



SASKWATCH

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President's Message

At this festive time of year, it is my pleasure to extend greetings to our members for a joyous Christmas season and a "Consumer Friendly New Year."

The Consumers' Association of Canada (Saskatchewan Branch) Inc. was established almost 60 years ago to operate on behalf of, and provide services to Saskatchewan consumers. We joined a network of provincial associations, albeit in declining numbers, which are included under the umbrella of the Consumers' Association of Canada.

We have been very fortunate to receive core funding from Sask. Justice to assist us in maintaining our office and responding to consumer

concerns through our part time Office Manager.

It is one of our goals to unite the strength of consumers to improve the quality of life in Canadian homes through participation as representatives on committees such as the Saskatoon Airport Authority Community Consultative Committee, the Saskatchewan Funeral Directors Association, the College of Nursing, U of S, Sask Home Builders Association, to name a few.

We hold an annual, sometimes semi-annual, forum on current topics of interest. The forums are usually held in Saskatoon though in the past we have held them in other Saskatchewan cities. The most recent forum was on "Understanding

Consumer Contracts".

We present position papers at various hearings i.e. Sask. Energy Rate Review Panel, host focus groups to obtain consumers opinions on various issues and have a display booth at events such as the Spotlight on Seniors in Saskatoon. We are always open to requests from other relevant organizations to attend their conferences or to speak to their group.

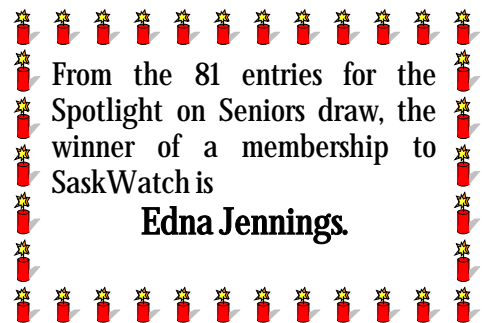
I recently attended the Premier's Voluntary Sector Initiative meeting at which we discussed the relationship of the voluntary sector to government. More information may be available for our next newsletter.

We welcome anyone who may be interested in volunteering in our organization. Just contact us and we will try to find an area of interest that corresponds with yours.

"An Informed Consumer is a Wise Consumer." We hope that our activities contribute to providing some of the wisdom necessary to make consumer

TABLE OF CONTENTS

CAC/SK Comments of SaskEnergy and SaskPower Rate Proposal	Page 2
Understanding Consumer Contracts	Page 3
Payday Loans - Are They Worth It?	Page 4
Play Pointers and Toy Tips	Page 4
The "Cost of Credit Disclosure Act" - Now In Force	Page 5
Winter Tire Safety Tips	Page 6
Advertising And Your Child	Page 7



 From the 81 entries for the Spotlight on Seniors draw, the winner of a membership to SaskWatch is

Edna Jennings.



CAC/SK Comments of SaskEnergy and SaskPower Rate Proposals

Both SaskEnergy and SaskPower applied for rate increases this fall. The Saskatchewan Rate Review Panel held hearings regarding each proposal and the Consumers' Association of Canada/Saskatchewan, representing Saskatchewan consumers, presented submissions at both hearings. Some of the points raised by CAC are included here.

SaskEnergy

The major issue at the SaskEnergy hearing was the price paid by SaskEnergy for gas. That cost will be passed on to consumers without discount or mark-up. CAC's concern is that SaskEnergy purchase gas at the most favourable rate possible. CAC requested that SaskEnergy establish benchmarks to measure its success in securing natural gas at the least cost for its consumers. CAC also questioned SaskEnergy's policy of setting natural gas prices for a period of twelve months into the future and CAC recommended that the

prices be adjusted quarterly to reflect more accurately the current natural gas market conditions.

SaskPower

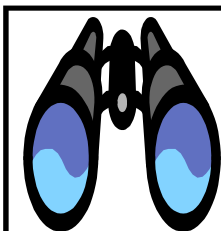
SaskPower was seeking rate changes to increase its net revenues by \$55 million in 2007. CAC did not feel that SaskPower provided enough information to substantiate its cost projections



and to show that it is doing its utmost to minimize the cost of producing electricity in Saskatchewan. CAC questioned the Crown Investments Corporation principle that SaskPower must generate net income that will produce a return on equity of 9%. It also

questioned the dividend paid to CIC and felt that some of the net revenues should instead be retained by the Corporation for upgrading and investing in new plants, which the Corporation has stated are needed. CAC recommended that an increase of \$33 million should be awarded.

There are many additional and important issues facing SaskPower and CAC would like to discuss some of these issues with the Corporation at a time other than at a rate hearing. What direction should the Corporation take with regard to its ageing coal-powered generating plants to balance costs and environmental responsibility? Should there be upgrading, replacements or a switch to other forms of fuel? Because SaskPower buys a lot of natural gas (some from SaskEnergy), are there potential savings for SaskPower and SaskEnergy if they centralize the purchasing of natural gas? These are the types of long term issues that CAC would like to explore with the Corporation.



We're looking for feedback from you. Do you have a consumer tip or interest you'd like to share? We are always interested in hearing what you would like to see in the SaskWatch. You can call the office at **1-306-242-4909** or e-mail us at **office.cacsk@sasktel.net**

For a copy of the complete



The CAC/SK board and staff wish you and yours



Understanding Consumer Contracts

There was an abundance of good information presented by the panel. The audience generated a lot of discussion during the question period.

The Panel consisted of Ron Gaube, Department of Justice; Kelly Kaip, PLEA; and Matt Leisle, Saskatoon Home Builders Association.

Kelly Kaip discussed contracts with regards to cell phones, purchasing items on E-Bay as well as gym memberships. These topics seemed appropriate with the gift giving season coming up.

The main theme was buyer beware. The audience was warned to be cautious regarding which particular cell phone plan to purchase. Ask a lot of questions about the type of plan you are looking for.

The main point to be aware of is signing long term contracts - shorter ones may be more expensive, but will certainly benefit if you find that you need to terminate a contract. The same holds true for gym memberships; look for the gyms that offer the month to month contracts and check to see if there is any penalty for terminating the contract as you should not have to pay any.

With respect to E-Bay purchases, Kelly offered some good advice. It is important to check fees quoted for shipping and handling as well as duty - also, do they even ship to

Canada? Often these fees are more than the product you are bidding on. Always ask for certificates of authenticity if the item is a collectable. Check the buyers feedback. If other people have had problems with the seller, then don't make a bid. The main thing to remember with E-Bay is you are purchasing items sight unseen from a source you do not know, so take as many precautions as necessary.

Ron Gaube spoke about the Department of Justice, Consumer Protection Branch's purpose. They are a regulatory body for all retail sales as well as the *Consumer Products Warranties Act*, which protects consumers when a short term warranty is offered on a product that should last a significant amount of time. He gave an example of a Nintendo gaming system that may only have a 90 day warranty, however, given the price of the commodity, as well as the nature of the product, it is reasonable to expect it to be without defect for a longer period.

Matt Leisle spoke about his Association. There are over 220 members. Their purpose is advocacy and public awareness regarding contractors. They also produce a home renovation guide which is made available to the public. Matt strongly cautioned against what he termed the 'underground economy' - that is those contractors who work out of their truck and will do the work for cash. He recommended getting at least three quotes for work done as well as references for each - and checking the

references out! He also suggested that you should never have to pay anything up front - there will be payment timelines which you should follow. Also, check with the Corporations Branch to ensure that the contractor is a valid company. Ensure that they have liability insurance as well as a GST number, a PST number and pay workers compensation.

After the panel presentations, the group reviewed two case studies where consumers had problems. A discussion ensued as to how the situations could be remedied and what could have been done as preventative measures.

An interesting question and answer period followed. Those in attendance were given some very good advice as to who to turn to if they do experience problems.

For more information contact:

- **CAC Saskatchewan**
- **Saskatchewan Justice Consumer Protection Branch**
Suite 500 1919 Saskatchewan Drive
Regina SK S4P 4H2
Phone (306) 787-5550
Toll free: 1-888-374-4636
(Within Saskatchewan)
Fax: (306) 787-9779
Email: consumerprotection@justice.gov.sk.ca
<http://www.saskjustice.gov.sk.ca/cpb/default.shtml>
- **Public Legal Education Association of Saskatchewan**
Saskatoon, SK
Phone: (306) 653-1868
Fax: (306) 653-1869
Email: plea@plea.org
- **Saskatoon & Region Home Builders Association, Inc.**
#11 3012 Louise Street
Saskatoon SK S7J 3L8
Phone: (306) 955-5188
Fax: (306) 373-3735
Email: info@saskatoonhome

PAYDAY LOANS

ARE THEY WORTH IT??

Recent proposed federal amendments to the *Criminal Code* regarding payday lending have shone the spotlight on the industry - a large industry of 2 million customers and two billion dollars per year.

A payday loan is a short-term loan that borrowers agree to pay back out of their next paycheque. To be eligible for a payday loan, a borrower must be employed, have a bank account and a permanent address. The borrower signs a loan agreement and leaves a cheque dated for the next payday for the amount of the loan plus all charges and fees. No credit check is required.

The cost of this type of loan can be very high. Although there may be no interest rate officially charged, there are a number of fees, such as set-up fees, cheque-cashing fees, broker's fees, and when all fees are taken into account, and put into an annualized interest rate, that rate can be as high as 400% and even in some cases has been as high as 1000%. If the borrower is unable to pay the loan on time, there can be roll-over fees or the

necessity of taking out a new loan with all its fees to pay off the first loan. Consumers need to understand the consequences in case they are unable to pay on time.

The Pay Day Loan Association has a '*Code of Best Business Practices*' for its members, but not all lenders belong. The proposed amendments would allow provinces and territories to regulate the industry by setting limits on the cost of borrowing and by regulating the business practices of pay day lenders within their jurisdiction. If the amendments are passed, CAC/SK will be asking our provincial government to immediately consider regulating this industry.

For people who use pay day lenders, there is usually nowhere else to access small, short-term loans to cover unexpected expenses. Banks do not offer this service. But is the price too high?

If you have personal experience with payday loans, we would love to hear from you. Please call our office.

PLAY POINTERS



AND TOY TIPS

Boys and girls need to enjoy many different experiences with a variety of toys. Puzzles and shape sorters teach children about shapes, colours, and names of objects. Parents also need to know how much can be learned from play with kitchen sets, dolls, vehicles, fantasy figures and video games. These stimulate imagination and teach practical new skills.

Praise your child for showing imagination or skill with a toy.

Parents with traditional attitudes tend to buy stereotyped toys. Don't limit children by providing only one kind of toy or play.

Being non-sexist in buying toys does not mean refusing your daughter a nurse's uniform or your son a Superman outfit.

To encourage boys and girls to play together combine neutral with traditional boys' and girls' toys in play areas.

Courtesy of The National Toy Council





The "Cost of Credit Disclosure Act" Now In Force

The *Cost of Credit Disclosure Act, 2002* came into force on October 1st, 2006.

"This legislation will protect consumers against unfair credit practises," Justice Minister Frank Quennell said. "It will ensure that consumers have accurate and comparable information to help them make better-informed credit decisions."

The *Act* requires lenders and retailers to disclose interest and other borrowing costs in an accurate and consistent manner. This will help consumers assess and compare credit options. It also protects consumers by prohibiting certain finance charges and penalties on prepayment of most consumer loans or leases.

The *Act* applies to provincially-regulated lenders, including credit unions, trust companies and leasing companies, and to retailers who offer credit to people who are borrowing for personal, family or household purposes. The *Act* also applies to individuals borrowing for farm, ranch and feedlot operations in Saskatchewan. In addition to

consumer loans and retail credit, this *Act* also applies to mortgages, credit card transactions, leases and lines of credit.

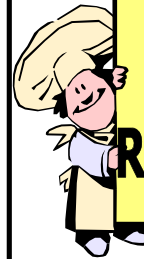
The *Act* contains additional requirements about the information lenders must disclose to borrowers, both before and after the consumer enters into an agreement. It also outlines how annual percentage rates are calculated and disclosed.

The *Cost of Credit Disclosure Act, 2002* fulfills Saskatchewan's commitments under the *1994 Agreement on Internal Trade*, between the federal government and the provinces and territories, to develop harmonized cost of credit disclosure legislation across the country. Extensive consultations were held regarding financial institutions, retailer and other lenders.

For more information, contact:

Andrew Dinsmore
Justice
Regina, SK
Phone: (306) 787-8606
Email: adinsmore@justice.gov.sk.ca

How Does Your Favorite Restaurant Rate?



Hopefully in Saskatchewan by next spring you will be able to answer that question. A process led by Sask. Health is in place which will make available the results of restaurant health inspections to the public. Consumers' Association of Canada (CAC/SK) supports this move by the provincial government.

Until now in most places in Saskatchewan, this information was not available although the inspections were paid for with tax dollars. CAC/SK will let you know when the changes have been made and how you can access the information.

Submitted by Ruth Robinson

Use Those Points Or Bucks - Before They Are Cancelled

By Helga Fellehner

Are you saving up your travel points or bucks to purchase something? Don't wait too long because they may not be there when you are ready to use them.

(Continued on page 6)

Winter Tire Safety Tips

Transport Canada and the Rubber Association of Canada advise motorists to think about safe driving in winter.

Vehicle handling will be improved when identical tires are installed on all four wheels.

Tires marked with the pictograph of a peaked mountain with a snowflake meet specific snow traction performance requirements, and have been designed specifically for use in severe snow conditions.

If you intend driving in severe winter conditions, install four snow tires on your vehicle that meet the new “snow tire” designation. Snow tires will assist you to control your vehicle safely in slippery conditions.

Tires marked “M + S” or “mud and snow” tires, also known as “all-season” tires, continue to provide safe all-weather performance, but may not always be suitable for severe snow conditions.

Wide, high performance tires, other than those that are specifically designed as snow tires, are not suitable for use on snow covered roads.

Consumers may consult this list of tires which meet the new “snow tire” standard. Tire dealers or manufacturers may also be contacted directly in order to obtain information on which models meet this new designation.

Remember also:

- * As a tire wears, snow traction is reduced.-
- * Install four snow tires. Mixing tires with different tread patterns, internal construction and size degrades the stability of the vehicle and should be avoided



- * Proper air pressure extends tread life, improves safety and reduces fuel consumption. Tire pressure decreases as temperatures drop, so be sure to check the pressures at least once a month when the tires are

cold, preferably after the car has been out all night.

There is information on the web site regarding the different models and traction performance requirements at:

<http://www.tc.gc.ca/roadsafety/topics/winter/wtirlise.htm>

(Continued from page 5)

The other day I purchased a DVD movie for a greatly reduced price because I finally cashed in the bucks I'd been holding onto for several years. A \$10 item only cost me \$3 at the till. The best part of it is that I waited long enough that I didn't have to pay the original full price. Here's hoping that the

company doesn't decide to start using a “best by” date.

Aeroplan, as of January 1, 2007, will do just that. The points will expire after seven years. Members of the plan will need to make one transaction every 12 months to keep their account active.

This policy is not new. Over the years, the company quietly

cut off inactive accounts without notifying members. The member only found out once they tried to redeem the points.

Ellen Rosman, of the Toronto Star, says it is a common practice in Europe and Asia. However, the practice frees up seats for members.

Not only “buyer beware” applies here. The member needs to be more calendar conscious.

For more information go to



Advertising and Your Child

It is estimated that children watch on average of two and a half hours of television every day, the equivalent on an annual basis of a 38-day marathon of TV viewing. It is worth remembering that the advertising impact is restricted to those hours spent viewing commercial television channels. A lot of television viewing takes place on weekday afternoons and Saturday mornings, when parents are at work or even asleep. Therefore it may go largely unmonitored.

Children have a lot of potential power as consumers. In addition to their own spending money on items such as clothes, music and video games, they also have the

ability to exert considerable influence over the parental decision making that goes into buying household items. They are especially influential on environmental issues, about which they show great concern.

It is useful with very young children to start by talking about the general meaning of advertising. For the purposes of such a discussion, parents may want to cut out and then refer to a magazine or newspaper advertisement. Show your child such an advertisement and ask:

- What do you notice first when you look at this advertisement?
- What do you like or dislike about this advertisement?
- What product is being

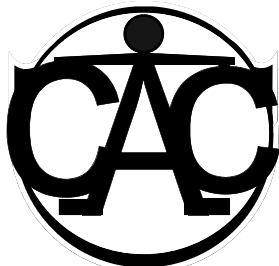
advertised?

- How does the advertisement make you feel about the product?
- What questions should you ask before buying this product?

Encourage your child to seek more information than the advertisement contains. How is the product used? Does it work well? Do you really need this particular product? What other similar products are available and at what cost?

When your children watch television, be sure that they know when advertisements start and stop. Young children may consider the advertisements to be part of the program so it is a good idea to identify the

The CAC uses volunteers almost exclusively. We also have speakers that will make presentations about such topics as Consumer Rights and Responsibilities, Consumer Buying Awareness, Laws and Problem Areas and The Art of Complaining. Please give us a call at 1-306-242-4909 if you need one of these workshops.



2006-2007

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EXCITING NEWS AT CAC/SK.

We are about to launch a website.

For more information call Annemarie Buchmann-Gerber at 1-306-242-4909

RENEWAL NOTICE

Your membership expiry date is shown on the top line of the address label. We value you as a member and want to serve you in the interest of a fair marketplace. We look forward to serving you in the future and hope you will renew your membership. The Consumers' Association is a voluntary, non-profit organization, which relies on consumers and the government for financial support. We accept no funding from business or industry.

SUBSCRIPTION

- YES •** \$25.00 (tax deductible), I would like a one year CAC membership which entitles me to national and provincial memberships and includes a one year subscription to *SaskWatch*.
- YES •** \$10.00, I would like a one year subscription to *SaskWatch*, the CAC SK provincial newsletter, (4 issues).
- YES •** I would like to become a CAC Saskatchewan volunteer.
I am interested in: _____
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Detach and mail to:
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* From the 81 entries for the *
* Spotlight on Seniors draw, *
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* to *SaskWatch* is **Edna** *
* *
