

Question on Notice
No. 439
Asked on 11 March 2010

MR STEVENS ASKED THE MINISTER FOR TOURISM AND FAIR TRADING (MR LAWLOR) —

QUESTION:

With reference to my question in estimates in July 2009 in relation to the number of prosecutions of dodgy insulation companies and also the Minister's answer in Parliament on 24 February 2010 that 208 complaints have been received—

How many insulation companies have actually been prosecuted as a result of these complaints?

ANSWER:

The complaints received by the Office of Fair Trading (OFT) on insulation companies have related to a range of matters including:

- door-to-door trading
- false and misleading representations
- contractual disputes about the quality or completeness of work or service provided
- discrepancy on quoted costs and actual costs charged
- fraud against the Commonwealth
- electrical safety and safety practices, and
- workplace/employment issues.

Depending upon the nature and seriousness of identified offences under fair trading legislation, the Office of Fair Trading has a range of enforcement options available to it. While no court prosecutions have been commenced, appropriate enforcement action has been taken against insulation companies including:

- One enforceable undertaking obtained due to a company claiming to be established for longer than it actually had been
- Six infringement notices issued to four companies for non-compliance with door-to-door trading provisions and business names breaches, and
- Three warnings issued to three companies for asserting right to payment, making misleading representations that goods are of a particular composition, and falsely representing the rebate amount in advertising when the rebate changed from \$1600 to \$1200.

Where it is clear the complaint falls outside the OFT's jurisdiction, OFT promptly refers the matter to the relevant agency. However, on some occasions it may be necessary for OFT to investigate the complaint in order to identify the agency responsible before referring the matter accordingly.

For your information, the outcomes of the 208 complaints received were:

Complaints were resolved or redress obtained	111
Complaints referred to other agencies	32
OFT was unable to assist *	21
Complaint outside OFT's jurisdiction, unrelated to OFT's legislative mandate, or requiring the consumer to seek independent legal advice	17
Complaint lodged for information only	10
Complaints withdrawn	10
Trader cannot be contacted or in liquidation	7

* The instances where OFT was unable to assist included situations where attempts to conciliate over complaints about product effectiveness or accidental damage were unsuccessful, or where evidence presented by the complainant and trader was conflicting and unable to be reconciled.

The 32 complaints referred to other agencies were referred as follows:

The Department of Environment Water Heritage and the Arts	17
The Building Services Authority	1
Department of Natural Resources	3
Department of Education and the Arts	2
The Department of Mines & Energy	1
Australian Government Workplace Authority	1
The Ombudsman	1
Workplace Ombudsman	1
The Energy Ombudsman	1
Employment & Industrial Relations	1
Environmental Health Unit	1
Queensland Police Service	1
Consumer Affairs Western Australia	1