

APPENDICES

Appendix One

Written Response by Consumer Council of
Fiji

16th July, 2019 **Responses to the Standing Committee on Social Affairs**

1. Brief the committee on the functions of the Consumer Council of Fiji

The Consumer Council of Fiji (CCoF) is an independent statutory body established under the Consumer Council of Fiji Act -1976 (Cap 235). The Council, as a watchdog protects the rights and interests of consumers by promoting a fair and just delivery of goods and services. First and foremost, the Consumer Council is an advocacy organisation, conducting rigorous research and policy analysis on key consumer issues. Section 6 of the Consumer Council Act stipulates the functions of the Council. The Council is required to do such acts and things it considers necessary or expedient to ensure that the interests of the consumers of goods and services are promoted and protected. These functions include:

- ✚ Advice the Minister on matters affecting the interest of the consumers;
- ✚ Make representation to the Government or any other organisation on any issues affecting the interest of consumers;
- ✚ Collect, collate and disseminate information in respect of matters affecting consumers;
- ✚ Conduct research and investigations;
- ✚ Advise and assist consumers;
- ✚ Give evidence at any investigation or inquiry; and
- ✚ Support consumers when they decide to take legal action against any trader or service provider. We cannot initiate but we can support the consumer.

So, all in all Council's legal mandate is to:

1. Safeguard consumers' interest;
2. Educate consumers on their rights and responsibilities; and
3. Empower consumers towards a fair and safe market place.

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2. **Inform the Committee of the key challenges the Council faces whilst trying to achieve its strategic objectives and how it is planning to overcome these challenges?**

The Council has four strategic goals. They are

🚩 **Goal 1: Improve consumers ability to make informed decisions**

Lack of solidarity within Fijian consumers. Actually, the burden falls heavily on the Council. We have seen that on a number of issues the consumers will not come on board. They will rather sit and criticise but when the gains come about, then they become silent. For example, despite numerous advocacy and awareness conducted by CCOF about importance of labelling requirements, we have seen consumers continue to purchase goods without questioning.

🚩 **Goal 2: Drive change to benefit consumers**

Changing the mind-set. I believe it is equally important to change the mind-set of the private sector and the policy makers that consumers are equal partners in the economic growth and development because consumer confidence actually stimulates economic activity.

🚩 **Goal 3: Solve consumer complaints through Alternative Dispute Resolution (ADR), Advisory Services and legal representation**

Traders are not forthcoming in providing redress in form of refund or replacement. Compensation is a major issue because there is no law that talks about compensation being given to consumers. Any compensation, you have to go to court for that. The trader can be charged for unscrupulous behaviour but the consumers will not be given compensation. You have to fight your compensation case in the court, so that is another challenge.

🚩 **Goal 4: Foster a high-performance organisation**

High turnover of the Council staff. Every year the Council struggles to meet the consumer demand against high staff turnover. Developing and maintaining staff efficiency and productivity is a major challenge.

3. **How does the Council ensure that both male and female employees are treated equally in recruitment, training, hiring and promotion?**

The Council has Human Resource policies that dictate the processes to be followed in recruitment, training, hiring and promotion. The policy sets out the Councils guidelines to provide equal employment opportunities and treatment and preventing discrimination at the work place.

4. **Does the Council align itself to any of the Sustainable Development Goals? If so can you further enlighten the Committee on this?**

The work of the Council and indeed the global consumer movement is directly aligned to many of the Sustainable Development Goals. I will briefly speak on three of the Goals that the Council is aligned to begin with:

GOAL 1: No Poverty

The Goal of ending poverty and reducing rising costs for consumers is work that the Council has strived to achieve through budget submissions that lobby for reductions in the cost of goods and services. The Council has previously lobbied for:

- ✚ Removal of 3% credit card levy - *Budget submission 2016*
- ✚ Electricity subsidy to low income earners with a combined income of less than \$30,000 for the first 100 kWh; any usage above it to attract normal tariffs. *Budget submission 2016*
- ✚ Duty reduced from 5% to 0% on glucometers, testing kits and diabetic strips - *Budget submission 2015*
- ✚ Duty reduction on items such as deodorants and antiperspirants from 15% to 5% - *Budget submission 2015*
- ✚ Duty reduction from 32% to 15% on perfume, cosmetics, make-up preparations, pre-shave, shaving and after shave preparations- *Budget submission 2015*
- ✚ Reduction of duty on sanitary pads from 32% to 0% - *Budget submission 2010, 2013, 2014 & 2015*
- ✚ Reduction of duty on personal garments (underpants and briefs) from 32% to 5% - *Budget submission 2015*

Goal 3: Good Health and Well-being

The Council's work in this area centres around ensuring that products that are released into the market do not jeopardise the safety of consumers. A most recent example of this is the Council's campaign against Counterfeit Mobile Phones that present significant health risks to consumers because of the heavy metals used in their production. The Council is also lobbying for standards on safety for consumer products to be introduced to Fiji to ensure that all goods entering the country meet minimum safety requirements ensuring that they are safe for consumer use. The Council is also closely involved with the Ministry of Health and has conducted campaigns on a number of consumer health topics including:

- ✚ Proper use of Antibiotics;
- ✚ Safe and Sustainable food for all a Campaign against pesticides in food; and
- ✚ Combatting NCDs through Consumer Empowerment.

Goal 12: Responsible Consumption and Production

In 1999, a new section was added to the UN Guidelines to address sustainable consumption. Consumers International (CI) welcomes and supports the inclusion of Sustainable Consumption and Production in the Sustainable Development Goals. Ensuring consumers are supported, informed and educated to consume sustainably is central to achieving the SDGs. Consumers need to understand how their consumption choices, use and disposal of products and services, can reduce environmental impact and

contribute to sustainability, as well as trust that the information they are given is reliable and accurate.

In 2012, the Council was able to secure funding for the CI initiated campaign, funded by the CI's Green Action Fund (GAF) 2012 and the Swedish Society for Nature Conservation (SSNC) on sustainable consumption, focusing on promoting energy-saver bulbs under the campaign slogan "Switch and Save". The Council also carried out an extensive research on the Energy Saver light bulbs. A Factsheet was designed and 10,000 copies were printed for distribution. The "Switch and Save" campaign was also covered in the Fiji Times on 17th December, 2012.

5. Update the Committee on the Council's future plans and initiatives.

Moving forward the Council is looking to involve itself with new initiatives to further the green consumer agenda and ensure that consumer rights and responsibilities continue to be protected in the face of technological innovation and advances.

Green and Sustainable Consumerism

In 2019-2020 financial year, the Council will conduct a campaign on Green and Sustainable Consumerism. This is essentially encouraging consumers to be aware of the impact that their consumption has on the environment. The Council aims to conduct awareness and advise consumers to make greener choices when in the marketplace. Steps the Council will take include:

- 🚦 Promotion of reusable bags as opposed to plastic bags when shopping;
- 🚦 Encouraging consumers to pick products that have biodegradable packaging; and
- 🚦 Encouraging the use of white goods that are rated highly for energy and water conservation.

Lobbying for standards

The Council sits on the standards committee under the Ministry of Industry, Trade and Tourism and will lobby for the inclusion of standards on all products entering the Country to ensure that consumers are protected against products that are sub-standard or unsafe (e.g. Counterfeit Mobile Products)

Lobby for Financial Markets to be heavily regulated

The number of complaints received against this sector is increasing every year and analysis reveals that irresponsible lending by financial services providers is a major issue in the retail credit market. Furthermore, non-disclosure of information and high interest rates also remains a concern. The issue of unfair or unreasonable fees and charges, and unfair terms and conditions in loan agreements persist today with credit providers and moneylenders. Irresponsible Lending is a major issue in the retail credit market. Some credit providers are providing credit to consumers who do not have the ability to repay their loans.

6. How successful has the Council been it's engagement with the Government and other stakeholders in regard to resolving consumer complaints and seeking redress on overpriced items?

The main stakeholder that the Consumer Council liaises with in regards to resolving consumer complaints and seeking redress on overpriced items is the Fijian Competition and Consumer Commission. This is because the FCCC is the only price regulator for goods. The Council's engagement with the FCCC has brought about successful outcomes for consumers. Some of the positive outcomes include:

- 🚩 Traders adhering to price regulations for price control items; and
- 🚩 Traders refunding excess amount charged

Apart from FCCC, depending on the nature of complaints, the Council also works with Ministry of Health, Biosecurity Authority of Fiji, Municipal Councils, et cetera.

7. How has the Council impacted on policy formulation in regards to consumer issues?

The Councils has had positive impact on policy formulation in a number of consumer related issues. Three of the most recent positive impacts include.

🚩 *Removal of the Data Bureau*

The Council had actively lobbied for the removal of the Data Bureau Fiji Limited which was never beneficial to the consumers as it had poor record keeping on the consumers' credit worthiness. Fiji Data Bureau was an obstacle to consumers who wanted to access credit to improve their quality of life. As a privately-owned company it operated under a disclaimer.

🚩 *Establishment of ACCF*

After years of lobbying by the Council, the Accident Compensation Act 2017 led to the establishment of the Accident Compensation Commission Fiji (ACCF) in January, 2018. The Council had lobbied for this because of unfair terms that many consumers faced when claiming insurance payouts. The scheme provides compensation for any personal injury or death as a result of an accident involving registered motor vehicles in Fiji without the need to establish fault or negligence. Vehicle owners are required to pay the levy when registering or renewing the registration of their vehicles with the LTA. The LTA collects the levies for the ACCF.

🚩 *Implementation of JEVIC*

Consumers continued to face a lot of issues with the purchased second hand vehicles. The Council succeeded in the reintroduction of second hand vehicle checks by the Japan Export Vehicle Inspection Centre (JEVIC), so that a pre-shipment inspection of the vehicles is undertaken before being sent to Fiji for sale. From August 2016, JEVIC was reinstated to bring about much needed transparency, accountability and responsibility in second hand car business in Fiji. In the absence of regulations to safeguard consumer

interests, JEVIC will better protect consumers from purchasing defective, stolen or written off used vehicles.

Legislation to Govern inter-island Shipping Companies







In the 2019-2020 budget, the Government announced that legislation would be drafted to hold shipping companies accountable for certain standards of service. The Consumer Council of Fiji had lobbied for these changes because of the constant complaints made regarding inter-island shipping companies. These complaints included issues concerning delay in departure time, delay in arrival time, high cargo costs, high cost of refreshments on inter-island shipping vessels, overcrowding of vessels and unhygienic and unclean passenger areas.

Aside from this, the Council continues to lobby to government through submissions and public campaigns on a number of issues facing consumers and the Council looks forward

8. Property Insurance

a. What are the requirements that need to be met by consumers to qualify for property insurance?

In general, the Council notes that in Fiji, the following (but not limited to) factors influences the insurer in determining whether to accept the risk and the premium rates charged.

-  *Age of the building structure to be insured*
-  *Type of the building structure (whether it is concrete, timber built, etc)*
-  *The Engineer's Cyclone Certification*
-  *Location of the property (whether it is based in a flood prone area etc and*
-  *Security features of the premises (if insuring for contents and burglary)*
-  *Property Valuation Report.*

Insurance companies consider the Engineer's Report a pre-requisite to obtaining property insurance and without property insurance, one cannot get a loan. Although, depending on the acceptable level of risk, the need for this pre-requisite can defer between different insurance providers.

b. What are the major reasons why consumers do not insure their properties?

- **Premium Rates:** Not all low-income earners can afford present premium rates. In addition, it is hard for them to bear the cost of meeting all requirements set by the insurers, such as providing an engineer's cyclone certificate. However, not all insurance companies are then prepared to provide insurance cover for their homes.
- **Lack of Tailor Made Insurance Products:** The insurance companies also don't have tailor-made insurance products to suit the needs of the low income earners. This is inclusive of properties without valid engineer's certificate.

A substantial proportion of the customers of Housing Authority who fall in the low-income category are not able to afford engineering upgrading certification after every seven years. Thus, this potentially disqualifies them from the cyclone cover.

- c. Explain the reasons why insurers do not provide cover for houses built/upgraded using the 'Yellow Book'. Is the 'Yellow Book' made readily available to consumers?*

In the building sector everyone knows what a yellow book is. The yellow book was developed in 1985 after those big cyclones we had in the country and it simply guides home owners on how to upgrade their existing homes to meet the cyclone requirements. This yellow book was the initiative of Insurance Council of Fiji, and all the strapping of the roof, the design, et cetera, is clearly stated in the yellow book. But the irony was, that the Insurance Council were not offering any insurance cover for the yellow book. So if I am compliant, I do not get the insurance cover. That is the irony. So we were pushing for this change and this is what has come and I know they are still working to come up with an insurance product where low home income earners will be able to cover their house, only on the roof structure.

- d. Provide a brief on the following issue paper which was prepared*

"The Insurance Industry in Fiji: Why Reforms in the Property Insurance Sector are Necessary"

The issues paper highlighted the findings on the property insurance sector based on research and consumer complaints. The two major areas explored **were property insurance inclusive of contents and the mortgage protection insurance**. The paper showed gaps in the Insurance Act and subsequent Reserve Bank of Fiji's (RBF) prudential regulations with regards to address and protective mechanisms for consumers. The paper also recommended the revision and amendment of the Insurance Act with the aim to strengthen consumer protection in Fiji. It also highlighted the absence or lack of institutional measures for consumers under the current legal regime of consumer protection.

9. The committee notes the increasing number of complaints handled by the Council each year. How can the Council explain the effectiveness or otherwise of its awareness campaigns in regards to the increased number of complaints?

The Council's awareness campaigns are targeted at educating and empowering consumers on current and emerging consumer issues. The Council believes that an educated consumer is an empowered consumer who would be able to make better choice and get better deals. Consumers who are aware of their rights will be able to recognise when traders or service providers are behaving unscrupulously and they will be able to file complaints to hold the trader accountable. Therefore, the increase in complaints is actually a good indicator that the awareness campaigns are effective. Additionally, the Council's toll free line 155 can be seen as leading the increase in numbers.

10. How has the funding assistance provided by Consumers International assisted the Council in exploring new and emerging issues?

- i. **Anne Fransen Fund: Combating NCDS through Consumer Empowerment** – The main objective of this project was to educate the rural consumers on NCDS crisis happening in Fiji and the impact of unhealthy lifestyle choices. The Council utilised the funds from the Anne Fransen Fund to hold workshops with the Alliance of Healthy Living (Ministry of Health and Medical Services, Diabetes Fiji and Consumer Council). The Workshops were held in Suva, Lautoka and Labasa with presentations from UNDP, Ministry of Health, World Health Organisation, Diabetes Fiji, Ministry of Youth and Sports, National Food and Nutrition Centre and the Council.
- ii. **Green Action Fund: “Safe and Sustainable Food For All – A Campaign Against pesticides In Food”** – The Council held awareness raising workshops for consumers and farmers and brochures were developed and distributed on “**Reducing exposure to Pesticides: What Farmers and Consumers Can do?**” Other stakeholders such as Ministry of Agriculture, South Pacific Community, Fiji Food Safety Association, University of the South Pacific and Koronivia Research Station were also part of meetings and workshops held for the project.

11. Pages 18 and 19 of Annual Report:

a. Provide details of the coverage of the Consumer Advisory Mobile Units

The Council’s Mobile Units are an extension of the Council’s complaints and advisory services. These are commonly set-up in municipal areas where there is a concentration of consumers. The aim of the mobile unit is to allow consumers to take advantage of the Council’s services at their doorstep. Consumers can seek advice and lodge complaints at the Council’s mobile units. Officers of the Council set-up an information desk at areas with a high concentration of consumers (shopping malls) and provide complaints and advisory services to consumers.

b. Table 1- In light of the number of complaints lodged, explain the effectiveness or otherwise of the Council’s mobile units.

Mobile Units are key proponent of the Council’s outreach activities in the marketplace. Through these mobile units, the Council is able to bring it’s services directly to consumers who may be the victims of unscrupulous and unconscionable conduct in the market place While consumers may not necessarily file complaints immediately upon visiting the Mobile Unit, the information and advice they receive from the units is vital to ensuring that they are educated on their consumer rights and responsibilities. This information will later be important when they do interact with traders and service providers.

12. a. Does the Council have a database on the complaints received?

Yes, the Council maintains a complaints database of all complaints and advisories handled by the Council.

b. What are some of the major complaints received by the Council and how successful has the Council been in resolving these issues?

The Top ten complaints received by the Council for the 2016-2017 Financial Year included

- 🚩 Food and Drinks- 472 complaints
- 🚩 Landlord and Tenancy- 470 complaints
- 🚩 Electronic Goods (Home)- 301 complaints
- 🚩 Mobile Products- 222 complaints
- 🚩 Hardware- 204 complaints
- 🚩 Non-Consumer Issues- 157 complaints
- 🚩 Non- Food Issues- 112 complaints
- 🚩 Water (WAF)- 109 Complaints
- 🚩 Second- Hand Motor Vehicle- 62 complaints
- 🚩 Television Services- 61 Complaints

The Council has had success resolving the majority of complaints brought to its attention, resolving 2635 of the 3024 complaints brought to it's attention.

c. Does the Council take into account complaints that are raised in Print Media and are these included in the Council's complaints database?

The Council takes into account those issues that are affecting consumers on ground for further investigations through conducting market surveillances and minor research. Where necessary the Council responds to Letters to the Editor. The Council also advises consumers who raise these issues via print media to contact the Council on toll free number 155 or by visiting the Council's offices in Suva, Lautoka and Labasa to formally lodge complaints.

13. Are there plans to increase the Council's engagement with consumers through social media?

The Council has already started to increase it's Social media footprint via regular updates on it's Facebook and twitter pages. The Council's Facebook page has seen significantly increased traffic in the last year growing from 15,000 followers to 20,244 followers as of yesterday. The Council also interacts with consumers via Facebook messenger, giving advice and recording complaints from consumers.

14. Page 21 of Annual Report (Table 10: Top 5 issues debated on the Council's Facebook page) – What were the outcomes of these debates and how has the Council tried to address these issues?

The top 5 issues debated is compiled by looking at the posts that gathered the most consumer interaction through comments and reactions. Where necessary, the Council interacts with commenters who seek further advice or who alert the Council to unscrupulous practices by traders. These are flagged to the Alternative Dispute Resolution and research & policy analysis Team for further action.

- 15. The Committee notes that the Council disseminates information on matters affecting the interest of consumers via various media platforms. Will the Council also consider engaging in other forms of communication such as, plays, dances and songs to disseminate information to different target groups?**

The Consumer Council is currently looking at new forms of advocacy for target groups, specifically school children. These new forms of advocacy will be tailor made for different age groups and will include information packs, short plays and the Council is also considering the possibility of a Consumer Rights mascot. These are all subject to available funding requests to donors.

- 16. The Committee notes that there are separate community outreach programmes conducted for consumers and traders and service providers. Is there a specific reason for this and would the Council consider holding a joint forum with consumers and traders?**

The Council acknowledges that there are separate awareness programmes for traders and service providers and consumers. This is because of a few reasons. There are logistical issues involved with getting both traders and consumers in a single venue for an awareness session. It is prudent therefore to engage with each separately at a time and place convenient to them. Furthermore, the Council is a consumer advocacy and lobbying body and represents the interests of consumers. The Council collates all consumers issues raised and then represents the Consumers in awareness sessions with traders. This is in a sense, a joint forum between the traders and consumer. The Council does also invite consumers and traders to Council organised workshops and forums to advocate on new and emerging issues. In the last financial year, these workshops took place in Labasa, Lautoka and Vunimono where consumers and traders were able to hear from the Council on the major consumer issues in their areas and how consumers and traders can work together to ensure that consumer rights are protected.

- 17. What is the role of the Community Consumer Advisory Group representatives and how effective have they been in the promotion of consumer rights in their communities?**

CCAG is made up of volunteers willing to actively take part in helping ordinary consumers in their communities by telling them about their rights and how they can be protected from unfair trading. This group are trained by the Council on a regular basis and are involved in showing consumers what powers they have to protect their rights and by acting as the “eyes” and “ears” of the Council.

CCAG is established in 10 areas and it is a voluntary service but there is no money attached to it but there is a term of reference which guides the member towards his or her work. Some of the things that a CCAG member does is, for example, in the community if they come across any particular problem; for example, if price-controlled goods are sold at a higher price, so that is when the CCAG officer will contact the Council.

The CCAG members have been extremely active in their individual communities and provide consumers another avenue to receive consumer advice. They have brought

numerous concerns from their individual communities to the attention of the Consumer Council of Fiji. The CCAG members are also instrumental in assisting the Council with its outreach activities. CCAG members organise community visits and workshops for staff of the Council and assist us in meeting these outreach KPIs.

18. How does the Council encourage more traders and service providers to request for education and information sessions on consumer protection? Who decided the topics to be discussed during such information sessions with traders?

The sessions are self-initiated by the council whereby the council contacts the organisations to hold informative sessions with them. However there also certain organisation that have come forward requesting for sessions as well in order to obtain a feedback from Council. This provides a platform to discuss the consumer issues especially how they can improve their services and provide their best to the consumers in the preservation of consumer rights is in their joint best interests

The topics to be discussed with traders are decided by the Council subject to the approval of the Chief Executive Officer. Typically, if there is a workshop with a trader scheduled, the topics discussed will involve complaints made against the trader, areas for improvement or issues to do with industry the trader operates in.

19. What has been the progress in addressing price manipulation of properties and bad trading practices of some of the real estate agents in the country? Are there policies and guidelines in place for real estate agents to follow when advertising and selling properties?

The Council continues to raise issues highlighted with the conduct of Real Estate Agents in Fiji, lobbying for stronger regulation with the Government. The council is also working with the Ministry and REALB in this regards. The Council has also produced an issues paper highlighting issues with the Real Estate Agents and the manner in which they operate. In the, upcoming financial year, the Council will be conducting a major research followed by campaign to lobby for further regulations on the Real Estate sector.

20. Page 31 of Annual Report- The Committee noted that out of a total of 3024 complaints received by the Council on faulty products and dissatisfactory services, 2635 consumer cases were successfully resolved. What further actions were taken by the Council on the unresolved cases?

The balance of 389 cases includes, 162 cases that was referred to other Consumer Protection Agencies, 118 cases that were referred to the Small Claims Tribunal and the remainder were cases that were either closed because they were weak, or were still pending at the time the report was published.

21. Following the resolution of Consumer Complaints through mediation with traders and service providers, are consumer compensated for monetary or time loss?

Successful mediations result in consumers being compensated either monetarily or through the replacement of goods that were deemed to either be faulty or sub-par but are not compensated for time loss.

22. Has the Council had discussions with the Government and other relevant authorities on the need to have necessary regulations and standards to prevent the importation of counterfeit products in the country? If so, what were the outcomes of such discussions?

Yes, the Council has had on ongoing discussion in this regard. Now the Council sits on the Trade Standards Advisory Council committee and is working with committee to review existing standards and the Council will also chair the Technical standards committee. The Council also campaigns for the introduction of standards and legislations to enforce these standards.

23. With respect to the mediation of disputes, what action has the Council taken in regard to the outdated protection legislation and limited redress mechanisms?

The Council has vigorously lobbied for amendments to existing legislation as well as new legislation to cover emerging consumer issues. For example, the review of Consumer Credit Act 1999 and regulations. The work undertaken by the Council from 2010 in the area of financial consumer protection finally led to the review of the Consumer Credit Act 1999 and its subsidiary regulations. There were deficiencies in the legislation, which had to be fixed to protect the interests of consumers in the financial marketplace. The Council participated in the consultation exercise organised by the Ministry for Industry, Trade & Tourism (MITT) and a written submission was also made. Various recommendations were made to improve the current legislation and how it meets the needs of consumers in the digital age.

This lobbying is also submitted through budget submissions. For example, The Council lobbied for this change to Compulsory Third-Party Insurance legislation and this resulted in the setting up of the ACCF to oversee claims for injuries sustained during an accident.

24. The Committee notes that the National Consumer Helpline received 7422 calls from 1 August 2016 to 31 July 2017 from consumers throughout Fiji. Of these, only 2995 were genuine calls. In light of this, what kind of assistance has been given to consumers to help them register genuine calls in the future?

The non-genuine calls received at the helpline were either:

1. Prank Calls
2. Blank or missed calls
3. Static calls

4. Wrong Numbers
5. Incomplete calls

The Council continues to market the toll free line to consumers through various means such as through newspaper articles, other media platforms and also advise consumers on their rights and responsibilities so that they are able to understand when it is pertinent to contact the National Consumer Helpline.

25. Combatting NCDs through Consumer Empowerment:

a. What were some of the notable outcomes of the Anne Fransen Fund Project on combating NCDs which was scheduled to be implemented in the period 1 April to 31 December 2017?

The Council held workshops and community visits with stakeholders in the Central, Western and Northern Divisions, engaging rural communities and villages on the NCD Crisis in Fiji and the impact that unhealthy life style choices was having on the health of Fijians. Stakeholders included the Ministry of Health and Diabetes Fiji.

The dissemination of this information is ongoing and form an integral part of any community visits that the Council conducts.

The Council also published factsheets “Chaser Habits During Kava” in English, Hindi and iTaukei for dissemination to the public. A TV commercial on the same was also produced and aired on Fiji TV.

b. How successful has the Council been in raising awareness and encouraging healthier chaser consumption habits accompanying the consumption of Kava?

The Council has been very successful, in terms of sharing information with rural communities and as a result of the campaigns, the Ministry of Health has been made aware of the issues around chaser habits during kava consumption.

26. What have been some of the Council’s key achievements through advocacy and Budget submissions in the following financial years

1 August 2017- 31 July 2018

Notable Achievements

Homes Care Awareness campaign

In April 2018, Tropical Cyclones Keni and Josie caused hundreds of thousands of dollars of damage to homes and infrastructure. To assist consumers with recovery, the Government announced a CARE for Fiji initiative. Under the initiative, victims of the disasters were offered monetary assistance of up to \$7,000. This money was deposited on cards and given to thousands of Fijians to replace their lost valuables. The Council kept a vigilant watch on trader behaviour during this time after thorough research uncovered unscrupulous trader behaviour under the HOMES Care initiative. Traders were found to be raising their prices to take advantage of recipients of the HOMES Care Assistance and the Council subsequently

issued press releases and conducted media interviews on the issue. The issue was widely reported in both local and regional media (New Zealand). As a result of the Council's vigilance in this area, a Joint Task Force was set up with the Fijian Competition and Consumer Commission to investigate traders and charge those who were found to be engaging in unfair trade practices.

Meningococcal vaccine awareness campaign

In March, the Ministry of Health declared an outbreak of the life-threatening meningococcal disease in Fiji after recording 18 cases by February 2018. The disease was treatable with the meningococcal vaccine however Unfortunately, the Council discovered that some unscrupulous traders were profiteering from the distress and suffering of Fijian consumers. In a Snap survey, the Council noted appalling behaviour from pharmacies selling the meningococcal vaccine. Some were making as much as 70-80 per cent profit from the vaccine sales with no consideration of the severity of the disease and its impacts on consumers. The vaccine itself was already costly with prices generally ranging from \$245-\$255, and the price hikes were placing the product out of the reach of average consumers. It was also found that the vaccine was sold at the highest price of \$325 in Suva. The Council issues press releases and conducted interviews with local and regional (New Zealand) media to raise awareness on the issue and also urged consumers to conduct comparative shopping to ensure that they are getting the vaccine at the best deal possible.

World Consumer Rights Day (WCRD)

WCRD 2018 was celebrated on the theme: "Making Digital Marketplace Fairer". Young people as well as adults are vulnerable to cyber bullying and harassment, predatory behavior or disturbing online contents. A greater focus, therefore, must be put on effectively tackling the challenges digital transformation creates for online safety and cyber bullying. To mark the occasion, the Consumer Council of Fiji held an inter-tertiary debate at the University of the South Pacific (USP), Laucala campus on the topic ***"Should Cyberspace be regulated to deal with Cyberbullying and Fake News"***. Stakeholders such as telecommunication companies, financial institutions, Department of Communication, Cyber Crime Unit: Fiji Police Force, and various school representatives were present at the debate. Chief Justice Anthony Gates was the Chief Guest at the event and more than 200 guests convened at USP on March 15 for the inter-tertiary debate.

NCDs Awareness Campaign

With more than 80 per cent of Fijian deaths caused by the Ministry of Health, the Council took a lead role in trying to address the issue through an NCD Awareness Campaign. The campaign focused on the sugar and salt content in chaser used while drinking Kava. The Council held three community workshops with Alliance for Healthy Living (Ministry of Health and Medical Services, Diabetes Fiji and Consumer Council) in Suva, Lautoka and Labasa. Representatives of the UNDP, World Health Organisation, Diabetes Fiji, Ministry of Youth & Sports and the National Food and Nutrition Centre made presentations during the three workshops. A 30 seconds Television commercial was also produced on ***"Do you know how much sugar and salt is in your chaser?"*** and 55 commercials were aired on Fiji TV. The Council received funding assistance from the Ministry of Health and Medical Services for the Labasa workshop logistics and airing of television commercials. The campaigns

resulted in the education of communities in Labasa, Suva and Lautoka on their chaser habits. The campaigns received media attention and also helped to bring the issue of chaser habits and how it contributes to NCDs to the Ministry of Health and Medical Services attention.

Successful Submissions

Dialysis Subsidy

The Fiji Government announced a \$3.5million subsidy allocation for kidney dialysis treatment in the 2017-2018 National Budget. The Council had continuously lobbied for the reduction in dialysis costs, through its Budget Submissions and the subsidy announcement was welcomed by families who were spending around \$750 per week for dialysis treatments. People with household incomes over \$30,000 would now be paying only \$150 per treatment while families under the \$30,000 threshold would be able to attain the same service for \$75 a treatment.

Removal of Credit Card Levy

The Council's efforts to remove the Credit Card Levy were successful following the Government's decision to axe it in the 2018-2019 budget. The Council viewed the levy as it an added cost to consumers' overall purchases. Consumers are no longer required to pay the levy from January 2019.

Private Sector Engagement

In April 2018, a seminar was organised in Labasa on the topic ***“Strengthening Consumer Confidence in the Northern Division.”*** The workshop was held at the USP Conference Room, to address specific issues facing consumers in the Northern Division.

Traders were also reminded to be compliant in their business dealings. Based on the complaints from Labasa, it was found that consumers and traders had limited knowledge of laws guiding consumer protection and the various consumer redress mechanisms that exist for consumers. The workshop provided an opportunity to educate both consumers and traders. The engagement resulted in consumers being made further aware of their rights under relevant consumer legislation.

📅 1 August 2018- 31 July 2019

i. Poor sanitary conditions and unhygienic practices in restaurants.

The Consumer Council of Fiji received several complaints against restaurants for unhygienic practices and the presence of bugs in food. This prompted the Council to survey restaurants around the country, which found pervasive poor hygiene practices that are placing consumers' health at jeopardy.

The Council issued warning letters to restaurants that were not adhering to hygiene standards and also notified the Ministry of Local Government for their further action.

ii. Survey on Meat sold in supermarkets

The Council surveyed 43 supermarkets in Suva and Lautoka to examine their meat preparation and storage practices. Issues discovered included

- 🚩 Putrid and thawed meat.
- 🚩 Damaged packaging,
- 🚩 Expired items,
- 🚩 Gross infestation of cockroaches around the food storage display areas.
- 🚩 Dysfunctional freezers/coolers may be the root of most meat issues.

As a result of this survey almost 15 tonnes of meat was destroyed because it was deemed unsafe for human consumption.

iii. Logo Launch and Relocation of offices

The Consumer Council of Fiji launched its new logo and office on February 8, 2019. The launch was officiated by former Council CEO and now Minister for Industry, Trade and Tourism, Local Government, Housing and Community Development Honourable Premila Kumar at the Council's new premises at Level 5 Vanua House, Victoria Parade in Suva. The Council's change in offices and logo are an important step to ensuring that the Council remains relevant in the face of changing consumer issues. The new offices are disabled friendly and provide a conducive work environment for staff as well as professional facilities for conducting mediation and engaging with complainants.

iv. World Consumer Rights Day 2019

The Council celebrated World Consumer Rights Day 2019 with an oratory contest for Suva schools.

The International Theme for WCRD 2019 was **"Trusted Smart Products,"** and in line with this, the Council invited students to speak on the local theme **"How safe is my information with my smart products?"** As a result of the oratory competition students were educated on the issues of data security and privacy that are associated with smart products.

🚩 1 August 2019- 31 July 2020

In the coming year, the Council will conduct three major campaigns on

i. Financial Credit Institution:

There is a dire need to address ongoing issues in the credit market and significant harm that is being done to vulnerable consumers with problem debt (that is, a level of debt they can't manage). Current regulations guiding this sector especially for small amount credit needs re-visitation to reduce the harms that result from problem debt, such as financial hardship and mental and physical health problems. There is a need for licensed financial advisors, therefore, need to establish mandatory registration of financial advisors. Irresponsible Lending is not only a problem with large and more formal credit providers, but is rife in the less formal moneylending market. The Moneylenders Act 1938 is seriously outdated and needs to be reviewed to address the new and emerging financial services environment. The Act was last amended in the 1970s.

ii) *Nutritional Labelling for food products:*

The Council also wishes to campaign for labelling system and lobby with the industries, health sector and the Government for the star rating system to be introduced to promote healthy living. and;

iii) *Real Estate Sector; Rental Pricing and informal settlement*

The Council is also turning its attention to Green Consumerism as it continues to align its activities with the 5 year and 20 year National Development Plan – to support Fiji to continue its stewardship of climate change issues at the local, regional and global level

27. Has the Council carried out any studies to determine the effectiveness of the increase in excise tax for sugar sweetened drinks and RTD alcohol mixtures in the previous National Budgets? Has the increase in price led to a decrease in the purchase of these items?

The Council was only involved in advocacy and awareness work and continues awareness raising. The statistics may be available at the relevant authority namely Ministry of Health.

Consumer Council
Financial Statements
For the Year Ended 31 July 2017

28. Current liabilities: Explain the provision for annual leave and why the capital government grant for the council office relocation was not utilised as at balance date.

i. *Explain the provision for Annual Leave?*

These are the staff annual leave due (payable) at the end of the financial year ending 31st July 2017.

The increase noted in comparison to the financial year ending 31st July 2016 was because of:

The amount reported for the financial year ending July 2016 was for 7 months, while the amount noted for the financial year ending July 2017 was for 12 months.

Furthermore, the staff plan to utilize most of their annual leave during Christmas, New-year Holidays and back to school preparations.

ii. *Why the capital government grant for the Council's office relocation was not utilized as at balance date?*

The Council submitted its request for the Office Relocation Grant on 1st March 2017 and the office relocation grant was received on 26th June 2017.

The initial phase of the project started in December 2017 when the Council engaged Architects Pacific for office setup plan. (Financial year 2017-2018)

The other major works commenced in March with the main contractor. (International Shop Fittings Ltd)

29. Expenditure (Operating Grant): Provide a breakdown of and explain the increase in the following expenses:

i. Depreciation

The increase in depreciation expense in comparison to the financial year ending July 2016 was because of the calculation.

Depreciation calculation for the financial year ending July 2016 was for 7 months.

Depreciation calculation for the financial year ending July 2017 was for 12 months.

Also, in the financial year ending July 2017:

The Council purchased a new Motor Vehicle for \$63,303.00

Additional Equipment worth \$23,221.10

Additional Furniture and Fittings worth \$3072.48

These expenses also contributed to the increase in Depreciation expense for the year ending July 2017.

ii. Insurance

The additional purchase of fixed assets noted above contributed to the increase in Insurance expense.

Breakdown:

New India – Office Equipment \$2400.91

Marsh Ltd – Indemnity & Travel Insurance \$3910.74

Dominion Insurance – Motor Vehicle including (Inclusive of new MV) \$3168.02

Note: Prepayment movements (Total \$9,479.67 + \$6,164.00 – \$5,918.10 = \$9,725.57)

Appendix Two

Verbatim Report

STANDING COMMITTEE ON
SOCIAL AFFAIRS

Submission by: Consumer Council of Fiji (CCoF)

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[Verbatim Report of Meeting]

HELD IN THE

COMMITTEE ROOM (EAST WING)

ON

WEDNESDAY, 17TH JULY, 2019

VERBATIM NOTES OF THE MEETING OF THE STANDING COMMITTEE ON SOCIAL AFFAIRS HELD IN THE SMALL COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS, ON WEDNESDAY, 17TH JULY, 2019 AT 1.40 P.M.

Interviewee/Submittee: Consumer Council of Fiji (CCoF)

In Attendance:

- 1) Ms. Seema Shandil : Chief Executive Officer
- 2) Mr. Tevita Vuibau : Manager, Campaigns, Information and Media
- 3) Mr. Kavitesh Pal : Finance Officer

ACTING CHAIRMAN.- Thank you, Honourable Members. Welcome again to our session this afternoon. On behalf of the Chairman, the Deputy Chairman and the Members of the Social Affairs Committee, I would like to welcome the Chief Executive Officer of the Consumer Council of Fiji (CCoF), Ms. Seema Shandil; Mr. Tevita Vuibau, the Manager Campaigns, Information and Media; and Mr. Kavitesh Pal, the Finance Officer.

Honourable Members, for your information, the Team is here to present to the Committee in regards to the 2016/2017 Annual Report.

To the CEO and your Team, we have scrutinised the Report thoroughly and we have formulated questions which were sent to you. We have received your written responses. We will request you to take us through all the questions and then after your presentation, I will ask our Honourable Members for supplementary questions. *Vinaka!*

MS. S. SHANDIL.- Good afternoon, Honourable Members of the Parliamentary Standing Committee. It is with much pleasure that I present the CCoF Annual Report for 2017/2018. Thank you for this opportunity, and I am happy to respond to any other questions as well. I must say the idea of giving us the questions beforehand was amazing. It really helped us to compile the responses. Moving on to the questions.

Question No. 1: Brief the Committee on the functions of the Consumer Council of Fiji.

The Consumer Council of Fiji (CCoF) is an independent statutory body that was established under the Consumer Council Act 1976. We come under the Ministry of Industry, Trade and Tourism. The Ministry elects the Board of Directors, and we have five Board members. The Board elects the CEO. We have three offices, one is in Suva, that is our Headquarters. We have two regional hubs which are in Lautoka and Labasa. The office in Lautoka looks after the Western Division consumers, if they have issues and concerns or in regards to other aspects related to the interest of consumers. The office in Labasa looks after consumers in Vanua Levu and those consumers in the outer islands.

In terms of staffing, currently we have 29 staff, which includes two volunteers whom we have been hiring in between to get the work done.

In a way, we are a watchdog that protects the rights and interests of consumers by promoting a fair and just delivery of goods and services.

First and foremost, we say we are an advocacy organisation. We conduct rigorous research and policy analysis on key consumer issues. Section 6 of the Consumer Council Act stipulates the functions of the CCoF. These functions include:

- Advice to the Minister on matters affecting the interest of the consumers. For example, the third party insurance whereby the CCoF lobbied for four years to get the change and finally, the Government announced in the 2017/2018 National Budget, where the Accident Compensation Commission of Fiji (ACCF) was established.
- We make representation to the Government or any other organisation on any issues that is affecting the interest of consumers. We do this through submissions that we make to the Government.
- When there are a lot of issues affecting consumers, we collate, we do rigorous research, we investigate further and then we make submissions to the Government so that policy changes can be brought about to protect the consumers.
- We also provide advice and assist consumers. Every year a lot of people come to our office, either they have various modes that we will be discussing as we go further in the discussions. So we provide them advice.
- We also assist them with complaints in getting redress in the form of replacement, refund, et cetera, when they are faced with issues.
- We also support consumers with legal proceedings that have been initiated by consumers because the Consumer Council cannot take any cases to the court as per the legislation, that is our limitation. If supposedly, the consumers are asking for compensation, we cannot take these cases to court, however, we can provide support in terms of evidence.

All in all, we can say the Council's legal mandate is to safeguard consumers interest, educate consumers on their rights and responsibilities and empower consumers towards a fair and safe marketplace.

As I had said, we are advocacy organisation and all the things that we do is we lobby for policy changes so that reforms are brought about so that there are changes on the ground and consumers benefit from that.

Question No. 2: Inform the Committee of the key challenges the Council faces whilst trying to achieve its strategic objectives and how it is planning to overcome these challenges?

The Council has four Strategic Goals:

Goal 1 : Improve consumer ability to make informed decisions. What we have seen is that, there is lack of solidarity in consumers. May be we have a bit of laid back culture, whereby even if we see things are wrong there, we do not come out and lodge complaints. Sometimes they shy away because they do not want to waste their time, or they are not confident enough. That is why we are trying to vigorously advocate on their rights so that they can speak out if they are faced with issues on the ground.

For example, despite numerous advocacy and awareness conducted by the Council on the importance of labelling requirements, what we have seen is that consumers continue to purchase goods without questioning. I will also give an example, just two days ago when I went to the *Showcase*, I could see that there was a stall that was selling Basmati Rice whereby there is no labelling, but it is selling quite cheap which is 1.3 kilogram for \$3, and the consumers are just going crazy buying it without any question despite so much advocacy work done by the Council in that area.

Goal 2: Drive change to benefit consumers: It is really difficult to change their mind-sets. I believe it is equally important to change the mind-set of the private sector and the policymakers that consumers should also be part of most of the decision-making because we know that consumer confidence stimulates economic activity. Because as we see, whilst the businesses are engines to growth, the consumers are the fuel that fire that engine in order to bring about the growth.

Goal 3: Solve consumer complaints through Alternative Dispute Resolution (ADR), Advisory Services and legal representation: Traders are not forthcoming in providing redress in the form of refund and replacement, this is one of the major issues, sometimes, despite knowing the issues the traders are not ready to provide with the redress to the consumers.

Compensation is another major issue because there is no law that talks about compensation being given to the consumers. Any compensation, the consumers have to go to court. In order to get the compensation they have to fight that in the court.

Goal 4: Foster a high-performance organisation: The major issue the Council is facing now is the retention of staff. I think that is the issue faced by most of the employers. Every year, the Council struggles to meet the consumer demand against the high staff turnover. Developing and maintaining staff efficiency and productivity then becomes a major challenge.

Question No. 3: How does the Council ensure that both male and female employees are treated equally in recruitment, training, hiring and promotion?

The Council has Human Resource policies that dictate the processes to be followed in recruitment, training, hiring and promotion. This policy sets out the Council's guidelines to provide equal employment opportunities and avoid discrimination in the work place.

Question No. 4: Does the Council align itself to any of the Sustainable Development Goals (SDG)? If so, can you further enlighten the Committee on this?

Yes, we do. The work of the Council and indeed the global consumer movement that we are part of which is Consumers International (CI), is directly aligned to many of the Sustainable Development Goals. I will briefly speak on three (3) goals that we are currently aligned to:

Goal 1: No Poverty

We strive to achieve this through budget submissions with the lobbying for reductions in the cost of goods and services. The Council has previously lobbied and the Government has announced certain changes in the policy that has impacted the lives of consumers directly, and just to name a few:

- Removal of credit card levy. Before the consumers had to pay this levy on outstanding balance, actually this restricted them from using the credit card because the more the balance, the more the levy they used to pay.
- The other one is electricity subsidy to low-income earners with a combined income of less than \$30,000 for the first 100 kWh (kilowatts per hour). This has also provided a great relief to the low-income earners.
- Other reductions like duty reductions from 5 to 0 percent on glucometers, testing kits and diabetic strips. Just recently, there was a media release which stated that 50 percent of the patients that access medical services are diabetic. So this came as a relief to many diabetic patients because it became a bit cheaper to purchase these kits and test at home about the movement in their diabetes.
- Duty reduction on items such as deodorants, antiperspirants, perfumes, cosmetics and all these things have also had an impact on their lives. Just recently, there was a duty reduction from 5 to zero (0) per cent on imported fruits and vegetables because the Government wants to promote healthy living. We all have seen during our market surveys, we have seen that that has translated into price reduction.

Goal 3: Good Health and Well-being

Our work in this area centres around ensuring that products that are released into the market do not jeopardise the safety of the consumers. A most recent example, is the Council's campaign against Counterfeit Mobile products, especially the phones that present significant health risks to consumers because of the heavy metals that is present in the counterfeit mobile products. We did a lot of campaigns, we also did educative materials by publishing articles in the local dailies, also talking about it on TV so that we can make the consumers aware of the harmful impacts of using counterfeit mobile products.

The other areas that the Council have actually worked on is:

- The proper use of Antibiotics. It was a joint alliance with the Ministry of Health and other Ministries. I think it was also Biosecurity and other organisations and Diabetes Centre, where we campaigned against our abusing of medications.
- The Council also took a lead role in creating awareness on safe and sustainable food for all campaigns against pesticides in food. This was funded by the Consumers International, they were the donors.
- Finally, combatting NCDs through Consumer Empowerment. We will be talking about this further in detail as we go into our discussion in other questions.

Goal 12: Responsible Consumption and Production

The Council continues to emphasise on this area of responsible consumption and production. In 1999, a section was added to UN Guidelines to address sustainable consumption. Consumers International (CI) of which we are a member of, welcomes and supports the inclusion of Sustainable Consumption and Production in the Sustainable Development Goals. Ensuring consumers are supported, informed, and educated to consume sustainably is central to achieving the SDGs.

So in 2012, the Council was able to secure funding for the CI initiated campaign and our focus in promoting energy-saving bulbs under the campaign slogan, "Switch and Save". There was a lot of educative materials that were developed and distributed to the consumers so that they can make informed decision when it comes to sustainable consumption.

Question No. 5: Update the Committee on the Council's future plans and initiatives?

Moving forward the Council is looking to involve itself with new initiatives to further the green consumer agenda and ensure that consumer rights and responsibilities are protected in the face of technological innovation and advances.

The first one is Green and Sustainable Consumerism. The good thing is, we have also obtained funding to conduct awareness in this area. Green and Sustainable Consumerism in 2019-2020 financial year, we will conduct a campaign and we want to use the theme of sharing community which we already have and has sort of died out so we want to revive that, so that they can share their knowledge and skills to develop materials or things like shopping bags for themselves, at the same time they can share amongst themselves and the additional could be sold out to earn a living.

So the steps the Council will undertake is:

- Promotion of reusable bags as opposed to plastic bags when shopping - this will save money;
- Encouraging consumers to pick products that have biodegradable packaging; and
- Encouraging the use of white goods that are rated highly for energy and water conservation.

As usual, we will be lobbying for standards. The main issue here is, there is a huge demand of counterfeit products as they are inexpensive as compared to the genuine branded products. So the Council also sits on the Standards Committee.

In the past the Council have made submissions, for example, the bringing about of standards to the food handling procedures which is almost completed and is awaiting approval for implementation.

So there are other standards that the Council is working with the Ministry of Industry and Trade, so that it can be reviewed, developed and implemented for the safety of consumers.

The other area for concern is the lobby for financial markets to be heavily regulated. The number of complaints received against the financial sector is increasing every year and analysis reveals that irresponsible lending by financial service providers is a major issue in the retail credit market.

Furthermore, non-disclosure of information and high interest rates in the retail is a concern. Because lending has become a major issue especially the payday lending whereby it involves a lot of moneylenders and financial credit institutions, it is pushing a lot of families towards financial distress. So we want to really lobby on this so that our stringent regulations and policies can be brought in place that can avoid the normal families to be getting into debt.

Question No. 6: How successful has the Council been in its engagement with the Government and other stakeholders in regard to resolving consumer complaints and seeking redress on over-priced items?

The main stakeholder that the Council liaises with in resolving consumer complaints in regards to overpriced items is the Fijian Competition and Consumer Commission (FCCC). This is because they are the only price regulators for goods. The Council's engagement with FCCC has brought about successful outcomes for consumers. Once this is brought to the attention of FCCC then traders align their prices as per the regulated prices in the price control item listing and also sometimes we have been successful to make these traders refund excess amounts that they have charged to consumers. Apart from this, depending on the nature of complaints, the Council also works with the Ministry of Health, Biosecurity, Municipal Councils, et cetera.

There are other enforcement agencies as well like the Land Transport Authority as well. It all depends on the nature of complaints that we receive.

Question No. 7: How has the Council impacted on policy formulation in regards to consumer issues?

The Council has had positive impacts on policy formulation in a number of consumer-related issues. Three of the most recent positive impacts that I will elaborate on are:

1. **Removal of the Data Bureau:** At the outset, I would say that the Council has actively lobbied for the removal because through our investigation we have found out that it was never beneficial to the consumers as it had poor record-keeping on the consumer's credit worthiness. It was an obstacle to consumers who wanted to access credit to improve their quality of life. Whilst shopping, supposedly if the consumers were wanting to access credit, sometimes they were not able to because the Data Bureau was not updated, even for the amount as low as \$30. So, if there was a default, they have paid

the default and yet it was not updated. We have examples where people were stopped at the airport because the database was not updated.

2. **Establishment of the Accident Compensation Commission of Fiji (ACCF):** After years of lobbying by the Council, the Accident Compensation Act 2017 led to the establishment of ACCF in January 2018. The Council has lobbied for this because of the unfair terms that many consumers faced when claiming insurance payouts. Now, consumers do not have to go through expensive processes if they have to claim for compensation that has resulted because of accidents and injuries.
3. **Implementation of Japan Export Vehicle Inspection Centre (JEVIC):** Fiji imports a lot of second-hand vehicles, the consumers continue to face a lot of issues in this area with the purchase of second-hand vehicles. So, the Council, after discussion with the Japanese Inspection Centre succeeded in the reintroduction of second-hand vehicle checks by JEVIC, so that the pre-shipment inspection is done or undertaken before the consignment is being sent to Fiji. From August 2016, this was reinstated to bring about the transparency, accountability and responsibility in the second-hand car business in Fiji.
4. **Legislation to Government inter-island Shipping Companies:** This was the positive announcement that was made in the 2019-2020 Budget whereby the Government announced the legislation that would be drafted to hold shipping companies accountable for certain standards of services. The Consumer Council again has lobbied for years because consumers continue to face a lot of issues with the services. The complaints include all sorts of issues such as delay in the departure time, delay in the arrival time, loss of their belongings, high cost of refreshments on the inter-island shipping vessels and overcrowding.

Sometimes they over sell the tickets and then once they are there then they are told that they will not be taken on board because the ship is full. So, they are not able to go to their destination as they expect to.

Question No. 8: Property Insurance

What are the requirements that need to be met by consumers to qualify for property insurance?

In order to get their property insured, there is a list of requirements that the consumers need to provide for, which is:

- 1) The age of the building structure - how old is that building;
- 2) Type of the building structure (whether it is concrete, timber-built or made of corrugated iron, etc)
- 3) The Engineer's Cyclone Certification: That is the reason why a lot of properties are not insured because they do not have a proper Engineer's Certificate, that is required if you want to insure your property against cyclone;
- 4) Location of the property: You will be amazed to hear that some were not able to insure their properties against flood because their properties are in flood-prone areas;
- 5) If the consumers wish to insure their property against the contents and theft, then they have to meet certain security requirements which are quite expensive at times; and
- 6) Property Valuation Report which should be two years old, that means every second year the members or the consumers have to do a new Valuation Report for their property, which is again not very cheap.

So, normally what the insurance company wants is the Engineer's Report as a pre-requisite to obtaining property insurance and without property insurance, one cannot get a loan. So, if you intend to buy a house and if there is no Engineer's Certificate, they are not able to get a loan.

b) What are the major reasons why consumers do not insure their properties? The reasons being:

- i) Premium rates which are really high and not all low-income earners are able to afford that premium rate; and
- ii) Lack of Tailor-Made Insurance Products;

The insurance companies also do not have tailor-made insurance products that suit the need of low-income earners. This is also inclusive of properties without valid Engineer's Certificate.

If you look at the data, there is a substantial proportion of customers with Housing Authority who fall into the low-income category and they are not able to afford the Engineer's Certificate or upgrading certification which is very expensive; it is thousands of dollars.

c) So why the insurers do not provide cover for houses built/upgraded using the "Yellow Book"? Is it readily available to the consumers?

It is not readily available to the consumers but, yes, in the building sector everyone knows about the yellow book. It was developed in 1985 after the big cyclones which we had in the country and it simply guides home owners on how to upgrade their existing homes to meet the cyclone.

So, despite upgrading we have seen that the consumers are not able to secure the property or purchase insurance because the insurance industries set their own compliance standard to be met by the consumers. So, if it is not met by the consumers, the property do not get insured, despite the upgrading.

d) Provide a brief on the following issue paper which was prepared, "The Insurance Industry Paper in Fiji: Why reforms in the Property Insurance Sector are necessary"?

The issue paper highlighted the findings on the property insurance sector based on research and complaints received by consumers. The two major areas that were explored were:

- i) Property insurance inclusive of contents; and
- ii) Mortgage Protection Insurance.

The findings revealed that the disclosures made on the policy cover was not clear. When the consumers were purchasing the cover, they were not fully disclosed on the inclusions and the exclusions. They only came to know about it once they come to make the claims. Also biased policies, as I have already reiterated on flood, if it is a flood-prone area, they do not provide you with the insurance on flood. If you are taking loans from the bank sometimes what happens is, they are not given a leeway to select or do a comparative shopping with the insurance policy providers.

The banks have a set of insurance policy providers from where they choose or select from, so they are not given that liberty to select on their own. We do not provide product disclosure statements so that is where the CCoF, I think, lobbied on, that consumers should be provided with the product disclosure statements as done in Australia so that once the consumers purchase or buy a policy cover, in one page, it clearly indicates what the policy covers so they will be well-aware - all right, these are the things that the policy covers for.

Question No. 9: The Committee notes the increasing number of complaints handled by the CCoF each year. How can the CCoF explain the effectiveness or otherwise of its awareness campaigns in regards to the increased number of complaints?

As I iterated in the beginning once again, we are an advocacy organisation moreso that our awareness campaigns are targeted at educating and empowering our consumers so that when they are in the marketplace, they can make informed decisions, make better choices and get better deals. If they know their rights and responsibilities, they will be more informed. So whenever they have some problems, they can solve the issue there and then or they can provide tip-offs so they can complain to the CCoF about the issues that are exactly out there on the ground because sometimes the CCoF staff are actually not on the ground to see those issues. You must have noticed and based on our surveillance, we have seen that most of the issues like in terms of products, we see that happen in the weekends where, for example, food products without expiry dates, products with Julie and Codes are being sold during weekends because consumers are in a rush. They do their shopping in the weekends, so they do not check for all these details.

Question No. 10: How has the funding assistance provided by Consumers International assisted the CCoF in exploring new and emerging issues?

The CCoF took a lead role to raise awareness on NCDs and it was a project that was funded by the Anne Fransen Fund, that was through the Consumers International. The main objective of this project was to educate the rural consumers on the NCDs crisis in Fiji and the unhealthy lifestyle choices that are having an impact on their lives and their family as well. The CCoF utilised the funds from the Anne Fransen Fund to hold workshops with the Alliance of Healthy Living. The alliance comprises of the Ministry of Health and Medical Services, Diabetes Fiji and CCoF. The workshops were held in three different places: Suva, Lautoka and Labasa with presentations from the United Nations Development Programme (UNDP), Ministry of Health and Medical Services, World Health Organisation (WHO), Diabetes Fiji, Ministry of Youth and Sports, National Food and Nutrition Centre and the CCoF.

The CCoF also ventured into another project. Again, funded by SIA which is the 'Green Action Fund'. This time around the CCoF advocated on the topic, 'Safe and Sustainable Food for All' - 'A Campaign Against Pesticides in Food', and mostly the awareness on the harmful effects that the use of pesticides have on the consumers. The theme was 'Reducing exposure to Pesticides' - What Farmers and Consumers can do? There were other stakeholders who were involved in these awareness campaigns.

Question No. 11: Pages 18 and 19 of the Annual Report:

(a) Provide details of the coverage of the Consumer Advisory Mobile Units.

The CCoF Mobile Units are extension of our complaints and advisory services. So in a way we are trying to reach out to those or to the consumers' doorsteps who are not able to visit our offices to seek our services. The main aim, as I have said, is to just provide them services in terms of information about their rights and responsibilities, about which process to follow when they want to lodge complaints or what are some of the issues and what they can use to identify these issues when they are out there shopping.

(b) Table 1 - In light of the number of complaints lodged, explain the effectiveness or otherwise of the Council's mobile units.

As I iterated, it is part of the Council's outreach activities in the marketplace, who may be the victims of the unethical traders, but they are not actually aware that they are being the victims, so this is our main aim. We go out, educate them and provide them with materials that can provide them with information so that they can make informed decisions.

Question No. 12:

a) Does the Council have a database on the complaints received?

Yes, we do. All the complaints and advisories handled by the Council are entered on the database from where we generate our reports.

b) Top 10 complaints received by Council for 2016-2017 Financial Year included:

- i. Food and Drinks - 472 complaints - This was mainly on the presence of vermin, bad food or sour taste in food. This was mostly in terms of restaurants or presence of maggots in the food products. When they purchase, there are so many issues that the consumers face when it comes to food and drinks, they are sold with expiry or near to expiry products. Sometimes once they buy and take the products home then they see that there are presence of maggots, and when they go back, the traders refuse to change those products. That is when they come to us for assistance.
- ii. Landlord and Tenancy - 470 complaints - The issues ranged from non-refund of bond to clauses that are not acceptable in the agreement. Those clauses were extraordinary where visitors were not allowed, tenants cannot entertain visitors, et cetera. Now the landlord and tenancy issue ranks the highest on our listing.
- iii. Electronic Goods (Home) - 301 complaints: Mostly, it is in terms of quality of households goods. Once they purchase these goods, they use them for a few days then they see that the good is defective and what happens is that, when they go back to the traders, again they are not happy, they do not want to provide redress, this is where they lodge the complaints with the Consumer Council.
- iv. Mobile Products - 222 complaints.
- v. Hardware - 204 complaints.
- vi. Non-Consumer Issues - 157 complaints: Those issues that are not directly related to the complaints that we look into, but more-so related to other organisations like, employers not paying contribution to FNPF, unfair work conditions, family issues. What we do is, we direct them to the relevant authorities so that their problems can be solved there.
- vii. Non-Food Issues - 112 complaints.
- viii. Water (WAF) - 109 Complaints: Related to Water Authority. Sometimes what happens is, there are issues with meter readings, billings that the consumers face which lead to, for example, the water meter being cut off and they are without water for days.
- ix. Second-Hand Motor Vehicles - 62 complaints.
- x. Television Services - 61 Complaints: This is mostly with the *Sky Pacific* services whereby, disconnection is done without their knowledge; the billing system where they have actually paid the bill but still they are facing disconnections, et cetera.

The Council had successfully resolved majority of the complaints brought to their attention. In 2016-2017, we were able to resolve 2,635 out of the 3,024 complaints brought to our attention.

c) Does the Council take into account complaints that are raised in Print Media and are these included in the Council's complaints database?

Yes, we do. We do take account those issues that are affecting consumers on the ground for further investigations through market surveillances and minor research. Where necessary, we also respond to *Letters to the Editor* and we advised the consumers who raise these issues via print to contact the Council on Toll Free No. 155 or by visiting our offices in Suva, Lautoka and Labasa to formally lodge their complaints because there is a process that needs to be undertaken so that the Council can work on their complaints.

Question No. 13. Are there plans to increase the Council's engagement with consumers through social media?

We have already started that and we have seen an increase in the social media footprint via regular updates on our *Facebook* and *Twitter Pages*. We do at least two (2) to three (3) updates daily, and we have seen significant increase in traffic in the last year, growing from 15,000 followers to 20,244 followers as of yesterday. The Council also interacts with consumers via *Facebook* and *Messenger*, giving advice and recording complaints from consumers.

Question No. 14. Page 21 of Annual Report (Table 10: Top 5 issues debated on the Council's Facebook page). What were the outcomes of these debates and how has the Council tried to address these issues?

The top five (5) issues debated are compiled by looking at the posts that have gathered the most consumer interaction through comments and reactions. Where necessary, the Council interacts with the commenters who seek further advice or provide tipoffs or alert the Council on unethical practices by the traders and these are then flagged to the Alternative Dispute Resolution and Research and Policy Team for further investigation and action.

Question No. 15. The Committee notes that the Council disseminates information on matters affecting the interest of consumers via various media platforms. Will the Council also consider engaging in other forms of communication such as plays, dances and songs to disseminate information to different target groups?

Yes, actually we have started drafting and looking into new forms of advocacy for target groups, especially the school children, because we know, if you want to get the message out there, we have to tailor-make the products, programmes so that particular segments understand what we are trying to say.

So if we are taking it to the kindergarten students, we have to actually impart that information maybe in a play or in a cartoon character, so that they can understand it properly. What we are looking at is to have an information pack, short-plays and the Council is also considering the possibility of Consumer Rights mascot. But this Consumer Right Mascot is all subject to the availability of funding.

Question No. 16. The Committee notes that there are separate community outreach programmes conducted for consumers, traders and service providers. Is there a specific reason for this and would the Council consider holding a joint forum with consumers and traders?

Sometimes what we do is we hold it separately because we want to get, compile and collate all the issues that the consumers are facing without the presence of the traders in that room. So what we do is we compile that and then we go and present the same to the traders so that they can improve their services or products that they are providing to the consumers.

Yes, sometimes we also get both the parties together in the rooms so that the consumers can provide their experience to the traders and the traders can work towards. This is the approach actually that is undertaken, not only by the Council here but we have other Council advocates around who are now taking this approach where they get in the consumers and the traders in the same room around the same table so that the traders can work, the manufacturers can take on board the contributions from their consumers to improve and fine-tune their products.

Question No. 17. What is the role of the Community Consumer Advisory Group (CCAG) representatives and how effective have they been in the promotion of consumer rights in their communities?

We have them in ten (10) different places. We call them our eyes and ears on the ground because as I have said, we are not able to go and be present at different places at different times so they provide advisory to the consumers. If the consumers in their community face some issues, they collate those issues and bring that to the attention of the Council.

They also assist them, sometimes if the consumers do not know what to do, they provide them with advice. Also they have assisted us in organising workshops and community visits, because it becomes a bit difficult for us to organise or get people together because they are out there in the community, and they are able to get the people so we can go and conduct awareness sessions with these different communities, especially in the rural areas.

Question No. 18: How does the Council encourage more traders and service providers to request for education and information sessions on consumer protection? Who decided the topics to be discussed during such information sessions with traders?

The sessions are mostly self-initiated by the Council because we really want to go ahead and have workshops with the traders and inform them about the issues, complaints that the Council receive against them. However, there are some organisations who approach us. Just recently we went to Daltron, they approached us so that they can see what are some of the complaints that are against them and they can improve their services in that area.

The topics to be discussed are mostly decided by the Council, subject to the approval of the Chief Executive Officer (CEO). Typically, if there is a workshop with a trader scheduled, the topics discussed will involve complaints made against the trader, the areas for improvement or issues to do with the industry the trader operates in.

Question No. 19: What has been the progress in addressing price manipulation of properties and bad trading practices of some of the real estate agents in the country? Are there policies and guidelines in place for real estate agents to follow when advertising and selling properties?

The Council continues to raise issues highlighted with the conduct of Real Estate Agents in Fiji, lobbying for stronger regulation with the Government. We are also working with the Ministry and REALB in this regard. We have produced issues paper, highlighting the key issues with the Real Estate Agents.

Let me just highlight to the Committees some of the issues:

- 1) Non-disclosure of property prices: You must have noticed in the newspapers that they do not declare the prices, and sometimes they do not even inform the consumers the price is VAT exclusive, what they should advertise are the VAT inclusive prices; and

- 2) There are some unlicensed Real Estate Agent operators: This is a risk to our vulnerable consumers.

To sell the property, these Real Estate Agents will get commission, it is commission-based. What they do is they do pressure selling. They will tell the consumers, if you do not buy the property there are other buyers who are waiting in the line, and this way they are able to sell the property. The consumers lose out because they end up paying higher prices for that particular property.

These are some of the areas, and there are a few recommendations that we have come up with. We will be venturing into a major research in the upcoming financial year. We will be looking at certain sectors and segments so that we can provide those recommendations to the Ministry, and the Ministry can work on that, and we are suggesting to provide something similar to what Australia and New Zealand do for Real Estates called, 'One Stop Shop.' There are all the information about the property, the mortgage insurance, the insurance providers and the interest rate that needs to be charged, all the information is available with a click of a button to the consumers.

Question No. 20: Page 31 of Annual Report - The Committee noted that out of a total of 3024 complaints received by the Council on faulty products and dissatisfactory services, 2635 consumer cases were successfully resolved. What further actions were taken by the Council on the unresolved cases?

The balance of 389 cases include 162 cases that were referred to Consumer Protection Agencies which include FCCC, Ministry of Health and other related agencies, and 118 cases were referred to the Small Claims Tribunal because even after mediation, the complainant and the respondent were not able to come to a resolution, and some cases were closed because the cases were deemed to be weak. When we say it is "deemed to be weak" that means the complainant has not provided us with the evidence to move forward with the case solving. There are some cases which are still pending, the reason being that some cases are so complicated that they take a bit of time. For example, if there is an issue of infestation of ply boards, it needs a lot of testings to be done, so that is the reason why it takes time.

Question No. 21: Following the resolution of Consumer Complaints through mediation with traders and service providers, are consumers compensated for monetary or time loss?

Successful mediations result in consumers being compensated either monetarily or through the replacement of goods that were deemed to be either faulty or sub-par, but are not compensated for time loss. There is no law that compensates the consumers for time loss.

Question No. 22: Has the Council had discussions with the Government and other relevant authorities on the need to have necessary regulations and standards to prevent the importation of counterfeit products in the country? If so, what were the outcomes of such discussions?

Yes, these are ongoing discussions. Now, the Council also sits on the Trade Standards Advisory Council and also Chairs the Technical Committee. This work is ongoing, and there are a lot of standards that have been reviewed and there are a few standards that the Council is working on. Actually, it has been approved by the Council, but it has to go through a series of process before it can be actually approved and implemented.

Question No. 23: With respect to the mediation of disputes, what action has the Council taken in regard to the outdated protection legislation and limited redress mechanisms?

The Council will continuously and vigorously lobby for amendments to existing legislation as well as new legislation to be put in place to cover emerging consumer issues. For example, the review of Consumer Credit Act 1999, and the regulations. The work has been undertaken by the Council from 2010, in the area of financial consumer protection finally which led to the Consumer Credit Act 1999 review.

There were deficiencies in the legislation, which had to be fixed to protect the interests of consumers in the financial marketplace. The Council participated in the consultation exercise organised by the Ministry for Industry, Trade & Tourism (MITT), and a written submission was also made. Various recommendations were also made to improve the current legislation and how it meets the needs of consumers in the digital age.

Question No. 24 - The Committee notes that the National Consumer Helpline received 7422 calls from 1 August 2016 to 31 July 2017 from consumers throughout Fiji. Of these, only 2995 were genuine calls. In light of this, what kind of assistance has been given to consumers to help them register genuine calls in the future?

The non-genuine calls include:

1. Prank Calls;
2. Blank or missed calls;
3. Static calls;
4. Wrong Numbers;
5. Incomplete calls.

I think this is a problem that is faced by all the agencies that set up a “help-line”. Sometimes the children are playing with the mobile phones and they accidentally dial the number or sometimes they have seen the number because we advocate a lot on 155, so they just play with that number. Sometimes consumers, in regards to other issues that they are facing like family issues or there is violence at home, what they do is they call 155. So, what we do we provide them with advice and we direct them to the right Ministry or relevant authority who can assist them because what they say is that they do not know how to get to those authorities, so that is where we assist them.

Question No. 25: Combatting NCDs through Consumer Empowerment

a) What are some of the notable outcomes of the Anne Fransen Fund Project on combatting NCDs which was scheduled to be implemented in the period 1st April to 31st December 2017?

The Council held workshops and community visits with stakeholders in the Central, Western and Northern Divisions, engaging rural communities and villages on the NCD Crisis in Fiji, and the impact of unhealthy lifestyles. Actually, if we say what were the outcomes, what we actually did was we raised awareness, we developed factsheets, and also there was a five-seconds commercial done and 55 commercials were aired on Fiji TV, factsheets were developed and then distributed to the communities. However, it is very hard to measure the impact, but we tried our best to advocate so that people can change their lifestyles. The focus was mostly on chaser habits during kava. We were trying to educate them on the salt and sugar present in the intake of chaser while they are drinking kava and the impact that it has on their health.

b) How successful has the Council been in raising awareness and encouraging healthier chaser consumption accompanying the consumption of kava?

To our understanding, because we advocated vigorously, we feel it should have had an impact, but when it comes to measurement, the Ministry of Health is in charge of collecting those information and data because we were just advocating and campaigning on those areas.

Question No. 26: What have been some of the Council’s key achievements through advocacy and Budget submissions in the following Financial Year, 1st August 2017 to 31st July 2018:

Some of the notable achievements:

- i) Home Care Awareness Campaign: In April 2018, *Tropical Cyclone Keni* and *Tropical Cyclone Josie* caused hundreds of thousands of dollars of damage to homes and infrastructure. To assist consumers with recovery, the Government announced CARE for Fiji initiative, and we know there were some unethical business practices by the traders. So, when it was brought to the Council's attention, the Council raised these issues and then we started raising awareness, we did press releases, conducted media interviews on the issues. As a result of the Council's vigilance in these area, a Joint Task Force was set up with the Fijian Competition and Consumer Commission (FCCC) to investigate traders and charge those who were found to be engaging in unfair trade practices.
- ii) Meningococcal vaccine awareness campaign: There was an outbreak in early 2018, whereby again we saw some of the pharmacies were really selling the vaccine at very high prices, and they were making about 70 to 80 percent profit. So, again the Consumer Council made a bit of noises, we came in, did press releases, conducted interviews, and then we raised awareness and asked consumers to do comparative shopping because you know there was a hype and the consumers were running around because everyone wanted to protect their families from this disease and they were ready to spend whatever amount was being charged to them by these pharmacies. So, in this way, we were able to impart information to the consumers on how they can do comparative shopping between different pharmacies.
- iii) World Consumer Rights Day (WCRD): This is one of the major events of Consumer Councils which is the World Consumer Rights Day, celebrated every year throughout the world. It is a global celebration and it is celebrated on 15th March.

The WCRD theme for 2018 was 'Making a Digital Market Place A Fairer Place' because we know, while there is a lot of digital innovation, while we want digital transformation but with that, comes a lot of issues: the issues of security, privacy, cyber-bullying and online safety. These are the areas of focus and to mark the occasion, the Council had an inter-tertiary debate at the University of the South Pacific's Laucala Campus on the topic, "Should cyberspace be regulated to deal with cyber-bullying and fake news", so there were a lot of stakeholders who were invited and they participated in the celebration.
- iv. NCDs Awareness Campaign: Then the other key and notable achievement was on the NCD awareness campaigns which I think I have already elaborated on.
- v. Successful submissions: Every year, the Council makes budget submissions to the Government, lobbying for certain policy changes that can bring about positive impact on the lives of consumers. It was a happy moment for the Consumer Council and the consumers when the Government announced the \$3.5 million subsidy allocation for kidney dialysis treatment in the 2017/2018 National Budget. The Council had continuously lobbied for the reduction because the cost was really high and a lot of people were not able to afford it. So it was welcomed by many families who were spending about \$750 per week for dialysis treatment. Families with a household income over \$30,000 were to be offered dialysis for \$150 per treatment whereas the families under the \$30,000 threshold are able to attain the same services for \$75 per treatment which, I think, is very cheap.
- vi. Removal of Credit Card Levy: Again, the Council's effort to remove the credit card levy was successful following the Government's decision to axe this in the 2018-2019 National Budget. On one hand, we are wanting to go towards a cashless society, these levies and surcharges are pushing the consumers away from using the credit cards. So this is like a welcome news for the consumers where they were not to pay additional levy on their outstanding balances.

- vii. Private Sector Engagement: There was a seminar organised in Labasa on the topic “Strengthening Consumer Confidence in the Northern Division”. The workshop was held at the USP Conference Centre to address specific issues facing consumers in the Northern Division. Traders were reminded to be compliant in their business dealings and based on the complaints from Labasa, it was found that the consumers and traders had limited knowledge of laws guiding consumer protection and the various consumer redress mechanisms that exist for consumers. So actually this gave an opportunity and created a platform whereby traders and consumers were given an opportunity to discuss issues and how they can overcome those issues.

From 1st August, 2018 to 31st July, 2019, there have been a lot of issues in regards to poor sanitary conditions and unhygienic practices in restaurants. The Council have received several complaints against restaurants for unhygienic practices and the presence of bugs and pests in food. These complaints prompted the Council to investigate further and we also did a minor research on this area, only to find out that most of the restaurants are non-compliant to the existing requirements. The Council issued warning letters to restaurants that were not adhering to hygiene standards, the Ministry of Local Government was also notified and the report was also submitted to them for their reference.

- viii. Survey on meat sold in supermarkets: This is an ongoing issue. We have seen that consumers even now are being sold meat that is not of acceptable quality. What we saw was that there was a lot putrid and thawed meat, damaged packaging. Some of the meats, they had tampered with the expiry dates, you can tell that because they paste another expiry date on top of the original expiry date - there have been a lot of issues. There were issues with freezers, most of the time you will see that the meat are thawed.
- ix. Logo Launch and Relocation of offices: The Consumer Council of Fiji launched its new logo in the office on 8th February, 2019. This was officiated by the former Council CEO and now Minister for Industry, Trade and Tourism, Local Government, Housing and Community Development, Honourable Premila Kumar, at the Council’s new premises at Level 5, Vanua House, Victoria Parade in Suva. The Council’s change in Office and logo are an important step in ensuring that the Council remains relevant in the face of changing consumer issues. Our offices are also friendly to differently abled people because there is a lift, they can come up if they have issues as well.

On 15th March, 2019, we celebrated World Consumer Rights Day with an oratory contest held for Suva Schools and the theme was “Trusted Smart Products”. In line with this, the Council invited students to speak on a local theme “How safe is my information with my smart products?” So oratory competitions were held and why did we target students, it was because we feel that if you educate the youths, the information will be imparted more efficiently and much faster.

Moving onto the next Financial Year, which is 1st August 2019 to 31st July 2020: In the coming year, the Council has some major plans and three major campaigns are being planned, and not only campaigns, we will also be doing a major research in these areas to support our campaigns which are on financial credit institutions. What we have seen in Fiji that the pay day lending is on the rise. People end up in great financial difficulties because as soon as they receive the pay, because they are engaged with unlicensed moneylenders, they give out their cards and PIN numbers to them, so they end up paying more to them and when it is a pay day, they take additional loans to pay this loan and then finance them for the upcoming week, and this cycle goes on.

This is having an impact on the families. The families are getting into financial distress because the breadwinner of the family is already in a financial burden. So these are some of the areas, and we have seen that irresponsible lending is becoming an issue. We have received a lot of complaints, especially, when they give out loans they have differed interest rates. Not only the unlicensed money lenders, it is also the licensed credit institutions, like bigger ones. For example, there was a consumer who took loan around \$63,000 for a vehicle, did not know that he will be paying \$123,800 as the loan amount. He only came to know when he was sent default notices and he got a shock because he was making regular payments. But then again there were defaults because the amount has escalated to \$123,000, which is really a big amount.

- x) Nutritional Labelling for food products: One right for consumers is the right to safety and we see that this is becoming an upcoming and emerging issue where we see traders selling products that do not have expiry dates or if they have expiry dates, it is near expiry. If it is on the shelf, it is near expiry, the ingredients are not visible, and if it is visible it is not in English, it is not meeting the labelling requirement, so we want to venture into studies and then lobby for good labelling requirements to be put in place so that it is safe for consumption, people can read and understand whether it is safe for their health or not.
- xi) Real Estate Sector: We will be looking at rental prices and informal settlements so that we can provide a report to the Ministry and they can bring about better packages for informal settlement and then they can regulate the rental market because currently we can see that, even though we know that there is a Rent Freeze Order, but the landlords are smart. What they do is despite that Rental Freeze Order, they continuously increase the rental prices of their properties.

The Council is also turning our attention to Green Consumerism as it continues to align its activities with the 5-year and 20-year National Development Plan to support 20-year National Development Plan to support Fiji to continue its stewardship of climate change issues with the local and regional at the global level.

Question No. 27: Has the Council carried out any studies to determine the effectiveness of the increase in excise tax for sugar sweetened drinks and RTD alcohol mixtures in the previous National Budgets? Has the increase in price led to a decrease in the purchase of these items?

Just to let the Committee know that we were just involved in the advocacy and awareness work and we continue to do so. The statistics may be available with the relevant authority, which is the Ministry of Health, we do not collate statistics in this area. I was going through the Coca-Cola Amatil Annual Report where they have stated that there is a slight decrease but at the same time they have stated that it is the increase in the excise duty plus the impact of the aftermath of *TC Winston*. So that was the Annual Report for 2017 that stated that but it indicated a slight decrease.

Looking at the financials of the Consumer Council.

Question No. 28 - Current liabilities: Explain the provision for annual leave and why the capital government grant for the Council Office relocation was not utilised as at balance date.

- i. Explain the provision for Annual Leave:

These are the staff annual leave due at the end of the Financial Year ending 31st July, 2017. The increase noted in comparison to the Financial Year ending 31st July, 2016 was because of:

- The amount reported for the Financial Year ending July 2016 was for 7 months because that was the time when the Government changed its financial year reporting, from the calendar

year we went to 31st July, while the amount noted for the Financial Year ending July 2017 was for 12 months.

- Furthermore, the staff sometimes come and request if they can utilise their annual leave during the Christmas and the festive seasons and back to school preparation. Sometimes we provide leeways based on our discretion that we exercise here.
- ii. Why the capital government grant for the Council's Office relocation was not utilized as at balance date?
- The Council submitted its request for the Office Relocation Grant on 1st March, 2017 and the Office relocation grant was received on 26th June, 2017; just one month prior to our Financial Year end.
 - The initial phase of the project started in December 2017 where the Council engaged Architects Pacific for the office setup plan, so that was reflected in the Annual Report for Financial Year 2017/2018.
 - The other major works commenced in March with the main contractor; International Shop Fittings Ltd. That will be reflected in the Annual Report Financials 2017 and 2018.

Question No. 29 - Expenditure (Operating Grant): Provide a breakdown and explain the increase in the following expenses:

- i. Depreciation: The reason is because if you compare it with the financial year ending July because of the calculation shown below:

- Depreciation calculation for the Financial Year ending July 2016 was for 7 months.
- Similarly for Financial Year ending July 2017 was for 12 months.
- Also, for the Financial Year ending, the Council purchased a new vehicle.
- There were additional equipment worth \$23,221.10.
- Additional furniture and fittings worth \$3,072.48.

So this contributed to the increase in depreciation expenses because depreciation was also calculated for these new assets.

- ii. Insurance: The additional purchase of fixed assets noted above contributed to the increase in insurance expenses.

- New India - Office Equipment;
- Marsh Ltd - Indemnity & Travel Insurance;
- Dominion Insurance - Motor Vehicle (including inclusive of new motor vehicle) which was around \$3,168.02

So the calculation of payment movement is there given for the information of the Committee.

That brings us to the end of the presentation. Thank you.

ACTING CHAIRMAN.- Thank you, Madam, CEO. Before we give the time to the Honourable Members for their supplementary questions, I must apologise for not congratulating you on your appointment.

MS. S. SHANDIL.- Thank you.

ACTING CHAIRMAN.- I believe wholeheartedly that the Board has appointed the best person for the CEO position. Madam CEO and your Team, on behalf of the Committee Members, we thank you for your time and your presentation. Thank you for assisting us in providing the Committee with the answers to the questions sent to your Office.

With the information that you have provided this afternoon, the Committee Members should now be well-informed of the functions and the role of the Consumer Council of Fiji. I now give the time to the Honourable Members for any supplementary questions. Honourable Radrodro?

HON. S.V. RADRODRO.- Thank you, Acting Chairman and thank you, CEO and the Team for that presentation. My supplementary question is on Question 7 in regards to the removal of the Data Bureau: What organisation has been established to replace the Data Bureau; and if the issues or the problems that the Consumer Council had raised in regards to the Data Bureau are going to be resolved by the replacement company?

MS. S. SHANDIL.- Thank you, Honourable Member. After the removal, what we suggested, yes, we need a Credit Reporting Agency that can be held accountable and responsible using some laws and regulations, however, currently, we have an enactment of the Fair Reporting of the Credit Act, and we are happy with this legislation, so at least we can hold any Credit Reporting Agency now accountable for information that they put on the Data Bureau. If the information is correct, the consumers can seek remedy and they have to provide the remedy. So at the end of the day, they will have to provide those, but currently we do not have any replacement for Data Bureau. But, what we can say is that, we have recommended for having a Credit Reporting Agency.

HON. S.V. RADRODRO.- Who is the Credit Reporting Agency now?

MS. S. SHANDIL.- For now, we have the Small Claims Tribunal in regards to these issues, because already the Small Claims Tribunal has been established, so if there are any such issues, they are taken to the Small Claims Tribunal who look after these similar cases.

ACTING CHAIRMAN.- Honourable Rasova?

HON. S.R. RASOVA.- Madam, thank you very much for a very good reporting. I take it that we complain a lot in Parliament saying this and this, and I take it that most of the complaints that we do in Parliament, you have been the institution that has been going and doing the lobby around.

But, still on the Data Bureau, how credible is the Credit Reporting Agency that is here, because we take it that the Credit Bureau was very, very good in terms of people. This is the good side that we know, but now that you talk about the \$30 debt that stops someone from going overseas, that was the side-effect of that, but how good is the Credit Agency now? I mean this is a Government Agency, the Credit Bureau was the private sector.

MS. S. SHANDIL.- Yes, sorry, Honourable, Sir, unfortunately, I may not be able to respond to that question, but I would say that most of the complaints that we refer to the Small Claims Tribunal, they do find resolutions and provide redress to the consumers.

But, I will not be able to provide you with the numbers or the successful outcomes as of now.

ACTING CHAIRMAN.- Thank you. Honourable Radrodro.

HON. S.V. RADRODRO.- Thank you, Acting Chairman. CEO and the Team, just another follow-up question: in regards to Question No. 7 on the government legislation that you said would be drafted to hold shipping companies accountable for certain standards of service. Being a frequent traveller on the boats, I really look forward to the kind of improvement that will be brought forth by your efforts in regards to influencing government policies and legislation.

So, can you just briefly advise us on what has been the progress in regards to the Consumer Council trying to influence government policy and legislation in regards to the shipping companies in their service delivery? Thank you.

MS. S. SHANDIL.- Thank you, Madam, for your question. I think because of the continuous lobbying by the Council and the Government has come up with the announcement in the last Budget that they will be introducing this legislation, so definitely we will be called to be part of the consultation process.

So, here we will have our say on behalf of the consumers so that we can have an impact on the legislation that will be brought out. So far, I believe there will be a process in all these consumer-related processes and the Consumer Council of Fiji is invited. So, definitely we will be giving our inputs when we are called for the consultation process for the development of the legislations.

HON. S.V. RADRODRO.- Just another supplementary question to that, I am really happy to hear that you are going to be making presentation or making efforts to be present in the forums where there is going to be a review in legislation in regards to the maritime transportation and I would really urge the Consumer Council to do that in regards to the review in the legislation that would look after the purchase or the importation of ships that are beyond 20 years.

As you may know that a good part of our fleet that is coming in, some ships are quite aged and also from the environmental perspective in regards to this climate change initiatives that are coming in, you will see that there is a lot of derelict ships in our harbour and this will affect consumers in terms of their livelihood like the fishermen, the women that do a lot of fishing for the livelihood of their families.

So, I thank you that you have mentioned that you are going to be making a lot of efforts to be in the forums that are going to be looking at the maritime transportation legislation, particularly, in regards to the age of the ships that are going to be coming into Fiji and serving our travelling public to the maritime areas. Thank you.

MS. S. SHANDIL.- Thank you, Madam, for your points, we are going to take note of those points. Just to let you know, just recently there was a workshop held by MSAF and I think they are working on revising the Acts and legislations around the areas that you have just mentioned and their discussions focused around those areas, like the age of the ships, the economical routes, and also the improvement of the services to the consumers.

ACTING CHAIRPERSON.- Before I give time to the Honourable Rasova, Madam, I would like to ask a question, this is regarding the rented flats. Do the standards and conditions of the rented flats come under your responsibility? Because recently, I have been looking for flats and I believe that the rental price does not suit the conditions and the standards of those flats. Thank you.

MS. S. SHANDIL.- Thank you for your question, Honourable Sir. I totally agree with you. From the complaints that we have received, we have seen that the prices do not meet the standards and the conditions of the flats that are actually sub-leased to the consumers. Having said that, the issue here is that, because the demand

is so high and because we do not have enough to meet the demand, consumers just say “Yes” to anything for the price that they think that they will be able to afford. Yes, the conditions of some flats are really bad. There are issues but at the same time, the owners are not attending to the complaints like when there is maintenance or repairing required, they are not attending to these complaints. Yes, we cannot force the landowners to improve the conditions but we tried to bring this to their attention so that they can bring about improvements.

ACTING CHAIRMAN.- Thank you. Honourable Rasova.

HON. S.R. RASOVA.- Thank you, Madam CEO. Question No. 26: What have been some of the Council’s key achievements through advocacy and Budget submissions in the following years?

Home Care Awareness Campaign - This is one of the very things that we have been trying to charter down the amount of monies that were used. As you said that you are just an advocacy of this. I think the Ministry of Women as well were the front-runners to this Home Care, but given that the complaints are those from villagers, \$7,000 were topped up in their card when they went to the hardware stores of big companies and most of their hardware items till today have not arrived to the villages and the money (millions of dollars) are sitting with hardware companies. Have you people sorted out any investigation to this? Thank you.

MS. S. SHANDIL.- Thank you, Sir. Just recently, we received two complaints in this regard. It has been a year already and they have not received the supplies from the traders. Yes, I totally agree on that, so after our intervention the very next day, the materials were delivered to the consumers, so we can only be there if the complaints are referred to us and we can only assist if the consumers can come up and lodge their complaints with us. So, we were able to assist these two consumers and the very next day, the items were delivered.

HON. S.R. RASOVA.- Thank you, Madam. I take it that probably the public has to go out to the islands and to the affected areas to tell them because the people in the rural areas are always holding up the things that they are not coming forthright with them.

MS. S. SHANDIL.- Yes, we have seen that because they do not have that confidence to complain and sometimes they do not even know whom to go to complain to.

ACTING CHAIRMAN.- Honourable Radrodro.

HON. S.V. RADRODRO.- Thank you, Honourable Acting Chair. CEO, Question No. 8: (d), Provide a brief on the following issue paper which was prepared, “The Insurance Industry in Fiji: Why Reforms in the Property Insurance Sector are necessary.”

I am looking at the complaints emanating from the customers (the complaint list) in regards to, I believe, pertinent issues which are listed in Question No. 12. You look at the top 10 complaints and those are justified or validated by the number of complaints received and which, to me, do not link up to insurance so I am just wondering - what triggered the Council to conduct that insurance issue paper?

MS. S. SHANDIL.- Thank you, Honourable Member, what triggered that was the complaint. The complaints are not on the top ten list that we have given here, but we did receive complaints. It must have been a lot but the issue with the financial sector that we have seen is not only with the property insurance but if you name it, the Health Insurance and other insurance consumers are facing a lot of issues because of the fine prints that are not disclosed to them. So, it is the complaint that prompted that and also the market surveillances. We also do service market surveillances whereby we post, we do mystery shopping and this is how we come to know the real issues on the ground. These are some of the things that prompt the Consumer Council to venture into studies and research work. It is more so like being more proactive.

HON. S.V. RADRODRO.- Why I raised that issue is because in my view, it is not consumer-friendly. For example, I used to insure my property, and when the legislation came into effect, the insurance company put

more stringent criteria to property owners. For example, with mine, I had my property from 1992, and we have been insuring it. Because of this new requirement, new legislation, the insurance company had included new requirements which required existing property owners to do a lot of changes, and that comes with added costs. For example, with mine, we never had any issue about getting an Engineer's Certificate, but when this kicked in, the insurance company required that they wanted to open up the roof and we said, "No". So they went through the ceiling, we had to open up the ceiling, brought in the carpenter at our own cost, and after that, they still said they needed to do more structural sort of inspection into the house and eventually we said, "No, enough!", because it was just incurring a lot of costs and this was even before the insurance itself.

This is like a cost incurred to satisfy the new criteria given out by the insurance company, because of this new insurance legislative requirement. So that is why I am saying, I am not sure where this is coming from because it is not reflected in your consumer complaint as a priority, and as a consumer or a customer who has been affected by this, that is why I am saying, it is not consumer-friendly. I believe a lot of people will be more put-off to insuring their properties because of these added costs. So if you can explain, I do not see the linkages. In my view, it is not consumer-friendly at all. Thank you.

MS. S. SHANDIL.- Thank you, Madam. I totally agree with that. That is why during my presentation I said, what happens here is, the insurance companies set up their own standards of compliance to be met. So different insurance companies have their own standard of compliance to be met by consumers if they want their property to be insured. So for insurance for cyclone, it has always been there and that is where the Consumer Council has come in to say, because what they are saying is that we need an Engineer's Certificate in order to get the property insured for cyclone, that requirement has always been there.

However, we understand it is a very costly exercise, the low-income earners will not be able to afford it because what it needs as you have just said, they need that strapping to be there in order to have it secured against cyclone. So those are some of the requirements. It is the requirement that is coming from the insurance company. It has been there and they stipulate their own set of standards and requirements. So that is where the Consumer Council of Fiji delved into a study to ascertain whether these facts are correct, and then we are asking if we could have some tailor-made products for consumers, because not all consumers will be, as you said, it is not consumer-friendly. There are consumers who will not be able to afford to get a new and upgraded Engineer's Certificate which is around, I also own a property and I know it costs up to \$10,000 to get an Engineer's Certificate upgraded. That is very costly and that is the reason why consumers dropped the idea of getting their property insured and they face the consequences when unpredicted events like natural disasters occur.

HON. S.R. RASOVA.- Madam, I know it is late in the afternoon, it is just my last question. I was going through the Financial Credit Institution, your subheading, "The Moneylenders Act 1938", and the last time it was amended was in 1970. Civil servants are the biggest advocates for moneylending. You have said here that financial advisors are needed mostly to advise all these people. But then given that the debt will carry on, you will go and lend from there to pay the debt and it carries on, you will never get out of it. Some people with families, they go for a divorce, et cetera, what is your solution? Have you done research that you will try and get all these debts out of the people so they can start on their lives again? Thank you.

MS. S. SHANDIL.- Thank you, Honourable Sir. It is a very difficult thing to say that we can get all the people out of debt, because it is not the issue only in Fiji, but based on the discussions with all other consumer advocates, it is an issue worldwide where the payday-lending is really rife. What we are trying to do here, because what happens is, most of the time, these irresponsible lending is from the lenders because they know they will be able to make a lot of profit through the interest rate they charge. So, from our part what we are trying to say, we continue to advocate, publish educative materials in the local dailies so that we can inform them that this is just to avoid excessive borrowing. However, it all depends on the consumers whether they wish to stop or they

continue. But we do not have control over their borrowing, so what we are trying to do is we regulate the market so that if a person is in a certain amount of debt, they are not given any additional debt. Thank you, Sir.

ACTING CHAIRPERSON.- In regards to moneylending, is it right for consumers or clients to threaten the moneylender by telling them, "I will report you to the Consumer Council?"

MS. S. SHANDIL.- Thank you, Sir. If there are some unethical practices being practiced by the moneylender, they can always come forward to lodge their complaints because we know there are cases where they also provide their Personal Identification Numbers (PIN Nos.) to the moneylenders. They give their cards plus the PIN Nos., which is not legal. No one should be asking for my PIN No., but just because the consumers need money and they are in dire need of the money, what they do is they provide the card and also the PIN No. Whilst it is not the fault of the moneylenders because the consumers are willingly giving them their PIN Nos., but then it is something that the banks always ask the consumers to avoid. But if they think that the moneylender is unethical in the business, they can always bring this to our attention.

ACTING CHAIRPERSON.- Thank you, Madam, CEO. Do you have any closing remarks before we conclude for the day?

MS. S. SHANDIL.- I would like to thank the Committee for giving me this opportunity. Actually, this is the first time, and I feel honoured to be presenting our Report. Thank you for the questions because they have also provided some more insights moving forward, what are some other areas we can work on and lobby with the Government as the Honourable Salote has said. We will make sure that we will focus on those areas so that we can continue working to protect the interest of the consumers. Thank you.

ACTING CHAIRPERSON.- Thank you. Once again, on behalf of the Committee Members, I would like to sincerely thank you for the work that you do and have done in addressing or assisting the public with information on matters affecting the interest of the consumers. With the advocacy and awareness work that you do, I believe the consumers should be well informed of their rights.

Vinaka va levu.

The Meeting adjourned at 3.20 p.m.