

Consumer Affairs Victoria *Information Provision and Education Strategies*

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“ Preface ”

All consumer agencies use information and education strategies to influence consumer behaviour and increase the effectiveness of other consumer policies. Some have been highly successful. Others have not generated the results expected.

Making consumer information and education more effective requires understanding of the strengths and weaknesses of information strategies and how consumers use available information. This paper discusses these issues, looking at the role of information in achieving behavioural change.

The research paper is one in a series designed to stimulate debate on consumer policy issues. It does not represent government policy and is intended as a basis for discussion only.

This paper is preceded by a discussion paper on *What do we mean by 'vulnerable' and 'disadvantaged' consumers?* and is accompanied by another research paper on information issues: *Social marketing and consumer policy*.

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“ Information provision and education strategies ”

Information provision and education strategies are integral parts of consumer policy, and a focus for Consumer Affairs Victoria. Strengthening education and information services is one of Consumer Affairs Victoria's seven strategic priorities:

Emphasis is placed on empowering consumers to manage their own risks. This means working to understand the role of consumer behaviour in systemic consumer problems, and applying this understanding to engage with the problems at source. As a result, 2004-05 saw the implementation of several education strategies aimed at consumers, sometimes running concurrently with strategies aimed at business. (CAV 2005a, p. 62)

Consumer Affairs Victoria, along with other consumer agencies in Australia and overseas (for example, the United Kingdom), is focusing on empowering consumers to make more informed choices (OFT 2004 and CAV 2005a, p. 62). This recognises that information problems occur in many consumer markets. But, increasingly, research in areas such as behavioural economics is demonstrating that simply providing information, even if people clearly understand that information, is not necessarily enough to overcome these problems.

To better understand the links between good information and education campaigns and the resolution of information problems in consumer markets this paper looks at information problems, the problems information strategies can address, the information provision and education strategies used in Victoria, and how they can improve outcomes for consumers.

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“ *What is information provision and education?* ”

1

Consumer strategies often use information and skill development to improve outcomes for consumers or make markets work more effectively to benefit consumers. The paper defines consumers as people acquiring goods and services for personal, household or domestic use. The initiatives covered by this paper include those that involve communication between industry and government agencies, government agencies and consumers, and industry and consumers, including:

- the requirement that traders provide each consumer with information when the consumer is considering purchasing a product or at the time of sale, or include certain information about the product in publicity and advertising material
- the requirement that traders report to a regulatory agency or provide certain information to government agencies to obtain a licence or permit
- initiatives by consumer agencies to inform traders about their responsibilities to consumers
- campaigns by consumer agencies to inform consumers about specific products or services or their rights in relation to those products or services
- consumer initiatives, such as education packages for schools, which improve consumers' ability to exercise their rights.

“Victoria’s use of information provision and education”

2

Victorian consumer agencies are involved in all of the activities noted above. Their activities are reactive and proactive. The most significant reactive activity is responding to inquiries and complaints, many of which are directed to Consumer Affairs Victoria (Box 1). An example is the Residential Tenancies Bond Authority, which had more than 105,000 calls to its call centre in 2003–04 (CAV 2004a, p. 88). Some inquiries are also made to other agencies in the Consumer Affairs portfolio.

Box 1: Inquiries directed to Consumer Affairs Victoria

In 2003–04, Consumer Affairs Victoria handled more than 570,000 telephone information requests. These included nearly 240,000 requests for information and advice about the purchase of consumer products and services and residential tenancy issues, around 105,000 calls about residential tenancy bonds, and just under 120,000 business registration issues. A 24-hour self-help telephone system provided pre-recorded information about common renting and consumer issues. When a matter cannot be resolved between two parties, Consumer Affairs Victoria inquiries officers provide advice on alternative avenues for assistance.

Consumer Affairs Victoria provided nearly 75,000 consumers with face-to-face assistance through the enquiries counter at its Melbourne office in 2003–04. Of those inquiries, there were:

- 56,541 about general registration
- 7,324 about consumer and tenancy matters
- 5,341 about licensed occupations
- 5,487 about liquor licensing.

Consumer Affairs Victoria received 12,871 emailed information requests, including 6,756 requests for information and advice about the purchase of consumer goods and services, 4,160 business registration inquiries and 1,560 requests for information and advice about residential tenancy bond issues.

While some inquiries result in conciliation or enforcement action or the complaint being referred to another body, almost all involve initially providing the inquirer with information. Dealing with telephone, face-to-face and written inquiries is an increasing part of consumer affairs agencies’ work. For example, from 2002–03 to 2003–04, the number of calls taken by Consumer Affairs Victoria increased by nearly 6 per cent.

As well as responding reactively to requests for information, consumer affairs agencies also have proactive strategies to make information more useful and accessible to consumers. These strategies are delivered through various media, which are discussed in Appendix 1 and include:

- websites
- publications
- education programs
- advertising
- seminars, trade shows and conferences, and
- compulsory information provision by traders.

Agencies often use a combination of media to deliver key messages to traders and consumers. Consumer Affairs Victoria, for example, frequently uses targeted campaigns to increase the penetration and effectiveness of its messages. One example is the strategy used to inform estate agents and real estate buyers and sellers about their rights and obligations. The project involved:

...pre-campaign activity focused on estate agents and aimed to inform agents about the amending legislation and to enlist their help in distributing the Guide [Real Estate: A guide for buyers and sellers]. (CAV 2004a, p. 37)

Source: CAV 2004a, p. 85.

The subsequent campaign involved:

- publication and distribution of *Frequently asked questions for estate agents* (FAQ)
- publication and distribution of *Real Estate: A guide for buyers and sellers*
- media releases and advertising via newspapers, magazines, radio and internet
- exhibitions (metropolitan) and public seminars (regional). (CAV 2004a, p. 37)

Consumer Affairs Victoria continually evaluates its campaigns, using these evaluations to monitor campaigns' success and improve the delivery of future campaigns.

“ *The role of information provision and education in consumer policy* ”

3

Information provision and education strategies are useful policy tools, but they cannot address all of the problems that cause consumer detriment. They are most suited to addressing two consumer policy issues:

1. helping consumers to make better choices and protect their own interests
2. encouraging traders to comply with consumer protection laws.

They do this by giving consumers and traders certainty about their rights and responsibilities by providing clear accessible information.

They are also not the only policy tools available. Tools that could be considered include:

- increasing compliance with existing legislation
- dispute resolution
- removing deficiencies in existing legislation
- monitoring or collecting information
- increasing enforcement activity
- placing standards on products, services or behaviours
- providing education and skill development
- providing information to consumers and traders
- providing information to support other policy tools
- requiring traders to inform consumers
- social marketing strategies
- self regulation, co-regulation or codes of practice
- compensation and insurance schemes
- accreditation or rating schemes
- registration or licensing
- bans or prohibitions.

Some of these tools focus primarily on information provision, education or skills development. Other strategies use information to reinforce the effectiveness of other policy tools. Changing product standards in an industry, for example, could be accompanied by a campaign to inform producers and consumers about the new obligations.

Ultimately the effectiveness of these tools will not only depend on whether they communicate the issues well, but also whether they are developed with an awareness of the complexities in the way consumers and traders use information to make decisions and how this ultimately affects the outcomes of consumer policy.

3.1 Empowering consumers

Many consumer problems are caused by consumers not having access to, or not using, the information necessary to make informed choices. There are two areas in which insufficient information can disadvantage consumers:

1. Consumers' ability to choose the product that best suits their needs is inhibited by a lack of information, or a limited capacity or willingness to use information, about products, services or traders. Traders often have substantially more information about their products than is available to the consumer.
2. There is a lack of information or understanding among consumers about their rights and options if they are dissatisfied with the performance of a product or trader.

In addition, while clear information is usually essential to empowering consumers, it may not be sufficient on its own to get consumers to change their behaviour and make better choices. There may be other barriers to behavioural change that cannot be overcome by information. Such barriers could include a lack of skills or opportunity to make the change, or social pressure to maintain the previous behaviour. These barriers may mean that other strategies are needed in conjunction with information to empower consumers. While recognising these limits, this paper focuses on the information component of such strategies.

Uncertainty about products, services and traders

There is considerable literature on how uncertainty and poor information about products, services and traders affects the relationships between buyers and sellers and the risks to consumers. An appendix on *The problem of incomplete information – A theoretical perspective*, discussing the relevant theory, is available on the Consumer Affairs Victoria Website www.consumer.vic.gov.au.

Some markets are more prone to information problems than others because the products and services in those markets are:

- bought infrequently, so consumers cannot use past experience to assist them in making choices
- technical, so it is difficult to understand their strengths and weaknesses
- of a nature that makes it difficult for consumers to judge their quality prior to purchasing and using them (experience goods)
- of a nature that makes it difficult for consumers to judge their quality unless something goes wrong, so consumers must rely on the honesty of the trader to ensure the product or services meets their expectations (credence goods).

Consumers can suffer detriment when they do not have access to the information they need, they do not use information (even if it is available) or there are groups of disadvantaged consumers that face 'persistent circumstances and/or ongoing attributes which adversely affect consumption thereby causing a continuing susceptibility to detriment in consumption' (CAV 2004b, p. 3). Disadvantaged consumers are more vulnerable to uncertainty and poor access to meaningful information.

In some situations, consumers who are not usually considered to be disadvantaged may be vulnerable to detriment because of the nature of the decisions they are trying to make or their personal circumstances at the time. It is not possible to eliminate uncertainty and the vulnerability of consumers in those markets.

The factors that affect consumer choice are complex. Behavioural economics theories suggest that decision making is more complicated than is represented in traditional economic models based on assumptions of rational self interest, and that these models are not always good predictors of market behaviour. To understand the implications of this outcome it is necessary to determine whether:

- consumers are making poor decisions, that is, buying products and services that are inconsistent with their underlying preferences

- if consumers are making poor decisions, those decisions are affecting competition and the efficiency of traders, as well as consumers' ability to choose the best product.

While consumers may make some choices that do not sit well with economic models based on rational self interest, such choices are not necessarily inconsistent with consumers' underlying preferences. Consumers are not only concerned about the benefits they receive from particular goods and services, for example, but also the social and environmental effects of those goods and services and their overall fairness. They also appear to be more adverse to losses than attracted to gains of a similar size (see Appendix available on the consumer Affairs Victoria website). In these situations, government intervention is not necessary. Consumers still demand the goods and services they want and traders still respond to that demand. Action to change what consumers are buying implies that consumers' preferences are wrong and should be changed to reflect a more appropriate consumption pattern.

The implications of poor decision making

In other cases consumers may be making poor choices. People often use proxies or shortcuts to deal with inadequate access to, or a lack of ability to use, information. They rely on a simplified set of principles in making judgements that involve complex probabilities, and shortcuts chosen could result in consumers choosing products or services that do not meet their expectations. Also, shortcuts in decision making may be so ingrained that consumers do not realise they are choosing in a way that does not identify the right product for them. Decision making that results in poor choices may warrant government intervention if the market does not develop strategies to improve consumers' access to, and use of, information. Government intervention may also be warranted if it would improve consumers' choices, and if the benefits of intervention would outweigh the costs.

A good understanding of the consequences of the poor choices made by consumers is needed before consumer agencies can respond effectively. Poor decision making can affect the supply of products and services and consumers' welfare.

Poor choices can reduce the efficiency of production if consumers demand products and services that do not meet their expectations, leading to the wrong mix of goods and services being produced. Traders may be able to exploit consumers by charging monopoly prices or reducing quality in areas where consumers are not considering relevant facts. Also, the normal market forces – whereby competition would push inefficient operators that are not meeting consumers' needs out of the market – do not work effectively because consumers have difficulty distinguishing between good and bad traders.

The pressure on producers to improve their efficiency may increase if some consumers gather information and use it to select the best product or service for them. Those that search drive traders to provide the products and services they want at the lowest possible price. This can have flow-on benefits to the quality of the products and services available to other consumers. Other consumers will benefit most if the product or service is uniform. If the range of products is diverse, however, having a significant proportion of consumers making poor decisions still affects producers' efficiency and consumers' welfare. This applies even if informed consumers ensure that traders produce at the lowest possible cost, are innovative, supply a good range of products and services and do not overprice.

Poorly informed consumers can have difficulty identifying the option that best suits their needs from the available range of products and services. The social and personal consequences of the resulting poor choices are obvious and well documented in fields like consumer credit and investment advice. From an economic perspective, poorly informed consumers spend too much on products and services that are not meeting their expectations and have less to spend on products and services that would improve their welfare. The economy then produces a mix of products and services that does not reflect consumers' underlying preferences. This is inefficient.

Overall, well informed decisions are vital to encourage competition and drive traders to operate efficiently. Without these drivers to generate efficient production, it is impossible to maximise the benefits to consumers; however, even if markets appear competitive, there is still a risk that welfare would not be maximised because poorly informed individuals are unable to choose the products or services that best suit them. These outcomes are illustrated in Box 2 using the example of consumer credit.

Box 2: Consumer credit

Borrowing money is an obvious area in which consumers make complex decisions and rarely have a full understanding of the costs and benefits of all credit products. Some consumers are better informed than others. They undertake sufficient research, or use other sources of aggregated information (such as consumer magazines) to obtain the best deal. Consumers who search for the best deal put pressure on credit providers to improve the quality and reduce the price of credit products. Without other consumer protection policies, however, it is unlikely there would be sufficient well informed consumers to drive market efficiency.

The preferences of those that are well informed are likely to be different from the most vulnerable and disadvantaged consumers; for example, low income households that look to fringe lenders (such as pay day lenders) would receive few flow-on benefits from the search activities of well informed, often higher income, consumers. In the case of consumer credit, therefore, insufficient information is likely to be a problem. Consumers who search may help improve the efficiency of the products on offer, but significant issues would remain.

On the demand side, there is a complex array of credit products. Even if each option provides good value for money, consumers have trouble choosing the best option for them. Many make the wrong choice. A low usage credit card holder, for example, may choose a card with high up-front fees and a lower interest rate. The purchase of the wrong products is at the expense of consumers' ability to afford other products and services that contribute more to their welfare.

The steps for developing policy responses to complex information problems are discussed in section 5.

Uncertainty about consumer rights and responsibilities

Consumers may be poorly informed not only about the products and services they are considering buying, but also their rights and responsibilities when making those purchases and if something goes wrong. Most consumer agencies give priority to educating consumers about their rights. The European Union's consumer policy statement noted:

EU [European Union] consumer policy should also empower consumers to understand policies that affect them and to make an input into these policies. Consumers should have the capacity to promote their interests in order to be on the same footing as other civil society stakeholders represented at the EU level. (EU 2002, p. 3)

Informing consumers about their rights has benefits such as:

- helping consumers to avoid problems because they can identify behaviour that might indicate unethical business practices
- reducing the costs (and wasted resources) when problems arise by assisting consumers to redress those problems quickly
- highlighting rogue traders more quickly and reducing the damage they can inflict on subsequent consumers
- increasing the amount of information available to consumer agencies through inquiries and complaints and increasing agencies' ability to identify and target problems.

3.2 Encouraging compliance

Information that empowers consumers can also improve traders' compliance with consumer regulation:

- When traders disclose information on products or services, they make regulations easier to enforce by making discrepancies between traders' claims and their performance more apparent (Cranston 1984, p. 306).
- Informing consumers of their rights increases the probability that they will demand that those rights be met and seek redress if they are not. Information about rights increases the profile of consumer regulation, which also encourages compliance.

Two other areas in which information provision can encourage compliance are informing traders about their rights and responsibilities, and requiring traders to provide information to their industry's regulator.

Uncertainty about traders' rights and responsibilities

Traders can be poorly informed about their rights and responsibilities under consumer regulation. Honest traders may be unaware they are not meeting their obligations. Some argue that ignorance is a problem among bodies corporate, for example: 'Many submissions were of the view that many body corporate disputes were often the result of ignorance of the Regulation' (CAV 2004c, p. 9).

In Consumer Affairs Victoria's consultations on the *Motor Car Traders Act 1986*, the importance of informing 'traders generally wishing to comply with the law' was noted (CAV 2004d, p. 58). Regulators often prefer to use persuasion rather than law enforcement. By informing traders about their obligations, consumer agencies are perceived as more cooperative, giving traders adequate opportunity to comply. This cooperative approach, combined with greater trader awareness, reduces the need to resort to costly litigation to get honest traders to comply.

Raising the profile of consumer regulation increases awareness of the regulation and the perception that those that breach it are likely to get caught. This is particularly the case when advertising is used to show instances in which traders have been successfully prosecuted. This can encourage other traders to comply.

It is difficult to balance the pursuit of a strategy of cooperation while maintaining the perception that enforcement action will be taken if necessary. Consumer agencies need to balance these messages when informing traders about their rights and responsibilities.

Informing the regulator

The regulator may have difficulty obtaining information to monitor businesses and identify when and where breaches occur. Such a lack of information might be addressed by requiring traders to inform the regulator directly, either through regular reporting or an obligation to respond to the regulator's requests for information.

Reporting has several benefits: it reduces the regulator's cost and increases the effectiveness of monitoring, and gives the regulator access to more evidence on which it can prosecute breaches. It also raises the industry's perception that regulatory breaches will be identified and prosecuted, and this is likely to increase the incentives for compliance. Requirements to provide information do, however, impose costs on traders.

“Information provision and education strategies”

4

Consumer agencies use a range of policies to deal with incomplete information and uncertainty. Setting standards, licensing service providers and banning dangerous products are all used to provide consumers with an acceptable standard of product or service in markets in which they are unable to judge the appropriate standard for themselves. This paper focuses on one set of policy approaches: the provision of information and education for consumers and traders.

Different information and education strategies are suited to providing different types of information. Usually:

- mandating that traders disclose information to consumers informs consumers about the characteristics of a specific product or service
- information provided by consumer affairs agencies more commonly guides consumers on how to choose between products and services, or informs consumers and traders about their rights and responsibilities under consumer regulation
- education strategies help people to develop their skills, rather than simply providing information.

Overall, education and information strategies assist consumers to avoid poor choices without unduly reducing the range of choice. Maintaining an appropriate range of choices means more consumers have access to the best product for them, and competition between traders is strengthened:

Well informed and confident consumers are good for business. The more knowledgeable consumers are, the more powerful they are and they usually have more choice as a result. Consumer choice is an important incentive for the sellers of any products to keep prices low and quality high. (Consumer Affairs Directorate (United Kingdom) 2002, p. 3)

According to conventional wisdom, however, reduction of information acquisition costs, other things being equal, is preferable to legislative or judicial determination of contract terms, because reducing information costs enables individuals to make informed choices to maximize their own utility. Because consumers seldom have identical preference rankings, external determination of terms rarely is optimal. (Schwartz and Wilde 1979, p. 635)

While various information and education strategies help empower consumers and promote business compliance, this section discusses four: mandating that traders disclose information to consumers; information campaigns by consumer agencies; education to build consumers' skills; and mandating that traders provide information to the regulator.

The success of information strategies is difficult to measure because their objective is usually not only to raise awareness but also to change people's behaviour. Changing behaviour is notoriously difficult. In the context of consumer issues among young people, researchers observed:

Achieving behavioural change was generally acknowledged as an extremely difficult goal. The evidence from the literature indicates that advertising on its own rarely leads to wide behaviour change particularly in the area of health...

Changes in behaviour are more likely to eventuate over a long period of time, and only if the mass media communication is supported by other activities (e.g. community-based interventions, sponsorship, public relations (PR) etc.). (Shanahan, Elliot & Dahlgren 2000, p. 5) (See also Commonwealth Consumer Affairs Advisory Council 2002, p. 15.)

As previously noted, the barriers to behavioural change are often much broader than poor information. The success of an information campaign may be dependent on it being accompanied by other strategies to encourage behavioural change.

4.1 Mandating that traders disclose information to consumers

Mandatory information disclosure is used in a number of industries to require traders to inform consumers about the products or services they are considering buying. Three examples are in Box 3.

Box 3: Mandatory requirements to provide information to consumers

Credit providers

Before entering into a credit contract, a credit provider must give the debtor a precontractual statement and an information statement. The first page of the precontractual statement must disclose the following in table form:

- the amount of credit to be provided – if the amount is not ascertainable, then the maximum amount of credit to be provided
- the annual percentage interest rate or rates
- details of any interest-free period
- the total amount of interest if the contract is to be paid out within seven years
- the number, amount and frequency of repayments, and
- any credit fees and charges.

The rest of the precontractual statement should disclose:

- the credit provider's name
- to whom the credit is to be provided
- details of any changes that can be made under the contract
- the frequency of account statements
- any default rate of interest
- whether enforcement expenses would be paid by the debtor in the event of a breach
- details of any mortgage or guarantee that may apply
- details of any commission to be paid, and
- details of insurance financed under the contract.

The information statement explains the debtor's rights and obligations under the Consumer Credit Code (Creditcode 2005, pp. 2–3).

Car traders

The seller of the vehicle must provide a roadworthiness certificate. *The Motor Car Traders Act 1988* (s. 52) requires the dealer to display information about the:

- name and business address of the owner of the car or, if the owner is a car trader or special trader, the name and address of the last person registered as the owner
- distance travelled by the vehicle when the trader acquired it
- price of the vehicle
- year the vehicle was first registered, and
- model of the vehicle.

Introduction agents

The *Introduction Agents Act 1997* (s. 24) requires introduction agents to inform potential clients about the:

- name of the agent
- type and levels of service provided by the agent
- price of each level of service and the method of payment
- criteria to be used for introductions
- current size of the agent's membership database
- number of males and females in the membership database
- methods used to introduce clients
- agent's refund policies
- agent's complaint procedures
- amount payable for terminating the agreement early (if any), and
- other obligations (if any).

Mandatory information disclosure can empower consumers and encourage traders' compliance. It empowers consumers by improving their knowledge of the product and increasing their confidence. Confident consumers are more likely to pursue their rights. This encourages traders to comply with consumer regulation.

Well designed mandatory disclosure arrangements provide the right information to the right people when they can use it effectively.¹ They target people actively seeking to purchase a product or service and thus are directed at those most likely to need the information. Requiring traders to provide information builds on an existing relationship that consumers already use to obtain information about the product they are seeking to purchase. This increases the likelihood that consumers will become aware of and use that knowledge.

Consumers get their information about products from many sources. But the most important is often that supplied by the producer of the product itself, either in the form of a label or warning on the packaging of the product itself, or in instructions supplied with the product. (DTI 2002, p. 15)

There are three main challenges in making information disclosure effective:

1. overcoming resistance among traders
2. ensuring consumers use the information
3. recognising the potential costs to consumers and traders.

Resistance among traders

Traders should implement information requirements in such a way that useful information is delivered to consumers. Traders are often resistant because they want to reduce disclosure costs or are reluctant to make information public.

Given that the information they are being forced to disclose is of strategic value and that any representations made in compliance with a disclosure regulation will in turn form the basis of liability if untrue or misleading, sellers will attempt to minimize disclosure and liability by complying through obfuscation and complex or difficult to decipher (or even receive) statements. (Hadfield, Howse & Trebilcock 1998, p. 143)

This may lead traders to structure or design their products, services or activities to minimise their disclosure obligations or the risks accompanying disclosure. Producers may not conduct research that could cast doubt on the quality of their product, for example, if they are required to disclose the results of that research.

At some point the question has to be asked, then, whether the particular distortion created by the initial information disadvantage (in light of other market or regulatory mechanisms that could indirectly compensate for the disadvantage) is worth the costs and distortions created by the strategic response to disclosure laws. In some cases the answer will be yes; in others it will be no. (Hadfield, Howse & Trebilcock 1998, p. 144)

Similarly, traders may be reluctant to provide useful information because it triggers other disclosure requirements. Credit providers, for example, may be reluctant to include interest rates in their advertising because advertisements that refer to the cost of credit must also contain annual percentage rates (which include all changes) and a statement detailing any fees or charges that may apply (Creditcode 2005, p. 5).

Ensuring consumers use the information

The information traders are required to divulge must be used by consumers. This requires:

- people to be aware that they need the information
- the information to be provided at the right time in the decision making process
- the information to be useful, accessible and understandable
- consumers to then use that information as a basis for decision making.

A breakdown in any one of these factors could prevent the information from changing consumers' behaviour. Consumers are often unaware they need information. In these cases, policy makers need to increase the value consumers place on information before they would use that information. Simple disclosure may be ineffective. It is also important that information be provided at the time consumers form their decisions. Information disclosed as consumers make a final commitment to a deal may be too late because the consumer is already locked in to a decision. This has been recognised as an issue in disclosure on credit contracts in Australia.

There is no assurance that the debtor will receive the statement in sufficient time to read and understand it before signing the contract, even in the case of complex transactions or real estate mortgages. (Lanyon 1997, p. 223)

¹ Information disclosure requirements can take many forms. This paper does not analyse the strengths and weaknesses of the options.

The information also needs to be useful, accessible and understandable. Consumers often ignore information they cannot understand, use or obtain easily.

In a survey of young people, 18 per cent said that, prior to signing their mobile phone contract, they either did not read the contract or read but did not understand it (Funston & MacNeill 1999, p. 8). The information needs to be clear, concise and relevant. Highly detailed, lengthy technical documents are impractical for most consumers and would do little to improve their choices. This makes designing practical information disclosure requirements for some industries, or some aspects of products or services, very difficult. These complexities were acknowledged by the Commonwealth Government in disclosure requirements for financial services:

However, the Government recognises community concern about the amount and detail of information provided to consumers through financial services disclosure. The content requirements for the various disclosure documents are resulting in excessively lengthy and complex documents (or, in the case of oral disclosure, excessively lengthy telephone 'scripts'), which are difficult to reconcile with the legislation's requirement that information be presented to consumers in a clear, concise and effective manner.

As a result, the purpose behind the disclosure requirements – that is, to assist consumers to make informed investment decisions – is possibly being undermined. (Treasury 2005, pp. 1–2)

In addition, once information is provided in a way consumers can understand, they also need to use it. Consumers often base decisions on criteria that reflect only a partial analysis of the available information. Some relevant facts that do not fit with their usual decision making criteria may be ignored. Information disclosure requirements should take account of how consumers make decisions. If important information is being ignored, simply providing that information may be insufficient. Information disclosure may need to be combined with general education so that people learn about the information's relevance, or the information may need to be provided in a way that is consistent with the process that consumers use to make decisions.

These challenges are complicated by consumers' individual characteristics. Different groups often make decisions using different criteria and, therefore, what changes the behaviour of one group may have a limited effect on others. The problems facing disadvantaged consumers can be relevant here.

Many people cannot cope with the amount of information that is available, particularly those with poor reading or numeracy skills. And some disabled people will need information in alternative formats. (DTI 1999, p. 15)

It is unclear whether unsophisticated consumers will be able to utilize the information to make effective comparisons, particularly between types of lending institutions. (Lanyon 1997, p. 227)

One group that may benefit from information disclosure is consumers facing situational vulnerability; that is, consumers who are usually capable of making informed decisions, but have difficulty under some circumstances. Usually well informed consumers may have difficulty in an industry in which the information needed to choose between products is hard to identify and obtain, or the circumstances of the consumer – for example, their state of health or the stress surrounding the decision (health care or funeral services, for example) – limits their ability to make a considered choice.

Additional issues arise when there are other barriers to behavioural change that cannot be overcome by improving the availability and use of information.

Cost to traders and consumers

While information disclosure requirements often carry relatively low costs for the government, they may impose costs on consumers and traders. There can be costs for consumers trying to use complex or difficult-to-access information. Information disclosure can also impose considerable costs on traders. There can be additional costs if presenting the information reduces the ability of traders to develop new products. The Prices Surveillance Authority suggested that this was the case for credit card disclosure requirements:

The PSA [Prices Surveillance Authority] pointed out that diversity in pricing structure is one of the main types of product innovation. It found that the requirement under the Credit Acts to roll up all charges into the calculated annual percentage rate confined credit providers to one source of revenue: floating credit card rates. This impacted both on product flexibility and pricing and led to economic inefficiency by divorcing the price of services from their actual costs thus distorting the consumption of the services provided. (Lanyon 1997, p. 234)

As noted above, the benefits of information disclosure can be significant but are sometimes tenuous if schemes do not deliver information that consumers will actively use. Also, information disclosure may be unnecessary if consumers' experience from past purchases, or the incentives for traders to cultivate and maintain reputations as quality suppliers, compensate for consumers' information deficiencies. Because information disclosure can impose significant costs on traders, care is needed to ensure it is not mandated when the gains do not outweigh its costs.

4.2 Information campaigns by consumer agencies

Information campaigns are a tool commonly used by consumer agencies. While campaigns can, and often do, inform traders about their rights and responsibilities, this section focuses on information targeting consumers.

Unlike mandatory disclosure provisions, information campaigns usually guide consumers on how to choose the best product or service, or their rights if they are not satisfied with the product or service they receive, rather than informing them about the characteristics of specific products or services. Consumer Affairs Victoria's guide to buying and selling real estate is an example of this type of information. Other examples are summarised in Box 4 (see also section 2).

Box 4: Consumer guides

Buying and selling real estate

In 2004, Consumer Affairs Victoria released a guide for buyers and sellers of real estate as part of a broader campaign to inform consumers and industry about amendments introduced by the *Estate Agents and Sales of Land (Amendment) Act 2003*. The guide covers:

- obtaining finance
- real estate agents and their roles and obligations
- the seller's obligations once an agent has been engaged
- the use of lawyers and conveyancers
- how to choose a suitable property
- processes for, and differences between, auctions and private sales, and
- the processes following the sale and before the buyer takes possession of the property. (CAV 2004e)

Buying a car

In 2005, Consumer Affairs Victoria released a guide for buyers of new or used cars. The guide covers:

- additional fees and charges
- obtaining a loan and insurance
- consumers' rights and obligations in buying new or used cars from licensed dealers, including warranties and trade-ins
- consumers' rights and obligations in buying used cars through private sale or auction
- a checklist for assessing the quality of the vehicle
- tips on ongoing maintenance and upkeep
- identifying the right repairer and the obligations on the repairer and the owner, and
- what to do in the case of an accident. (CAV 2005b)

Renting a home

In 2005, Consumer Affairs Victoria released a guide on what tenants, landlords and agents must do under Victoria's residential tenancy laws. Landlords and agents that do not give residents a copy of the guide before they move in are liable for a \$500 fine. The guide covers:

- tips for tenants, landlords and agents to protect their rights
- the tenancy agreement
- charges such as deposits, utilities, the bond and rent
- condition reports, and rights and responsibilities in regard to the condition, cleanliness, maintenance and repair of the premises
- conditions on landlords or agents entering the premises
- rights and responsibilities in ending the tenancy, and
- dispute resolution processes. (CAV 2005c)

Such campaigns can potentially generate significant consumer benefits. They can inform consumers early in their decision making processes and reach consumers before they are locked in to purchasing decisions. They are not dependent on the trader for implementation, reducing the risk that the message consumers receive is distorted, or that the requirement to provide information will affect the traders' potential product innovation.

Information campaigns encourage compliance by increasing the profile of consumer regulation and the perception that when consumers know their rights, traders are less likely to get away with activities that undermine those rights. The United Kingdom, for example, argued that knowledgeable consumers are very important for a strong enterprise culture (DTI 2002, p. 4).

Targeting information campaigns

Information strategies can be costly for government agencies and, therefore, need to be well targeted to ensure they deliver effective outcomes. 'To be most effective, consumer education initiatives must be focused on clear priorities and targeted at those most in need' (OFT 2004, p. 2).

The potential benefits are not always easy to achieve. It is necessary to direct the information at the right people, so it is taken up by those it is intended to influence. Victoria's Business Licensing Authority noted that this is an ongoing task:

Education is not a one-off phenomenon, but a continuing challenge. Relevant, practical, and clearly expressed information (including information provided in a variety of languages) needs to be always accessible and, in particular, accessible at places where transactions occur. Based on analysis of problems arising within particular industries, information addressing those problems needs to be compiled and delivered in a targeted way. (Smith & Ward 2005, p. 111)

Such difficulties have also been recognised in the United Kingdom, where it has been argued that past education strategies were often poorly targeted, focusing on the people that are easiest to reach, rather than those in greatest need (OFT 2004, p. 3; DTI 1999, p. 39).

As with most information strategies, consumer agencies' information programs are ineffective if people are unaware they need the information; the information is not provided at the right time in the decision making process; it is not useful, accessible and understandable; and consumers do not use that information to make decisions. The issues discussed in the previous section are relevant here. In particular, effective information strategies recognise the complexity in consumers' decision making, and include strategies to encourage consumers to act on the information being provided.

Different strategies are often needed for different groups in the community because they do not seek information in the same places, or they respond differently to the way the information is delivered. Consumer Affairs Victoria has recognised these differences and established units to target Indigenous and multicultural consumers. These units improve consumer education and awareness and the accessibility of Consumer Affairs Victoria's services for Indigenous and multicultural communities. The need for a multifaceted approach and the complexity of effective strategies means that, while information strategies are an important component of policies to address deficiencies in information, it is not practical or effective for them to cover the whole community and all issues.

In some industries, the private sector offers information services that meet the needs of some groups. Producers may offer guarantees or warranties that give consumers more certainty about the protection available if problems arise with a product or service. Third parties may also provide information services; for example, real estate buyers' advocates and travel agents assist consumers to buy products and services in markets in which making an informed choice depends on understanding a large amount of information. Services, such as ratings schemes, have emerged in other industries. AAA Tourism manages the star ratings that inform consumers about the quality of tourist accommodation.

Government intervention in areas in which private provision is possible can stifle the development of these private alternatives. Consumer agencies may achieve greater benefits by focusing their spending on information strategies in areas in which private solutions are unlikely, or to disadvantaged groups that either cannot afford or do not use the private alternatives.

4.3 Education to build consumers' skills

Much of the preceding discussion recognised that people need access to information and to be able to understand and use that information. As noted by Cayne and Trebilcock, access to information is necessary but insufficient for good consumer choices:

... for an inability to utilize information will always subvert a disclosure requirement. The educational inadequacies associated with poverty are relevant in this context... Thus a rule that requires a food packager to disclose vitamin and protein content can have little impact if the poor are unaware of the most elementary nutritional principles. (Cayne & Trebilcock 1973, p. 406)

These issues have been explicitly recognised in the United Kingdom, where the government's Consumer White Paper noted, 'Information is not on its own a remedy for all problems. People need skills to convert information into effective knowledge' (DTI 1999, p. 23).

The 2004 education strategy by the United Kingdom's Office of Fair Trading included the following objective:

Objective 1: Identify the skills and knowledge needed by consumers.

Consumers need a range of generic, transferable skills in order to function confidently, effectively and responsibly. These skills might include the ability to:

- *research, assimilate and critically analyse information according to individual needs*
- *manage resources effectively*
- *assess risk and exercise balanced judgement in making responsible decisions*
- *communicate effectively in a wide range of consumer situations*
- *solve problems where they arise, and*
- *know when to seek professional advice.*

Taking these examples as a starting point, we will conduct research to determine what skills consumers need. Further research will identify the kind of knowledge consumers need in specific consumer situations. (OFT 2004, p. 4)

In Victoria, the main strategy for helping consumers develop their skills is the provision of consumer education in schools (Box 5). Consumer Affairs Victoria is also involved in adult education initiatives.

Box 5: Consumer education in schools

Affluenza is the increasing tendency of young Australians to spend beyond their means. The ready availability of credit combined with a 'must have' mentality has led to worrying levels of consumer debt among young people. This increase in spending is compounded by the lack of a corresponding increase in financial literacy among young people.

The Consumer Education in Schools project is Consumer Affairs Victoria's response to these troubling consumer trends. A background research report set out to:

- investigate how consumer education was taught nationally and internationally
- determine the level of awareness about Consumer Affairs Victoria and consumer rights and responsibilities among school students and other young Victorians
- ascertain best practice in education methodology, information campaigns aimed at young people and the teaching of consumer and financial literacy.

Overall, Consumer Affairs Victoria concluded that in a fast changing world and global marketplace, young consumers need more than just information and advice, they need the skills to be able to analyse and use both. The essential skills with which Consumer Affairs Victoria wants young consumers to be armed are:

- money management
- communication
- problem solving
- critical and creative thinking
- emotional intelligence.

Consumer Affairs Victoria launched the first stage of Consumer Education in Schools in March 2004. The project provided resource books for middle school teachers of commerce, English and mathematics. It also set up an interactive educational website (in partnership with the New South Wales Office of Fair Trading). In May 2004, the first *MoneyStuff* Challenge competition for Victorian secondary students was launched. (CAV 2004a, pp. 91–92)

It is recognised in Victoria that basic consumer skills are essential to empower consumers:

These skills are the building blocks that enable people to become smart consumers who can make discerning choices, manage their money effectively, and have the confidence to resolve problems and the ability to seek further information and advice when required. While laws and markets will always change, these essential skills will enable young Victorians to move through life 'independent, informed and in control' as consumers who are well aware that increased debt equals decreased freedom. (CAV 2004a, p. 92)

Given that consumers (particularly those that are disadvantaged) have difficulty using information – even if it is available – education strategies are important to the long term success of consumer policy. Education that helps consumers develop skills increases their ability to make informed decisions, even without government intervention, and increases their ability to use information if it is provided. It makes markets and regulation work more effectively, but such strategies are long term. Their success is difficult to measure and they cannot deal with immediate issues.

4.4 Mandating that traders provide information to the regulator

Some consumer regulations require traders to provide information to the regulator. This can be part of a registration or licensing process, or entail ongoing reporting or a requirement to provide information on request. In some industries, for example, traders must report annually on issues such as business activity, financial information, or the people managing or employed in the business.

Estate agents, introduction agents, travel agents, car traders, second hand dealers and pawnbrokers, credit providers, and prostitution service providers must supply annual statements when they renew their licences. The statement for introduction agents (s. 35 of the *Introduction Agents Act 1997*), for example, must include:

- the name of the agent
- the date notice was given of the intention to act as an agent
- the date of the annual statement
- the agent's address and any previous addresses

- any new directors, and
- any offences the agent has been charge with, pleaded guilty to, or been convicted of.

Information disclosure can help the regulator to detect and trace problems and collect the evidence necessary to prosecute a breach of the regulation. It creates a perception in the various industries that activities are being monitored and that the chance of getting caught for inappropriate behaviour is increased. This encourages traders to comply.

One risk with mandatory reporting is that it could create unrealistic expectations that government monitoring guarantees consumer protection. This is not the case. While reporting may encourage compliance, it does not remove the risk of traders breaching consumer regulation. If consumers mistakenly believe the chance of detriment is low, they may reduce their vigilance and expose themselves to greater risk.

All reporting requirements impose some compliance costs on traders, thus the information collected should be useful and used by the agency. The potential benefits from collecting information may be reduced if the collection and storage of that information is deficient or inconsistent across similar industries, so that rigorous comparisons and analysis are not possible.

The preceding discussion highlights the complexity in consumers' approaches to decision making and the diversity in policies that use information to reduce consumer detriment. This analysis has implications for when government intervention is warranted and which forms of intervention are most effective. To draw out the practical consequences for government policy development, it is useful to look at the implications of the issues in this paper for three stages in the policy process:

1. defining the problem
2. determining the range of feasible policy alternatives
3. identifying the preferred alternative.

5.1 Defining the problem

When both the demand and supply sides of markets work well they deliver good outcomes for consumers, but markets that fail result in behaviours by traders and consumers that lead to consumer detriment. Analysing the problems that result in consumer detriment requires an understanding of the three levels shown in Figure 1.

Figure 1: Defining problems that affect consumers

Consumer detriment: Analyse the effect on consumers if the market is not delivering the expected economic and social outcomes.



Problematic behaviour: Analyse the behaviours of traders, consumers and third parties that lead to consumer detriment.



Causes of problematic behaviour: Identify these causes (which can be deficiencies in either the demand side or supply side of the market) that result from market failure, regulatory failure or a failure to achieve other social policy objectives (for example, poverty or individual behaviour that is inconsistent with the community's social or ethical standards).

Accurately defining consumer problems requires an understanding of how consumers use information to make choices. It is not possible to obtain a realistic understanding of the causes of problematic behaviour without knowing how consumers use the information available to them, and whether they ignore important facts. Understanding problematic behaviour requires an awareness of the way consumers and traders react to the availability, or lack of, information.

Failure to account for consumers' reactions to information and uncertainty can result in overly simplistic definitions of the causes of the problem, or a failure to recognise the behavioural responses to underlying deficiencies in the market. Simply concluding there is information failure, for example, may lead to a misconception that providing information would remove the market failure. The information failure could be a result of an inability or reluctance to use information, which makes providing information alone an ineffective strategy.

5.2 Identifying policy alternatives

A full understanding of each of the three levels shown in Figure 1 is necessary because government action can be targeted at each of these levels. The most effective tools are likely to be those that remove the causes of problematic behaviour; for example, introducing competition into a market in which a monopolist is increasing prices and exploiting consumers. This is not always possible. As noted above, this paper cautions against taking an overly simplistic view of the causes of the problem because this would result in actions that do not target the real cause and are, therefore, futile. In many cases, government action cannot remove the real market, regulatory or social policy failure; for instance, intervention cannot remove causes that result from ingrained behavioural characteristics, such as teenagers' desires to fit in with their peer group or people's tendency to take more notice of the views of their friends than of written factual material provided by a government agency.

If it is not practicable to remove the causes of problematic behaviour, the policy should consider targeting the second part of the chain: changing that behaviour. If it is not viable to change behaviour, the third step is to consider whether the government should offset the impact of the consumer detriment. This could include, for example, dispute resolution processes or government insurance arrangements, which reduce the impact of consumer detriment once it has occurred.

Policies that include information and education strategies are used at all three levels. Figure 2 provides a few indicative examples.

Figure 2: Information-based policy tools

Consumer detriment: Informing consumers about their rights at the time they complain about a problem with a service provider.



Problematic behaviour:

- Using information to persuade people to change their behaviour, for example providing guidance on how to make better decisions.
- Providing information to traders and consumers on policy changes to increase awareness and improve their effectiveness.
- Requiring traders to provide customers with information to reduce the risk of consumer exploitation by traders.
- Requiring traders to provide information to the regulator to improve compliance with consumer regulation.



Causes of problematic behaviour:

- Educating consumers to help them improve their ability to make good choices.
- Providing information in markets in which a lack of information has been identified as a problem.

There are no prefabricated solutions for choosing the most effective policy tool. Consumer agencies need to draw on disciplines such as economics, law, psychology and marketing to understand the problem fully and design an effective policy response. This paper highlights several issues that are relevant to policy options that involve information or education strategies.

First, information strategies may be improved by changing their design and/or delivery media to account for how people make decisions and use information. The strategy may need to convince consumers to use the information or change the way they make decisions. This is not easy because approaches to decision making can be ingrained. Such difficulties should be recognised when assessing the effectiveness of an information-based strategy.

Second, the requirement to improve people's ability to make good decisions increases the significance of education and skills development as long term goals. Helping people to improve their skills reduces the need for government intervention and improves the effectiveness of information if it is provided.

Third, because individual consumers' choices are important, it is necessary to recognise that consumers are not a homogenous group. They take different factors into account and respond to different types of information strategies. The approach to information and education may, therefore, need to be multifaceted, targeting different groups.

5.3 Choosing the best strategy

Choosing between alternative policies involves assessing their costs and benefits and selecting the one that generates the greatest benefits compared with its costs. Assessment of the benefits of an information or education strategy should consider how successful the policy is expected to be in reducing consumer detriment. Again, this requires an understanding of how people make decisions and respond to the availability, or lack, of information.

The benefits of an information or education strategy are likely to be greatest if:

- it is possible to use information to counter the relevant causes of problematic behaviour, the problematic behaviour itself or the consumer detriment
- the information would assist in breaking down barriers or enhancing the benefits for consumers considering changing their behaviour
- the channels used to deliver the information to traders and/or consumers make the information accessible and credible, and
- the information can be directed and tailored to the target audience, particularly the groups that are disadvantaged most by the consumer detriment.

A realistic prediction of the success of the policy should be incorporated into the analysis of its benefits.

It is also important to ensure that the information strategy itself is effective. The many different information based strategies discussed in this paper and the different objectives of these strategies illustrates that information and education campaigns are diverse. Effective information campaigns target clearly identified problems with effective communication tools and use evaluation to continuously improve their outcomes. Research is a critical foundation for any campaign. It is used to analyse the problem the campaign will target and the types of information and delivery mechanism the

audience is likely to respond to. An action plan is then developed that draws on this research to identify the problem, target audience and messages that will be the focus of the campaign. Communication techniques that fit within the campaigns timeframe and budget and deliver its key messages are then chosen. Finally effective campaigns need to be evaluated to determine whether they have met their objectives and how future campaigns can be improved. Within this process there are five key features of an effective information strategy. The information provided through these strategies needs to be:

Available — Those that use the information and those that provide the information need to be able to access it readily. In practise, this means that the distribution of information by consumer agencies and traders needs to get to the right people at the right time. In addition, if the information is supplied by traders (to the regulator or directly to consumers), those traders need to be able to obtain and report the information without excessive cost.

Accurate — The content of the information needs to be correct. Consumer agencies need to take care not to over-simplify their publications and messages and this material needs to be updated when necessary. If the information is provided by traders or third parties, it needs to be practical for them to obtain accurate information and mechanisms may be required to ensure it is reported correctly.

Clear — A critical element of any information campaign is that its messages are readily understood by those using it. This means getting the right balance between simplicity and technical detail.

Trusted — If consumers or traders do not trust the information as reliable they will ignore it. Thus the source of the information and the integrity of the processes for assuring its accuracy are important. The information needs to generate certainty among consumers and traders before they will respond confidently to its messages.

Used — As discussed in this paper, simply providing consumers and traders with clear, accessible information, even if they are confident of its accuracy, may insufficient to generate the changes consumer policy is seeking. Consideration also needs to be given to whether the information is affecting the way people behave. If this is not occurring, the information campaign may need to be changed or additional policies may be needed to make these programs effective.

“ Conclusion ”

This paper discusses consumer policy problems that result from consumers not having access to, or not using, information to make informed decisions, and solutions that involve information and education strategies. While there are other causes of consumer detriment and many other policy tools available to consumer agencies, information is a significant issue in consumer policy.

Information and education strategies make an important contribution to empowering consumers, improving the operation of markets and encouraging suppliers to comply with fair trading laws. Such strategies should reflect an understanding of consumers' decision making in the relevant market, however, or they can be costly and ineffective.

“ Appendix 1: Approaches to information provision and education ”

Consumer agencies use a range of media to deliver information and education programs. This appendix describes some of the most common.

A1.1 Websites

Most consumer agencies' websites provide consumers and traders with a substantial amount of information. The use of this information has increased significantly. In 2003–04, Consumer Affairs Victoria received more than 600,000 visits to its website; one third more than the previous year. The Business Licensing Authority, Liquor Licensing and the Rental Tenancies Bond Authority all had increased website activity in 2003–04, compared with 2002–03 (CAV 2004a pp. 85–86). While websites are a useful way for people to access information about consumer affairs issues, and use of the web is increasing, they are still not a complete solution.

A1.2 Publications

Many agencies use leaflets, brochures, fact sheets and other publications to inform and educate consumers and traders. In 2003, Consumer Affairs Victoria distributed 1,58 million publications. Major campaigns focused on real estate and tenancy issues and young consumers and debt (CAV 2004a, p. 3). Box A1.1 outlines examples of Consumer Affairs Victoria's publications.

Box A1.1: Consumer publications

CAV Link: An electronic quarterly newsletter that is available on the Consumer Affairs Victoria website and emailed to 1,000 recipients. It includes information on policy development and views on consumer protection issues.

Building and Renovating: A guide for consumers:

A publication to inform consumers considering building or renovating a home. It includes hints and advice for all stages of the building project, including check lists, contact information and budgeting tools.

Renting a Home: A guide for tenants and landlords:

A publication that covers tenancy agreements, bonds, condition reports, paying rent, installation and connection charges, repairs, entry by landlords, rent increases, ending a tenancy and useful contacts. It is available in English, Arabic, Chinese, Greek, Italian, Russian, Serbian, Turkish and Vietnamese. Large print and audio versions are also available.

Stuff: A magazine for school leavers, with comprehensive information about consumer rights and responsibilities. It covers buying a car, moving out of home, getting a job, enrolling to vote, mobile phone contracts, housing loans, banking, responsible partying and tax. The magazine is provided to all VCE (Victorian Certificate of Education) coordinators for distribution to year 12 students, TAFE (Technical and Further Education) students and youth groups in metropolitan and regional Victoria.

Discussion papers: Consumer Affairs Victoria publishes discussion and research papers to assist organisations and other stakeholders provide feedback on policy and legislation.

A1.3 Education programs

Consumer Affairs Victoria reviewed its approach to consumer education in schools in 2003 (CAV 2003). The *MoneyStuff* package was released in 2004 in response to the recommendations of that review. The package includes resource books for teachers, an interactive website and information cards for students. It is designed to mesh with the Victorian curricula in mathematics, English and studies of society and environment. Issues covered include credit cards, mobile phone contracts, buying a car, consumer rights and responsibilities, and residential tenancies (CAV 2004a, p. 90).

A1.4 Advertising

Agencies use advertising to target specific consumer issues:

- In 2003, Consumer Affairs Victoria ran a radio campaign at Christmas to encourage young consumers to avoid credit.
- Home buyers and sellers were encouraged to obtain a copy of Consumer Affairs Victoria's real estate guide via a direct response advertising campaign involving print media, radio and the Internet.
- Advertising brochures on Building Advice and Conciliation Victoria were delivered to all home owners who obtained building permits.

A1.5 Seminars and conferences

While seminars and conferences are used to inform consumers and traders of their rights and obligations, they are most frequently directed at traders. In 2003–04, Consumer Affairs Victoria conducted seminars and conferences for traders on:

- unfair contract terms: to assist understanding of amendments to the Victorian *Fair Trading Act 1999*
- the food and grocery industry: to discuss trade measurement packaging compliance issues and the benefits of implementing effective quality management processes
- the motor car industry: to discuss current industry issues and Consumer Affairs Victoria's role in regulating the industry
- bodies corporate: to discuss the future direction of bodies corporate legislation.

In 2003, Consumer Affairs Victoria also held consumer awareness seminars for Chinese, Arabic, Turkish and Somali audiences. Residential tenancy forums were conducted for non-English speaking groups.

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