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OFFICE OF CONSUMER AFFAIRS PLAN

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2004–2006

Canada

MANDATE

Promote the interests of Canadian consumers

The Office of Consumer Affairs (OCA) derives its mandate from the Minister of Industry, who under the *Department of Industry Act*, is directed "to promote the interests and protection of Canadian consumers." The promotion and protection of the consumer interest is a key aspect of achieving Industry Canada's departmental strategic objective of a fair and efficient marketplace.

The OCA works diligently in partnership with other federal, provincial, and territorial departments and agencies, international organizations, and non-government organizations responsible for consumer issues to achieve its objectives. This document highlights some of the OCA's major accomplishments and sets its course for 2004-2006.

THE CONSUMER ENVIRONMENT

Over the past two decades, the Canadian marketplace has experienced several significant structural changes, which have important implications for consumers. New technologies, expanding international trade, and economic deregulation continue to generate new products and transform the way goods and services are marketed. Consumers saw a

substantial increase in the number of products and services available as well as experiencing a greater market responsiveness to perceived consumer needs.

Governments spent the last decade re-structuring the way they deliver services and looking for ways to make traditional mechanisms more effective, while making full use of the extended capacities offered by the Internet, such as e-mail and Web-based information and services.

While well-off and informed consumers are now in a position to experience significant improvements in their welfare by making the contemporary marketplace work to their advantage, these changes, as well as increased debt levels, pose significant challenges for many groups. Consumers who have little time to unravel today's increasingly complex and information-intensive market as well as those with limited financial resources and access to data, are constantly faced with fewer real options, amplified uncertainty, and added risk.

Therefore, the longer-term challenge for the OCA is to promote a greater understanding of the changes in the Canadian marketplace and to help define an effective government response.

MISSION

The OCA achieves its mandate through its activities with the public and private sectors, using information and innovative policy instruments to complement and support consumer protection regulation. Over the next two years, the OCA will work to fulfill its mandate by:

- Providing leadership in identifying the information needed by consumers and how it will be delivered;

- Providing consumer information and referral services as well as unique consumer information products, unavailable from other consumer groups or agencies;
- Being recognized by the private sector as a key interlocutor, providing leadership in identifying consumer issues, and developing market based solutions where appropriate;
- Fostering dynamic external research while maintaining an excellent internal program, which will anchor and drive a focussed agenda of policy interventions;
- Supporting the development of an innovative and creative community of consumer groups; and,
- Promoting collaborative solutions to consumer issues with other governments, civil society, and the business community.

MAJOR ACHIEVEMENTS AND ONGOING ACTIVITIES (1999–2003)

Consumer Information

- In 2000, the Office of Consumer Affairs launched the *Canadian Consumer Information Gateway*, an innovative Internet portal designed to improve and promote public access to consumer information. The Gateway provides fast, convenient access to the consumer information from more than 400 federal departments and

agencies, provincial and territorial ministries, and Non-Governmental Organization partners. In 2002, the OCA added a new service to the Gateway, the "Complaint Courier," to help consumers complain in a more effective and efficient manner.

- The OCA also launched a series of Web-based information products designed to help consumers protect their interests when dealing with key aspects of the changing marketplace. These products are located at "Consumer Connection" on Strategis, Industry Canada's business and consumer information Web site. They include information and interactive tools dealing with privacy, secure and safe on-line transactions; money management; fraud protection, and Web-based calculators which help consumers compare the costs and benefits of credit cards, banking packages, and mutual funds.
- In 2002, Consumer Connection launched *Spending Smarter*, a suite of interactive tools and a plain language guide designed to help consumers get the most out of their money when making major purchasing decisions.
- The OCA worked with the joint federal-provincial-territorial Consumer Measures Committee to develop *Reality Choices*, a series of information booklets for young adult consumers.
- Together with its provincial and territorial partners, the OCA released the *Canadian Consumer Handbook 2002* on CD-ROM, which is available through public and academic libraries across Canada, as well as on the Internet. An update is planned for 2004.

- The OCA developed *Consumer Complaints Management: A Guide for Canadian Business* (prepared for federal, provincial and territorial ministers) and associated case studies on market-based redress.

Government Policies and Interjurisdictional Activities in the Consumer Interest

- The OCA launched the development phase of the *Consumer Trends Report*. The Report will explore how consumers fare in the Canadian marketplace and track trends that affect consumers, including demographics, income, wealth, debt, expenditures, attitudes, and marketplace frameworks.

In 2002–2003 the OCA developed the analytical basis for the *Consumer Trends Report*, established an advisory committee to provide input and begin advanced planning for a national symposium on new directions in consumer analysis.

- Through the joint federal-provincial-territorial Consumer Measures Committee, the Office of Consumer Affairs helped develop ongoing joint work plans to advance the consumer protection agenda in key areas, including electronic commerce, consumer redress, the alternative consumer credit market, such as pay day lenders, rules governing the actions of collection agencies, credit card chargebacks, and the determination of which consumer laws apply in disputes between consumers and businesses located in different jurisdictions.

- The OCA chaired the Electronic Funds Transfer Working Group, which conducted an evaluation of operations related to the *Canadian Code of Practice for Consumer Debit Card Services*. The evaluation was published in the spring of 2003. The Working Group is now chaired by the Department of Finance.
- The OCA chaired the Organisation for Economic Co-operation and Development (OECD) working group which developed the *Guidelines for Consumer Protection in the Context of Electronic Commerce*. The OCA continues to work with the OECD consumer policy committee to promote implementation of the guidelines.
- The OCA carried out a study of the implications of the *General Agreement on Trade in Services* negotiations for the capacity of subnational governments to regulate in the area of consumer protection.

Working with Consumer Organizations

- Between 1999 and 2003, 81 organizations submitted 365 project proposals to the OCA's Contributions Program for Non-Profit Consumer and Voluntary Organizations. An average of 12 organizations receive funding annually under the program. Funded projects address issues relating to auto retailing and repair, biotechnology, consumer credit, electronic commerce, energy deregulation, financial services, privacy, standards, sustainable consumption, and telecommunications. Nine development projects were also awarded to help organizations achieve greater financial self-sufficiency. In 2001-2002, the funding budget was increased from \$1,000,000 to \$1,690,000 annually.

- The OCA worked with consumer groups to improve their capacity to participate in the policy-making process. The OCA assessed their project reports and conducted bilateral meetings with each group to assist in future research activity and enhance the representation of consumer interests.

Developing New Approaches to Consumer Protection

The OCA worked on several fronts with many partners to advance the consumer interest in a variety of areas, including:

- Exploring potential consumer issues and solutions in the field of *genetic privacy*,
- Working on the development of a voluntary labelling standard for *genetically modified food* products,
- Developing and gaining approval in principle of a code of practice for *consumer protection in electronic commerce*,
- Assisting consumer organizations in bringing the on-line business practices of an initial group of merchants up to the standards of the Electronic Commerce Code of Practice,
- Continuing work regarding *objectionable content* in various communications media,
- Participating in a working group on ethics and public confidence relating to *biotechnology*,
- Contributing to federal government responses to outside reports, such as that of the Canadian Biotechnology Advisory Committee on the regulation of genetically modified foods, and
- Participating in the development of an international standard on complaints handling.

AWARDS AND RECOGNITION

Canadian Consumer Information Gateway

Technology in Government - Distinction Awards 2001

Gold - Innovative Partnerships and Alliances for Public Service Delivery

Gold - Leadership - Annual Achievement

Head of the Public Service Award for Excellence in Service Delivery - Service Transformation 2002

Commonwealth Association for Public Administration and Management - International Innovations Awards Program 2002, Finalist

OUR FOCUS 2004-2006

In order to achieve its mission, the Office of Consumer Affairs will focus its efforts in the following Strategic Areas over the next two years:

- Demonstrating engagement and leadership in **information** dissemination and service transformation;
 - Enhancing the **consumer movement** to help it become a stronger voice in Canadian policy-making;
 - Increasing dialogue on consumer issues within the **Government of Canada** and with **other national governments and international organizations**;
 - Strengthening **federal-provincial-territorial** collaboration;
 - Broadening **policy research** and diffusion; and,
 - Pursuing selected **market based consumer protection solutions** where appropriate.
- ## Leadership in Consumer Information Services
- The OCA will continue to renew its award-winning consumer information services, to ensure that they remain relevant to consumer needs in an evolving marketplace:
- Building upon a considerable investment in policy research, the OCA will select subject areas that lend themselves to new consumer-focused information products for the Consumer Connection Web site, such as personal money management, automobile lease or buy decisions, and housing decisions. In addition, products tailored to the needs of the consumer research community will also be developed, such as the Consumer Connection Research Database;
 - In response to a current needs assessment report, the OCA will develop and incorporate a Consumer Challenge/Solutions feature into the Consumer Gateway site, which will provide quick responses to the most common Gateway enquiries, such as import duties and work-at-home schemes;
 - The OCA will provide appropriate delivery channels for new information products and diverse channels for all products, depending upon their intended audience. These will include material geared to literacy levels, non-electronic formats for non-Internet consumers, and information that is accessible to users of technological aids. In some cases, the OCA will work in collaboration with other communicators, such as other federal departments or private sector partners seeking to reach consumers; and,
 - Act as advisors in the development of consumer information and education products by stakeholders, such as governments, civil society, and business.

Strengthening the Consumer Movement

The OCA will help build a strong voice for consumers in Canada by:

- Producing a practical guide for recipient organizations on administering a project funded under the Contributions Program for Non-Profit Consumer and Voluntary Organizations and on meeting quarterly reporting requirements;
- Promoting greater co-operation among major national consumer organizations in areas such as information exchange, the development of common positions on public issues, and the pooling of resources to communicate with the public; and
- Improving the capacity of the consumer movement to bring issues to the attention of the federal government.

Increasing Dialogue and Collaboration Within the Government of Canada and with other National Governments and International Organizations

The OCA will work with other Canadian federal departments and international agencies to promote greater collaboration on consumer issues by:

- Advancing the consumer interest in current Canadian government priorities, such as Smart Regulation, climate change, innovation, and service transformation;
- Exploring ways to improve the effectiveness of the Canadian federal government's system in addressing consumer issues;

- Evaluating the feasibility of collaborative federal government consumer-oriented projects, such as national conferences on consumer issues, joint consumer education initiatives, and sharing of information and data with other departments; and,
- Continuing to collaborate with the OECD, Consumers International, and selected national and international standards groups.

Strengthening Federal-Provincial-Territorial Collaboration

The Office of Consumer Affairs will work with its Consumer Measures Committee (CMC) partners to:

- Advance the harmonization of consumer protection in Canada and implement priorities approved by ministers (for up-to-date information on CMC, go to www.cmcweb.ca); and,
- Improve the linkages between the federal-provincial-territorial (FPT) agenda and consumer and business stakeholders by encouraging and assisting consumer groups to engage in the FPT process and establishing a reporting process on FPT deliberations and plans to stakeholders.
- The OCA will continue to provide the secretariat for the CMC and the FPT Ministers and Deputy Ministers Responsible for Consumer Affairs.

Policy Research and Diffusion

To support its role in policy development, the OCA will:

- Use the publication of the Consumer Trends Report and the national symposium in 2004 as a springboard to launch a national dialogue among consumer groups, academics, governments, and the private sector on leading-edge policy research on consumer issues;
- With partners in government, universities, the private sector and non-government research organizations, evaluate and initiate concrete elements of a thriving consumer research environment, such as conferences, databases, an on-line community, a publications program, and increased funding for academic consumer research; and,
- Continue a robust internal program of economic and legal research relating to the consumer interest in Canada.

Pursuing selected market based consumer protection solutions

Where appropriate, the OCA will:

- Collaborate with national stakeholders to explore the feasibility of national and international standards for market-based codes of conduct in areas such as electronic commerce, financial planning, dispute resolution, customer satisfaction, and the moving industry;
- Review and finalize the Electronic Commerce Code of Practice through the e-commerce Leaders Code Review Committee and seek endorsement from interested parties;
- Promote the consumer interest in both public and private sector electronic marketplace initiatives in areas such as authentication, identity theft, domain names, and privacy; and,
- Identify new and emerging issues affecting consumers.

Note: all publications mentioned in this Business Plan are available either on-line or through the Office of Consumer Affairs. For further information please contact:

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