

# 2009-2010 Annual Report of Activities



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# Principles Guiding the Council

*The Consumers Council of Canada works collaboratively with consumers, business and government, seeking an efficient, equitable, effective and safe marketplace for consumers by informing and advocating concerning the following consumer rights and responsibilities.*

**Basic Needs** – *The right to basic goods and services which guarantee survival. The responsibility to use these goods and services appropriately. To take action to ensure that basic needs are available.*

**Safety** – *The right to be protected against goods or services that are hazardous to health and life. The responsibility to read instructions and take precautions. To take action to choose safety equipment, use products as instructed and teach safety to children.*

**Information** – *The right to be given the facts needed to make an informed choice, to be protected against misleading advertising or labelling. The responsibility to search out and use available information. To take action to read and follow labels and research before purchase.*

**Choice** – *The right to choose products and services at competitive prices with an assurance of satisfactory quality. The responsibility to make informed and responsible choices. To take action to resist high-pressure sales and to comparison shop.*

**Representation** – *The right to express consumer interests in the making of decisions. The responsibility to make opinions known. To take action to join an association such as the Consumers Council to make your voice heard and to encourage others to participate.*

**Redress** – *The right to be compensated for misrepresentation, shoddy goods or*

*unsatisfactory services. The responsibility to fight for the quality that should be provided. Take action by complaining effectively and refusing to accept shoddy workmanship.*

**Consumer Education** – *The right to acquire the knowledge and skills necessary to be an informed consumer. The responsibility to take advantage of consumer opportunities. Take action by attending seminars and workshops, work to ensure consumer education takes place in schools.*

**Healthy Environment** – *The right to live and work in an environment that is neither threatening nor dangerous and which permits a life of dignity and well-being. The responsibility to minimize environmental damage through careful choice and use of consumer goods and services. Take action to reduce waste, to reuse products whenever possible and to recycle whenever possible.*

**Privacy** – *The right to privacy particularly as it applies to personal information. The responsibility to know how information will be used and to divulge personal information only when appropriate.*

*The Council is committed to:*

- Being a voice for consumers
- Listening to consumers
- Consumer Empowerment
- Integrity
- Stakeholder involvement
- Excellence in stakeholder and member services
- Financial sustainability

# President's Report



Don Mercer

The Consumers Council of Canada faced big challenges in 2009-2010. I expect the Council will emerge from the current transition stronger, more vibrant and better-funded.

I thank those who rallied around the Council in its efforts to thrive and grow despite the recession. Many corporate supporters increased contribution levels, some significantly, to assist the Council. In addition, the Council has spread the message that it can no longer do so much for little or no related revenue stream. The federal government recognized this in its directive to departments requiring appropriate funding of consumer impact assessments of proposed policies and regulations. We had a successful symposium concerning this with Industry Canada in early March 2010.

The Council continued its active policy, consultation, intervention and representation engagement, earning some good media exposure even as much remains to be done on that front. Our representatives joined others of the Canadian Consumer Initiative on Parliament Hill for three days in late March and attended meetings with the Office of Consumer Affairs, the Competition Bureau and others. The Council is the "go-to" consumer organization for the Ontario Government. It is discussing with the Law Foundation of Ontario new ways to support and represent consumers. Our Central Canada Advisory Committee has been active. The Council continues to develop its capability to deliver a national program and is seeking to add an executive vice president to promote stakeholder relations.

Without our volunteers we could not succeed, and a heartfelt thank-you goes especially to those active Issues Committee members, active Board members and to our staff – notably Ken Whitehurst and Shoshana Teitelman, who have supported the Council unstintingly in 2009-2010.

# Internet Communications Initiatives

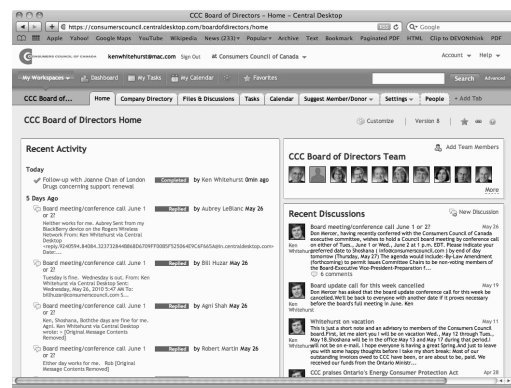
The Consumers Council of Canada embarked on five distinct Internet-centred communications initiatives in 2009-10:

- A Web 2.0 Collaboration System for Council members and stakeholders
- An upgrade of its public website
- A major expansion of the Council's Public Interest Network
- Implementation of a private Facebook group for members of the Council's Network of Young Consumers of Ontario
- Establishment of stakeholder listserv to support e-mail communication

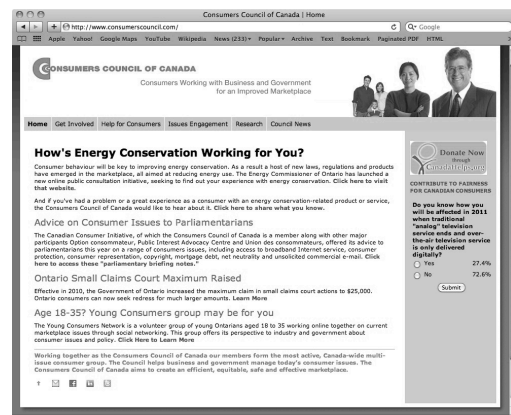
The Council's web-based collaboration system provides for events calendars, project planning, file storage and sharing, online discussions, private blogs and database management in a secure, shared online work environment. The system brings together stakeholders, individual members and Council staff in a secure work environment. The system

proactively communicates change information to users, meaning information about activities within the Council can be shared nearly instantly, and selectively based on the areas of interest of participants.

The Council has moved its website to a new and update software platform. The new system provides



New Web 2.0 Collaboration System serves staff, board of directors, members and stakeholders



New website adds blogs, social networking links

the Council to provide publicly accessible blogs, with RSS feeds, and facilitates easy linking with a wide range of social networking and content sharing Internet services. The system also supports interconnection with audio, video and instant messaging system Skype , as well as short-text message sharing service Twitter.

The collaboration system had already been in use for a year, providing project management features and content sharing for Council researchers.

The Council's website at [www.consumerscouncil.com](http://www.consumerscouncil.com) is a top-10 search result for Google users in Canada using the search term "consumers." Consumers can share their concerns, make donations, find potential help with problems and become familiar with Council advocacy.

The development of the Network of Young Consumers of Ontario has added more than a 100 consumer-aware young adults aged 18-35 to the ranks of the Council's online survey group, the Public Interest Network. Among other input to the Council, this network provides informed consumer reaction to

concepts being tested by Council researchers as they make recommendations to business, government and consumers related to consumers' rights and responsibilities in the marketplace.

NYCO members also participate in an invitation-only, Council-run Facebook group developed to facilitate education and discussion about consumer issues. Council researchers and government regulators joined NYCO online to discuss concerns of this group.

The Council has established a listserv to make e-mail distribution faster and easier with its many stakeholders and contacts who may not be covered by its online collaboration system. This lower-cost system assists the Council when there is just news to spread. The Council's related media contact list was significantly improved with the assistance of Council volunteers drawn from NYCO.

Collectively these information technology improvements make it possible for members to self-serve to obtain or distribute information and support the Council's ability to function cost effectively on a national basis.

# Council Activities

## **Network of Young Consumers of Ontario**

The creation of the Network of Young Consumers of Ontario (NYCO) has brought many new volunteers aged 18-35 to the Council.

Young consumers are an important force in the marketplace, and government, non-governmental organizations and businesses alike recognize the importance of this age demographic.

The NYCO project was funded by the Ontario Trillium Foundation, and, although the funded project ended in Jan. 2010, NYCO continues to expand and develop as a valuable resource for the Council.

Recruitment efforts, enhanced by the development of a unique logo and brochure, created a surge in the number of NYCO participants at the end of 2009. A professional graphic artist created print and electronic brochures aimed at young consumers. The team's outreach efforts were well received, and NYCO membership met project requirements, exceeding 100 persons.

A project highlight was the creation of the Consumer Representative Training Program. This seminar educates about the role of a consumer representative and consumer representation, in general. Members are prepared for placement on consumer advisory committees, internal and external to the Council. Upon completion of the course, participants receive a training certificate and handbook. Local NYCO members participated in either of two in-person training sessions. Members outside the GTA, were offered the course online by web conference. Twenty-one volunteers were trained and added to a database of eligible consumer representatives. Trained NYCO members have already represented the Council at the request of stakeholders.

NYCO members joined the Council's issues committees and board of directors, offering enthusiasm and fresh perspectives. A Leadership Committee has been created to build NYCO and will work on maintaining the online social network and spearhead future initiatives

## **Financial Services**

Last year, the Consumers Council of Canada researched Creditors Insurance; this year it conducted research on the implementation of Tax Free Savings Accounts in Canada.

Consumer representation in securities regulation in Canada was a topic of discussion for this spring's Central Canada Advisory Committee, at which a presentation was made on the subject by FAIR Canada, Canadian Foundation for Advancement of Investor Rights.

FAIR Canada is a newly established independent non-profit organization dedicated to representing the interests of Canadian investors in securities regulations. This organization has consulted closely with the Council.

Whipple Steinkraus, a former Vice President of the Council and former chair of its Financial Services committee, was a member of the founding board of directors of FAIR Canada.

Bill Huzar, immediate past president of the Consumers Council, represents the Council on the Stakeholder Advisory Council of the

Canadian Payments Association (CPA). CPA was established under legislation to set rules for the funds transfers in Canada.

Currently, the CPA is reviewing the issue of value date for bill payments. Huzar, as a member of the Bill Payments Task Force of CPA, has represented consumer concern that consumers accounts should be credited the day a bill is paid even though the billing company may not receive the payment through banking processes for several business days afterward.

The Council has also responded to the federal government's Voluntary Code for Debit and Credit cards.

The voluntary code gives greater protection for consumers, but unless it is followed by all financial sector participants, provisions of the code will need to be addressed in regulation to guarantee compliance.

The Financial Services Committee will monitor compliance.



## Food and Health Safety

A major concern of the Food and Health Safety Committee of the Council has been passage of Bill C-6, the Canada Consumer Product Safety Act. The bill, after being delayed in the Senate, died on the order paper when Parliament was prorogued. The bill has been supported by Canadian Consumer Initiative members, who have been awaiting re-introduction of the bill.

Most recently the Council was consulted by the Canadian Food Inspection Agency about 'Made in Canada' and 'Produced in Canada' labeling guidelines. The Council was consulted about its views on Health

Canada's Natural Health Products Program.

Canwest News sought the views of the Council on Food Safety in a feature article prepared for that newspaper group last August.

Elizabeth Nielsen continues to represent the Council on the subject of nanotechnology in Canada and abroad. She was featured in a CTV News report last November. Her work for the Council elicited the interest of the Professional Engineers of Ontario as they develop qualifications for working with nano-materials. The Council was cited in the recent PEO Emerging Disciplines Task Force report on the subject.



## **Energy and Housing**

The work of the Council's Energy Committee is supported by the members of the Energy Network, who provide comments on issues and suggestions for engagement. Their help is invaluable.

The Council represents the residential consumer before the Ontario Energy Board in a range of cases. It has been particularly concerned about the increasing cost of energy to residential consumers, and the need to inform consumers in advance about those costs, and how they are charged. The consumer's right to information is one we continually work to maintain.

The ongoing efforts to enshrine energy efficiency in Canada's Building Codes is coming to fruition, based on the 2007 research the Council did that continues to be referenced. The Council is involved at the national level with the Canadian Commission on Building and Fire Codes as well as provincially in British Columbia, Ontario and Nova Scotia. Its representatives serve on committees that feed into the building code process and bring the

consumer view to those tables. As well the Council has partnered with NAIMA Canada in research on consumer opinion around energy efficiency in Alberta and have brought that information to the attention of the Alberta government.

In Ontario, the Council has responded to legislation dealing with "Green Energy" and consumer protection of energy consumers. Council concerns centre around the right of the consumer to know the costs of measures that flow from the Ontario Green Energy Act (Bill 150). A letter with Council concerns was sent to Ontario's Minister of Energy and Infrastructure.

In B.C., Council representatives participated in stakeholder groups for Terasen Gas and committees of B.C.'s Ministry of Housing and Development. Representatives in Nova Scotia and Ontario serve on building advisory committees.

Particular thanks are extended to Robert Warren, the Council's lawyer before the Ontario Energy Board, and to Julie Girvan, the Council's Energy Advisor, for their excellent work and to the members of the Council's Energy Network for their advice.

## Policy

The Consumers Council of Canada's Policy Committee reviewed the Council's 2009-10 research and the recommendations resulting from that work and it helped screen the Council's 2010-11 research proposals made to the Office of Consumer Affairs, Industry Canada. (See the "Research" section of this report for more information.)

The committee also reviewed the common positions developed by Canadian Consumer Initiative-member consumer groups. These positions were represented on Parliament Hill by CCI members in March 2010.

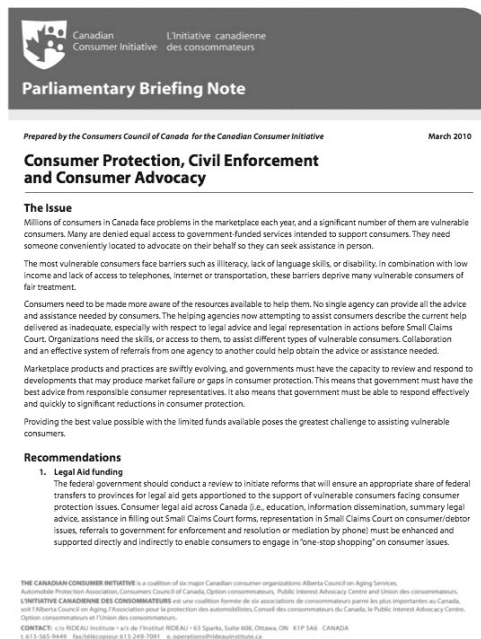
'Briefing notes' on these topics included:

- Access to Broadband for All Canadians
- Home Affordability and Mortgage Debt
- Copyright Reform
- Consumer Protection, Civil Enforcement and Consumer Advocacy
- Better Representation of Canadian Consumers

- Internet Traffic Throttling and Net Neutrality
- Unsolicited Commercial Electronic Mail (SPAM)
- Fuel Efficiency Labeling for Vehicles

In the spring of 2009 the committee also reviewed the Council's privacy policy, making amendments necessary for the Council's involvement in online social networking.

Since January the committee has provided input on priority setting criteria for current consumer issues, as the Council seeks to marshal ideas and resources for new consumer representation and advocacy.



## **Canadian Consumer Initiative**

The Canadian Consumer Initiative, facilitated by the Rideau Institute, has bolstered the common understanding and representation of the country's major consumer groups, including Consumers Council of Canada, Option consommateurs, Union des consommateurs and Public Interest Advocacy Centre. Office of Consumer Affairs, Industry Canada funded the CCI initiative in 2009-10 and has agreed to do so again in 2010-11.

Representatives of CCI-member groups met with the Honourable Tony Clement, Minister of Industry, in the final days of the Council's 2008-09 fiscal year. That meeting helped CCI advance the potential to improve consumer group representation in policy development by addressing processes outlined in the Cabinet Directive on Streamlining Regulation.

Groups once again were represented in the hearings of parliamentary committees (such as the Standing Committee on Health regarding consumer product safety legislation) and consulted individually with

elected representatives at various points throughout the year. CCI held meetings on Parliament Hill on March 23-25, 2010, engaging the offices of 22 Members of Parliament. MPs were chosen for meetings based on their service on key cabinet committees dealing with consumer issues. Civil servants from two departments, including two Director Generals were included in these representations.

The high level of engagement and relative ease in booking meetings demonstrated the success of the past efforts of CCI in effective consumer representation.

The Competition Bureau met with CCI member groups to brief them on its developments and projects, as well as listen to their concerns.

To plan all this work, CCI engaged in regular collaboration: conference calls, meetings, e-mail analysis, etc.

CCI member groups, including the Council, generated an average of more than 40 separate media mentions per month in 2009-10.

CCI's consensus decision making resulted in the briefing notes mentioned in the Policy Committee section of this annual report.

# Research

*Consumers Council of Canada receiving funding in 2009-10 and will again in 2010-11 from Industry Canada's Contributions Program for Non-profit Consumer and Voluntary Organizations to conduct consumer research. Views expressed in relation to this research are not necessarily those of Industry Canada or of the Government of Canada.*

## **2009-10 Research Topics**

### **Tax-Free Savings Accounts**

Since January 2009, Canadians have been able to use a Tax-Free Savings Account (TFSA) as part of their personal financial planning. Introduced in the February 2008 Federal Budget, the new TFSA could radically alter the way Canadians save for the future and manage their investments. Over the balance of 2008, there was a great deal of speculation about how much and how Canadians might use this new program. This research project investigated and evaluated the early patterns of TFSA usage among Canadian consumers.

### **Wireless Plans**

The Canadian government has completed a much-anticipated wireless spectrum auction, which has enabled several new wireless service providers to emerge. The consumer adoption rate for wireless service will increase rapidly with many new operators and/or service plans. Consumer complaints related to wireless charges have been many. Research in the wireless prepaid and postpaid area was required to understand consumer satisfaction and concerns. This research helps identify the source of complaints and makes recommendations to address perceived unfair practices.

### **Corporate Social Responsibility**

Consumers consistently tell researchers that they are concerned about the impact of the products they purchase, and that they prefer to make purchases from organizations that take social and environmental responsibilities seriously. In Canada, a majority of members of the public are reportedly paying attention to issues related to social responsibility in

purchasing decisions. However, a major gap between consumers' concern and their everyday actions remains even where information is available to guide choices. This project identifies what elements help to enhance the credibility among consumers of reports and claims about social responsibility made by organizations, and how to assure the public in their decision-making on socially responsible purchases, in order to build smart, people-centred assurance practices that both empower consumers and strengthen marketing performance.

### **Assessing Consumer Impacts**

A directive of the federal cabinet on streamlining regulations has given rise to a new Regulatory Impact Analysis Statement (RIAS) intended to incorporate, among other things, an assessment of the impact of proposed policies and regulations on consumers. Office of Consumer Affairs, Industry Canada, is developing a draft of a guide, to be used in assessing the impact of proposed policies and regulations on consumers. This research is important because the direct involvement in Canada of consumer groups in assessing consumer

impacts of proposed regulations and policies for Regulatory Impact Analysis Statements would be a new development. This research considers the resources, processes and standards necessary for effective participation in such assessments by Canadian consumer organizations.

### **2010-11 Research Topic**

#### **Canadian Consumers' Online Reputations – Awareness, Misuse and Repair**

The Council is undertaking a research project on the phenomenon of consumers' online identities being misused by others resulting in potential damage to a consumer's reputation, with a focus on the services of reputation repair offered by various organizations and businesses. This research is intended to result in a practical and useful trial and evaluation of products and services purporting to help Canadians find and/or manage their online information and reputation.

# Supporters of the Council

Advertising Standards Council	Investment Funds Institute of Canada
Alcohol & Gaming Commission of Ontario	Memorial Gardens Canada
Canadian Life & Health Insurance Assoc.	NAIMA Canada
Canadian Payday Loan Association	Ontario Lottery & Gaming Corporation
Canadian Petroleum Products Institute	Ontario Ministry of Consumers Services
Canadian Standards Association	Ontario Motor Vehicle Industry Council
Capital One	Procter & Gamble
Consumer Health Products Canada	Real Estate Council of Ontario
Credit Union Central of Canada	Retail Council of Canada
Enbridge Gas Distribution	Scotiabank
Enersource	Tarion Warranty Corporation
First Canadian Title	Underwriters Laboratories of Canada
GS1	Visa Canada
Interac	

# Board of Directors

## Executive Directors

Don Mercer, President	Philip Dewan, Vice President
Doug Lawson, Treasurer	Bill Huzar, Past President
Gail Campbell, At-Large	

## Other Directors

Christina Bisanz	Marylou Hilliard
Matt Kelly	Alison Knight
Susan Lawrence	Aubrey LeBlanc
Robert Martin	Anne McConnell
Cindy Nicholas	Agni Shah

### *Network of Young Consumers of Ontario Members*

Sandeep Singh  
Venkat Subramanian Somasundaram

Ken Whitehurst, Executive Director