



# CONSUMER AFFAIRS COMMISSION

An Agency of the Ministry of Industry, Investment and Commerce

*Protecting Your Rights...Securing Our Future*

ANNUAL REPORT

# 2014-2015



# Consumer Affairs Commission

## Our Mission

To foster ethical relations between providers and consumers of goods and services in the Jamaican marketplace through effective advocacy, research, public education and complaint resolution, utilising the available technology, legal framework and professional staff within the context of a competitive environment.



# Consumer Affairs Commission

## Our Vision

*The work of the Consumer Affairs Commission (CAC) is driven by its commitment to meeting its long-term objective, namely:*

**To be recognised as the premier Consumer Protection Agency in Jamaica and the leading consumer advocate for change in the Caribbean.**



## Our Role and Function

The Consumer Affairs Commission's role and function are driven by consumers' rights and strategic objectives which are as follows:



### Promote

Promote and protect Consumers' socio-economic interest to facilitate sustainable consumption

### Protect

Ensure Consumers' access to adequate information to enable informed choices according to individual wishes and needs

### Educate

Provide consumer education

### Advocate

Ensure effective and timely consumer redress

### Support

Provide support for the formation of consumer groups and foster the opportunity for such organisations to present views in decision-making processes, which affect Consumers

## The Charter of Rights of the Consumer

Consumer rights are derived from the Charter of Rights of the Consumer and the United Nations Guidelines for Consumer Protection to which Jamaica became a signatory in 1985. There are eight (8) basic Consumer Rights which the Consumer Education Programme of the Commission is based on, and are as follows:



## The Consumer Affairs Commission



The Consumer Affairs Commission (CAC) is a government agency established to inform, educate and empower consumers to protect themselves in the marketplace.

The work of the Commission is three pronged: engagement in market research, provision of complaint resolution services and the operation of a vibrant consumer education programme.

The CAC operates under the Consumer Protection Act of 2005, (Amended 2012).

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## Performance Summary



**J\$39.7 Million obtained in Refund/Compensation**

## List of Acronyms

Acronyms	Definitions
BOJ	Bank of Jamaica
CAC/Commission	Consumer Affairs Commission
CB	Caribbean Broilers
CI	Consumers International
CKAN	Comprehensive Knowledge Archive Network
CPA	Consumer Protection Act
CPC	Consumer Protection in the Caribbean
CPT	Consumer Protection Tribunal
CMI	Caribbean Maritime Institute
CMS	Case Management System
CSHN	Consumer Safety and Health Network
CTMS	Central Treasury Management System
FY	Financial Year
HEART/NTA	Human Employment and Resource Training Trust/National Training Agency
IDB	Inter-American Development Bank
ICT	Information and Communications Technology
IMF	International Monetary Fund
ISO	International Organisation for Standardisation
JAMPRO	Jamaica Promotions Corporation
JBA	Jamaica Bankers' Association
JBDC	Jamaica Business Development Corporation
JCDC	Jamaica Cultural Development Commission
JGRA	Jamaica Gasoline Retailers Association
JIS	Jamaica Information Service
JPSCo	Jamaica Public Service Company Ltd
MIIC	Ministry of Industry, Investment and Commerce
MOFP	Ministry of Finance and Planning
MOH	Ministry of Health
MSTEM	Ministry of Science, Technology, Energy and Mining
NAHFSC	National Agricultural Health and Food Safety Committee

## List of Acronyms **continued...**

Acronyms	Definitions
NCL	National Consumer League
NPGE	National Policy on Gender Equality
NYS	National Youth Service
OAS	Organisation of American States
OUR	Office of Utilities Regulation
ODPEM	Office of Disaster Preparedness and Emergency Management
PAHO	Pan American Health Organisation
PMAS	Performance Management and Appraisal System
PTA	Parent Teachers Association
PSTU	Public Sector Transformation Unit
SMS	<i>Short Message Service</i>
ULSD	Ultra-Low Sulphur Diesel
UPS	Un-interrupted Power Supply
USGC	United States Gulf Coast
WCRD	World Consumer Rights Day
WTI	West Texas Index

# Transmittal Letter

September 30, 2015

Honourable Anthony Hylton  
Minister of Industry, Investment and Commerce  
Ministry of Industry, Investment and Commerce  
4 St. Lucia Avenue  
Kingston 5

Dear Minister:

In accordance with Section 15 of the Consumer Protection Act, I transmit herewith the Commission's report for the year ended March 31, 2015 and a copy of the Commission's Audited Accounts as at March 31, 2015, duly certified by the Auditors.

I am,

Yours respectfully,



Lorna E. Green, (Ms)  
Chairman

## Board of Commissioners



**Front Row (left-right): Mrs Fay Sylvester, CD, Ms Berl Francis, Ms Lorna E. Green (Chairman), Ms Kirby Clarke, OD, Mr Derrick Webb**

**Back Row (left-right): Mr Maurice Weir, Mrs Norma Clarke, Ms Michelle Parkins and Mr Denton Ellis**

**Absent from photograph is Ms Shirley Pryce**

# Board of Commissioners



Ms Lorna E. Green,  
Chairman



Mr Maurice Weir,  
Commissioner



Mrs Norma Clarke,  
Commissioner



Ms Kirby Clarke, OD  
Commissioner



Mrs Fay Sylvester, CD  
Commissioner



Ms Shirley Pryce,  
Commissioner



Mr Derrick Webb,  
Commissioner



Ms Michelle Parkins,  
Commissioner



Ms Berl Francis,  
Commissioner



Mr Denton Ellis,  
Commissioner

# Board Committees

## Audit Committee

- Ms Kirby Clarke, OD - Chair (CAC Board Commissioner)
- Mr Maurice Weir - (CAC Board Commissioner)
- Mrs Norma Clarke - (CAC Board Commissioner)

## Finance Committee

- Mr Derrick Webb - Chair (CAC Board Commissioner)
- Mrs Fay Sylvester, CD - (CAC Board Commissioner)
- Ms Michelle Parkins - (Ministry of Industry, Investment and Commerce)

## Public Education & Awareness Committee

- Ms Berl Francis - Chair (CAC Board Commissioner)
- Mr Denton Ellis - (CAC Board Commissioner)
- Mrs Fay Sylvester, CD - (CAC Board Commissioner)
- Mrs Norma Clarke - (CAC Board Commissioner)
- Ms Shirley Pryce - (CAC Board Commissioner)

## Human Resource Committee

- Mr Maurice Weir - Chair (CAC Board Commissioner)
- Ms Michelle Parkins - (Ministry of Industry, Investment and Commerce)
- Mr Denton Ellis - (CAC Board Commissioner)
- Ms Kirby Clarke, OD - (CAC Board Commissioner)
- Ms Shirley Pryce - (CAC Board Commissioner)

## Chairman's Message

In many respects, the 2014/2015 Financial Year was one of transition for the Consumer Affairs Commission (CAC) that will help define its future direction. The Commission commenced this transformation in 2012, and during the period under review, the paradigm shift continued from both a policy and operational perspective.

The CAC, working within the context of Jamaica's National Development Plan Vision 2030 and in alignment with the Ministry of Industry, Investment and Commerce's strategic priorities; continued to play its part in contributing to Jamaica's thrust towards growth and prosperity.



Lorna E. Green (Ms), Chairman

In this regard, the Commission executed its core mandate of protecting consumers via consumer education, market research and complaints handling and resolution. However, the Commission also embraced new areas where it was identified that consumers were in need of protection. Among them, was the issue of net neutrality and the blocking of internet based calls by select Service Providers.

### Consumer Protection Tribunal

This Financial Year, the Commission is particularly proud of the full operationalisation of the Consumer Protection Tribunal (CPT). The Consumer Protection Act (CPA) was amended in 2012 to establish the CPT, a quasi-judicial body independent of the Consumer Affairs Commission. It was conceptualised to provide consumers with a speedier route to resolve cases that are in breach of the CPA. This year, three (3) cases were placed before the Consumer Protection Tribunal for judgement. In this regard, the Commission is fully committed to ensuring that consumers can exercise their rights to obtain natural justice without having to go through the courts.

### Legislation and Policy

The Commission's contribution to policy and legislation was wide ranging during the period under review. This, as the Commission submitted its opinions on the following matters:

- ◆ Regulation of micro-credit financial companies.
- ◆ A draft Code of Conduct for Deposit taking institutions when doing business with consumers.

- ◆ Contracts for cellular service from telecommunication's providers.
- ◆ Telecommunications Quality Service Standards and Consumer Protection Guidelines.
- ◆ Standards developed at the Bureau of Standards Jamaica (BSJ).
- ◆ CARICOM Model Law for Consumer Protection.

It is important that the Commission provide its opinion at the initial stages of policy and legislative documents, as it is perceived that the interest of the consumer is often times overlooked when decisions are made. In being proactive, the Commission's advocacy on behalf of consumers therefore bore fruit, as the opportunity for their perspective was put forth for consideration.

### Outlook for 2015

Looking back at the 2014/2015 Financial Year, there were some significant changes and improvement measures that are now paying off. It was also a year that required considerable efforts from the Commission's employees, who performed commendably. Looking ahead, it is imperative that the Commission continues on this trajectory to increase efficiency, reduce costs through the use of technology while predicting and adequately addressing emerging consumer trends.

As we look forward to the 2015/2016, Financial Year, the Commission commits to continue responding to consumers as well as identifying and addressing issues that would negatively impact consumers in the marketplace. In this regard, the CAC will be addressing the following areas:

- ◆ Increased use of the Consumer Protection Tribunal;
- ◆ Greater use of technology to educate and inform consumers;
- ◆ Increased public and private sector partnerships; and, the
- ◆ Open Data Initiative



.....  
Lorna E. Green (Ms)  
Chairman

## Chief Executive Officer's Report

In the 2014/2015 Financial Year, the Consumer Affairs Commission took yet another step towards the achievement of its vision to be recognised as the premier Consumer Protection Agency in Jamaica and the leading consumer advocate for change in the Caribbean. It is against this background that during the fiscal year, the objectives of the Consumer Affairs Commission (CAC) were to:

- ◆ build on our already significant body of consumer protection and product safety outcomes;
- ◆ increase engagement with a broad range of stakeholders;
- ◆ promote an economically efficient operation; and,
- ◆ navigate important organisational change through a period of constrained resources in line with the Government's expectations.



Dolsie Allen (Mrs),  
Chief Executive Officer

This report sets out the actions that the Commission took to achieve these goals over the past year.

### Protecting consumers

During the year under review, the Commission handled **1,580** complaints related to the enforcement of the Consumer Protection Act. Of this number, **1,391** cases were resolved which resulted in over **\$39.77 Million** on behalf of aggrieved consumers. This represents a resolution rate of **88%**. In addition to complaints, the CAC had **790** requests for advice.

Regarding consumer education and outreach activities, the CAC participated in **424** activities which resulted in the direct sensitisation of **140,228** persons.

Figure 1 shows the achievements of the complaints resolution service of the Commission from April 2014 to March 2015

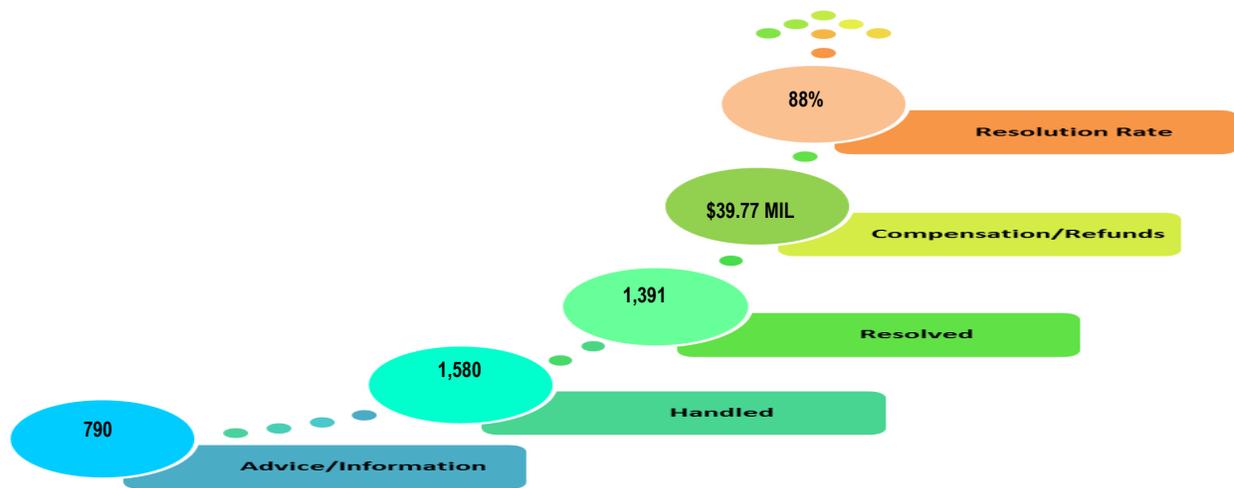
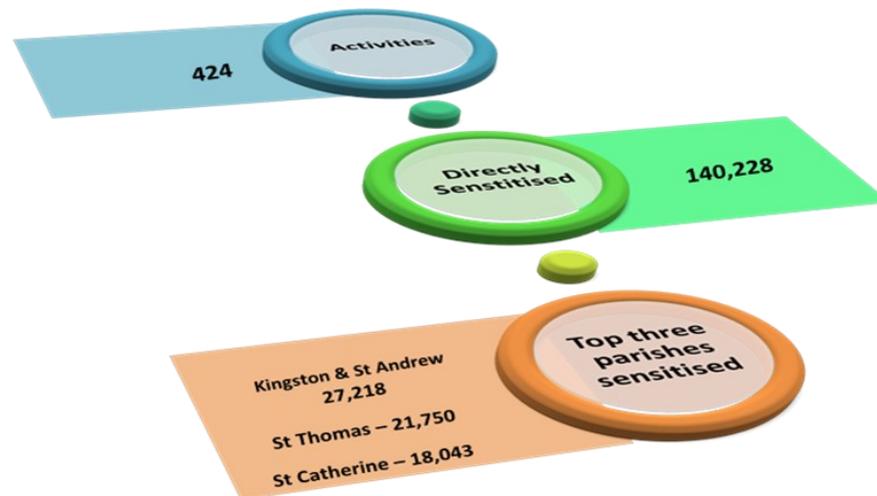


Figure 2 shows the Commissions achievements in consumer education from April 2014 to March 2015



### Utilising Technology to assist consumers

The CAC officially launched its free Short Messaging Service (SMS) Notification and Alert service which is aimed at providing urgent alerts to consumers on their mobile phone on issues relating to food and product recalls; as well as general consumer information. Through the introduction of the CAC SMS Notification and Alert service, a larger cross-section of consumers were able to access consumer news on a real time basis. The importance of the

Commission utilising this tool to communicate with consumers was reinforced in instances when defective products or unsafe foods were found to be in the marketplace. As such, consumers were better placed to make informed decisions that would not be a detriment to their health.

### Product safety

A critical area of work for the Consumer Affairs Commission is protecting consumers from the potential significant harm that can be caused by unsafe products.

A total of 7 major recalls of consumer goods were received by the Commission during the 2014/2015 Financial Year. The CAC is equally vigilant in ensuring that product safety standards are observed. In this regard, the Commission serves on several Committees at the Bureau of Standards to provide the consumer perspective on new or revised standards.

The CAC continues to take the view that prevention of a breach of the Consumer Protection Act is always preferable to taking action after a breach has occurred.

### Increasing our engagement

The CAC continued to invest in and focus on the way it engaged with stakeholders.

This year, two of the Commission's most important partnerships were with CARICOM and Consumers International (CI). As it relates to CARICOM, the organisation collaborated on many consumer issues, however the focus for this year was product safety in the form of the CARICOM Rapid Alert Exchange System for Hazardous Goods (CARREX). CARREX is a Consumer Product Incident Reporting System that provides consumers with a medium to report to the authorities about problems experienced when purchasing and using products that prove to be a danger to health or safety.

In terms of the partnership with Consumers International, the CAC benefited tremendously from numerous training courses that were offered online, and which assisted in bolstering the Commission's consumer knowledge. For the 2015/2016 Financial Year, it is projected that collaboration with both CARICOM and CI will continue. The courses in which the CAC staff participated were Financial Services and Project Delivery via e-learning. More specifically, the Financial Services course comprised the following subject areas: transparency and responsible pricing, treating consumers fairly, data privacy and complaints resolution; while the Project Delivery course addressed financial reporting, campaign project management training and social media campaigning.

### World Consumer Rights Day 2015

The Consumer Affairs Commission's flagship event continues to be World Consumer Rights Day (WCRD), which is celebrated annually on an international level on March 15. This year, Consumers International (CI), the only independent global campaigning voice for consumers with over 240 member organisations in 120 countries, selected the "**Healthy**

**Diets**” theme as a result of the unprecedented incidences of non-communicable diseases globally. This is especially burdensome for economies like Jamaica and the rest of the Caribbean region.

While the theme was wholeheartedly embraced by Jamaica, the Commission was cognisant of the realities that were being faced by local consumers in their quest to choose foods that were healthy. Hence, the CAC incorporated the need for budgeting, resulting in the final theme: **“Healthy Diets: Eating Right, When Money Tight”**.

In executing the activities for WCRD 2015, the organisation focussed on a media campaign to ensure that a wide cross-section of consumers received the message. Below is **Table 1** showing the media activities that took place in observance of WCRD 2015.

**Table 1 provides the listing of World Consumer Rights Day 2015 activities spearheaded by the Commission during the 2014/15 Financial Year**

Dates	Activities
<b>Friday March 13, 2014</b>	Interview on Mello FM <b>“Day Break”</b> with host Richard Burgess (Richie B)
	Interview on Power 106 <b>“Independent Talk”</b> with host Althea McKenzie
<b>Sunday March 15, 2015</b>	NCL Church Service broadcasted on <b>RJR 94.5 FM</b>
	WCRD Message Half Page in Newspaper ( <b>Gleaner &amp; Observer</b> )
	Outside Broadcast on RJR 94.5 <b>“Palav – Long Bench”</b> with host Gerrard McDaniel
	World Consumer Rights Day 2015 Message read in Churches across the island
<b>Monday March 16, 2015</b>	Interview on CVM TV’s <b>“CVM@Sunrise”</b> with host Rohan Daley
	School Presentations/Library Exhibitions in selected locations across the island (Collaterals - display posters: 6 themed, 9 library displays, fliers, posters, novelties & baskets)
	Competition Baskets - Baskets with grocery items to be given away to contestants on Radio Programmes
	World Consumer Rights Day 2015 Message read in Schools across the island
<b>Tuesday March 17, 2015</b>	Interview on Power 106 <b>“Both Sides of the Story”</b> with host Dervan Malcolm (15 minute Segment included 10 promotional ads)
	Interview on LOVE FM <b>“First Watch”</b> with host Marva Lawes
	Cut out (life size cut out of two overweight teens (a boy and girl) to be signed at Parliament
<b>Wednesday March 18, 2015</b>	Interview on Mello FM with host Ron Muschette
<b>Thursday March 19, 2015</b>	Interview on Nationwide News Network <b>“At Your Service”</b> with host Vernon Derby

It should be noted that to effectively take the WCRD 2015 message of **Healthy Diets: Eating Right, When Money Tight**, the Commission formed partnerships with key stakeholders comprising the Ministries of Health and Education, Heart Foundation, Jamaica Cancer Society, Pan American Health Organisation, Diabetes Association of Jamaica/Camp Yellow Bird, Jamaica Association of Professionals in Nutrition and Dietetics, and the Tropical Medicine Research Institute at the University of the West Indies, Jamaica.



The Most Honourable Portia Simpson Miller Prime Minister of Jamaica surrounded by the Honourable Dr Fenton Ferguson, Minister of Health and Mrs Dolsie Allen, CEO, Consumer Affairs Commission after endorsing the WCRD Healthy Diets theme.

Leader of the Opposition, Mr Andrew Holness conversing with Mrs Dolsie Allen, CEO, Consumer Affairs Commission as he endorses the WCRD 2015 Healthy Diets theme.

One of the main highlights of WCRD 2015 week of activities occurred on March 17, 2015 when the Commission visited the Jamaica Houses of Parliament (Gordon House) where Members of both sides of the House showed their support for the Commission's WCRD 2015 Healthy Diets theme by signing a life size cutout and endorsing the WCRD 2015 theme.

  
**CONSUMER AFFAIRS COMMISSION**  
 An agency of the Ministry of Industry, Investment & Commerce

**Today is being celebrated internationally as World Consumer Rights Day.**  
 Jamaica joins in its observance under the theme Healthy Diets: "Eating Right, When Money Tight"



*Honourable Anthony Hylton,  
Minister of Industry, Investment  
& Commerce*

The Ministry of Industry, Investment and Commerce joins the global community in celebrating today, March 15, 2015 as World Consumer Rights Day. The theme for this year, Healthy Diets, is part of a global campaign to increase awareness of the importance of healthy food choices, especially within the context of the increasing number of people who are becoming susceptible to Non-Communicable Diseases (NCDs).

In 2011, Jamaica's expenditure for the top four NCDs - diabetes, cancer, cardiovascular disease (including hypertension) and lower respiratory disease, was J\$13.8 billion, according to the Ministry of Health. In this vein, the economic importance of healthy food choices is linked to changing the trajectory of NCDs and consequentially, its socio-economic impact on individuals, families and society.

As a Government, therefore, we have a role to play in creating a marketplace that is fair, efficient and competitive for our producers, traders and consumers. We also have a responsibility for the safety of food products, as well as matters like labelling and advertising. Greater collaboration between business and Government is also essential in reducing the unprecedented incidences of Non-Communicable Diseases.

And so, on the occasion of World Consumer Rights Day, we not only recognise consumers worldwide, but believe it is also critical that consumers be educated and protected in terms of the accessibility and availability of nutritious food, to assist in maintaining a healthy, active, and prosperous life.

**The Consumer Affairs Commission**  
 34 Trafalgar Road, Kingston 10, Jamaica  
 Tel: 1 876-906-5425 • Fax: 1 876-906-7525 • www.cac.gov.jm; www.facebook.com/cac.gov.jm  
 "Protecting Your Rights, Securing Our Future"

A copy of the World Consumer Rights Day 2015 Message from the Honourable Anthony Hylton, Minister of Industry, Investment and Commerce that was printed in the Sunday Gleaner and Observer on Sunday March 15, 2015.

## Looking ahead

For nearly five decades, the Consumer Affairs Commission (CAC) incorporating the Prices Commission has stood as a guardian of consumer rights in the marketplace, nationwide. Based on the challenges of the 2014/2015 Financial Year, this role has become even more critical. The Commission is well placed organisationally to engage with the issues posed by the ever-changing economy and will tackle them head-on in the coming year. Among the issues that will be undertaken are :

- ◆ Mobile Commerce/Money; and,
- ◆ Consumer Protection and Privacy

In addition, from an operational perspective, the Commission will also ensure the following targets are achieved:

- ◆ Redesigned Website;
- ◆ Server Acquisition; and,
- ◆ Implementation of the new Case Management System.

In the same vein, the Commission's management team has been, and will continue to be focused on reviewing and evolving the company's strategic objectives, including a comprehensive assessment of opportunities and risks associated with the Commission's growth opportunities.

I would like to thank the Board of Commissioners for their leadership and contribution to the organisation, as well as my commendations to the staff for a job well done. I would also like to acknowledge the Commission's portfolio Ministers, the Permanent Secretary and the staff of the Ministry of Industry, Investment and Commerce, other Ministries, Agencies and Departments with whom we have interacted. Finally, let me thank the media fraternity which provided invaluable support during the year and the consumers who remained vigilant and called into our offices.



.....  
Dolsie Allen (Mrs)  
Chief Executive Officer

# Consumer Education

## Consumer Education

Consumer Education has always been fundamental to the Consumer Affairs Commission's strategy to create Jamaican consumers who are more knowledgeable and informed. In this regard, the Commission disseminated information on consumer issues to the public, policymakers and other public interest advocates. In achieving this, the Commission utilised reports, presentations, exhibitions, books, brochures, newsletters and various other fora.

As a result, during the 2014/2015 Financial Year, the Commission directly interfaced with **140,228** consumers, thus surpassing the projected target of **100,000** by **40,228** or **40.2%**.

During the period under review, the CAC benefitted from the continued collaboration with the Jamaica 4-H Clubs' activities, both at the Parish and National levels. Other notable associations were with the Jamaica Civil Service Association during its Civil Service Week Celebrations, the Annual Denbigh Agricultural and Industrial Show as well as the Jamaica Business Development Corporation Incubator and Mobile Clinics which were staged in the parishes of St. James, Hanover, Westmoreland and Manchester.

The parishes with the largest reach during the 2014/2015 Financial Year, were Kingston and St. Andrew and St Thomas with **27,218** or **19.4%** and **21,750** or **15.4%** respectively, followed by St. Catherine with a reach of **18,043** or **12.9%**.

**Table 2 shows the parishes with their respective reach during the 2014/2015 Financial Year**

PARISH	NO. OF ACTIVITIES	REACH	% OF TOTAL REACH
Kingston & St. Andrew	76	27,218	19.4
St Thomas	72	21,750	15.4
St Mary	28	0,119	7.2
Hanover	18	1,607	1.1
Manchester	28	8,733	6.2
St Elizabeth	18	12,323	8.8
Westmoreland	14	6,610	4.7
St James	29	2,933	2.1
St Catherine	50	18,043	12.9
St Ann	26	8,446	6.0
Trelawney	17	3,634	2.6
Clarendon	31	0,892	7.8
Portland	17	7,920	5.7
<b>TOTAL</b>	<b>424</b>	<b>140,228</b>	<b>100</b>

It should be noted that for the period under review, female participants accounted for **88,999** or **63.5%** of the total consumers reached, while male participants accounted for **51,229** or **36.5%**. In addition, adults accounted for **75,930** or **54.2%** of the reach, while students accounted for **64,298** or **45.8%**.

The Commission participated in four hundred and twenty-four (**424**) events; a decrease of **9** or **2%** in the number of events when compared to the four hundred and thirty-three (**433**) for the corresponding period last year. However, the number of events participated in, was in keeping with the Commission's objective of reaching more consumers with less, due to the scarcity of available resources.

A total of seven hundred and seven (**707**) schools were in attendance at the events in which the Commission participated; a decrease by two hundred and eighty-four (**284**) or **28.7%**, when compared to the nine hundred and ninety-one (**991**) schools which were impacted in the last Financial Year.

The significant decrease in the number of schools visited was attributable to an islandwide outbreak of the mosquito borne virus, Chikungunya, which resulted in the majority of the population being affected. In this instance, students, teachers and CAC personnel were impacted.



Mr Richard Rowe, Regional Officer of the Consumer Affairs Commission, spoke with a group of students at the Campion College in Kingston, during one of the Commission's scheduled outreach activities.

Figure 3 provides the total number of activities (by percentage) participated in during the 2014/15 Financial Year

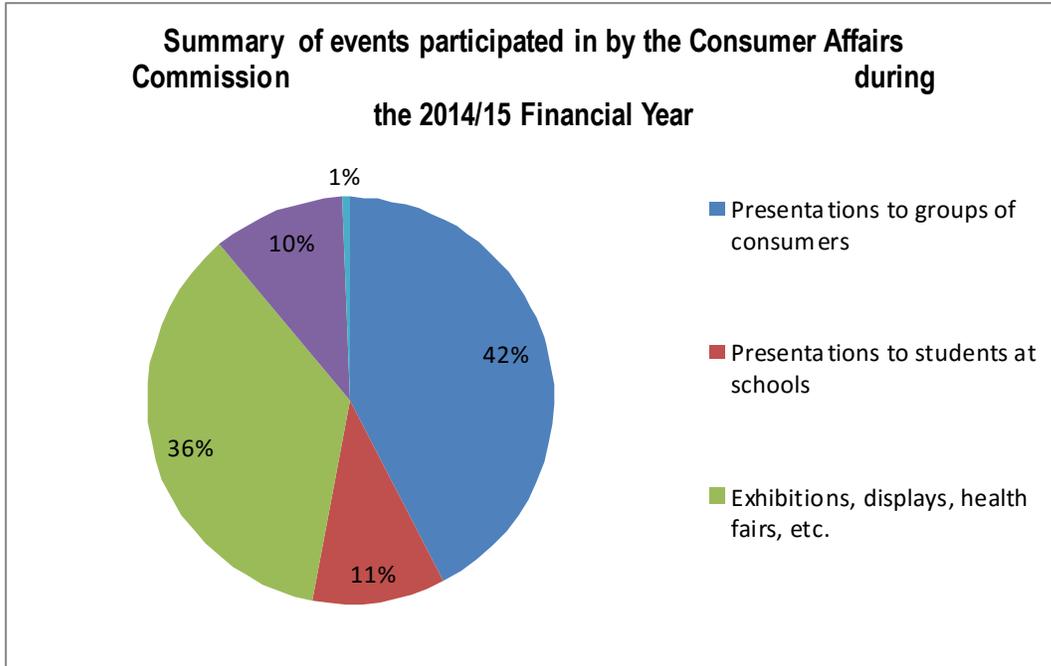
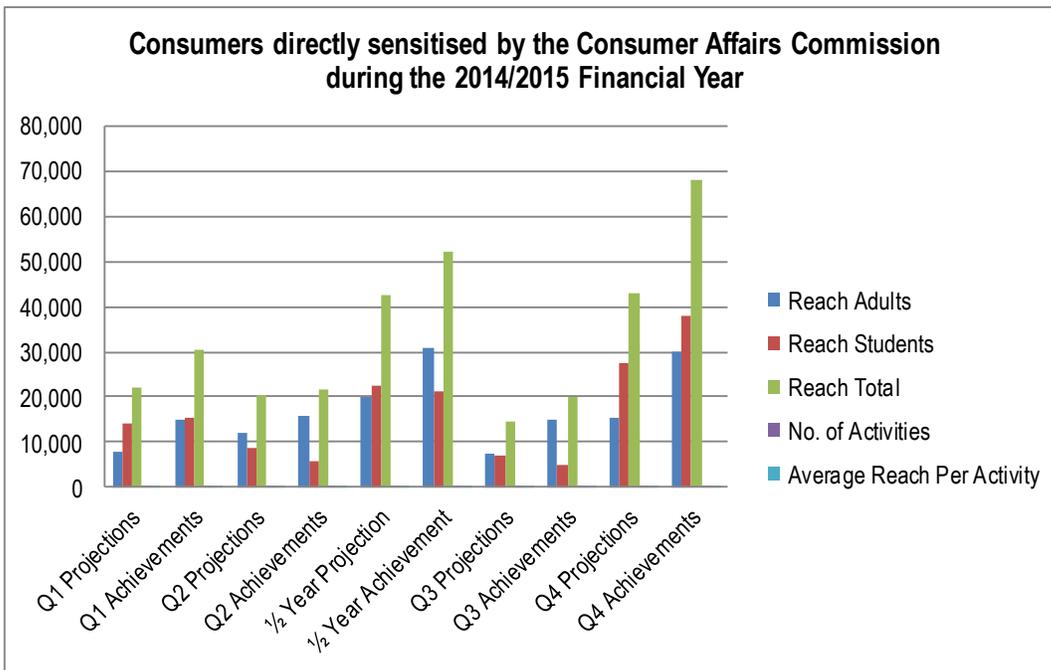


Figure 4 provides information about the consumer education achievements during the 2014/15 Financial Year



Highlights of the 2014/2015 Financial Year's activities included:

### Exhibitions

- ◆ Desk Days in branches of Courts and Singer Jamaica Limited outlets, City of Kingston (COK) Sodality branches during Credit Union Week and some supermarkets during the Christmas season;
- ◆ 4-H Clubs Parish Achievement Days and its National Achievement Day, Civil Service Week, Safety & Security Awareness Week and Caribbean Maritime Week Annual Expo; and,
- ◆ Annual Denbigh Agricultural, Industrial and Food Show and the Jamaica Business Development Corporation (JBDC) Global Entrepreneurship Week Open House & Business Incubator and Mobile Clinics.

### Presentations

- ◆ Schools during Career, Health and Book Fairs;
- ◆ Schools' Parent Teachers Association Meetings and Parents' Days, Tertiary Institutions, Human Employment and Resource Training Trust, National Training Agency (HEART Trust/NTA) and the National Youth Service (NYS);
- ◆ Business places and Government Agencies;
- ◆ Summer Camps organised by churches, service clubs, citizens associations and other community groups; and,
- ◆ Clientele of hospitals and clinics.

### Exhibitions and Presentations

- ◆ Jamaica Agricultural Society (JAS) Association of Branch Societies Annual General Meeting (AGM), the National Council for Senior Citizens Club Culture days, a number of Health & Wellness Fairs and the Jamaica Cultural Development Commission (JCDC) Culinary Arts Regional Finals.



**Consumer Affairs Commission Field Officer, Mr Ralston Patterson (right), presenting a copy of the Commission's nutrition book entitled, *Eating Right, When Money Tight* to the Honourable Dr Maurice Guy, Minister without portfolio in the Ministry of Transport, Works and Housing at the Central St Mary Social Services Fair that was held at the St Mary Parish Library in Port Maria, St Mary on March 13, 2015.**

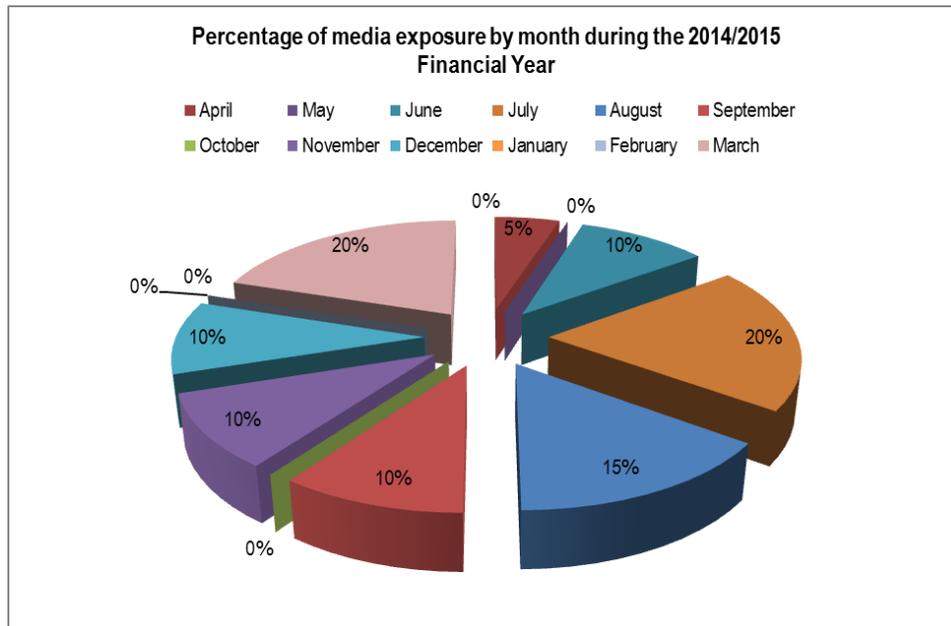


## Communication and Information

The Consumer Affairs Commission’s education and information thrust during the 2014/2015 Financial Year was commendable, despite significant budgetary constraints that were implemented across all government entities.

During the period under review, the Commission recorded a total of **8,093,724** media exposures, the majority of which was attributable to the Social Media and New Media channels that were implemented to disseminate information to consumers. This represents an increase over the 2013/2014 Financial Year when the Commission recorded a total of **6,740,477** media exposures.

**Table 5 provides information on the monthly percentage of media exposures obtained for the Financial Year 2014/15**



### Estimated value of paid advertisements and no-cost exposures

During the 2014/2015 Financial Year, the Consumer Affairs Commission spent **\$301,680.00** on advertising.

**Table 3 provides information on the pro bono media exposures, opportunities and estimated value obtained for the Financial Year 2014/15**

TYPE OF MEDIA	NUMBER OF FREE EXPOSURES	ESTIMATED AVERAGE COST (per exposure)	TOTAL ESTIMATED VALUE	ACTUAL SPEND	TOTAL ESTIMATED COST SAVINGS
PRINT	90	\$50K (1/4 page average)	\$4,500,000.00	\$55,580.00	\$4,444,420.00
RADIO	344	\$35K (30 seconds)	\$12,040,000.00	\$246,100.00	\$11,793,900.00
TELEVISION	23	\$35K x 5 minutes (\$175K per exposure)	\$4,025,000.00	0	\$4,025,000.00
<b>TOTAL</b>	<b>457</b>	<b>86.7K</b>	<b>\$20,565,000.00</b>	<b>\$301,680.00</b>	<b>\$20,263,320.00</b>

*Table 1 provides information on the free media exposures, opportunities and the estimated value obtained for the Financial Year 2014/15 was \$20,263,320.00 Million.*

Above is the estimated cost saving realised by the Commission for the period, April 1, 2014 – March 31, 2015. A continued relationship with the media earned the Commission placements of articles, promotions and interviews cost-free but valued at current market prices amounted to approximately **\$20.3 M**. Prime programme segments on television and radio usually attract revenue for the media houses, but were negotiated at no cost to the Commission.

The CAC received a total of **457 free exposures** at a cost savings of approximately \$20.3 M, compared to actual payment of **\$301,680.00** for 77 contracted exposures.

**Table 4 provides information on the total media exposures and opportunities  
obtained for the Financial Year 2014/15**

Month	Press Release	Media Intv	Print Articles	Radio Prog	Radio Prog	TV Prog	Online/Social Media	Print Spots	Print Spots	Radio Spots	Radio Spots	TV Spots	New Media *email marketing	Total Exposures
Issued	(Radio, TV, print)	(Free)	(Free)	(Paid)	(Free)	(Free)	(Free)	(Paid)	(Free)	(Paid)	(Free)	(Paid)		
April	1	2	3	17	0	4	673,986	0	0	0	0	0	0	674,013
May	1	2	3	17	0	4	673,986	0	0	0	0	0	0	674,013
June	2	2	6	7	0	0	673,993	0	0	0	4	0	0	674,014
July	4	1	5	68	0	0	673,972	0	0	15	0	0	0	674,065
August	3	6	6	49	0	3	673,984	0	0	0	4	0	0	674,055
September	2	3	9	39	0	0	674,077	0	0	0	33	0	393	674,556
October	0	1	5	19	0	2	673,949	302	1	0	33	0	80	674,392
November	2	2	5	4	0	0	673,950	3	0	0	33	0	562	674,561
December	2	15	23	90	0	12	674,080	0	0	0	0	0	1647	675,869
January	0	5	11	22	0	0	674,059	0	0	15	0	0	425	674,537
February	0	0	8	2	0	0	674,044	0	0	0	0	0	240	674,179
March	4	12	5	25	4	1	674,022	2	0	43	36	0	1220	675,374
Total	20	54	90	344	4	23	8,088,098	307	1	73	143	0	4,567	8,093,724

As it related to the matter of advocacy, emerging consumer trends and new areas of complaints, the Commission dealt with the following matters:

- ◆ Telecommunications, in particular, credit and data packages; and,
- ◆ Micro-financing scams and predatory loan rates.

In addition, the Commission reinforced the need for consumers to demand their receipts when making a payment to fulfill any contractual obligation. While this has always been one of the key messages reiterated by the CAC over the years, during the period under review, it was found to be that its reinforcement was needed as consumers' rights were at risk and obtaining redress in instances of no receipts, proved difficult.

## Partnerships

### Media

The Commission's success in maintaining a media presence is attributed to the media partnerships that were developed and re-energised during the 2014/2015 Financial Year. In particular, partnerships with Nationwide Radio "**At Your Service**", CVM Television's investigative programme "**Live@7**", Power 106 "**Both Sides of the Story**", the Jamaica Information Service, especially its "**Think Tank**" sessions and **RJR 94.5 FM**, specifically as it related to Outside Broadcasts and Advertising spots. It should be noted that the RJR Group, according to the latest All Media Survey, commanded the second largest share of the advertising market on weekday mornings.

Special note must be made of **Observer Radio** located in Antigua and Barbuda, where the Commission participated in its programme entitled "**Big Issues**" where consumer issues relating to online transactions were discussed.

### Non-Governmental Organisations/Public Sector

#### National Consumers League /Green Fund Pesticide Campaign

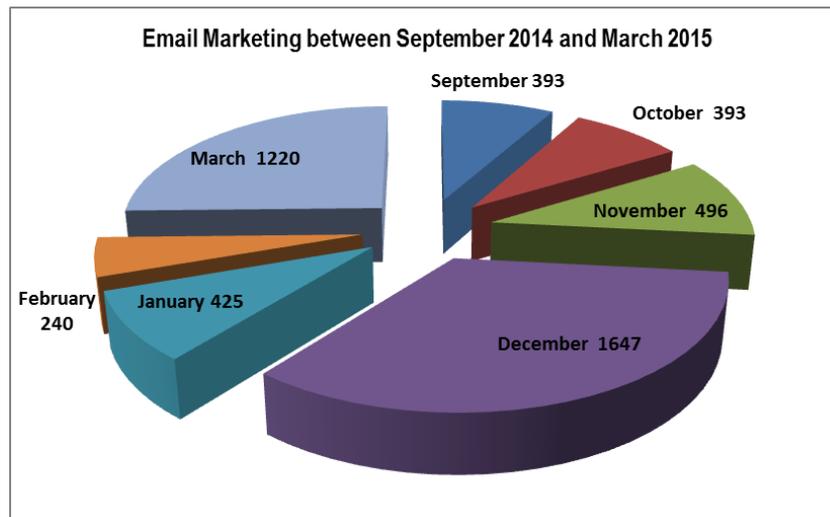
The CAC partnered with the National Consumers League (NCL) on its project proposal to the Consumers International Green Action Fund. The NCL was successful in its application, resulting in the organisation being awarded a grant to implement a Pesticide Awareness Campaign. As a result of this collaboration with the National Consumers League and its Green Action funded Pesticide Awareness Campaign, the Commission benefited from the placement of public service announcements which ran over a three-month period (September – November 2014) with a placement schedule of 33 public service announcements per month.

A partnership was also formed with the Jamaica Business Development Corporation (JBDC). The Commission supported the JBDC in the launch of its Mobile Business Clinic that was held in the western section of the island and targeted areas where the Commission was afforded an opportunity to interact with an audience that it had previously not had any interaction. In so doing, the Commission was able to extend its message and reach to new consumers.

## Email Marketing

The Commission continued its thrust to find new means of informing and educating consumers. In this regard, during the month of September, the Commission began to actively utilise e-mail marketing as a tool to carry its message to consumers. In so doing, the CAC was able to directly inform an additional **4,814** consumers.

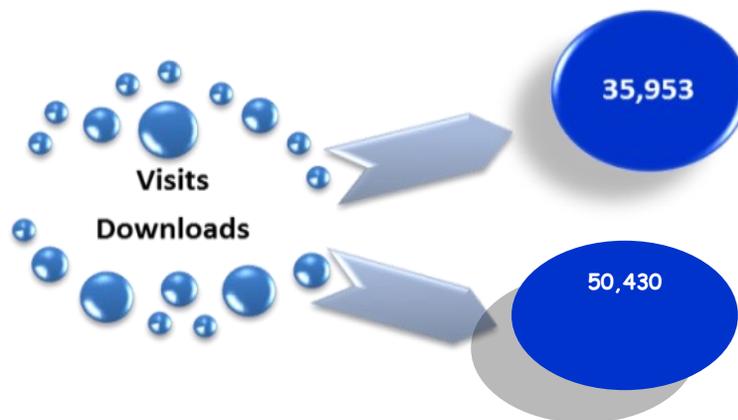
**Figure 6 shows the monthly number of email messages sent during the 2014/15 Financial Year**



## Website

During the Financial Year, the number of pages downloaded were **50,430** by **35,953** visitors of which **24,304** were first time visitors and **11,649** were returning visitors.

**Figure 7 provides the total website download and visits during the 2014/15 Financial Year**



## Product Recalls

During the 2014/2015 Financial Year, the Commission informed consumers, the media and other stakeholders about several recall notices which were as follows:

- ◆ US Chia Powder;
- ◆ JSW fans;
- ◆ Colgate Total toothpaste and the ingredient triclosan which has been linked to causing cancer;
- ◆ nSPIRED Natural Foods, Inc. Voluntarily Recalls Certain Retail Lots Of Arrowhead Mills® Peanut Butters, Maranatha® Almond Butters And Peanut Butters And Specific Private Label Nut Butters Because Of Possible Health Risk;
- ◆ US led/CAC endorsed: Nutek Disposable Baby Wipes may contain bacteria that can be resistant to antibiotics;
- ◆ Approximately 5 million Graco strollers recalled after fingertip injuries.
- ◆ Yamaha Motor Corporation, USA (Yamaha) recalled certain model year 2013-2015 Yamaha XT250 motorcycles manufactured August 1, 2012, to October 1, 2014; and,
- ◆ Food Recall: Kraft Macaroni Cheese.

## Local, Regional and International Partnerships

### The 10<sup>th</sup> European Union Development Fund/CARICOM Single Market and Economy/Economic Integration Programme to Advance and Promote the CARICOM Rapid Alert System (CARREX) for the Exchange of Information on Dangerous (non-food) Consumer Goods Regional Conference

On April 24-25, 2014 a two-day regional conference was hosted by the Jamaican Government through the Ministry of Industry, Investment and Commerce. By convention, the conference was chaired by a representative of the host country, Jamaica/Consumer Affairs Commission. The Caribbean Community met with the OAS to discuss the operationalisation of CARREX. The objectives of the working meeting were to work to achieve integration of the CARREX into the draft Model Consumer Bill and to complete the 2<sup>nd</sup> Training of the National Contact Points of the CARREX under the 10<sup>th</sup> EU-EDF.

### Sensitisation Workshop on the CARICOM Rapid Alert Exchange System for Hazardous Goods (CARREX)

The Commission planned, prepared and executed activities in collaboration with the CARICOM CSME Unit in Barbados for the staging of the Sensitisation Workshop on the CARICOM Rapid Alert Exchange System for Hazardous Goods (CARREX) and the impact of this web-based portal on competition and consumer protection. The workshop targeted participants who worked for ports, customs, importers, exporters and consumers. The CARICOM workshop which hosted 64 persons combined, was held on September 25 and 26, 2014 in Montego Bay and Kingston, respectively.



CARICOM Rapid Alert Exchange System (CARREX) for Hazardous Goods Workshop, Montego Bay – September 25, 2015

### CARICOM/OAS Meeting/Workshop on Consumer Protection in Suriname



Jamaica represented by Mrs Dolsie Allen, CEO, CAC (seated third from left), is flanked by representatives of the CARICOM Secretariat, host, Suriname and OAS member Brazil, training consultants as well as Ms Dorothy Campbell, Communications Specialist, CAC, (seated far right).

On December 2, 2014 the CARICOM Competition Commission (CCC) hosted regional consumer protection agencies in a meeting in Paramaribo, Suriname, under the theme “**Fostering a closer working relationship between the CCC and consumer agencies in CSME Member States**”. Member States including Jamaica, were also represented by the national standards organisation, that is, in Jamaica’s case, the Bureau of Standards Jamaica.

The Consumer Agencies from 12 Member States and the delegation from the CARICOM Competition Commission (CCC) participated in what was officially the First Meeting in plenary between the Parties. The purpose of the meeting was to discuss mechanisms for fostering greater collaboration between the parties and to develop modalities for a sustainable working relationship in fulfilment of the obligations set out in Article 186 of the Revised Treaty of Chaguaramas (RTC).

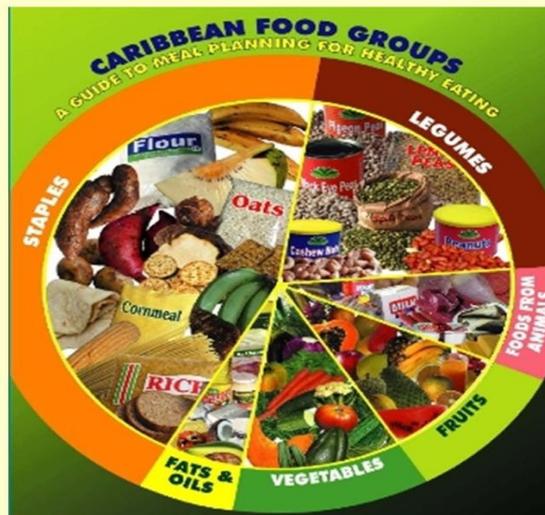
The outcomes and decisions agreed on included the development of a sustainable working relationship and framework for engagement between CARICOM, CCC and consumer agencies in CSME and the election of Working Groups for the development of a framework for cross-border consumer protection as is set out in Article 186 of the Revised Treaty of Chaguaramas (RTC).

Jamaica was unanimously nominated by the group to serve as one of three Member States on two major technical working groups that will lead the process throughout the region. Jamaica joins the technical team which comprises CARICOM Secretariat, CCC, as well as the OECS.

# World Consumer Rights Day 2015

## a Snapshot

### EAT HEALTHY: EAT THE RAINBOW



The Caribbean Food Guide Icon  
(Image source: [PAHO/CFNI](#))



# Parliamentarians endorsed WCRD 2015 theme, *Healthy Diets: Eating Right, When Money Tight*



The Most Honourable Portia Simpson Miller Prime Minister of Jamaica surrounded by the Honourable Dr Fenton Ferguson, Minister of Health and Mrs Dolsie Allen, CEO, Consumer Affairs Commission .



Leader of the Opposition, Mr Andrew Holness conversing with Mrs Dolsie Allen, CEO, Consumer Affairs Commission as he endorses the WCRD 2015 Healthy Diets theme.



The Honourable Anthony Hylton, Minister of Industry, Investment and Commerce speaking with Mrs Dolsie Allen, CEO, Consumer Affairs Commission while Ms Dorothy Campbell, Communications Specialist at the CAC



(Left) Leader of Government Business, the Honourable Phillip Paulwell and Speaker of the House Michael Peart jointly endorsing the WCRD 2015 Healthy Diets theme as Mrs Dolsie Allen, CEO, Consumer Affairs Commission oversees the process.



The Honourable Derrick Kellier, Minister of Agriculture endorsing the Healthy Diets theme while Mrs Dolsie Allen, CEO, Consumer Affairs Commission stands in the background.



Opposition Spokesman on Industry, Investment and Commerce, Mr Karl Samuda affixes his signature to the Consumer Affairs Commission's WCRD 2015 Healthy Diets campaign.



Member of Parliament Raymond Pryce and Mrs Dolsie Allen, CEO, Consumer Affairs Commission converse as he endorses the WCRD 2015 Healthy Diets theme.



The Honourable Rev. Ronald Thwaites, Minister of Education shows his support for the Consumer Affairs Commission's WCRD 2015 Healthy Diets campaign.

# World Consumer Rights Day 2015 cont'd...



Minister of State in the Ministry of Industry, Investment and Commerce Sharon Ffolkes-Abrahams speaks with a vendor as she shops with basket in hand at the Charles Gordon Market. Listening to the exchange is Mr Cleveland Parker, Complaint Officer, CAC.



Mr Dexter Williams was the winning consumer at the CAC's Montego Bay Office and happily received his basket from Mr Cleveland Parker, Complaint Officer.



The Consumer Affairs Commission and the National Consumers League (NCL) team at the NCL Church Service held at the Providence Methodist Church in Liguanea, Kingston on World Consumer Rights Day March 15, 2015.



Mr Rohan Daley of CVM Television presenting the Basket of Grocery Items to the winner of the CAC Basket Challenge Ms Kim Diamond.



Mrs Winsome Harrisingh (right) Complaint Officer, CAC, happily providing clarification to a consumer about the Consumer Protection Act.



Ms Jassette Johnson, winner of the LOVE FM CAC Basket Challenge sits with her prize.

More than 46% of children 10-18 years old are classified as overweight or obese.

# Complaints Resolution



## Complaints Resolution Services

During the 2014/2015 Financial Year, the Consumer Affairs Commission reached more persons with its services and investigated their cases through its Complaints Resolution Service. In so doing, the Commission was able to meaningfully assist consumers in their interactions with vendors operating in the marketplace.

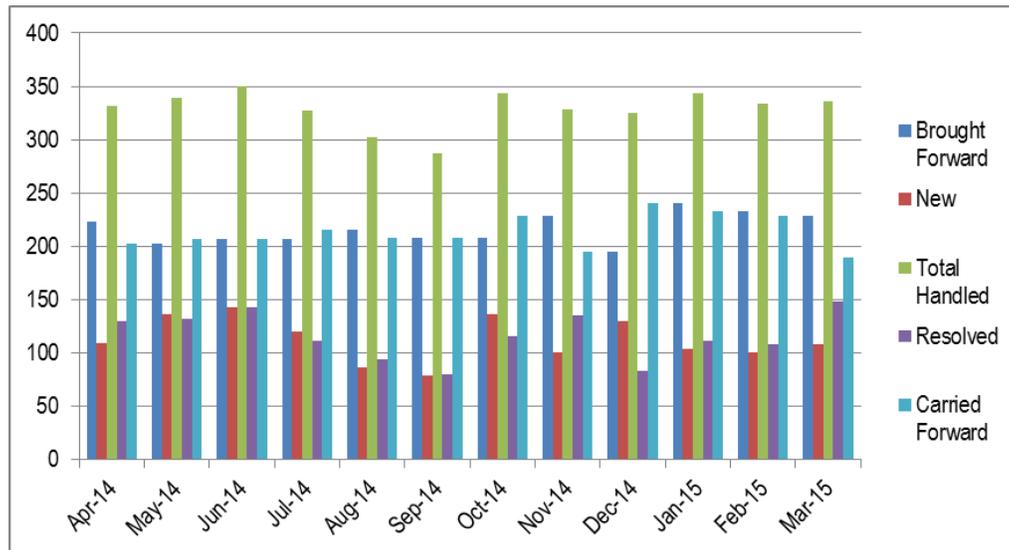
### Refunds/Compensation

In this regard, the CAC increased its refunds and compensation collection on behalf of aggrieved consumers by **30.4** percent. The sum of **J\$39,776,465.77 M** in refunds and compensation was secured, and represent an increase of **\$9.2** million over the 2013/2014 Financial Year.

The Commission achieved resolution for **1,391** of **1,580** complaints handled during the period, which represents a resolution rate of **88** percent.

Table 5 provides information on the case disposition by month report during the 2014/2015 Financial Year					
Month	Brought Forward	New	Total Handled	Resolved	Carried Forward
Apr-14	223	109	332	130	203
May-14	203	136	339	132	207
Jun-14	207	143	350	143	207
Jul-14	207	120	327	111	216
Aug-14	216	86	302	94	208
Sep-14	208	79	287	80	208
Oct-14	208	136	344	116	228
Nov-14	228	100	328	135	195
Dec-14	195	130	325	83	240
Jan-15	240	104	344	111	233
Feb-15	233	101	334	108	228
Mar-15	228	108	336	148	189
	<b>Total</b>	<b>1,352</b>		<b>1,391</b>	

Figure 8 highlights the case disposition by month from April 1, 2014 — March 2015



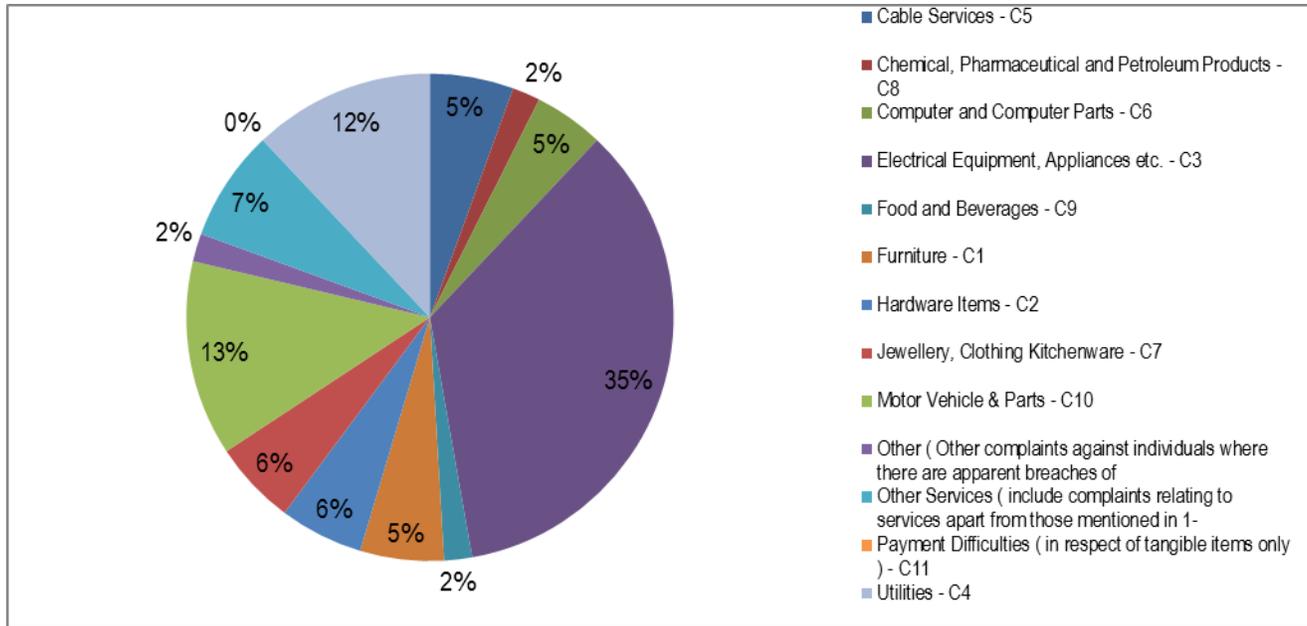
The top three complaints categories for the 2014/2015 Financial Year were **Appliances and Electronic Items 30.33%**; **Utilities 12.5%** and **Motor Vehicles 11%**. However, the categories that garnered the most refunds and compensation were Automotive **68.47** percent or **\$27.2 M**; Utility Services **\$4.1 M** or **10.4** percent; and, Appliances and Electronic Items **9.3** percent or **\$3.6 M**.

The remaining complaints categories comprised Computers; Hardware and Household Fixtures; Cable Services; Clothing, Food, Pharmaceuticals, Chemicals & Miscellaneous; Other Services (including finance, laundry, hair, medical, education); Furniture; and Other.

**Table 6 provides information on the case categories analysis summary during the 2014/2015 Financial Year**

Category	New	% of Total
Cable Services - C5	6	5.56%
Chemical, Pharmaceutical and Petroleum Products - C8	2	1.85%
Computer and Computer Parts - C6	5	4.63%
Electrical Equipment, Appliances etc. - C3	38	35.19%
Food and Beverages - C9	2	1.85%
Furniture - C1	6	5.56%
Hardware Items - C2	6	5.56%
Jewellery, Clothing Kitchenware - C7	6	5.56%
Motor Vehicle & Parts - C10	14	12.96%
Other ( Other complaints against individuals where there are apparent breaches of	2	1.85%
Other Services ( include complaints relating to services apart from those mentioned in 1-	8	7.41%
Payment Difficulties ( in respect of tangible items only ) - C11	0	0.00%
Utilities - C4	13	12.04%
<b>Total</b>	<b>108</b>	<b>100%</b>

**Figure 9 shows the new case categories analysis summary during the 2014/2015 Financial Year**

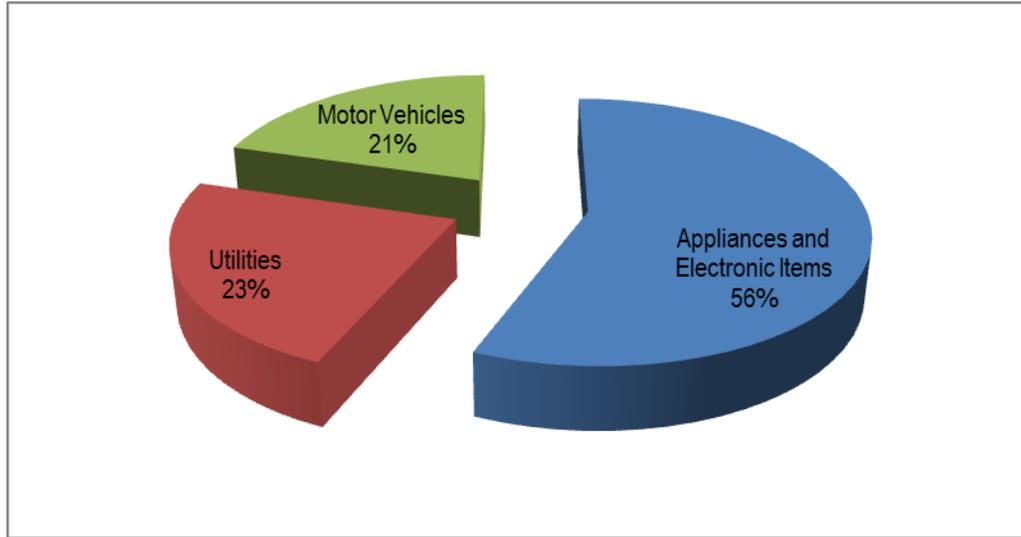


**Figure 7 shows the main complaints categories and the corresponding percentage amount of refunds/compensation obtained during the 2014-2015 Financial Year**

Complaint Categories	Total YTD	Percentage
	\$	%
Furniture	768,761.77	1.93%
Hardware & Household Fixtures	722,097.64	1.82%
Appliances & Electronic Items	3,697,332.34	9.30%
Utility Services	4,135,564.53	10.40%
Cable Services	43,498.01	0.11%
Computers	805,231.93	2.02%
Automotive	27,236,216.87	68.47%
Clothing, Food, Pharmaceuticals, Chemicals & Miscellaneous Items	290,822.84	0.73%
Other Services ( including finance, laundry, hair, medical, education)	1,873,795.51	4.71%
Other	203,144.33	0.51%
<b>TOTAL</b>	<b>39,776,465.77</b>	<b>100%</b>

## Complaints/Advice

Figure 10 highlights the three main complaints categories where consumers were either refunded or compensated during the 2014-2015 Financial Year



The Consumer Affairs Commission has always advocated for consumers to do their due diligence before committing to making purchases. It is on this premise that the Commission continued to encourage consumers to obtain advice and information prior to making a purchase. During the 2014/2015 Financial Year, the Commission provided advice and information to **790** persons.

# Market Research



## Market Research

The Consumer Affairs Commission successfully completed **thirty-eight (38)** research projects during the 2014/2015 Financial Year. The projects comprised eleven (11) ad hoc and 27 **scheduled** surveys. More specifically, the ad hoc surveys conducted were one (1) Customer Satisfaction Study on behalf of the Companies Office of Jamaica (COJ); one (1) Staff Satisfaction Study; two (2) Banking Rates and Hours Studies; one (1) ASYCUDA and one (1) Back to School Supplies Study. It should also be noted that due to the slow response of local gasoline trade to lower their prices in keeping with the decreased prices in world oil prices, the CAC increased its surveillance, resulting in six (6) additional petrol surveys conducted between December 2014 and March 2015. The details of the surveys are provided in **Table 8** below.

**Table 8 provides the number of research projects conducted during the 2014/2015 Financial Year**

SURVEYS	TOTAL
<b>SCHEDULED</b>	
Hardware	1
Grocery- Monthly	12
Petrol	12
Textbook	1
Back to School Expenses	1
<b>AD HOC</b>	
Petrol	6
Banking Rates and Fees	1
Banking Hours Study	1
Clientele Study (Telephone)	1
ASYCUDA* Study	1
Companies Office of Jamaica	1
<b>TOTAL</b>	<b>38</b>

\*ASYCUDA means **Automated System for Customs Data** and it is a Jamaica E Customs Management System.

### Average Movements

### Price

During the period under review, consumers had to cope with significant price increases in a number of items. Topping the list were Local Tomatoes 32%, Bulk Cooking Oil 28%, Local Irish Potatoes 25% Yellow Yam and Dried Salted Fish 24%,

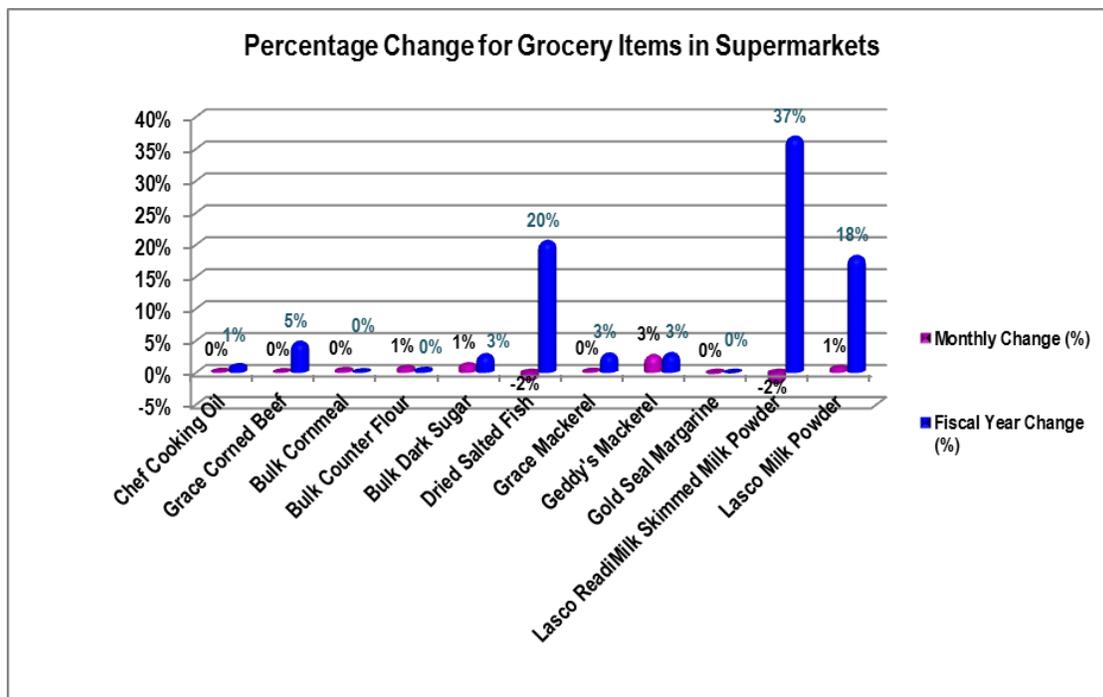
Lasco Whole Milk 17% and Best Dressed Chicken 16%.

The consumer did receive some respite, as there were decreases observed for Local Carrot, Cabbage and Onion of 28%, 14% and 10% respectively.

### Basket of Critical Food Items

Fiscal Year observations for supermarkets revealed that Lasco Readimilk Skimmed Milk Powder had the greatest price increase of 37%. Dried Salted Fish and Lasco Powdered Whole Milk had price increases of 20% and 18% respectively. A 5% price increase was observed for Grace Corned Beef while Bulk Dark Sugar, Grace Mackerel and Geddys Mackerel each had a 3% price increase. Chef Cooking Oil increased by 1% during the period.

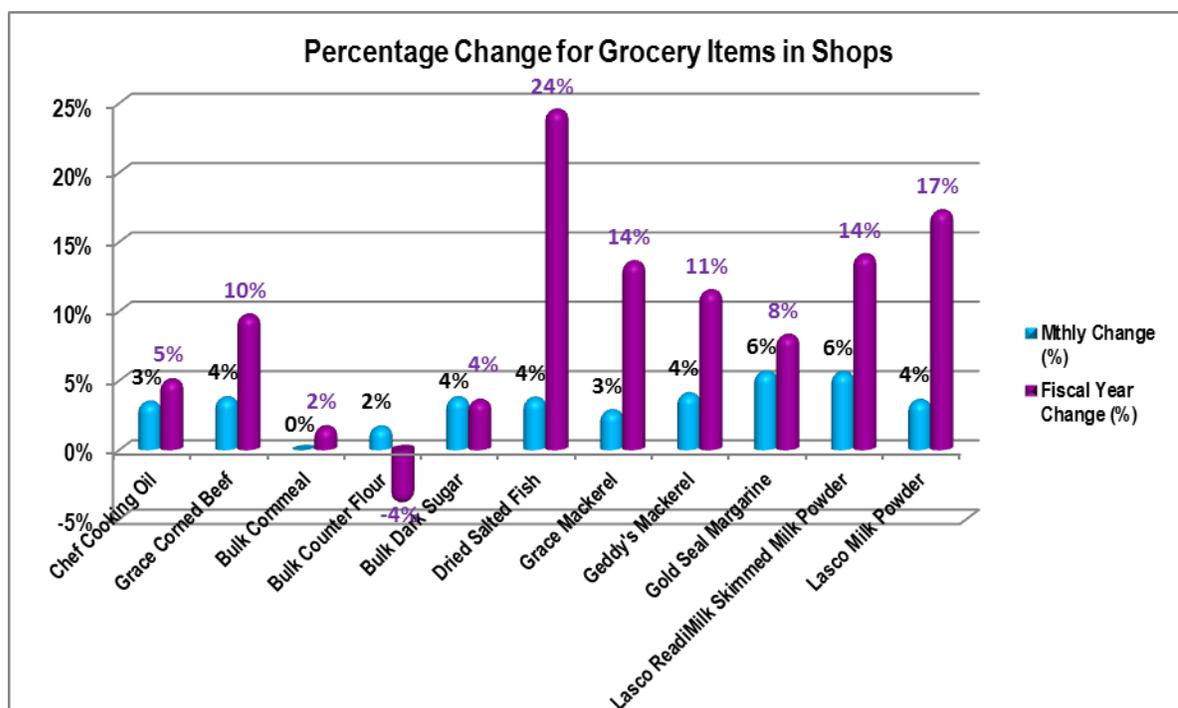
**Figure 11 shows the significant monthly and Fiscal YTD changes in supermarket prices for specific items in the CAC's basket of critical grocery items**



### Supermarkets

During the 2014/2015 Financial Year, Dried Salted Fish had the greatest price increase of 24% while a 17% price increase was observed for Lasco Powdered Whole Milk. Grace Mackerel and Lasco Readimilk Skimmed Milk Powder experienced a 14% price increase and Geddys Mackerel had an 11% increase. Gold Seal Margarine experienced an 8% price increase while Chef Cooking Oil, Bulk Dark Sugar and Bulk Cornmeal had price increases of 5%, 4% and 2% respectively. There was a price decline of 4% for Bulk Counter Flour. See **Figure 12** for the grocery items percentage price change during the period under review.

Figure 12 shows the percentage change for grocery items in shops during the 2014-2015 Financial Year



### Local Agricultural Items

Table 9 shows that the price of local Tomatoes increased by 32% during the 2014/ 2015 Fiscal Year. Local Irish Potatoes and Yellow Yam had price increases of 25% and 24% respectively. The price of Ripe Plantain remained constant during the period. On the other hand, price decreases of 6%, 10%, 14% and 28% were observed for the items Green Bananas, local Onions, local Cabbage and local Carrots respectively.

Table 9 showing the price movements for a select set of local agricultural produce between April 2014 and March 2015

Produce	Quantity	Monthly Change (%)	Fiscal YTD Change (%)
Local Tomatoes	1 kg	-30	32
Ripe Plantain	1 kg	-5	0
Local Irish Potatoes	1 kg	-5	25
Green Bananas	1 kg	-4	-6
Yellow Yam	1 kg	-21	24
Local Cabbage	1 kg	2	-14
Local Onions	1 kg	0	-10
Local Carrots	1 kg	2	-28

## Point-to-Point Changes

Information on the point-to-point price changes between March 2014 and March 2015 in supermarkets revealed the following:

- ◆ A 35% price increase was recorded for Lasco Readimilk Skimmed Milk Powder while Dried Salted Fish experienced a 22% price increase during the period.
- ◆ The price of Lasco Powdered Whole Milk and Grace Tomato Ketchup increased by 18% and 16% respectively.
- ◆ Lasco Step 1 Infant Formula had a 12% price increase.
- ◆ The prices of Nestle Lactogen Infant Formula and Hardough Bread experienced 11% and 10% increases respectively.

## The Petroleum Market

During the 2014/2015 Financial Year, there was a stark decline in international crude oil prices, primarily caused by increased production in the United States due to the fracking process (*the process of injecting liquid at high pressure into subterranean rocks, boreholes, etc., so as to force open existing fissures and extract oil or gas*), and unwillingness on the part of Saudi Arabia to reduce its production volume. This was coupled with reduced consumption from major consumer, China. Between June 2014 and January 2015, world crude oil prices fell close to 60%.

On the local scene, many consumers expressed dissatisfaction that the lower prices on the international markets were not being translated into lower prices at the pumps. In response to consumer concerns, the Ministry of Science, Technology, Mining and Energy called for a **#PumpWatchDay**, during which consumers were charged to closely monitor the change in petrol prices. The CAC increased its surveillance of the industry to determine the extent to which retailers and their marketing companies passed on price reductions to consumers. For a short period, and for the benefit of consumers, the Commission also published in the daily papers the observed prices from the Petrol Surveys conducted.

In March 2015, the Jamaican Government imposed a new J\$7.00/litre tax on petrol in the hope of gaining J\$6.4 Billion. It was reported that the decision represented a “hedge against an increase in the price of petroleum on the world market.” Prices have risen again since January 2015. Many speculated however, that prices would not reach previous levels for some time.

## International Benchmarks

During the 2014/2015 Financial Year, the United States Gulf Coast (USGC) regular gas price declined by US\$1.12/gal (40%), while USGC Ultra Low Sulphur Diesel (ULSD) prices declined by US\$1.20/gal (41%).

Figure 13 shows the monthly averages for world oil prices between April 2014 and March 2015

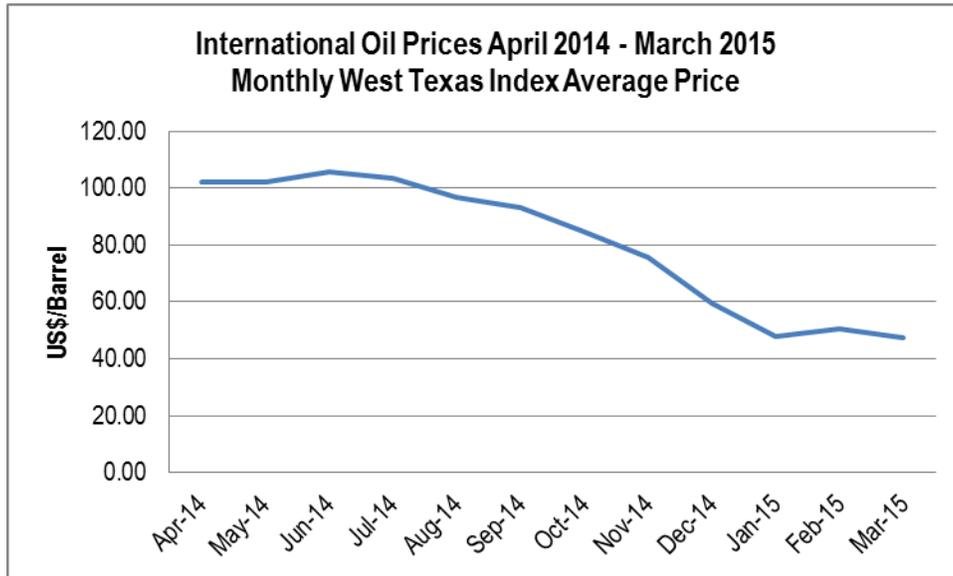
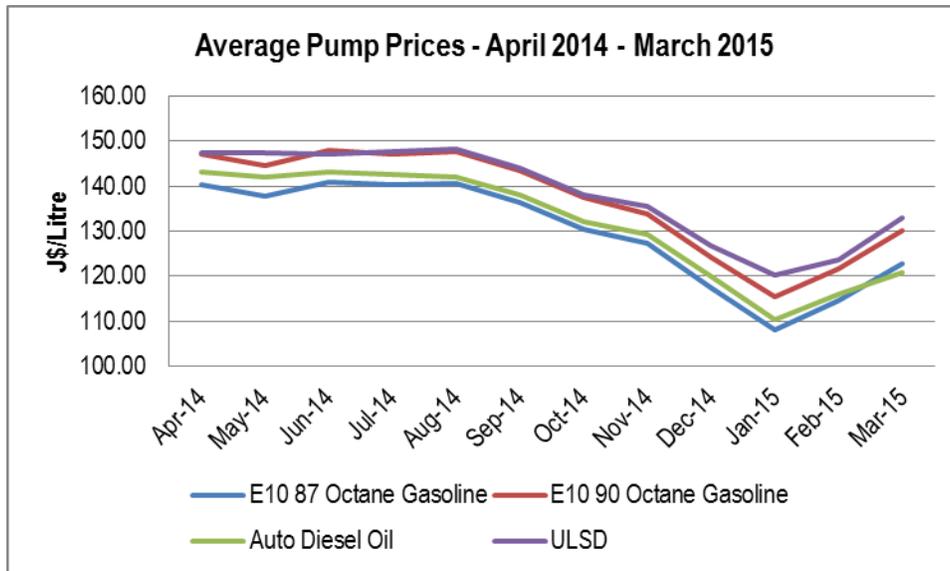


Figure 14 highlights the average pump prices during the 2014-2015 Financial Year



The Commission will continue its customary research and market surveillance price monitoring activities, and will also increase the frequency of the surveys conducted as the need arises. This is to ensure that consumers are provided with accurate and timely information to facilitate informed decision-making as they conduct business in the marketplace.

For the 2015/2016 Financial Year, the Commission will increase the options available to our consumers for viewing its research data by utilising mobile and web applications.

In addition, the Commission will expand the range of research available to consumers through greater collaboration with the public sector and academia.

# Information Technology



## Information Technology

The Consumer Affairs Commission regards information technology as an essential tool as we seek to conduct research and disseminate information for the benefit of the consumers. During the 2014/2015 Financial Year, the Commission continued its efforts in maintaining and improving both hardware and software systems, although severely constrained by the fiscal space. The resultant impact was a 99 per cent uptime in all systems throughout the year.

### CAC Alerts Notification Project

To enhance its capacity to communicate directly with, as well as reach more consumers, the Commission designed and developed an Alerts Notification System. The Alerts Notification System now makes it possible to send messages via Short Message Service (SMS) text and email. The mode of alert used is based on the preference of consumers. It was also integrated with the Commission's website to give consumers another option on how to sign up and receive alerts.

The alerts that were sent included product recalls, child related product issues, product warnings, food safety recalls and other general consumer information.

### Improved Hardware Infrastructure

The Commission improved the efficiency of a number of its officers by approximately 20 per cent in the performance of their daily tasks, through the acquisition and refurbishing of five (5) desktop computers during the period under review. The CAC continues to work towards being a fully paperless agency, which relies heavily on computer technology. As such, the efficiency of its officers is directly related to the efficiency of the computer equipment.

### Website Redesign and Upgrade

The corporate website is a key aspect of the CAC's service delivery. As the Commission moves to deliver enhanced services, and reduce the cost associated with executing public outreach and communication activities; its web presence becomes an increasingly critical link in the chain of service offerings. To this end, the organisation commenced the redesign of its five year old website.

A number of exciting new features are to be added, as well as the enhancement of existing ones. The requirements gathering phase of the project was completed and some of the new features requested included outlet location map, quick price enquiry, video and picture gallery and consumer prices blogs. It is also projected that the new look website will include enhanced graphics. In addition, when completed, consumers will be able to register on the website to receive

alerts and participate in online activities. For the 2015/2016 period, many additional features are scheduled for inclusion and it is expected that the completed website will be available in the second quarter of the year.

### Open Data Project

The CAC is leading the way in Government with its Open Data initiative, as the Commission is cognisant of the current and future impact on consumers, especially in terms of data sharing, privacy and storage. Open data is data that can be freely used, re-used and redistributed by anyone - subject only, at most, to the requirement to attribute and share alike. The Commission's Open Data project initially seeks to make consumer prices data available to all citizens in ways that will make it easy to use, understand and manipulate, thus allowing them to derive actionable information leading to better choices. In addition, software application developers will have access to the prices data, allowing them to create innovative mobile applications and websites that will feed valuable information about prices to the consumer.

In this regard, the Open Data project is far advanced as during the 2014/2015 Financial Year, the Commission installed the Open Data platform called Comprehensive Knowledge Archive Network (CKAN). Through CKAN, the Commission will implement an automated data upload process to constantly populate the platform when new data becomes available. The platform has numerous features that will allow consumers to manipulate the prices data in different ways allowing them to derive meaningful information. For example, the CKAN platform has a data visualisation component that will allow users to create their own prices trend chart. Other features include the ability to filter data based on parish or other geographical determination.

Under the Open Data project, the CAC sought and will continue to seek to partner with application developers who will utilise the prices data to create innovative software products. In return, the CAC will assist to publicise their applications. The Commission sees this approach as being mutually beneficial, and ultimately, will aid consumers tremendously.

Going forward, the Commission will focus on completing four major projects during the 2015/2016 Financial Year. They are as follows:

- ◆ Redesigned Website;
- ◆ Implementation of the new Case Management System;
- ◆ Open Data Initiative; and,
- ◆ Server Acquisition.

These projects are geared towards improving the Commission's complaints handling capabilities and delivering value to consumer related information and data to the public.

# Legal Intervention



## Legal Intervention

The Consumer Affairs Commission is guided in its actions by the Consumer Protection Act 2005 (Amended 2012). While the Commission is further guided by other legislations and regulations that may be applied to the respective situation, it is important to note that the CAC also contributes to the development of policy and legislation which is consumer centric.

### The Consumer Protection Act

One of the primary amendments to the Consumer Protection Act (CPA) was to establish the Consumer Protection Tribunal (CPT) to adjudicate claims where it is alleged by the consumer that the CPA has been breached. The Tribunal is a quasi-judicial body independent of the Consumer Affairs Commission and was established to deal with complaints which are not resolved by mediation. One of the key aims of the CAC in its operations, is to mediate an agreement between the parties where there is a dispute, prior to the matter advancing to the Tribunal stage. In instances where an agreement cannot be reached, the matter is referred to the Tribunal for adjudication.

During the 2014/2015 Financial Year, the Consumer Protection Tribunal became fully operational, as three cases were prepared and placed before it for adjudication due to breaches of the Consumer Protection Act (CPA). In addition, during the period under review, legal documents were served on one other Defendant/vendor. However, the case was settled between the parties prior to the Tribunal Hearing date. At the end of the 2014/2015 Financial Year, two cases were pending to be heard by the Tribunal. It is expected that in the ensuing years, the use of the Tribunal to facilitate redress will increase once consumers become more aware of the availability of this avenue.

In the last Quarter of the Financial Year, the Commission conducted one presentation to the Bureau of Standards Jamaica on the Consumer Protection Tribunal and the Consumer Protection Act.

### Consumers, Commercial Banks and Micro-credit financial institutions

The 2014/2015 Financial Year was instrumental as it enabled the CAC to become a part of a new paradigm towards:

- ◆ Regulation of micro-credit financial companies within Jamaica; and,
- ◆ Developing a Code of Conduct for Deposit Taking Institutions to subscribe to/ apply in their dealings with consumers.

The CAC has made significant contributions at the policy level, by collaborating with other stakeholders, to further protect consumers and promote the consumer's right to fair and ethical practices. This was achieved by assisting to strengthen the legislative framework and the enabling environment for consumers in the financial sector, and promoting industry adherence to a Voluntary Banking Code. Internally, the CAC reviewed and commented on the Micro Credit Bill and the Credit Reporting laws.

### **Consumers and the Telecommunications Sector**

The Jamaican Telecommunications sector is commanded by a small segment of players, therefore, consumers must be prepared for the rapid advancements in this industry and protected from apparent abuses of a seemingly oligopolistic structure. The Office of Utilities Regulation (OUR) drafted the Quality Service Standards and Consumer Protection Guidelines to enable a balanced operating environment, between consumers and service providers. For the 2014/2015 Financial Year, the Commission was active in cooperating with other stakeholders to review the Rules and Guidelines, and it is anticipated that the approval of the Rules will enable fair competitive practices amongst industry players and promote technological innovation, which will benefit consumers of Information and Communications Technology (ICT) goods and services.

Additionally, the CAC reviewed the cellular contracts of telecommunication's providers and met with representatives from the OUR and other stakeholders over the blocking of calls by select service providers that originated through the use of internet based software.

### **Legal Advice and Representation**

The Commission gave legal advice to other internal units within the CAC, as well as to consumers and vendors who had queries on sections of the Consumer Protection Act. Legal advice and representation were provided, upon request, to consumers who appeared before the Consumer Protection Tribunal.

For the 2015/2016 Financial Year, the CAC will continue to review and comment on policy documents and related laws which affect consumers.

### **Corporate Governance**

The Legal Department provided administrative/ secretariat support to the Consumer Protection Tribunal during the 2014/2015 Financial Year. In addition, the Department provided secretarial support to the Commission's Board, and administrative support to the Telecommunications and Electricity Appeal Tribunals, which are hosted by the CAC.



# Finance/Administration

## Finance and Administration

The 2014/2015 Financial Year offered the Consumer Affairs Commission a unique opportunity to celebrate a significant milestone – CAC’s first year of operation at its new location, 34 Trafalgar Road – while launching or completing several initiatives that provided exciting promise and opportunity for the Commission’s future.

In keeping with the objectives of the 2014-2015 Operational Plan, the Commission concluded the Financial Year with **39** positions on its establishment. Of the **39** positions, **29** were occupied, **7** were clear vacancies while the remaining 3 vacancies were occupied with persons either acting or temporarily appointed.

**Table 10 provides the staff coverage as at March 31, 2015**

Positions	Kingston	Mandeville	Montego Bay	St Thomas
All (39)	35	2	2	-
Occupied	30	2	2	1*

*\*Desk manned 1<sup>st</sup> and 3<sup>rd</sup> Mondays, monthly.*

### **Employment and Appointments**

Prior to the end of the Financial Year, three (3) vacant positions were filled. The positions were:

- Legal Officer/Corporate Secretary (JLG/L04) filled November 10, 2014.
- Research Assistant (SOG/ST3), appointed February 2, 2015 (Secondment).
- Finance and Administration Manager (GMG/SEG3) filled March 2, 2015.

### **Promotions and Transfers/Secondment**

One employee was seconded from the Jamaica Library Service to fill the position of Research Assistant (SOG/ST3).

### **Staff Turnover**

The Commission accepted the resignation of one employee (GMG/AM2) in October 2014. The position remains vacant. Therefore, turnover for the period under review was **3%** of occupied positions including those with persons acting or temporarily appointed. No retirement was recorded for the period.

## STAFF WELFARE AND DEVELOPMENT

### First Annual Staff Survey

The Commission conducted a Staff Survey in July 2014. Twenty-two or 76% of employees participated in the survey, which was conducted to:

- Determine employee morale;
- Identify expectation gaps; and,
- Gain a better understanding of employee preferences.

The survey explored 13 aspects of job satisfaction across two subject areas: morale and internal customer service. The result showed that most (64% or 14) of those surveyed were satisfied or very satisfied with the CAC as an employer. The majority (91% or 20) disagreed that they could live comfortably on their pay, and the largest group (50% or 11) disagreed that, overall, they were satisfied with CAC's benefits package. Recommendations were for an improvement in pay and benefits, support of a charitable cause, standardisation of operations and additional training.

### Staff Welfare

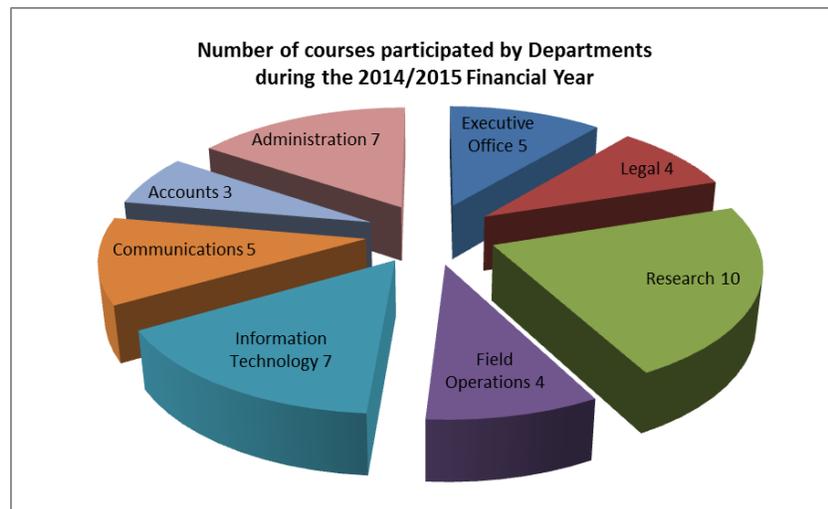
In continuing the objective of improving employee welfare and development, the Commission planned and executed:

- Eight (8) presentations covering subject areas such as financial management, planning for retirement, and stress management. Presentations were also made by the Jamaica Cancer Society and National Road Safety Council;
- Four (4) quarterly birthday celebrations; and,
- Participation in the MIIC's Annual School Challenge Quiz of which the CAC ranked in the top 5.

### Staff Development Initiatives

20 employees participated in 21 learning and development activities aimed at improving skills and competencies. Participation, which overlapped departments, was broken down as shown in **Figure 15**.

**Figure 15 provides a breakdown of the number of courses participated in during the 2014/15 Financial Year**



All members of staff participated in a special training session on Jamaica's Global Logistics Hub (included above). The session, captioned 'Logistics 101', was sponsored by the Ministry of Industry Investment and Commerce in collaboration with the Caribbean Maritime Institute (CMI).

During the period under review, 11 general staff meetings and 30 senior staff meetings were held.

### **Inter-Agency Representation**

Employees continued their representation on various technical and other committees throughout the Agencies reporting to MIIC, such as: BSJ Technical Committees, namely, Water Storage Tank Standards Committee, Food Standard Committee, Tourism and Related Services Committee and Labelling Standards Committee; MIIC HIV Workplace Technical Officer/Occupational Health & Safety Committee; the Registration of Elderly Homes Committee with MOH; the Trade Board's Sugar Advisory and the Importation of Damaged Vehicles Committees, among others.

### **Operating Procedures**

In keeping with the strategic policy of the MIIC, the CAC continued work towards implementing ISO 9001:2008. Work began in 2012 and continued through to the end of the 2014/2015 Financial Year. During the period under review, the process mapping phase was completed. The next phase is the development of a quality manual, which is slated for completion in the 2015/2016 Financial Year. A December 2015 target has been identified for the implementation of several key aspects. Pending budgetary support, certification will follow.

## Staff Learning and Development by Course/Workshop

### April 2014 – March 2015

Member of Staff	Job Title	Course/Workshop	Sponsor
<b>Mrs Charmaine Heslop-Thomas</b>	Director, Research	Caribbean Capacity Building Workshop	MIIC
<b>Ms Racquel Chambers</b>	Senior Economist	Anti-Dumping Legislation: <i>An understanding for local companies and the process of redress.</i>	Anti-Dumping/ CAC
<b>Mr Elroy Galbraith</b>	Research Officer/ Economist	Anti-Dumping Legislation: <i>An understanding for local companies and the process of redress.</i>	Anti-Dumping/ CAC
<b>Mr Elroy Galbraith</b>	Research Officer/ Economist	Caribbean Microfinance Forum	CAC
<b>Mrs Dolsie Allen</b>	Chief Executive Officer	CARICOM Framework for Consumer Protection	CARICOM Secretariat
<b>Ms Dorothy Campbell</b>	Communication Specialist	CARICOM Framework for Consumer Protection	CARICOM Secretariat
<b>Mrs Dolsie Allen</b>	Chief Executive Officer	CARREX Sensitisation Seminar	CARICOM
<b>Ms Racquel Chambers</b>	Senior Economist	CARREX Sensitisation Seminar	CARICOM
<b>Mrs Tamra-Kay Biggs</b>	Research Officer/ Economist	CARREX Sensitisation Seminar	CARICOM
<b>Ms Latoya Halstead</b>	Director, Communications	CARREX Sensitisation Seminar	CARICOM
<b>Miss Dorothy Campbell</b>	Communication Specialist	CARREX Sensitisation Seminar	CARICOM
<b>Mr Pash Fuller</b>	Director, Western Region	CARREX Sensitisation Seminar	CARICOM
<b>Mrs Natalie Deer-Muirhead</b>	Receptionist	Customer Service Skills	CAC
<b>Mr Andrew Evelyn</b>	Information Technology Manager	Data Integrity	MSTEM
<b>Mr Andrew Evelyn</b>	Information Technology Manager	Data Integrity	MSTEM
<b>Mr Andrew Evelyn</b>	Information Technology Manager	Developing the Caribbean (DevCa) 2015: Open Data Conference and Code Sprint	MSTEM

Member of Staff	Job Title	Course/Workshop	Sponsor
<b>Mrs Tamra-Kay Biggs</b>	Research Officer/ Economist	Developing the Caribbean (DevCa) 2015: Open Data Conference and Code Sprint	MSTEM
<b>Mrs Dolsie Allen</b>	Chief Executive Officer	Financial Services e-learning webinar session	Consumers International
<b>Ms Racquel Chambers</b>	Senior Economist Research	Financial Services e-learning webinar session	Consumers International
<b>Mrs Tamra-Kay Biggs</b>	Officer/Economist	Financial Services e-learning webinar session	Consumers International
<b>Miss Nicole Pierce</b>	Legal Officer/ Corporate Secretary	Financial Services e-learning webinar session	Consumers International
<b>Miss Shemaine Genas</b>	Office Manager	Financial Services e-learning webinar session	Consumers International
<b>Miss Gisele-Ann Perry</b>	Complaint Officer	Financial Services e-learning webinar session	Consumers International
<b>Ms Latoya Halstead</b>	Director, Communications	Financial Services e-learning webinar session	Consumers International
<b>Ms Dorothy Campbell</b>	Communication Specialist	Financial Services e-learning webinar session	Consumers International
<b>Mr Christopher Martin</b>	Information Technology Specialist	Financial Services e-learning webinar session	Consumers International
<b>Mr Richard Rowe</b>	Regional Officer	Financial Services e-learning webinar session	Consumers International
<b>Mr Pash Fuller</b>	Director, Western region	Financial Services e-learning webinar session	Consumers International
<b>Mrs Dolsie Allen</b>	Chief Executive Officer	Financial Services e-learning webinar session	Consumers International
<b>Mrs Racquel Chambers</b>	Senior Economist	Financial Services e-learning webinar session	Consumers International
<b>Mrs Tamra-Kay Biggs</b>	Research Officer/ Economist	Financial Services e-learning webinar session	Consumers International
<b>Miss Nicole Pierce</b>	Legal Officer/ Corporate Secretary	Financial Services e-learning webinar session	Consumers International
<b>Miss Shemaine Genas</b>	Office Manager	Financial Services e-learning webinar session	Consumers International
<b>Miss Gisele-Ann Perry</b>	Complaint Officer	Financial Services e-learning webinar session	Consumers International
<b>Ms Latoya Halstead</b>	Director, Communications	Financial Services e-learning webinar session	Consumers International
<b>Ms Dorothy Campbell</b>	Communication Specialist	Financial Services e-learning webinar session	Consumers International

Member of Staff	Job Title	Course/Workshop	Sponsor
Mr Christopher Martin	Information Technology Specialist	Financial Services e-learning webinar session	Consumers International
Mr Richard Rowe	Regional Officer	Financial Services e-learning webinar session	Consumers International
Mr Pash Fuller	Director, Western Region	Financial Services e-learning webinar session	Consumers International
Mr Elroy Galbraith	Research Officer/ Economist	Financial Services e-learning webinar session	Consumers International
Miss Shemaine Genas	Office Manager	GCT on Government Purchases Workshop	Tax Administration Jamaica
Miss Gisele-Ann Perry	Complaint Officer	GCT on Government Purchases Workshop	Tax Administration Jamaica
Miss Shille-Ann Johnson	Senior Accountant	GCT on Government Purchases Workshop	Tax Administration Jamaica
Mr Leighton Cornwall	Accountant	GCT on Government Purchases Workshop	Tax Administration Jamaica
Miss Shemaine Genas	Office Manager	GOJ GEASO Education Session	Sagicor Life Jamaica Limited
Miss Shemaine Genas	Office Manager	GOJ Procurement	MOF
Mr Andrew Evelyn	Information Technology Manager	ISO 9001:2008 process mapping and documentation manual development activities	MIIC
Miss Shille-Ann Johnson	Senior Accountant	ISO 9001:2008 process mapping and documentation manual development activities	MIIC
Mr Leighton Cornwall	Accountant	ISO 9001:2008 process mapping and documentation manual development activities	MIIC
Miss Shemaine Genas	Office Manager	ISO 9001:2008 process mapping and documentation manual development activities	MIIC
Mrs Charmaine Heslop-Thomas	Director, Research	ISO 9001:2008 process mapping and documentation manual development activities	MIIC
Miss Gisele-Ann Perry	Complaint Officer	ISO 9001:2008 process mapping and documentation manual development activities	MIIC
Mrs Cheryl Martin Tracey	Director, Field Operations	ISO 9001:2008 process mapping and documentation manual development activities	MIIC
Miss Yasmin McDonald	Executive Secretary	ISO 9001:2008 process mapping and documentation manual development activities	MIIC

Member of Staff	Job Title	Course/Workshop	Sponsor
<b>Mrs Dolsie Allen</b>	Chief Executive Officer	ISO 9001:2008 process mapping and documentation manual development activities	MIIC
<b>Miss Nicole Pierce</b>	Legal Officer/ Corporate Secretary	ISO 9001:2008 process mapping and documentation manual development activities	MIIC
<b>Ms Racquel Chambers</b>	Senior Economist	ISO Workshop	CAC
<b>Mr Elroy Galbraith</b>	Research Officer/ Economist	Multivariate Analysis	CAC
<b>Mr Andrew Evelyn</b>	IT Manager	Open Data	MSTEM
<b>Miss Sacha-Gaye Russell</b>	Legal Officer	Open Data	MSTEM
<b>Mrs Tamra-Kay Biggs</b>	Research Officer/ Economist	Open Data	MSTEM
<b>Mr Andrew Evelyn</b>	Information Technology Manager	Regulatory Frame Work for the ICT Sector in Jamaica	MSTEM
<b>Mrs Dolsie Allen</b>	Chief Executive Officer	Project Delivery e-learning webinar session	Consumers International
<b>Mr Pash Fuller</b>	Director, Western Region	Project Delivery e-learning webinar session	Consumers International
<b>Miss Dorothy Campbell</b>	Communication Specialist	Implementation of Official Controls Training Workshop	CAC
<b>Mrs Charmaine Heslop-Thomas</b>	Director, Research	World Trade Organisation Regional Advanced Trade Negotiations Simulations Skills	MFAFT/WTO
<b>All members of Staff</b>		Jamaica's Global Logistical Hub – Logistics 101	MIIC/Caribbean Maritime Institute

## Staffing/Organisation Review

### Employment and Promotion

During the year, one (1) person separated from the organisation by way of resignation. Eight (8) vacant positions were filled and approval obtained to fill the remaining two (2).

The Post Operation Committee of the Ministry of Finance granted approval for the establishment and operation of two (2) positions of Research Assistant (SOG/ST 3). Approval was also sought and received from the Corporate Management Branch of the Cabinet Office for the position of Writer/Editor to be re-titled Director of Communications.

The Ministry of Finance gave approval for the abolition of the positions of Director, Access to Information (GMG/SEG 2), Receptionist (PIDG/RIM 2) and Records Clerk (PIDG/RM 1). The establishment of the organisation was therefore reduced from 40 positions to 39.

## Commissioners' Compensation April 2014 - March 2015

### Notes

Position of Commissioner	Fees (\$)	Motor Vehicle Upkeep/Travelling Or Value of Assignment of Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Board Chairman L. Green	156,000.00				156,000.00
11 Other Members:					
K. Clarke	126,500.00				126,500.00
F. Sylvester	91,500.00				91,500.00
D. Ellis	97,500.00				97,500.00
M. Parkins	98,500.00				98,500.00
N. Clarke	40,000.00				40,000.00
D. Webb	58,000.00				58,000.00
M. Weir	150,500.00				150,500.00
B. Francis	65,000.00				65,000.00
Total	883,500.00				883,500.00

Where a non-cash benefit is received (e.g. Government housing), the value of that benefit shall be quantified and stated in the appropriate column above.

## Senior Executive Compensation April 2014 – March 2015

Position of Senior Executive	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Chief Executive Officer	3,459,806.00		975,720.00		22,620.00		4,458,146.00
Finance and Administration Manager	2,363,623.00		514,500.00		22,620.00		2,900,743.00
Director of Field Operations	2,363,623.00		514,500.00		22,620.00		2,900,743.00
Director, Western Region Field Ops.	1,499,251.00		514,500.00		22,620.00		2,036,371.00
Senior Accountant	1,631,717.00		514,500.00		22,620.00		2,168,837.00
Communication Specialist	1,499,251.00		514,500.00		22,620.00		2,036,371.00
Director of Research	2,363,623.00		514,500.00		22,620.00		2,900,743.00
Information Technology Manager	1,751,106.00		514,500.00		22,620.00		2,288,226.00
Legal Officer	3,120,336.00		514,500.00		329,670.00		3,964,506.00
Senior Economist	1,761,935.00		514,500.00		22,620.00		2,299,055.00
Director of Communication	1,757,161.00		514,500.00		22,620.00		2,294,281.00
<b>Total</b>	<b>23,571,432.00</b>		<b>6,120,720.00</b>		<b>555,870.00</b>		<b>30,248,022.00</b>

### Notes

*Where contractual obligations and allowances are stated in a foreign currency, the sum in that stated currency must be clearly provided and not the Jamaican equivalent.*

*Other Allowances (including laundry, entertainment, housing, utility, etc.)*

*Where a non-cash benefit is received (e.g. Government housing), the value of that benefit shall be quantified and stated in the appropriate column above.*

**THE CONSUMER AFFAIRS COMMISSION  
FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2015**

**THE CONSUMER AFFAIRS COMMISSION  
FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2015**

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## INDEPENDENT AUDITOR'S REPORT

### Report on the Financial Statements

We have audited the accompanying financial statements of The Consumer Affairs Commission (the "Commission"), which comprises the statement of financial position as at March 31, 2015, the statement of comprehensive income, the statement of changes in reserves, and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan, and perform the audit to obtain reasonable assurance as to whether or not the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained is sufficient and is appropriate to provide a basis for our audit opinion.

Cont. /2



## **Independent Auditor's Report**

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### **Opinion**

In our opinion, the accompanying financial statements gives a true and fair view of the financial position of the Commission as at March 31, 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Trade Act of 1955 and the Consumer Protection Act of 2005 (the "Acts").

### **Report on other Legal and Regulatory Requirements**

As required by the Acts, we have obtained all the other explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Acts, in the manner so required.

*Crichton Mullings & Assoc.*  
Crichton Mullings & Associates  
Chartered Accountants

Kingston Jamaica  
July 27, 2015

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**THE CONSUMER AFFAIRS COMMISSION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2015**

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property and equipment	5	9,833,264	10,938,026
Retirement benefit assets	6	231,498,000	214,617,000
		<u>241,331,264</u>	<u>225,555,026</u>
<b>Current Assets</b>			
Receivables and prepayments	7	2,877,834	667,071
Cash and bank balances	8	2,111,967	1,454,645
		<u>4,989,801</u>	<u>2,121,716</u>
<b>TOTAL ASSETS</b>		<u><u>246,321,065</u></u>	<u><u>227,676,742</u></u>
<b>RESERVES AND LIABILITIES</b>			
<b>RESERVES</b>			
Retirement benefit reserve	6	231,498,000	214,617,000
Accumulated surplus		7,940,210	3,716,960
		<u>239,438,210</u>	<u>218,333,960</u>
<b>Current liabilities</b>			
Payables and accruals	9	6,882,855	9,342,782
		<u>6,882,855</u>	<u>9,342,782</u>
<b>TOTAL RESERVES AND LIABILITIES</b>		<u><u>246,321,065</u></u>	<u><u>227,676,742</u></u>

APPROVED, on behalf of the Board on

  
 Lorna E. Green  
 Chairman

  
 Chief Executive Officer

The accompanying notes form an integral part of the financial statements

**THE CONSUMER AFFAIRS COMMISSION**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED MARCH 31, 2015**

	Note	2015 \$	2014 \$
<b>Income</b>			
Grants		100,658,820	95,040,061
Administrative and general expenses	10	<u>99,814,297</u>	<u>99,295,438</u>
<b>Operating surplus / (deficit)</b>		844,523	(4,255,376)
Other income		<u>731,858</u>	<u>262,015</u>
		1,576,381	(3,993,360)
Finance and policy costs	11	<u>1,740,845</u>	<u>3,346,572</u>
<b>Net deficit</b>		(164,464)	(7,339,933)
Other comprehensive income:			
Re-measurement of actuarial gain / (loss)		6,645,000	(16,014,000)
Actuarial gain on defined benefit plan		<u>10,236,000</u>	<u>14,000,000</u>
<b>Net surplus / (deficit) for the year, being total comprehensive income / (expense)</b>		<u><u>16,716,536</u></u>	<u><u>(9,353,933)</u></u>

The accompanying notes form an integral part of the financial statements



**THE CONSUMER AFFAIRS COMMISSION  
STATEMENT OF CHANGES IN RESERVES  
YEAR ENDED MARCH 31, 2015**

	<b>Retirement Benefit Reserve \$</b>	<b>Accumulated Surplus \$</b>	<b>Total \$</b>
Balance at March 31, 2013	216,631,000	10,288,285	226,919,285
Net deficit, being total comprehensive expense for the year	-	(9,353,934)	(9,353,934)
Adjustment	-	768,609	768,609
Re-measurement of actuarial loss	(16,014,000)	16,014,000	-
Actuarial gain on defined benefit plan	<u>14,000,000</u>	<u>(14,000,000)</u>	<u>-</u>
Balance at March 31, 2014	214,617,000	3,716,960	218,333,960
Net surplus, being total comprehensive income for the year	-	16,716,536	16,716,536
Adjustment	-	4,387,714	4,387,714
Re-measurement of actuarial gain	6,645,000	(6,645,000)	-
Actuarial gain on defined benefit plan	<u>10,236,000</u>	<u>(10,236,000)</u>	<u>-</u>
<b>Balance at March 31, 2015</b>	<b><u>231,498,000</u></b>	<b><u>7,940,210</u></b>	<b><u>239,438,210</u></b>

The accompanying notes form an integral part of the financial statements

**THE CONSUMER AFFAIRS COMMISSION  
STATEMENT OF CASH FLOWS  
YEAR ENDED MARCH 31, 2015**

	2015	2014
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net surplus / (deficit) for the year	16,716,536	(9,353,933)
<b>Adjustments for items not affecting cash resources:</b>		
Depreciation	1,640,908	1,712,850
Adjustment	4,351,778	768,609
Loss on disposal of property and equipment	-	1,561,749
Retirement benefit assets	<u>(16,881,000)</u>	<u>2,014,000</u>
	5,828,222	(3,296,726)
<b>(Increase) / decrease in operating assets:</b>		
Receivables and prepayments	(2,210,763)	1,578,715
<b>Increase in operating liabilities:</b>		
Payables and accruals	<u>(2,459,927)</u>	<u>2,310,933</u>
Net cash provided by operating activities	<u>1,157,532</u>	<u>592,921</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(500,210)	(3,011,196)
Proceeds from disposal of property and equipment	<u>-</u>	<u>-</u>
Net cash used in investing activities	<u>(500,210)</u>	<u>(3,011,196)</u>
<b>NET INCREASE / (DECREASE) IN CASH AND BANK BALANCES</b>	<b>657,322</b>	<b>(2,418,274)</b>
<b>CASH AND BANK BALANCES - Beginning of the year</b>	<u>1,454,645</u>	<u>3,872,919</u>
<b>CASH AND BANK BALANCES - End of the year</b>	<u><u>2,111,967</u></u>	<u><u>1,454,645</u></u>
<b>REPRESENTED BY:</b>		
Cash and bank balances	<u><u>2,111,967</u></u>	<u><u>1,454,645</u></u>

The accompanying notes form an integral part of the financial statements

**THE CONSUMER AFFAIRS COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2015**

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**1. IDENTIFICATION**

The Consumer Affairs Commission (the "Commission") was established under the Trade Act 1955 as amended by Act 22 of 1970 and acts as chief protagonist to ensure the fundamental rights of the consumer with respect to prices and trade practices.

The Commission is domiciled in Jamaica, with its registered office at 34 Trafalgar Road, Kingston 10.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

**(a) Statement of Compliance**

The Commission's financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) and the relevant requirements of the Trade Act of 1955 and the Consumer Protection Act of 2005 (the "Acts").

The financial statements have been prepared under the historical cost basis and are expressed in Jamaican dollars, unless otherwise indicated.

**(b) Changes in accounting standards and interpretations:**

**i) Current year changes:**

Certain new or amended International Financial Reporting Standards and Interpretations (IFRIC) became effective as of 1 January 2014.

The revisions, amendments and new standards and interpretations that became effective during the year but are not considered relevant to the Commission's operations are:

- *IAS 32 'Offsetting Financial Assets and Financial Liabilities', issued December 2011*  
Effective for periods commencing on or after 1 January 2014
- *IAS 36 'Recoverable Amount Disclosures for Non-Financial Assets - Amendments', issued May 2013*  
Effective for periods commencing on or after 1 January 2014
- *IAS 39 'Novation of Derivatives and Continuation of Hedge Accounting-Amendments', issued June 2013*  
Effective for periods commencing on or after 1 January 2014
- *IFRIC 21 'Levies- Amendments', issued May 2013.*  
Effective for periods commencing on or after 17 June 2014
- *IFRS 12 'Disclosure of Interests in Other Entities - Amendments' issued May 2011*  
Effective for periods commencing on or after 1 January 2014
- *IAS 27 'Separate Financial Statements- Amendments', issued May 2011*  
Effective for periods commencing on or after 1 January 2014
- *IAS 28 'Investments in Associates and Joint Ventures- Amendments', issued May 2011*  
Effective for periods commencing on or after 1 January 2014

Management anticipates that the adoption of the following new or revised International Financial Reporting Standards and Interpretations (IFRIC) could have a material impact on the Commission's financial statements:

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**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)**

**(b) Changes in accounting standards and interpretations (cont'd):**

**i) Current year changes (cont'd):**

- *IFRS 9 'Financial Instruments', issued October 2010*  
Effective for periods commencing on or after 1 January 2014
- *IAS 19 'Employee Benefits -Amendment', issued November 2013.*  
Effective for periods commencing on or after 1 July 2014
- *IAS 36 'Impairment of Assets - Amendment, Recoverable amount disclosures for non-financial assets', issued May 2013*  
Effective for periods commencing on or after 1 January 2014
- *IAS 39 'Financial Instruments: Recognition and Measurement - Amendment, Novation of derivatives and continuation of hedge accounting', issued June 2013*  
Effective for periods commencing on or after 1 January 2014
- *IFRIC 21 'Levies', issued May 2013*  
Effective for periods commencing on or after 1 January 2014

Additionally, in December 2014, the IASB issued “Improvements to IFRSs”, as part of its annual improvements project, and a vehicle for making non-urgent but necessary amendments to various IFRSs. These amendments primarily become effective for annual periods beginning on or after 1 January 2014. Management has concluded that these amendments will not have a significant impact on the Commission’s operations or financial position.

**ii) Future Changes**

The Commission has identified the following revised or new International Financial Reporting Standards or Interpretations which have been issued but are not yet effective, and which have not been adopted early. Those that are not considered relevant to the Commission’s operations are:

- *IAS 27 'Separate Financial Statements- Amendments', issued August 2014*  
Effective for periods commencing on or after 1 January 2016
- *IFRS 10 'Consolidated Financial Statements - Amendments', issued September 2014*  
Effective for periods commencing on or after 1 January 2016
- *IFRS 12 'Disclosures of interest in other Entities', issued December 2014*  
Effective for periods commencing on or after 1 January 2016
- *IFRS 14 'Regulatory Deferral Accounts', issued January 2014*  
Effective for periods commencing on or after 1 January 2016

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**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)**

**(b) Changes in accounting standards and interpretations (cont'd):**

**ii) Future Changes (cont'd):**

- *IFRS 15 'Revenue from Contracts with Customers', issued May 2014*  
Effective for periods commencing on or after 1 January 2017

Those which may be relevant to the Commission's operations are as follows:

- *IFRS 9 'Financial Instruments', issued November 2013*  
Effective for periods commencing on or after 1 January 2018
- *IAS 16 'Property, Plant and Equipment- Amendments', issued May 2014*  
Effective for periods commencing on or after 1 January 2016
- *IAS 1 'Presentation of Financial Statements- Amendments', issued December 2014*  
Effective for periods commencing on or after 1 January 2016

**(c) Use of estimates and judgments:**

The preparation of the financial statements in conformity with IFRS and the Acts requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of, and disclosures related to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the period then ended. Actual amounts could differ from these estimates.

The estimates and associated assumptions are based on historical experience and/or various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

**(i) Critical judgments in applying the Commission's accounting policies:**

Critical judgments used in applying the Commission's accounting policies that have a significant risk of material adjustment in the next financial year relate to the estimated useful lives and residual values of property and equipment and pension and other post-employment benefits.

The residual values and the useful life of each asset are renewed at each financial year-end, and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The useful life of an asset is defined in terms of the asset's expected utility to the Commission.

**(ii) Key sources of estimation uncertainty:**

*Pension and other post-employment benefits:*

The amounts recognized in the statement of financial position and statement of comprehensive income post-employment benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognized include expected long-term return on plan assets, and the discount rate used to determine the present value of estimated future cash flows required to settle the pension obligations.

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**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)**

**(c) Use of estimates and judgments (cont'd):**

(ii) Key sources of estimation uncertainty (cont'd):

*Pension and other post-employment benefits (cont'd):*

The expected return on plan assets assumed considers the long-term historical returns, asset allocation and future estimates of long-term investment returns. The discount rate is based on the estimate of yield on long-term government securities that have maturity dates approximating the terms of the Commission's obligation; in the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenor security on the market. Any changes in these assumptions will impact the amounts recorded in the financial statements for these obligations.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Property and equipment**

All property and equipment held for administrative purposes, are recorded at historical or deemed cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied in the part will flow to the Commission and its cost can be reliably measured.

The cost of day-to-day servicing of property and equipment is recognized in the statement of comprehensive income as incurred.

Depreciation is calculated on the straight line basis over the estimated useful lives of such assets. The rates of depreciation in use are:

Leasehold improvements	2.5%
Computer	10%
Furniture, fixtures & equipment	10%

**(b) Accounts payable**

Accounts payable is stated at amortized cost.

**(c) Cash and bank balances**

Cash and bank balances comprise cash in hand and cash with banks.

**(d) Leases**

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to statement of comprehensive income on a straight-line basis over the terms of the relevant lease.

**(e) Revenue recognition**

Revenue is recognized as it accrues unless collectability is in doubt.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(f) Impairment**

At each reporting date, the Commission reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Commission estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than the carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset(cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately.

**(g) Financial instruments**

Financial instruments include transactions that give rise to both financial assets and financial liabilities. Financial assets and liabilities are recognized on the Commission's statement of financial position when the Commission becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments issued by the Commission are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Commission after deducting all of its liabilities.

Financial assets include cash and bank deposits, accounts receivable, long-term receivables and other current assets except inventories and any prepayments.

The fair values of the financial instruments are discussed in Note 15.



**THE CONSUMER AFFAIRS COMMISSION**  
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**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(h) Employee benefits**

Employee benefits are all forms of consideration given by the Commission in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, statutory contributions, vacation leave, and non-monetary benefits such as medical care; post-employment benefits such as pensions; and other long-term employee benefits such as termination benefits.

Employee benefits that are earned as a result of past or current service are recognized in the following manner:

- Short-term employee benefits are recognized as a liability, net of payments made, and charged to expense. The expected cost of vacation leave that accumulates is recognized when the employee becomes entitled to the leave.

**(i) Retirement benefits**

The Commission operates a defined benefit pension plan, the assets of which are generally held in separate trustee-administered funds. A defined benefit plan is one that defines an amount of benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. The asset or liability in respect of defined benefit plans is the difference between present value of the defined benefit obligation at the reporting date and the fair value of plan assets, adjusted for unrecognized actuarial gains and losses and past service cost.

Where a pension asset arises, the amount recognized is limited to the net total of any cumulative unrecognized net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan.

The defined benefit obligation is calculated annually by independent actuaries using the Projected Unit Method. Under this method, the cost of providing pensions is charged to the statement of comprehensive income so as to spread the regular cost over the service lives of the employees. The pension obligation is measured at the present value of the estimated future cash outflows using discount estimated rates based on market yields on government securities which have terms to maturity approximating the terms of the related liability.

A portion of actuarial gains and losses is recognized in arriving at total comprehensive income if the net cumulative unrecognized actuarial gains or losses at the end of the previous reporting period exceeded 10% of the greater of the present value of the gross defined benefit obligation and the fair value of plan assets at that date. Any excess actuarial gains or losses are recognized in arriving at other comprehensive income over the average remaining service lives of the participating employees.

**THE CONSUMER AFFAIRS COMMISSION**  
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**4. INCOME**

Income represents grants from the Government of Jamaica from the annual national budget as well as periodic allocations.

**5. PROPERTY AND EQUIPMENT**

	<u>Leasehold Improvement</u>	<u>Furniture, Fixtures and Equipment</u>	<u>Computers</u>	<u>Total</u>
<b>At Cost/Valuation</b>				
Beginning of year	2,415,228	13,272,036	7,807,619	23,494,883
Additions	-	57,890	442,320	500,210
Adjustments	-	35,936	-	35,936
End of year	<u>2,415,228</u>	<u>13,365,862</u>	<u>8,249,939</u>	<u>24,031,029</u>
<b>Accumulated Depreciation</b>				
Beginning of year	101,532	7,942,779	4,512,546	12,556,857
Charge for year	57,381	980,920	602,607	1,640,908
End of year	<u>158,913</u>	<u>8,923,699</u>	<u>5,115,153</u>	<u>14,197,765</u>
<b>Net Book Value</b>				
End of year	<u>2,256,315</u>	<u>4,442,163</u>	<u>3,134,786</u>	<u>9,833,264</u>
End of prior year	<u>2,313,696</u>	<u>5,329,257</u>	<u>3,295,073</u>	<u>10,938,026</u>

**THE CONSUMER AFFAIRS COMMISSION**  
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**6. RETIREMENT BENEFIT ASSETS**

The Commission operates a defined benefit pension scheme which is open to permanent employees and is managed by an independent external agency. The scheme is funded by employees' contribution at the rate of 5% of pensionable salary with the Commission contributing 0.5%. Employees may make additional voluntary contributions not exceeding a further 14.5% of the pensionable salary. The Commission meets any under-funded amount between the value of the plan assets and the cost of the scheme benefits. Normal annual retirement pension is 2% of the final year pensionable salary multiplied by the number of years of pensionable service, with the minimum pension amount being \$100,000 per annum.

The disclosures below are based on the independent actuarial valuation at March 31, 2015.

The amounts recognized in the statement of financial position as assets were determined as follows:

	2015 \$	2014 \$
Present value of the obligation	(149,824,000)	(127,458,000)
Fair value of plan assets	381,322,000	342,075,000
Fund status	<u>231,498,000</u>	<u>214,617,000</u>

The amounts recognized in arriving at (expense) / income were determined as follows:

	2015 \$	2014 \$
Current service cost	(8,476,000)	(7,045,000)
Interest cost	(12,849,000)	(10,196,000)
Interest income on scheme assets	32,354,000	31,084,000
Re-measurement of gain / (loss) on obligation	(3,294,000)	(18,037,000)
Re-measurement of gain / (loss) on plan assets	9,939,000	2,023,000
Past service cost	(976,000)	-
Contribution by the company	183,000	157,000
	<u>16,881,000</u>	<u>(2,014,000)</u>

The movement in net assets in the current year were as follows:

	2015 \$	2014 \$
Net assets at start of year	342,075,000	312,700,000
Interest income on plan assets	32,354,000	31,084,000
Transfer value received	247,000	-
Benefits paid	(6,086,000)	(6,138,000)
Re-measurement gain on assets	9,939,000	2,023,000
Total contributions during the year	2,793,000	2,406,000
	<u>381,322,000</u>	<u>342,075,000</u>

**THE CONSUMER AFFAIRS COMMISSION**  
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**6. RETIREMENT BENEFIT ASSETS (CONT'D)****Sensitivity analysis:**

The sensitivity of the defined benefit obligation (DBO) to changes in assumption is set out below. The effects on the scheme of a change in the assumption are weighted proportionately to the total obligation to determine the impact for each assumption presented as indicated below:

		<u>2015</u> (\$)	<u>2014</u> (\$)
	<b>Change in assumption</b>	<b>Value of DBO</b>	<b>Value of DBO</b>
Discount rate	1% increase	131,158,000	111,671,000
Discount rate	1% decrease	173,931,000	147,447,000
Salary escalation	1% increase	154,713,000	132,256,000
Salary escalation	1% decrease	145,483,000	123,184,000
Future rate of pension augmentation	1% increase	167,946,000	142,313,000
Future rate of pension augmentation	1% decrease	<u>135,068,000</u>	<u>116,259,000</u>
<b>Actuarial gains / (losses) on defined benefit obligation arising from:</b>			
Changes in demographic assumptions		(7,438,000)	-
Changes in financial assumptions		(2,229,000)	(6,322,000)
Experience adjustment		<u>6,373,000</u>	<u>(11,715,000)</u>
Total actuarial losses		<u>(3,294,000)</u>	<u>(18,037,000)</u>

The principal actuarial assumptions used were as follows:

	<u>2015</u> %	<u>2014</u> %
Discount rate	9.5	9.5
Rate of escalation of pensionable earnings	7	6.5
Rate of increase in pension	5	5

Expenses - allowance is made for administrative expense at the rate of 7% (2014: 7%) earnings of members' pensionable earnings.

**7. RECEIVABLES AND PREPAYMENTS**

	<u>2015</u> \$	<u>2014</u> \$
Staff receivables	606,114	320,076
Withholding tax recoverable	198,780	198,780
Prepayments	101,315	148,011
Other receivables (i)	<u>1,971,625</u>	<u>109,660</u>
	2,877,834	776,527
Less: Provision doubtful debts	-	<u>(109,456)</u>
	<u>2,877,834</u>	<u>667,071</u>

(i) - This consists of \$1,971,424 for overpayment for utility expenses by the Commission's parent ministry, on its behalf, from its annual subvention. This amount was offset against utility expenses in the subsequent months.

**8. CASH AND BANK BALANCES**

Cash and cash balances included in the statement of financial position and statement of cash flows comprise the following:

	<u>2015</u> \$	<u>2014</u> \$
Petty cash	3,000	3,000
Bank accounts	<u>2,108,967</u>	<u>1,451,645</u>
	<u>2,111,967</u>	<u>1,454,645</u>

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**9. PAYABLES AND ACCRUALS**

	2015 \$	2014 \$
Accounts payable	1,388,036	75,007
Statutory deductions payable	1,210,046	2,378,911
Accrued vacation leave	3,857,838	4,031,042
Other payables and accruals	426,935	2,857,822
	<u>6,882,855</u>	<u>9,342,782</u>

**10. ADMINISTRATIVE AND GENERAL EXPENSES**

	2015 \$	2014 \$
Salaries and wages	43,817,431	43,894,740
Retroactive salaries	1,223,097	2,129,953
Temporary and casual wages	3,489,930	3,236,846
Mileage allowances	8,244,588	7,194,197
Statutory and pension fund contributions	4,177,886	3,824,306
Education tax penalty	242,936	-
Motor vehicle allowance	9,218,646	8,376,800
Staff welfare	374,725	150,322
Travelling and subsistence	600,872	246,632
Rental:		
Equipment	45,135	69,600
Buildings	7,679,130	8,486,316
Electricity	2,892,148	3,352,745
Telephone	3,810,279	4,471,975
Water	215,951	372,950
Repairs and maintenance	1,137,846	2,219,425
Medical supplies	25,849	30,214
Meals and entertainment	831,235	764,059
Wireless, cable and postage	217,437	150,162
Directors' fees	883,500	1,396,500
Professional fees	909,495	391,426
Insurance	365,189	454,910
Grants and contribution	1,031,500	980,000
Staff training	111,774	9,000
Printing and stationery	1,523,708	1,359,280
Audit fees:		
Current year fees	370,000	370,000
Prior year fees	-	160,000
Advertising and promotion	801,680	654,105
Subscription and membership fees	901,590	699,762
Exhibition, conference and seminars	644,981	1,073,900
General office expenses	2,516,063	1,003,431
Security	1,509,694	1,771,882
	<u>99,814,297</u>	<u>99,295,438</u>

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**THE CONSUMER AFFAIRS COMMISSION**  
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**11. FINANCE AND POLICY COSTS**

	2015	2014
	\$	\$
Bank charges	99,937	71,973
Depreciation	1,640,908	1,712,849
Loss on disposal of property and equipment	-	1,561,749
	<u>1,740,845</u>	<u>3,346,572</u>

**12. SOURCE AND USES OF FUNDS**

The comparative details between budgeted and actual income and expenditure are as follows:

	Budget	Actual	Variance Favourable/ (Un-favourable)
	\$	\$	\$
<b>Income:</b>			
Grant - general	101,756,000	100,658,820	(1,097,180)
Other	-	731,858	731,858
	<u>101,756,000</u>	<u>101,390,678</u>	<u>(365,322)</u>
<b>Expenditure:</b>			
Personal emoluments	60,741,000	52,786,777	7,954,223
Travelling and subsistence	16,307,000	14,457,472	1,849,528
Other operating and general expense	13,032,000	19,668,249	(6,636,249)
Rental	7,000,000	7,724,265	(724,265)
Public utilities	4,676,000	6,918,379	(2,242,379)
	<u>101,756,000</u>	<u>101,555,142</u>	<u>200,858</u>
<b>Operating deficit</b>	-	(164,464)	(164,464)
<b>Capital:</b>			
Purchase of property and equipment	-	(500,210)	(500,210)
<b>TOTAL</b>	<u>-</u>	<u>(664,674)</u>	<u>(664,674)</u>

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**THE CONSUMER AFFAIRS COMMISSION**  
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**13. STAFF COSTS**

The number of employees at the end of the year was as follows:

	2015	2014
Permanent	<u>32</u>	<u>30</u>

The aggregate payroll costs for these persons were as follows:

	2015	2014
	\$	\$
Salaries and other related costs	64,770,596	62,702,583
Statutory payroll contributions	4,420,822	3,824,306
	<u>69,191,418</u>	<u>66,526,889</u>

**14. RELATED PARTIES**

The Commission's statement of comprehensive income includes the following transactions, undertaken with related parties in the ordinary course of business:

	2015	2014
	\$	\$
Transactions with Board of Directors:		
Directors' fees	883,500	1,396,500
Transactions with key management personnel:		
Chief Executive Officer	4,458,146	4,458,146
Finance and Administration Manager	966,970	2,900,743
	<u>6,308,616</u>	<u>8,755,389</u>

**15. FINANCIAL INSTRUMENTS****(a) Fair value**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. A market price, where an active market (such as a recognized stock exchange) exists, is the best evidence of the fair value of a financial instrument. Market prices are not available for some of the financial assets and liabilities of the Commission. Fair values in the financial statements have therefore been presented using various estimation techniques based on market conditions existing at reporting date.

Generally, considerable judgment is necessarily required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that the Commission would realize in a current market exchange.

The amounts included in the financial statements for cash and bank deposits, receivable and payables reflect the approximate fair values because of short-term maturity of these instruments.

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**15. FINANCIAL INSTRUMENTS (CONT'D)**

**(b) Financial risk management**

The Commission has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Cash flow risk

The Commission's directors, together with senior management have overall responsibility for the establishment and oversight of the Commission's risk management framework.

The Commission's risk management policies are established to identify and analyze the risks faced by the commission in order to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Commission's activities.

**(i) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Commission's principal financial assets are cash and bank deposits; and receivables and prepayments.

*Cash and bank balances*

The credit risk on cash and bank deposits is limited as they are held with financial institutions with high credit rating.

At reporting date, there were no significant concentrations of credit risk and the maximum exposure to credit risk is represented by the carrying amount of each financial asset.

	2015	2014
	\$	\$
Cash and bank balances	2,111,967	1,454,645

**(ii) Liquidity risk**

Liquidity risk is the risk that the Commission will not meet its financial obligations as they fall due. The Commission's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liability when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Commission.

**THE CONSUMER AFFAIRS COMMISSION**  
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**15. FINANCIAL INSTRUMENTS (CONT'D)****(b) Financial risk management (cont'd):****(ii) Liquidity risk (cont'd)**

Management aims at maintaining sufficient cash and the availability of funding through an amount of committed facilities. The management maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments.

The following are the contractual maturities of the non-derivative financial liabilities, including interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flow	Less than 1 year
March 31, 2015:			
Accounts payable	<u>6,882,855</u>	<u>6,882,855</u>	<u>6,882,855</u>
March 31, 2014:			
Accounts payable	<u>9,342,782</u>	<u>9,342,782</u>	<u>9,342,782</u>

**(iii) Market risk**

Market risk is the risk that changes in market prices, such as interest rates will affect the Commission's income or the value of its holding of financial instruments. The objective of market is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

*Interest rate risk:*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Commission materially contracts financial liabilities at fixed interest rates for the duration of the term. When utilized, bank overdrafts are subject to fixed interest rates which may be varied by appropriate notice by the lender. At March 31, 2015 and 2014, there were no financial liabilities subject to variable interest rate risk.

Interest-bearing financial assets comprises of bank deposits, which have been contracted at fixed interest rates for the duration of their terms.

*Fair value sensitivity analysis for fixed rate instruments*

The Commission does not hold any fixed rate financial assets that are subject to material changes in fair value through profit or loss. Therefore a change in interest rates at the reporting dates would not affect profit or equity.

# Notes



# Notes



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