (ICPEN) Internet Sweep

In September 2009, Consumer Affairs, along with consumer protection agencies from 20 countries took part in the International Consumer Protection and Enforcement Network (ICPEN) Internet Sweep (the Sweep). Websites were scrutinised for online traders illegally misleading consumers, focussing on traders who target vulnerable consumers caught by the financial crisis. During the Sweep, Australian consumer protection agencies reviewed more than 1,400 websites and identified over 400 for further analysis. Results indicate that online ticketing was an area of concern.

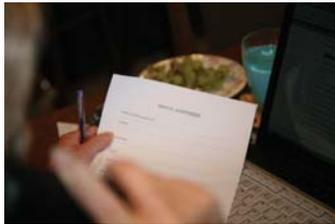
Bait Advertising

A bait advertising audit of various traders was undertaken by Consumer Affairs officers in Darwin and Palmerston in the lead up to Father's Day 2009. The results of the audit led to one investigation being conducted into bait advertising.

Retirement Villages

Consumer Affairs continues to maintain a close relationship with organisations involved in accommodation for the aged. No complaint matters under the *Retirement Village Act* were dealt with in this period.

Residential Tenancies



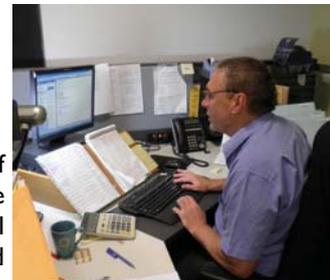
Over the past year, the Commissioner of Tenancies received 756 applications relating to disputes between landlords and tenants. This figure is down from last year and may continue to reflect the tight rental market in the Northern Territory. Tenancy Officers provide regular education sessions to real estate agents which in turn results in better information and service to tenants.

Forty of the applications received were withdrawn directly due through conciliation processes carried out by Tenancy Officers. Other withdrawals have occurred during inquiry hearings or prior to inquiry. These withdrawals occur for a large number of reasons and may include outstanding rent paid or incorrect information provided.

A significant number of the 698 inquiries heard by the Delegate of the Commissioner of Tenancies resulted in orders for compensation for unpaid rent, termination of the property and possession of the property.

In some instances orders were appealed to the Magistrates Court.

Decisions that relate to the outcome of inquiries held by the Delegate of the Commissioner of Tenancies are, on occasion, loaded onto the Australasian Legal Information Institute (AustLII) website. AustLII provides free access to public legal information within Australia and overseas.



Business Tenancies

A total of 47 business tenancy enquiries were received by call centre staff during this reporting period. This represents an increase of over 300% on last financial year's enquiries. These enquiries resulted in a total of seven formal applications being submitted to the Commissioner of Business Tenancies in relation to the *Business Tenancies (Fair Dealings) Act*.

Of these, four had Failure to Resolve Retail Tenancy Claim Certificates issued, one had no further action as further investigation found it did not meet the requirements of the Act, one was closed as the complainant had changed the details of the complaint and the final one had a lease that started before the Act commenced.

**“Business
tenancy
enquiries
increased by
over 300%”**

Role

The Trade Measurement Unit is responsible for ensuring accuracy in measurements made for trade and provides measurement advice and assistance to business while ensuring consumers receive the quantity of goods they order and pay for.

This work is complemented by the operation of Certifiers licenced under the *Trade Measurement Act*. Trade Measurement Inspectors conduct audits of the instruments that certifiers have placed into service at trade premises. Verification of fuel and LPG pumps located in selected sites in the metropolitan area is ongoing. At each site fill and dip points are also checked for suitable seals and gaskets. LPG local delivery tankers, fuel tankers and fuel pods continue to be verified in Trade Measurement's yard. Throughout the Northern Territory, remote communities have also been visited to ensure compliance with the *Trade Measurement Act*. Compliance by traders is at a high level.

The unit also conducted a reverification program, for measuring instruments in use for trade, by visiting trade premises and testing for compliance with approval requirements, accuracy and suitability for purpose.

Trade Measurement staff tested a total of 717 items, over the past year including laboratory items, weigh bridges and fuel pumps.

Trade Measurement staff continued to work with national counterparts to ensure a smooth transition the transfer of the Trade Measurement unit to the National Measurement Institute, which occurred on 1 July 2010.

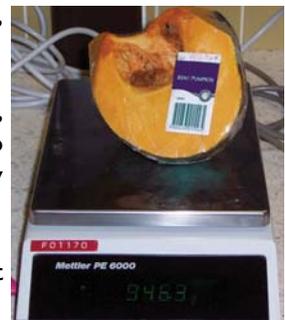
Staff were involved in various meetings, working groups and committees to ensure the Northern Territory was represented at a national level.

Pre-Packed Article Checks

The unit concentrated this year's checks on testing pre-packed article including fruit, vegetables and meat in the major supermarkets in the greater Darwin region.

As a result of the pre-packed articles program conducted by Trade Measurement officers, several items were identified as being detrimental to consumers, including items found to be (but not limited to) underweight and insufficiently labelled as per regulatory requirement. The traders quickly took appropriate steps to rectify these items.

Compliance is high and very few complaints are received relating to supermarket behaviour or practice.



Metrology Laboratory

Licensee reference standards used for the repair and calibration of measuring instruments for sale to consumers in the Northern Territory are verified in the Trade Measurement laboratory. Industry masses and measuring equipment are tested and certified according to relevant national standards. Measurements taken are traceable to the National Standards of Measurement held at the National Measurement Institute in Sydney.

The laboratory is assessed for competence by the National Association of Testing Authorities (NATA), according to ISO/IEC 17025 requirements, prior to being awarded Verifying Authority status under the Commonwealth *National Measurement Act 1960*.

Environmental Fuel Testing



“Only 4% of fills and 12% of dips were faulty ...”



The Unit continued with the fuel sampling program of testing fuel for contaminants and to ensure adherence to environmental standards.

This program is in accordance with a Service Level Agreement between the Department of Justice and the Commonwealth Department of Environment, Water, Heritage and the Arts. The samples are collected mainly from Darwin and Alice Springs fuel outlets.

Samples were taken across four products; unleaded, premium unleaded, Opal and diesel. All samples taken complied with the Australian Fuel Standards.

Trade Measurement staff also checked fuel stations in the Top End ready for the Wet Season rains, following past complaints about water in fuel. They assessed the potential for water to enter the storage tanks through faulty fills and dips.

Their inspections included fuel stations at Mataranka, Coolalinga, Humpty Doo, Palmerston, Berrimah, Virginia, Howard Springs, Noonamah, Darwin City, Ludmilla and the Northern Suburbs.

The results were generally good and the faults found will be checked again to ensure compliance. Only 4% of fills and 12% of dips were found to contain faulty seals or caps.

The Commissioner also wrote to all service stations in the Northern Territory informing them of past concerns about water in fuel, encouraging a higher level of awareness and maintenance in this area.

Fuel Watch

Trade Measurement also continued with a program of fuel price monitoring. Fuel prices in Darwin, Katherine, Tennant Creek, and Alice Springs were noted by physical visits and Nhulunbuy, Kings Canyon and Yulara by phone.

Prices of ULP, Diesel, PULP, E10 and LPG were taken and a summary is uploaded each Friday to the Consumer Affairs website at NT Fuelwatch (www.consumeraffairs.nt.gov.au).

Education

Ongoing support, mediation and advice was given to consumers and traders to ensure compliance with the *Trade Measurement Act*. Inspectors recently visited supermarkets with a fact sheet on "Pre-packed Articles for Retail Sale" to assist with compliance in this area.

Officers also issued all service station staff with fact sheets on the correct labelling for the sale of ethanol blend fuels.

