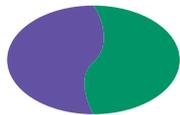


2003-2004



OFFICE OF **FAIR TRADING**

*NSW Consumer Protection Agency*

**Department of Commerce**

# Fair Trading: serving consumers and traders in NSW

*A YEAR IN REVIEW 2003-2004*



[www.fairtrading.nsw.gov.au](http://www.fairtrading.nsw.gov.au)

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Office of Fair Trading  
Parramatta NSW Australia  
August 2004.

## Fair Trading Centres

We operate Fair Trading Centres at the 23 locations shown opposite. These Centres provide information and assistance on consumer issues, motor vehicles, home building and renovation, credit, property and tenancy issues, plus co-operatives and business name registration.

**Call 13 32 20**  
to reach your nearest  
**Fair Trading Centre**

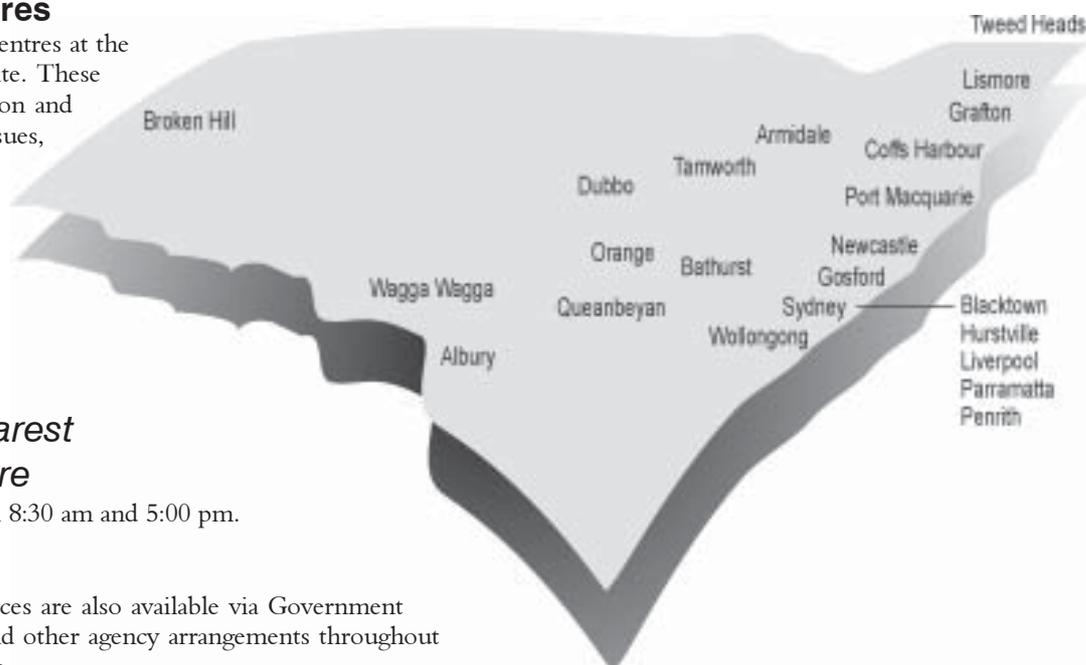
Monday to Friday between 8:30 am and 5:00 pm.

### Other locations

Selected Fair Trading services are also available via Government Access Centres (GACs) and other agency arrangements throughout regional New South Wales.

Call 13 32 20 for information on the services available in these towns:

Ashford, Balranald, Barham, Bega, Boggabilla, Bombala, Boorowa, Bourke, Brewarrina, Cobar, Condobolin, Cooma, Coonabarabran, Coonamble, Crookwell, Culcairn, Deniliquin, Dorrigo, Dunedoo, Eden, Finley, Forbes, Forster, Gilgandra, Glen Innes, Goulburn, Grenfell, Griffith, Gundagai, Hay, Hillston, Holbrook, Inverell, Ivanhoe, Jindabyne, Kyogle, Lake Cargelligo, Leeton, Lockhart, Maclean, Menindee, Merriwa, Moama, Moree, Moruya, Moulamein, Mt Druitt (urban GAC), Mudgee, Mungindi, Murrurundi, Nambucca Heads, Narooma, Narrabri, Narrandera, Nowra, Nyngan, Oberon, Peak Hill, Quirindi, Rylstone, Scone, Temora, Tenterfield, Tibooburra, Tumbarumba, Ulladulla, Walcha, Walgett, Warialda, Warren, Wentworth, West Wyalong, Wilcannia, Woodenbong.



# The Office of Fair Trading

*The Office of Fair Trading is one of five offices established within the NSW Department of Commerce. The Department as a whole produces an annual report to the Minister for Commerce for tabling in the NSW Parliament. However, the Office of Fair Trading measurably reaches a significant proportion of the more than 6.7 million people living in NSW. For this reason and the significant formal role of the Commissioner for Fair Trading, this additional report focuses exclusively on activities in the New South Wales fair trading arena.*

## **What we do**

We safeguard consumer rights and advise business and traders on fair and ethical practice. Our customers include people renting homes and those building or renovating. There are strata scheme owners, people buying cars or looking for consumer information. A large number are builders and people working in a trade or running a business. But our services go beyond those delivered to individuals. The legislative framework we administer sets the scene and the rules for fairness in the countless daily transactions between consumers and traders. Often behind the scenes, unfair practices are investigated and prevented. A system of licensing and the investigation of complaints help ensure unqualified or inappropriate people do not conduct their business in NSW. Our licensing and

investigations cover a range of commercial activities including: business and retail, residential home building, motor trade, real estate, retirement villages and residential parks, product safety, trade measurement and co-operatives. This encourages integrity by business and traders and provides protection for consumers.

## **Consumer help**

Providing information is core business for Fair Trading. Consumers of everyday goods and services can use our website or contact our Fair Trading Centres to obtain information on their rights and responsibilities or seek assistance with resolving disputes. People renting homes, buying or selling property or living in strata scheme property can turn to us for information and assistance.

## **Business & trader services**

Traders and business people can register business names and obtain the licences and certificates they need to operate in New South Wales. Builders and contractors, people in the accommodation and property services industries and those engaged in selling goods or providing services can receive information on their rights and obligations under fair trading laws.

## **Co-operatives & Associations**

We actively encourage the formation and development of co-operatives and we help community groups establish themselves as associations.

*...Fair Trading measurably reaches a significant proportion of the more than 6.7 million people living in NSW.*

# Fair Trading

# At a glance

## Services

Public customers:	• 4 to 5 million requests for services each year
General community:	• 15,343 compliance-related activities* • 43 pieces of legislation - proactive review
Economic impact:	• Regulated industries turning over at least \$47 billion per year (excluding finance and credit industries) • 484,665 registered business names • 219,722 licensees

## Logistics

Phone:	• 1.2 million incoming calls per year from the general public
Counter:	• 23 Fair Trading Centres • 248,000 counter enquiries per year
Website:	• 1,300,000 million visitor sessions per year (information and transactions)
Other outputs:	• 1,352,873 REVS checks and encumbrance registrations • 568,000 rental bond transactions
Publications:	• 191 free titles - a quarter translated in up to 25 languages
Staff:	• 1090 including the Consumer Tenancy & Trader Tribunal (independent statutory body serviced by OFT)
Budget:	• \$154.6 million

\*Compliance related activities can vary significantly year-to-year depending on the mix between long, complex investigations and shorter, less complex ones which reflects emerging marketplace issues

# Executive Summary

*Tangible new legislative benefits for the community, servicing increasingly high levels of community demand as well as significant enforcement results all contributed to another successful year for the Department's Office of Fair Trading.*

Looking back, the Office's integration into the Department of Commerce has progressed smoothly and our service delivery was once again rated highly by surveyed customers. Looking forward, the community can anticipate continuing high standards and unswerving efforts to ensure fairness and integrity in the NSW marketplace.

## **Policy and legislative developments**

Consumers are now directly benefiting from significant reforms to the property industry. Bidder registration at auctions, restrictions on bidding by or on behalf of a seller at auctions, increased requirements for agents to disclose conflicts of interest, and mandatory consumer guides on agency agreements and auctions all enhance the transparency of real estate transactions.

Irritating direct commerce tactics are now being curbed. Amendments to the *Fair Trading Act* provide an increased level of consumer protection. The new laws will limit the hours door-to-door sellers and telemarketers can cold-call on families at home and widen cooling off provisions for consumers.

As a result of the recent inquiries in the home building industry, changes have been made to reduce the number of building disputes and provide an efficient way of resolving disputes. Building contracts now contain more information for consumers, a cooling-off period and procedures for resolving disputes. A new dispute resolution service has been established where independent Building Inspectors can examine work carried out and assist in determining the most effective way of resolving the dispute.

## **Community information and assistance**

Fair Trading's services span a very broad range of issues. Providing accurate information to consumers and traders is an essential part of our business. We aim to help the people of NSW understand our fair trading laws and how they operate. We responded to well over 4 million requests for service from the public. These covered every-day consumer advice, REVS checks, licence and business name related transactions and rental bond lodgements and refunds. That we can service this level of demand and achieve customer satisfaction levels of over 90% is a testament to the skills and dedication of our front line staff. We received 1.2 million incoming calls from the general public and a further 248,000 counter enquiries through 23 Fair Trading Centres and other front line areas. These levels signify continuing strong demand for phone and counter services.

For phone customers, we are progressing with a major restructuring of our call centres. Once completed in 2004-2005, customers will only need to call a single number to access our services. Improvements in customer service are expected as a result of the upgraded technology and the focus on building a flexible, professional and technically skilled team to provide service from a single location.

Our website, [www.fairtrading.nsw.gov.au](http://www.fairtrading.nsw.gov.au) is an important tool in providing access to information and services. Customers accessed it 1.3 million times during the year. This is an increase of 38% over the previous year. We are continually improving the site to ensure we remain responsive to their needs.

Two new sections on our website were launched during 2003-2004:

- Problem Solver provides an opportunity for consumers and traders to establish their rights and responsibilities, or lodge a complaint online 24 hours a day, 7 days a week

*Customers accessed our website 1.3 million times during the year. This is an increase of 38%...*

*This year we directly recovered or obtained Orders of the Supreme Court for the recovery of more than \$2,000,000 in compensation payments to consumers.*

- The property services section is dedicated to providing professionals with information about the property services industry and consumers with information about all aspects of living in, buying or selling residential property. It has proven to be a valuable addition with 17.6% of all visitors exploring this new section on our website. Later in 2004, consumers will be able to use the site to make sure their agent is properly licensed.

Overcommitment and debt servicing problems amongst young Australians were highlighted in our research in 2003. Significant numbers of young people have encountered debt that has caused them serious problems. Common debt triggers include credit cards, mobile phones, car finances and car expenses. To meet the need for better consumer education programs for young people we enhanced our existing education resource, *Money Stuff*. It was recognised nationally as a best-practice consumer education resource and Consumer Affairs Victoria launched their version based on the NSW model.

#### **Compliance and enforcement**

An important enforcement role for Fair Trading is obtaining appropriate redress for consumers whenever possible. The results for 2003-2004 underscore the importance of this approach in protecting consumer interests.

This year we directly recovered or obtained Orders of the Supreme Court for the recovery of more than \$2,000,000 in compensation payments to consumers. This record amount is in addition to \$1,900,000 paid in relation to breaches of credit legislation.

Fair Trading pursued two significant cases that resulted in victories for consumers and sent a clear message to unethical traders who deliberately deceive consumers – they will be brought to justice. The results of some of these important cases begin on page 38.

Operation Hammer, conducted in the first two weeks of May 2004, was a state-wide blitz of residential building sites to weed out unlicensed builders and tradespeople. The operation was one of the largest ever conducted

by the Office of Fair Trading and its Home Building Service. Page 43 provides more information on the program which involved over 70 investigators checking 6680 licences at 2597 residential home building sites across New South Wales.

New provisions under the *Fair Trading Act 1987* that came into effect on 17 May 2004 significantly enhanced our capacity to carry out compliance and enforcement functions. Court Order authority to seize evidence and the right to exchange information with other enforcement agencies are two new powers that will significantly boost our investigation and enforcement activities.

Fair Trading also conducts regional access programs that deliver information and education to NSW businesses with the aim of improving compliance and customer service in the marketplace. This leads to the obvious synergy between our operations and those of another part of the Department – the Office of Industrial Relations, in dealing with businesses. As a result, we have begun to undertake a number of joint activities where the information provided to businesses addresses industrial relations as well as fair trading responsibilities.

#### **Our People**

The people who make Fair Trading happen have once again proven their commitment and dedication to serving the people of NSW. The performance information you will find throughout this publication is the clear proof that they not only do their job well – but do it to a standard that should make them proud to say in any company: “I work for Fair Trading.”

The management and staff of the Office of Fair Trading acknowledge the founding Director-General of the Department of Commerce, Ms Kate McKenzie, whose tireless efforts contributed so much to the successful establishment of the new Department. We look forward to working with her successor and continuing to assist the Minister for Fair Trading, the Hon. Reba Meagher MP, as well as the Minister for Commerce, the Hon. John Della Bosca MLC.

# Highlights

## Objective 1 – Fair regulatory framework

- Property industry reforms introducing greater transparency in real estate transactions and continuing professional development for licence holders
- Amendments to the *Fair Trading Act* in relation to direct commerce that provide a cooling-off period and restrictions on visiting or phoning consumers after 8pm or before 9am.
- Government approves primary recommendations of the Inquiry into Home Warranty Insurance and establishes the Home

Warranty Insurance Scheme Board to monitor the scheme and provide advice to the Minister.

### The Future

- Legislative reforms in the following areas:
  - retirement villages
  - community schemes
  - residential tenancies
  - residential parks
  - Consumer, Trader and Tenancy Tribunal

## Objective 2 – Community able to access information and consumer help

- Re-designed Fair Trading website includes: an online problem solver, a dedicated real estate and renting section and a home building section which allows for online licence checks.
- Youth Debt survey highlights the incidence of problematic debt among young people.
- OFT's *Money Stuff*, a youth education resource for schools, recognised nationally with Victoria launching their own version and other states expressing similar interest.
- Extensive promotion of reforms to the home building industry and the property industry.
- New Fair Trading Centre and Consumer, Trader and Tenancy Tribunal premises opened in Gosford.

- The Home Building Dispute Resolution Service resolves 1823 building disputes in first year of operation.

### The Future

- Establishment of an integrated Call Centre to provide Fair Trading customers with a single access point for a range of telephone inquiries and transactions
- Phase 2 of NSW Government's online licensing project to redevelop Business Licence Information Service for integration with Government Licensing System.
- On line licence checks in relation to conveyancers and real estate licence and certificate holders.

## Objective 3 - Maximum compliance with regulatory requirements

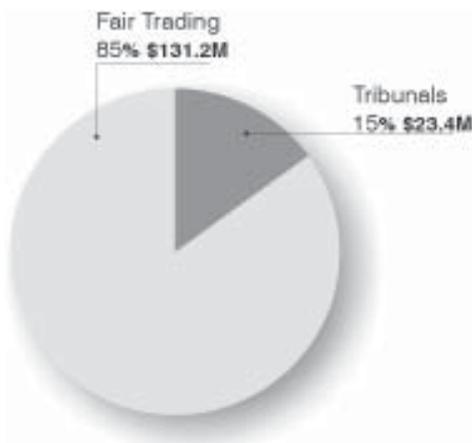
- Fair Trading recovers \$2m compensation for consumers.
- \$1.9m paid into the Financial Counselling Trust fund as a result of a civil penalty for contraventions of the *Credit Act*.
- Operation Hammer, a state-wide blitz of residential building sites uncovers 461 unlicensed builders and tradespeople – 306 on the spot \$500 fines issued.

- First real estate agent penalised for dummy bidding at an auction.
- Four insurers are approved to sell Home Warranty Insurance for residential building work in NSW

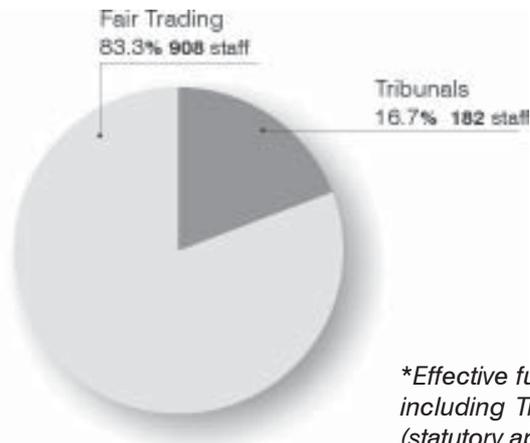
### The Future:

- Action being taken to clear the way for additional insurers to enter the Home Warranty Insurance market creating improved competition and benefits for contractors and consumers.

## Program Allocations - expenses



## Program Allocations - average staff\*

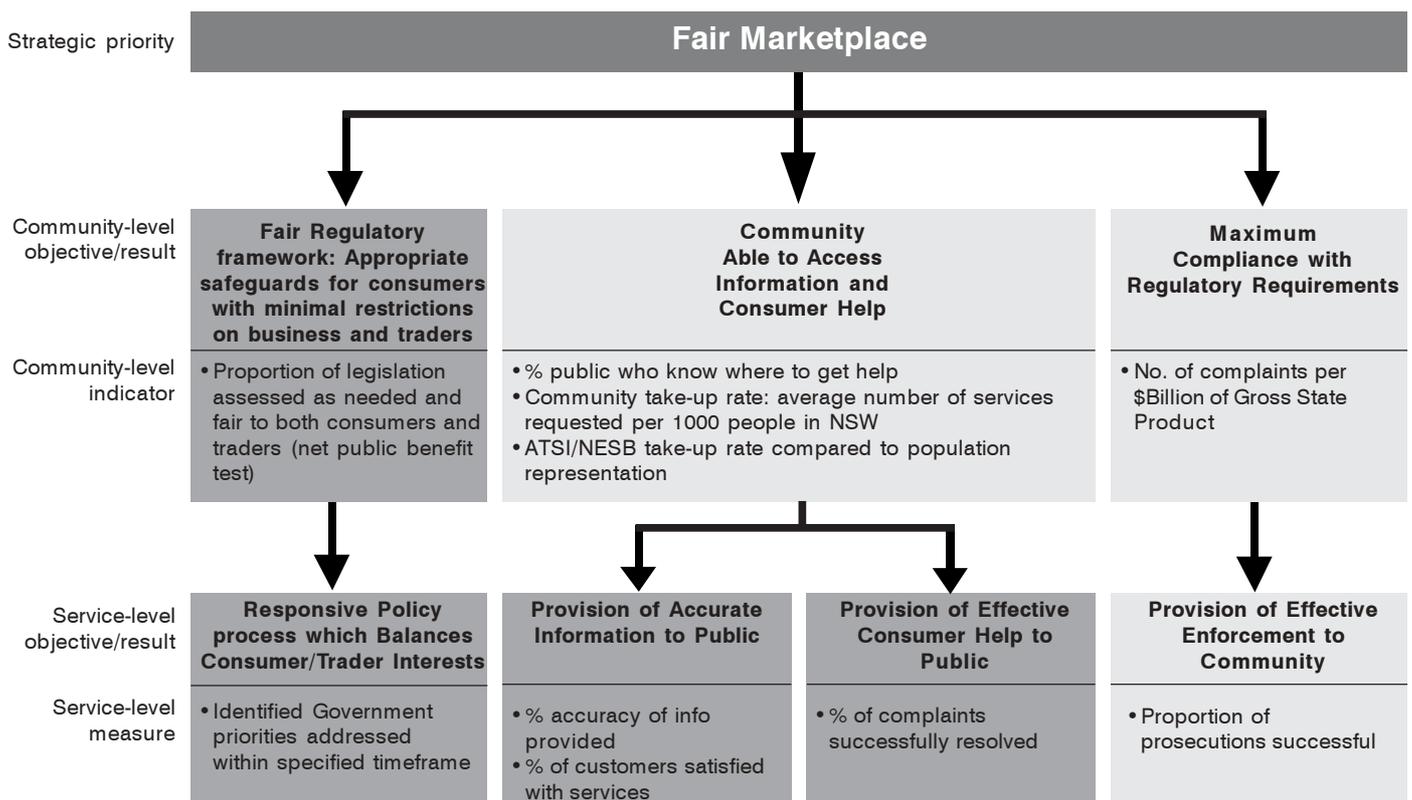


\*Effective full time positions including Tribunal Members (statutory appointments) and Ministerial staff.

# Planning Framework

As part of the Department of Commerce, the Office of Fair Trading takes its key objectives from the corporate plan for the Department as a whole. The mission and high-level objectives for the Department are set out on the opposite page. Within this framework, Fair Trading's work contributes to the objective "fair marketplace."

There has been some finetuning to Fair Trading's planning objectives this year to fit with the corporate approach, and the new hierarchy of objectives which govern Fair Trading's operations is set out below, along with key measures for each of them.



There are two main types of objective in the framework:

Objectives which relate to how well the Office is delivering specific services – most of these are much more within the Office's control (though some, like the proportion of prosecutions successful, depend not just on the quality of service but on factors such as court decisions).

Objectives to which the Office contributes but where it does not directly control the outcome. These are mostly the very high-level community impact objectives – for example "fair marketplace," where the activities of other agencies in NSW and even counterparts in other states or overseas have an impact.

The planning/reporting framework opposite is quite similar in content to the one the Office has been using for several years, though there have been some adjustments made in terms of wording and presentation. Because community outcomes are important, this year's report has been structured around them, but all the familiar service-level performance measures still appear, though sometimes in slightly different places. Once again, during

the year, the results against these indicators have been used, instead of guided self-assessment, as the basis of targeted business improvement/quality initiatives.

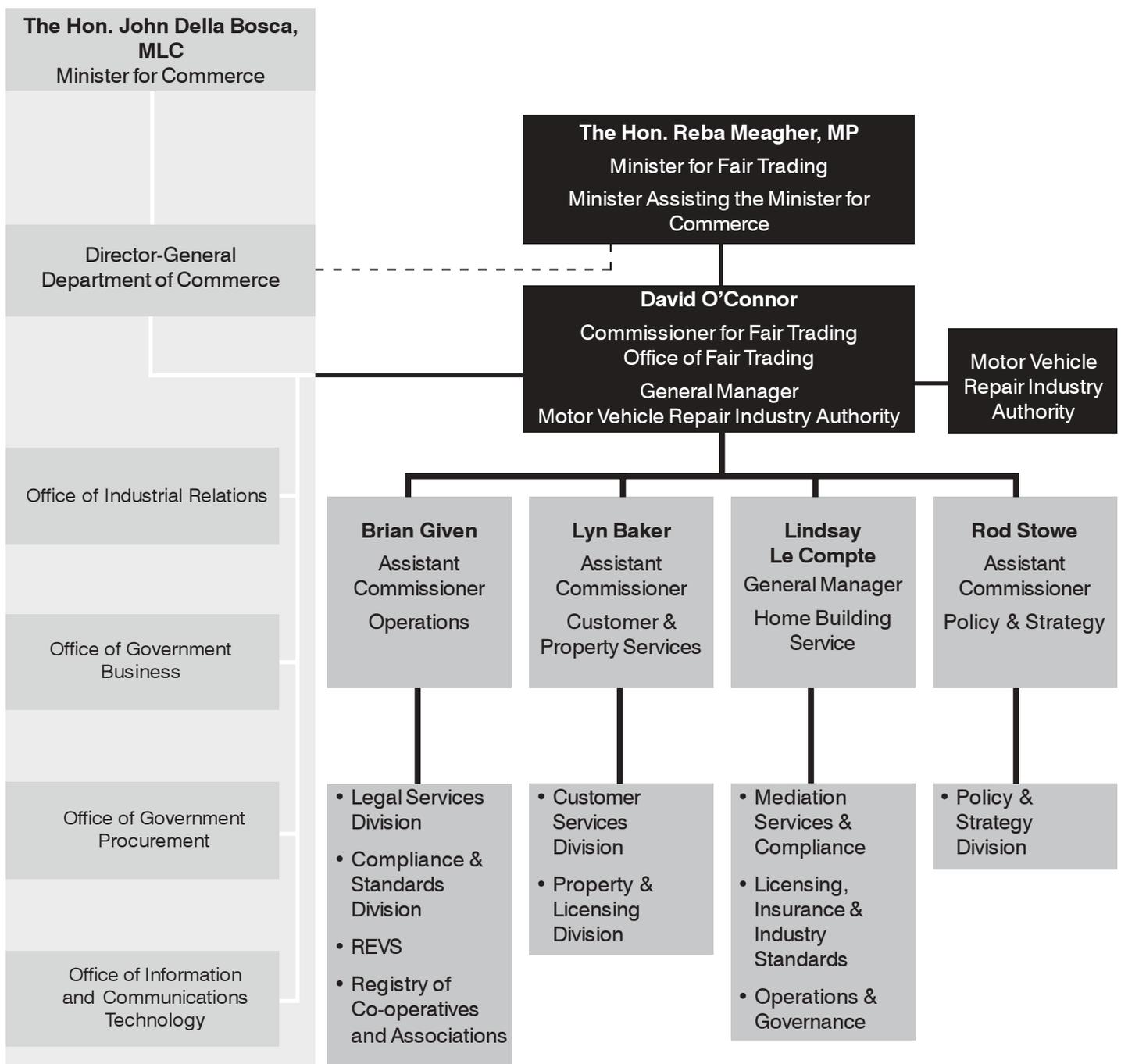
Also, for the first time this year, the Office is publishing some measures related to the community-level objectives. Though the Office does not completely control these objectives it does monitor them closely.



## Department of Commerce Mission

*We work to support a climate that makes doing business in NSW simple and fair for all concerned; and to achieve best value for the NSW Government through our services and activities*

# Our Structure



# Fair Trading Legislation

- *Associations Incorporation Act 1984*
- *Business Names Act 1962*  
*Business Names Act 2002 – partially unproclaimed*
- *Community Land Management Act 1989*
- *Consumer Claims Act 1998*
- *Consumer Credit Administration Act 1995*
- *Consumer Credit (New South Wales) Act 1995*
- *Consumer, Trader and Tenancy Tribunal Act 2001*
- *Contracts Review Act 1980*
- *Conveyancers Licensing Act 1995*  
*Conveyancers Licensing Act 2003 – partially unproclaimed*
- *Co-operatives Act 1992*
- *Co-operative Housing and Starr-Bowkett Societies Act 1998*
- *Credit Act 1984*
- *Credit (Finance Brokers) Act 1984*
- *Credit (Home Finance Contracts) Act 1984*
- *Door-to-Door Sales Act 1967*
- *Electricity Safety Act 1945 Part 4C (remainder, Minister for Energy)*
- *Fair Trading Act 1987*
- *Fitness Services (Pre-paid Fees) Act 2000*
- *Funeral Funds Act 1979*
- *Gas Supply Act 1996 (Section 83A)*
- *Holiday Parks (Long-term Casual Occupation) Act 2002*
- *Home Building Act 1989*
- *HomeFund Commissioner Act 1993*
- *HomeFund Restructuring Act 1993, ss 14, 15, 16 and Schedule 2 (remainder Minister for Housing).*
- *Landlord and Tenant Act 1899*
- *Landlord and Tenant (Amendment) Act 1948*
- *Landlord and Tenant (Rental Bonds) Act 1977*
- *Motor Dealers Act 1974*
- *Motor Vehicle Repairers Act 1980*
- *Pawnbrokers & Second-hand Dealers' Act 1996*
- *Prices Exploitation Code (New South Wales) Act 1999.*
- *Prices Regulation Act 1948*
- *Property, Stock and Business Agents Act 2002*
- *Registration of Interests in Goods Act 1986*
- *Residential Parks Act 1998*
- *Residential Tenancies Act 1987*
- *Retirement Villages Act 1999*
- *Strata Schemes Management Act 1996*
- *Trade Measurement Act 1989*
- *Trade Measurement Administration Act 1989*
- *Travel Agents Act 1986*
- *Valuers Registration Act 1975*
- *Warehousemen's Liens Act 1935*

# 1 Context:

## community-level objective one

Fair Regulatory Framework: appropriate safeguards for consumers with minimal restrictions on business and traders

This is the first of three high-level, community-impact objectives which contribute to the strategic priority of a fair marketplace. A framework which provides consumer safeguards without unduly restricting business, is essential to achieving a fair marketplace. Fair Trading reviews and develops the regulatory framework in NSW in the areas of consumer goods and services, accommodation and property services, and home building, and co-ordinates community consultation, for consideration in government decision-making. The Office does not control the legislative outcome as this is subject to Parliamentary process. Other state and Federal agencies also regulate aspects of marketplace activity in NSW.

### Agency performance

*Provision of responsive policy development which identifies emerging issues to balance interests of consumers and traders*

Fair Trading supports the community-level objective at the top of the page through its service-level objective of providing a responsive policy development service. With responsibility for 43 pieces of legislation there is always a substantial program of review and amendment occurring, and during a typical year other policy issues, not always requiring a legislative response, may emerge. Fair Trading's role in developing the legislative framework is to ensure that statutory/cyclic deadlines for reviewing principal and subordinate legislation are met, and that, in addition, identified government policy priorities are acted on in the timeframe required.

#### Service delivery objectives/results

03-04

Target 04-05

**Result:** *Provision of responsive policy development*  
**Measure:** *Proportion of government priorities addressed within specified timeframe*

100%

100%

#### Comment/Interpretation

Principal legislation due for review during the year included the *Co-operative Housing and Starr-Bowkett Societies Act*. Subordinate legislation due for review during the year included: *Pawnbrokers and Second-hand Dealers Regulation; Landlord and Tenant (Rental Bonds) Regulation.*

Key priorities designated by the government included: home warranty insurance, residential tenancy databases, finance brokers and strata schemes. Government is entitled to expect very high standards of service in meeting policy review deadlines and so the target is set at 100%. Key timeframes for work required in these areas were all met.

Snapshot: service-level statistics	2003-2004
Number of pieces of principal legislation in force	43
Bills assented	6
Acts amended under Statute Law Revision Program	16
Regulations remade under Subordinate Legislation Review Program	2
Regulations in preparation to be remade under Subordinate Legislation Review Program	4

### Highlights 2003-2004:

- Ban on dummy bidding at real estate auctions commences
- *Fair Trading Act* direct commerce amendments provide cooling-off period and time restrictions on visiting or phoning consumers.
- New insurance scheme and enhanced licensing for home building.

## Community level statistics

	00-01	01-02	02-03	03-04	Target 04-05
<b>Outcome:</b> <i>Fair Regulatory Framework</i>					
<b>Indicator:</b> <i>Proportion of legislation which has been assessed as needed and fair to both consumers and traders (net public benefit test)</i>	60%	100%	100%	100%	100%

It is very hard to devise a method to directly measure the 'fairness' of the legislative framework to all sections of the community. The Office has for some years used an indirect measure to show the proportion of legislation which has undergone a rigorous process to ensure it is necessary, and test community views on its fairness. A net public benefit test is applied, which involves examining both social and economic factors. The table shows the proportion of legislation in force which has undergone this test or a similar process.

During the year, major reviews of four Acts were completed - concerning: *Strata Schemes*,

*Home Building, Consumer Credit (Finance Brokers) and Fair Trading.* The proposed significant amendments were subject to detailed assessment and community consultation, maintaining this indicator at 100%.

**Note:** Though legislation obviously has a significant community impact, the results for this indicator are much more in the Office's control than measures for other community indicators which appear at the beginning of the next two chapters, as OFT can ensure that broad community consultation occurs when legislative change is proposed.

*Industry professionalism is being increased by competency based licensing...*

## Fair Regulatory Framework

Home building and home warranty insurance issues continued to feature prominently in fair trading policy activity during the year. Other important areas were financial services, direct selling and credit.

Property-related issues, particularly in buying or selling a residential property, were also high in the list of reform measures and enhance the transparency of real estate transactions. Also, Strata schemes reforms covered a range of important issues for schemes with over 100 units and the responsibilities of all owners corporations

Industry professionalism is being increased by competency based licensing requirements and mandatory continuing professional development through specific training and accreditation. In particular, continuing professional development has been introduced for property agents and builders.

The breadth of fair trading matters that have an impact on the wider community can be seen by the variety of other issues dealt with during the year: pawnbrokers, introduction agents, electricity safety, retirement villages, funeral funds and gas appliances.

## Major policy issues

### Home Building

#### Insurer Governance & Industry Compliance Reform

The Inquiry into Home Warranty Insurance in NSW, conducted by Mr Richard Grellman provided its final report to the Minister for Commerce on 30 September 2003. The Government gave, in principle, approval to the primary recommendations of the Inquiry and agreed to establish an Interim Scheme Board to advise on the implementation of those recommendations and advise on the secondary recommendations of the Inquiry.

The Interim Scheme Board was involved during 2003-04 in a significant amount of discussion with insurers and the building industry concerning improvements to the home warranty insurance scheme.

Proposals to improve the insurance scheme and licensing system include:

- the creation of a Home Warranty Insurance Scheme Board as a statutory body to monitor the operation of the home warranty insurance scheme and provide advice to the Minister
- the establishment of a reconstituted Home Building Advisory Council
- the introduction of market practice guidelines to enhance the transparency and

- accountability of insurer operations
- the introduction of claims handling guidelines to provide a structured and accountable process for insurers in responding to claims
- the introduction of changes to the builder licensing system to provide a more efficient and robust approach to entry issues and compliance responsibilities
- the requirement of insurers to give reasons for decisions, introduce auditable service standards and complaint handling mechanisms
- the publication of detailed and relevant information and data on the operation of the home warranty insurance scheme.

These proposals have assisted in creating the right conditions and market stability necessary to attract the renewed interest of insurers in entering the home warranty insurance market. Already, Australia's largest general insurer, Insurance Australia Group, through its brand CGU commenced offering home warranty insurance on 17 May 2004. This has resulted in much greater competition and choice for builders and has led to a general reduction in premium rates.

## National Regulation of Finance Brokers

In August 2003, the Ministerial Council on Consumer Affairs agreed to urgently develop a model for consistent national regulation of finance brokers based on the New South Wales *Consumer Credit Administration (Finance Brokers) Act 2003*. We are chairing a Working Group to develop proposals to regulate the industry, which is currently subject to differing levels of state-based legislation as well as differing self regulatory schemes.

The New South Wales legislation will provide a basis for the national model. It focuses primarily on the broker and consumer entering into a finance broking contract that will provide details of the consumer's credit requirements, as well as disclosures by the broker of the range of lenders they can access and the commissions they will be entitled to if they obtain credit matching the consumer's needs. The legislation also provides for redress in the event of unjust conduct by the finance broker.

The nationally consistent model will consider extending the coverage of any broking regulation to cover loans for small business and will examine the appropriateness of conditions of entry into the market. These may include probity considerations as well as education and professional indemnity insurance. Membership of an alternative dispute resolution scheme approved by the Australian

Securities and Investments Commission may also be a condition of entry. Enhanced opportunities for consumer redress are also under consideration.

## Consumer Credit Code

Implementation of recommendations from the National Competition Policy Review and Post Implementation Review of the Consumer Credit Code is now under way, with priority given to those recommendations developed as a response to market developments.

We have developed a methodology to ensure that the threshold for hardship and stay of enforcement applications reflects current property prices by linking the threshold to the Australian Bureau of Statistics monthly figures for new dwellings in this state. Also, we are developing new precontractual disclosure provisions to allow credit applicants to see at a glance the costs and main features of the credit product under consideration. These will work in tandem with the requirements for a mandatory comparison rate that came into effect in July 2003.

We are also participating in a research project that will investigate the ways in which consumers become overcommitted, especially with credit card debts.

These developments all aim to ensure that the Code remains relevant to credit industry practices and will provide assistance to consumers in negotiating an extremely complex marketplace.

## Tenancy Databases

Many real estate agents, aiming to provide the best possible service to owners, are not willing to rent residential property to anyone listed on a tenant database for failing to fulfil their obligations as a tenant. Conversely, tenants may be prevented from renting a property for trivial matters or because a database is inaccurate or out of date. To address the difficulties faced by tenants in this situation new rules are proposed in the draft *Property, Stock and Business Agents Amendment (Tenant Databases) Regulation 2004*. The proposed rules provide that:

- tenants be made aware of being listed on a database
- tenants have a reasonable opportunity to challenge a listing without excessive expense
- tenant database listings be accurate, complete and up to date
- tenant database listings not be for minor breaches of a tenancy agreement
- tenant database listings do not remain on a databases for a period of time which is excessive given the magnitude of the breach involved.

## Review of cooling-off period for car purchases

On 28 January 2003 NSW introduced a one-day, waivable cooling-off period for car purchases where the motor dealer provides or facilitates credit for the purchase. The cooling-off period provisions in the *Motor Dealers Act 1974* require the Minister to review its operation a year after its introduction. The review was commenced in February 2004. Comments on the operation of the cooling-off period were received from a range of individuals, traders and industry and community organisations. A final report will be prepared and submitted to the Minister in August 2004.

## Introduction agents

Following concerns about the activities and practices of some businesses providing introduction and matchmaking services, a review of the industry was commenced in late 2003. As part of the consultation process an issues paper was released for public comment in May 2004. The paper canvassed several issues raised during our preliminary consultations including, up-front payments, false and misleading advertising and misrepresentation. Public comment was also sought on whether there is a need for new measures to address the concerns identified.

## Associations

A consultation paper was prepared and released for public comment in May 2003 for the review of the *Associations Incorporation Act 1984*. The paper was also sent to relevant government offices and peak industry bodies. The key issues raised in the paper include streamlining of reporting by associations and clarification of the functions of office-bearers.

Following a five week consultation period, 56 submissions were received - 55% of which were from incorporated associations. A final report has been prepared for consideration by the Minister.

## Advisory Councils

The function of Advisory Councils is to provide advice to the Minister on fair trading and consumer protection issues, particularly those issues relevant to legislation administered by the Minister. Each is made up of members representing diverse interests and expertise to ensure that policy advice reflects the broader interests of the community and industry alike. The five Advisory Councils are:

- Fair Trading Advisory Council
- Home Building Advisory Council
- Motor Trade Advisory Council
- Property Services Advisory Council
- Retirement Villages Advisory Council

Membership details are on page 56.

*These developments all aim to ensure that the Code remains relevant to credit industry practices...*

## Statutory Reviews

### Residential Parks

A statutory review of the *Residential Parks Act 1998* commenced in late 2003 and will be completed before the end of 2004. The legislation, which sets out the rights and obligations of park residents and park operators, has been in operation for over five years and must be reviewed to confirm that its objectives remain valid. Most permanent park residents live in their own moveable dwellings on rented sites. A number of issues arising in park tenancies are quite different to tenancies of conventional premises like houses and flats and the Act deals with park-specific matters. These include re-supplied water and electricity services, mail deliveries, park liaison committees, park rules and noticeboards.

The Act requires lengthy notices of termination to residents should the park owner seek to regain possession of the site and compensation may be payable to residents who have to vacate. A discussion paper to assist in the review was released in June 2004. A Report will be tabled in Parliament following completion of the review.

### Co-operative Housing and Starr-Bowkett Societies

The *Co-operative Housing and Starr-Bowkett Societies Act 1988* provides the regulatory framework that allows Co-operative Housing Societies or Starr-Bowkett Societies to operate in the NSW marketplace. Co-operative Housing Societies are financial intermediaries that do not take deposits and are used by the Government to operate their loan schemes. A Starr-Bowkett Society is a form of terminating building Society that raises, by the subscription of its members, a fund for making loans by ballot to its members upon the security of a mortgage over freehold or leasehold land. The Act was subject to a statutory review that found the objectives of the Act remain valid in today's marketplace and the legislation allows flexible lending of funds to assist people in NSW achieve home ownership. The Act will be subject to a further review in two years in order to determine whether its objectives are still valid.

## Legislative change

### Significant reforms

#### Home building

#### High-rise home warranty insurance changes

The *Home Building Amendment (Insurance Exemptions) Regulation 2003* commenced on 31 December 2003 and meant that high-rise construction work that commenced on or after that date would no longer need home warranty insurance cover.

At the same time, amendments were made to the *Environmental Planning and Assessment Act 1979* to ensure better quality construction in residential high-rise buildings. The new measures included the introduction of mandatory critical stage inspections for all classes of buildings beginning with high-rise buildings as from 1 January 2004.

These initiatives stem from the Campbell Inquiry and the NSW Home Warranty Insurance Inquiry (Grellman Inquiry). A number of submissions to the Home Warranty Insurance Inquiry called for the removal of high-rise developments from the requirement to have home warranty insurance cover. The Government agreed with this approach, but only acted after the introduction of mandatory inspections of high rise developments and a more robust regulatory approach to the operation of certifiers.

#### New requirements for building contracts

A number of changes were made to building contracts to ensure that areas for dispute or misunderstanding between consumers and builders are reduced. The *Home Building Amendments (Contracts) Regulation 2003* commenced on 16 February 2004.

Home Building contracts are now required to contain:

- a checklist of questions which a consumer will be asked to read with the aim of ensuring they understand a number of issues such as the contract price, home warranty insurance, deposits and who is required to obtain council and other approvals
- a clause which requires the builder to carry out the work in accordance with the requirements of the Building Code of Australia
- a clause which requires that all variations must be in writing
- a clause which requires the builder to provide a consumer with a brochure which explains procedures for the resolution of contract and insurance disputes
- various other prescribed related notations.
- provision of a five business day cooling off period.

These changes have been introduced as a result of recent inquiries, that made recommendations aimed at increasing the level of information available to consumers before they sign contracts. This will assist consumers understand what they have contracted for and how to deal with disputes that may arise in the building process and reduce the potential for building disputes.

*...changes were made to building contracts to ensure that areas for dispute or misunderstanding between consumers and builders are reduced.*

## Home Building Amendment (Insurance) Regulation 2004

This amendment to the *Home Building Regulation 1997* commenced on 14 May 2004. It enables home building insurance policies to exclude claims for loss or damage resulting from certain events and other matters, including acts of terrorism, nuclear events and asbestos contamination and removal. The amendment means that exclusions permitted in New South Wales are consistent with those permitted in Victoria.

The amendments had been recommended by the interim NSW Home Warranty Insurance Scheme Board following discussion with its legal and insurance advisers on the basis:

- The amendments are in line with the agreement between the Victorian and New South Wales Governments to achieve a standardised approach to home warranty insurance;
- The amendments are commercially sound and further clarify the legislative intent when the present home warranty regime was introduced in 1996; and
- The amendments are in line with policy conditions operating generally in the insurance market at the present time.

It is considered that the amendments will not have any adverse impact on the general operation of the home warranty insurance market in New South Wales.

## Strata Schemes

An extensive package of amendments to the *Strata Schemes Management Act 1998* was passed by Parliament in March 2004. These were major reforms that covered a wide range of issues including increased sinking fund obligations on owners corporations, recognition of the special needs of schemes with over 100 lots, the powers of executive committees, the mediation of disputes and administration of common property. The amendments are expected to come into effect in late 2004 after the required regulations have been developed. A discussion paper, in which a number of further issues are raised, will be released in the second half of 2004. Further reforms may arise following the public consultation on this paper.

## Fair Trading Direct Commerce

On 30 August 2004 the *Fair Trading Amendment Act 2003* will repeal the *Door-to-Door Sales Act 1967* and introduce new provisions dealing with direct commerce.

The direct commerce provisions apply to door-to-door selling and telemarketing where the dealer is selling goods or services to a consumer who is an individual; the

negotiations leading to the making of the contract take place over the telephone or at a place other than the business or trade premises of the supplier; the total price of the goods or services is more than \$100 or is not ascertainable; and the dealer was not invited by the consumer to visit or telephone them.

The legislation provides that:

- there is a cooling-off period of 5 days during which the consumer may cancel a direct commerce contract
- the dealer must advise the consumer of the cooling-off period in writing
- the dealer may not collect any fees during the cooling-off period for services provided during that period
- a dealer must not visit or telephone a consumer after 8pm and before 9am for the purpose of negotiating a direct commerce contract unless they have made an appointment with the consumer
- a dealer carrying on negotiations with a prospective consumer must cease those negotiations immediately on the request of the consumer - in such cases, the dealer must not contact the consumer for at least 30 days
- dealers visiting consumers will also be required to produce an identity card.

The *Fair Trading (General) Amendment (Direct Commerce) Regulation 2004* provides a full or partial exemption for certain contracts for goods and services from the requirements placed on direct commerce contracts under the Act.

Full exemptions are provided for electricity and gas customer supply contracts, contracts arising out of charitable fundraising appeals, contracts for financial products under the *Corporations Act* and contracts for the supply of goods and services that are the same as those supplied under an existing contract.

Partial exemptions are provided for:

- consumer credit contracts - from the cooling-off period
- contracts for the supply of services on a continuing basis - from the prohibition on collecting fees during the cooling-off period
- classified advertising - from the cooling-off period and related provisions and prohibition on collecting fees during the cooling-off period.

Exemptions are granted where:

- the particular circumstances relating to the supplier's contracts are such that it may, in all circumstances, be unwarranted or unjust for the contracts to be subject to the direct commerce provisions when balanced against the prospect of any possible disadvantage to consumers

*...a dealer must not visit, or telephone, a consumer after 8pm and before 9am...*

- compliance may result in unreasonable or excessive additional compliance costs, in particular, the contracts may be regulated under other legislation that provides equivalent or adequate protection to consumers
- the particular nature of the goods or services to be supplied may make it impractical, inappropriate or undesirable for the direct commerce provisions to apply.

#### **New enforcement and pyramid selling provisions**

New provisions that came into effect on 17 May 2004 significantly enhanced our capacity to carry out compliance and enforcement functions.

Our investigators can now seize anything that may provide evidence of a contravention of the *Fair Trading Act 1987*. This power is subject to the investigator first having obtained a search warrant. The goods or objects seized can be retained until they are no longer needed as evidence.

The Act now specifically permits the exchange of information with relevant agencies, where that information is reasonably necessary to assist us in carrying out our functions under the Acts administered by the Minister. This will give greater access to evidence, as well as helping investigators identify traders who are serial scam operators but who change their identities.

Pyramid selling provisions in the Act have been redrafted to be consistent with the *Trade Practices Act* and to more clearly differentiate pyramid sales from legitimate schemes.

#### **Property, Stock and Business Agents**

The *Property Stock and Business Agents Act 2002* commenced on 1 September 2003, bringing in major reforms to enhance consumer protection and industry standards.

New requirements for bidder registration at auctions, restrictions on bidding by or on behalf of a seller at auctions, increased requirements for agents to disclose conflicts of interest, and mandatory consumer guides on agency agreements and auctions all enhance the transparency of real estate transactions.

Industry professionalism is being increased through mandatory continuing professional development requirements for agents and through specific training and accreditation for auctioneers.

New requirements for agents to substantiate price estimates given to buyers and sellers will help address misleading conduct about selling prices by agents.

The reforms also assist sellers by providing for a cooling-off period of one business day or Saturday on agency agreements.

Additional grounds for disqualification and a speedier disciplinary process using "Show Cause" notices, instead of the courts, augment measures that can be taken against agents and certificate holders who breach the law.

#### **Finance brokers**

From 1 August 2004, finance brokers in New South Wales will be subject to more stringent regulation that will significantly enhance protection for consumers who access credit through intermediaries.

The *Consumer Credit Administration Amendment (Finance Brokers) Act 2003* requires the finance broker to enter into a contract with the consumer before negotiating for credit on their behalf.

The finance broking contract will include disclosure about the number and identity of the lenders on the broker's panel from whom the consumer could access credit. The broker is also required to disclose any commission that will be payable by the consumer, as well as commissions paid by the lender.

The consumer will set out, in the contract, details of the credit they want to obtain. This will include the amount of credit, amount of repayment, the term of the credit and the maximum interest rate they will accept. The broker will not be able to claim any commission from the consumer if the credit obtained does not match the requirements in the finance broking contract. As well, the broker can not demand any third party fees unless the third party has authorised them to accept fees on their behalf.

If the consumer believes the finance broker has acted unjustly, or has claimed excessive commission, they can apply to the Consumer, Trader and Tenancy Tribunal for relief.

It is proposed that these provisions will form the core of a mooted national finance broking regulatory scheme.

#### **Comparison interest rates**

Fair Trading has taken the lead for all Australian jurisdictions in developing legislation to require disclosure of a mandatory comparison rate. This requirement of the Consumer Credit Code commenced on 1 July 2003 and applies whenever advertisements include an interest rate for fixed term credit products. The rate applies to prescribed amounts and terms so that comparisons can easily be made between different lenders.

*Our investigators  
can now seize  
anything that may  
provide evidence of  
a contravention of  
the Act.*

In addition, a schedule of comparison rates must be made available wherever an application can be made for credit - including by electronic means. The schedule is required to be given for the range of amounts and terms available from a particular lender. The comparison rate is calculated using a formula set out in the regulation.

These provisions are especially useful for consumers shopping around for housing loans, or car loans, two of the most important purchases consumers can make. The comparison rate makes comparable those loans which have different fee and rate structures which were previously inaccessible to comparison.

### **Pawnbrokers**

In 2002 extensive reforms to the *Pawnbrokers and Second-hand Dealers Act 1996* and the *Pawnbrokers and Second-hand Dealers Regulation 1997* were passed by Parliament. The amendments are commencing in two stages. Stage one commenced on 15 December 2003. Stage two is due to commence in late 2004. A series of seminars on the stage one amendments were held in Sydney, Maitland and Marrickville and every licensee was mailed a brochure about the changes and invited to the seminars.

The amendments address the concerns of industry and consumers over the operation of the legislation. In particular, a new process for the recovery of stolen goods from licensee's premises by their owners has been established. Under the new requirements if a consumer identifies goods (that they had reported stolen on an earlier occasion) in a licensee's premises, then the consumer can approach the NSW Police and request a Restoration Notice be served on the licensee in regard to those goods. The licensee then has 28 days in which to either hand the goods back to the consumer or apply for a hearing with the Consumer, Trader and Tenancy Tribunal. The Tribunal has advised that the system is working well, with about half of the cases heard resulting in an order that requires the licensee to hand back the goods.

At the beginning of 2004, after the NSW Police conducted a successful sting operation through a pawn shop in the Wollongong area, a ministerial working group on the pawnbroking and second-hand dealing industry was established. The working group examined the outcomes of the Police operation and made several recommendations for further reform. It is anticipated that if any legislative amendments result from this process they may be commenced with the stage two amendments.

### **Funeral Funds**

NSW Parliament passed new laws in late October 2003 to strengthen the prudential management of funeral funds and to enhance protection for consumers who deal with these funds. The changes are also designed to benefit industry by removing outdated provisions and by streamlining the requirements for the administration of funeral funds.

The reforms to the legislation were largely based on the recommendations of the National Competition Policy Review of the *Funeral Funds Act 1979*. Some of the main changes to the legislation include the:

- introduction of annual reporting to members of contributory funds
- a requirement for previously exempt funds to seek registration under the Act
- introduction of a cooling-off period for pre-paid funeral contracts.

The amendments are expected to commence in the second half of 2004.

### **Electricity Consumer Safety**

The *Electricity (Consumer Safety) Act 2004* continues nearly 60 years of NSW legislation that protects people from electrical shocks, death by electrocution and fires caused by electrical installations and appliances.

We are responsible for regulating safety issues associated with electrical installations and the safety of electrical articles that work by being plugged into a power point or are hard-wired to the installation, such as fixed lighting and certain cooktops and ranges. Fair Trading or an equivalent agency must approve certain electrical articles, including many household appliances, before they are sold to the public.

While the *Electricity (Consumer Safety) Act* essentially remakes the provisions of the *Electricity Safety Act*, a number of changes have been made.

- Access to the Administrative Decisions Tribunal for disputes over applications for approval of articles
- Mechanisms to report serious electrical accidents
- Higher maximum penalties for breaches, underscoring the serious nature of electricity safety issues
- A penalty notice scheme for minor breaches.

Occupants and owners of places with electrical installations remain responsible, to the best of their knowledge and ability, for the safety of their electrical installations.

The *Electricity (Consumer Safety) Act* will commence when new regulations have been finalised.

*...mandatory  
consumer guides on  
agency agreements  
and auctions all  
enhance the  
transparency of real  
estate transactions.*

...amendments were aimed at providing greater certainty and clarity...

### Retirement Villages

In March 2004 Parliament approved reforms to the *Retirement Villages Act 1999*. The main change brought forward the statutory review of the Act, which had been scheduled for 2005. The review will now be undertaken in 2004 and will give residents, village operators and other interested parties the opportunity to comment on the legislation and suggest improvements. A discussion paper is expected to be released in the second half of 2004.

Another important change put an end to the practice of some operators who continue to charge residents, who have passed away or moved out, for personal services such as meals - which are no longer being provided or required.

The four other amendments were aimed at providing greater certainty and clarity to existing provisions relating to sub-letting, assignment rights, budget variations and the meaning of 'owner'. The amendments commenced on 24 March 2004.

### Gas appliances

The draft *Gas Supply (Gas Appliances) Regulation 2004* was published for comment in June 2004 as required by the *Subordinate Legislation Act*. The draft regulation provides for a prohibition on the sale or supply of uncertified gas appliances in New South Wales. It will also provide for associated matters, including legislative arrangements for approving appliance certifiers, product bans and recalls.

### Conveyancers Licensing

The new *Conveyancers Licensing Act 2003* will replace the *Conveyancers Licensing Act 1995* when it comes into effect in the second half of 2004. A new regulation will replace the existing regulation and provide the administrative detail required to support the operation of the new Act. In keeping with the requirements of the *Subordinate Legislation Act 1989*, a regulatory impact statement is being prepared for distribution in July-August 2004 with the draft regulation for the purposes of consultation. The proposed regulation will prescribe requirements for trust accounting and controlled money, rules of conduct, licensing fees, penalty notice offences and penalties.

Concurrently, work is in progress on drafting a consultation paper on qualification and continuing professional development requirements for conveyancers. In addition, licensing policies, compliance guidelines, industry and consumer advice, systems changes and staff training are being developed to facilitate commencement of the new Act.

### Valuers

The *Valuers Act 2003* received Government assent on 29 May 2003 and a new regulation has been drafted. The draft regulation and a regulatory impact statement will be made available for public consultation. It will prescribe registration fees payable, rules of conduct, penalty notice offences and penalties, and savings and transitional arrangements.

Preparations are being made for the commencement of the legislation, including the development of registration policies, compliance guidelines, industry and consumer advice, systems changes and staff training. It is envisaged that, following revision of the regulation in the light of public submissions, the *Valuers Act 2003* and Regulation will commence in the second half of 2004.

### Business Names

The *Business Names Act 2002*, assented to on 29 November 2002 repeals the *Business Names Act 1962*. Changes introduced include:

- an exemption for internet-based businesses from the requirement to register a business name
- linking the requirement to "carry on business" to the trader rather than to the business name allowing for the registration of multiple business names, as long as the person registering those names carries on, or intends to carry on in the immediate future, business in the State
- providing the Administrative Decisions Tribunal with jurisdiction to review decisions of the Commissioner for Fair Trading in relation to the registration of a business name.

To enable the Act to operate effectively a draft regulation has been developed covering matters of a procedural and administrative nature. In accordance with the *Subordinate Legislation Act 1989* a regulatory impact statement was developed and circulated for comment with a draft *Business Names Regulation 2004*. It is anticipated that the Act and Regulation will commence in October 2004.

## Bills assented

- *Fair Trading Amendment Act 2003 No 35*
- *Funeral Funds Amendment Act 2003 No 61*
- *Retirement Villages Amendment Act 2004 No 14*
- *Strata Schemes Management Amendment Act 2004 No 9*
- *Electricity (Consumer Safety) Act 2004 No 4*
- *Fair Trading Amendment Act 2004 No 21*

## Statute law revision

A number of minor and non-controversial amendments were made to various Acts under the Statute Law Revision Program.

The *Statute Law (Miscellaneous Provisions) Act 2003* No. 2 amended the:

- *Fair Trading Act 1987*
- *Motor Dealers Act 1974*
- *Pawnbrokers and Second-hand Dealers Act 1996*
- *Property, Stock and Business Agents Act 2002*
- *Property, Stock and Business Agents Regulation 2003*
- *Co-operative Housing and Starr-Bowkett Societies Act 1998*
- *Consumer Claims Act 1998*
- *Consumer, Trader and Tenancy Tribunal Act 2001*
- *Holiday Parks (Long-term Casual Occupation) Act 2002*

The *Statute Law (Miscellaneous Provisions) Act 2004* amended the:

- *Associations Incorporation Act 1984*
- *Conveyancers Licensing Act 2003*
- *Property, Stock and Business Agents Act 2002*
- *Consumer, Trader and Tenancy Tribunal Act 2001*
- *Home Building Act 1989*
- *Strata Schemes Management Act 1996*
- *Consumers Claims Act 1998*

## Subordinate legislation review

Two regulations were remade under the Subordinate Legislation Review Program

Remade at September 2003:

- *Pawnbrokers and Second-hand Dealers Regulation 2003*
- *Landlord and Tenant (Rental Bonds) Regulation 2003*

In preparation to be remade for September 2004:

- *Landlord and Tenant Regulation 2004*
- *Motor Dealers Regulation 2004*
- *Home Building Regulation 2004*
- *Registration of Interests in Goods Regulation 2004*

*...exemption for internet-based businesses from the requirement to register a business name.*

# 2 Context:

## community-level objective two

Community able to access information and consumer help

This is the second of three high-level, community impact objectives which contribute to the strategic priority of a fair marketplace. Once a fair regulatory framework is in place, it is essential for the community – consumers and traders – to be able to access information on their rights and obligations under that framework, and for consumers who are having difficulty acting on their rights to be able to get help.

### Agency performance

*Provision of: accurate information to public; effective consumer help to public*

Fair Trading supports the community-level objective at the top of the page through two service-level objectives: provision of accurate information, and effective consumer help. The Office provides information by phone, at 23 Fair Trading Centre counters, online, and through publications, community liaison and outreach services. Help is provided through informal complaint-handling services where individual consumers who believe they have been unfairly treated by a trader can get ready access to assistance, without going through a formal process such as a Tribunal hearing.

Service delivery objectives/results	99-00	00-01	01-02	02-03	03-04	Target 04-05
<b>Result:</b> <i>Provision of accurate information to public</i>						
<b>Measures:</b>						
• <i>Percentage accuracy of information provided</i>	87%	93%	99%	87%	99%	≥90%
• <i>Level of customer satisfaction with:</i>						
- <i>overall quality of services</i>	91%	89%	95%	94%	89%	≥90%
- <i>waiting time for a service</i>	69%	75%	80%	78%	76%	≥80%
- <i>staff's knowledge of subject</i>	90%	90%	91%	91%	88%	≥90%
- <i>politeness of service staff</i>	98%	94%	97%	94%	95%	≥90%
- <i>helpfulness of service staff</i>	95%	91%	96%	94%	91%	≥90%
<b>Result:</b> <i>Provision of effective consumer help to public</i>						
<b>Measure:</b>						
• <i>Percentage of complaints successfully resolved</i>	N/A	65%	72%	72%	67%	≥70 %

#### Comment/Interpretation

We help consumers and traders get a fair go in the marketplace by providing information on their rights under 43 pieces of legislation. Individual consumers can also contact us with a complaint, and we will approach the trader to help the parties reach agreement – offering a

speedy result for the consumer and helping cut government costs by reducing the load on the Consumer, Trader and Tenancy Tribunal. This service is of value only if it achieves agreement in a high proportion of cases, and the table shows resolution rates are quite high, so the service is working.

Snapshot: service-level statistics	
Customer enquiries	2,700,000
Business Name and Licensing transactions	600,000
REVS checks	1,300,000

We also closely monitor the accuracy of information we provide to customers, as well as customer satisfaction with our service. Accuracy is measured by an annual shadow shopping survey where contractors use question/answer scenarios to rate the responses. Satisfaction is measured by having contractors approach a random sample of customers, who are invited to respond to a questionnaire. The first year's results showed high customer satisfaction with service overall, but lower satisfaction with waiting times, and highlighted a need to improve accuracy. Targeted training showed up in better results for accuracy over the next two years, but results declined in 2002-2003 while the Office absorbed the impact of two major, simultaneous change initiatives. A strong renewed focus on the area, resulted in this year's good results. Waiting times are not entirely in our control as demand and process efficiency both affect them. Some improvements have been achieved, and the new integrated call centre discussed on page 27 is intended to shorten waiting times for customers experiencing the longest delays.

**Note:** some small changes in results year-to-year for both surveys are only apparent as such small changes cannot be detected within the sample size.

## Highlights 2003-2004

- Re-designed Fair Trading website includes: an online problem solver, a dedicated real estate and renting section and a home building section which allows for online licence checks.
- New home building dispute resolution service cuts applications to CTTT by 32% and sees 85% of matters resolved without need of formal rectification orders.
- \$10.2 million provided to support community based fair trading advice and assistance.

## Community level statistics

	00-01	01-02	02-03	03-04	Target04-05
<b>Outcome:</b> <i>Community able to access information and consumer help</i>					
<b>Indicators:</b> <i>Percentage of public who know where to go to get help</i>	<b>48%</b>	<b>58%</b>	<b>68%</b>	<b>73%</b>	<b>65-70%</b>
• <i>Community take-up rate: average number of services requested per 1,000 people in NSW</i>	<b>378</b>	<b>400</b>	<b>502</b>	<b>509</b>	<b>Estimate: 511</b>
• <i>ATSI/NESB take-up rate matches (M) or exceeds (E) population representation</i>	<b>E</b>	<b>E</b>	<b>E</b>	<b>E*</b>	<b>Target ≥ M</b>

\*Measured by Community Profile Survey. Not conducted in 03-04 as target groups needed redefining to reflect the new Department of Commerce. Results for previous year expected to continue.

At the community objective level, we monitor several items which are important but not entirely in our control. It is not necessary – or possible – for every member of the community to know all their rights and obligations in every area, but it is important for people to know where to go for information when they need it, and for all customers, including Aboriginal and Torres Strait Islander customers, and customers from non-English-speaking backgrounds, to find the services easy to access, with no systemic barriers in the way. We seek to service

existing demand (not create “market share”), but the high community take-up rate indicates strong ongoing demand for our services. The proportion of ATSI and NESB people contacting us exceeds their representation in the population, indicating these customers need the services and do not experience barriers to using them. The steady increase in community knowledge of where to find us (since Fair Trading was created from Consumer Affairs and other agencies in 1996) indicates that our information campaigns are working.

## Provision of accurate information to public

Providing accurate information to consumers and traders is an essential part of our business. We aim to help the people of NSW understand our fair trading laws and how they operate.

Over the past year our staff provided this service on at least 1.4 million occasions by phone and through our 23 Fair Trading Centres. On more than one million occasions we assisted customers with licence and business name related transactions and rental bond lodgements and refunds.

Our website is also an important tool in providing access to information and services to our customers. During the year our website was visited over 1.3 million times - an increase of 38% on the previous year.

While we reach a significant proportion of the population of NSW through these services, we also target specific and vulnerable groups. During the year we focussed on young people in a multi-pronged approach that included our schools program *Money Stuff*, our *Revved up* program and new research on young people and debt - the theme of our Consumer Week in 2003. We continued to target ethnic communities through our *Think Smart* program - using ethnic media, community partners, community events, dedicated website and translated publications.

Over the year we developed a number of new information products including tenancy information in a more accessible format. We will continue our efforts to reach tenants (particularly those most vulnerable) through a variety of mediums in the coming year.

To improve access to our services, we continued to enhance our online services. These ranged from the NSW Government's major initiative - the Government Licensing Project (GLP) - to significant upgrades to our existing websites and new initiatives such as *Problem Solver*. We will continue to develop these initiatives in the coming year.

### Consumer Week

Each November we use Consumer Week to raise awareness of consumer protection by focusing public attention on a topical consumer issue and engaging the community through a mix of promotional, educational and media events.

Consumer Week 2003 put the spotlight on a disturbing trend in society: the growing debt levels among young Australians. At the launch of Consumer Week, held in conjunction with our youth forum, we presented the findings of

our major research study into youth and debt in NSW which is detailed below. The forum brought together stakeholders with an interest in youth issues as well as young people themselves to join in discussion and debate to help shape future action on youth and debt.

Under the banner: *Owing money. It's serious stuff* other key events were held in Sydney, the Central Coast, Bathurst, Tweed Heads and Wollongong. To help publicise the issue of youth debt, and to continue to gather information on debt levels among young people, we created a mini-website on Yahoo! and aired the topic on NOVA FM.

Another regular event in Consumer Week is the Ethnic Media and Community Leaders Conference. The 2003 conference, held in Parliament House, provided us with the opportunity to sign up three new community partners for the *Think Smart* program and to update the ethnic community on recent initiatives for multicultural communities, including an ethnic component of the Youth Debt survey. The conference was well attended and was extensively covered in ethnic media.

### 2003 NSW Consumer Protection Awards

The presentation of the NSW Consumer Protection Awards was, once again, an important event in the Consumer Week calendar. This Awards Program provides an opportunity to publicly recognise the valuable contribution made by individuals, community organisations, business and industry associations and the media in advancing consumer protection within the community, particularly among vulnerable consumers.

In 2003, twenty-five Awards were presented across thirteen categories, honouring the commitment of some exceptional individuals and organisations. In addition, the popular Consumer Youth Award attracted a record number of entries from high school students around the state.

### Youth and debt

Young Australians have more money than previous generations and are more likely to work part-time than their parents at the same age. For many, their money management skills lag well behind their spending power. This leads to overcommitment and debt servicing problems.

In order to determine the extent of concern about youth debt in the community and to measure, as far as possible, the incidence of problematic debt among young people, we commissioned a major research study in 2003.

*We aim to help the people of NSW understand our fair trading laws and how they operate.*

What we found was chastening. The survey showed that among young people, debt ranks as a problem behind excessive drinking and drugs but above unemployment and youth suicide. Significant numbers of young people have encountered debt that has caused them grief. Common debt triggers include credit cards, mobile phones, car finances and car expenses. Among those young people under the age of 18 in the survey who had experienced debt problems, the average debt was \$3,390. In the group aged 18-24 years the figure was almost double that. The findings were presented at our youth forum in November as part of our Consumer Week activities.

To raise awareness in the community and address the problems associated with youth debt, we participated in a number of youth information expos. During Youth Week we promoted information on buying mobile phones, buying cars, renting and credit. Publications were distributed to youth organisations, displays maintained at youth centres and information sessions were conducted at schools across the State. We were also involved in orientation days at universities and TAFEs - informing students of their rights and responsibilities as consumers or tenants.

## Revved Up

*Revved Up* is a presentation targeted at Year 11 and 12 high school students. It helps them become aware of their rights, responsibilities, pitfalls and requirements associated with buying a car. The program gives an overview of basic consumer issues associated with buying a car privately, from licensed dealers, or at auction. Topics covered in *Revved Up* presentations include:

- contractual obligations
- warranty entitlements
- REVs checks
- vehicle inspections to ensure it is road worthy and mechanically sound
- shopping for finance to purchase vehicles
- protection provided by the Consumer Credit Code
- rights, responsibilities and legal options if encountering financial hardship.

*Revved Up* was launched by the Minister at Bonnyrigg High School in October 2003. Since then the program has been extended, with seminars being conducted across NSW.

## Money Stuff

The findings of our youth and debt survey underlined the need for better consumer education programs for young people. We enhanced our existing education resource, *Money Stuff*, by creating a new section on the website specifically for teachers.

The new teachers' resources section contains the complete teacher workbooks for English, mathematics and commerce - enabling teachers to download individual lesson plans and activities as they require them. We also included digital movie clips linked to lesson plans, allowing teachers to create activities on specific consumer topics such as using credit and buying a mobile phone.

*Money Stuff* has been recognised nationally as a best-practice consumer education resource. In March 2004, Consumer Affairs Victoria launched their version of *Money Stuff*, based on the NSW model. We worked with Victoria to achieve this result, even altering the address of the website to reflect its new status. Following the success of the collaboration, other states have expressed an interest in taking up the program as well.

## Think Smart – ethnic education

Launched in 2002, our *Think Smart* program continues to deliver information and education to ethnic communities through a model of integrated service delivery. The key components of the program include formal community and media partnerships, community and media conferences, an ethnic web site, translated publications, outreach services, and community information sessions.

Partnerships continued to grow with more community and media organisations joining the *Think Smart* program during the year. Many of our partners participated in developing and implementing a strategy to identify ethnic youth and debt issues. This separate ethnic strategy was developed to parallel the mainstream strategy and focussed on the Arabic, Chinese and Vietnamese communities.

Ethnic consumers continued to access the ethnic section of our website, which provides key consumer information on a range of topics in Arabic, Chinese, Greek, Italian, Spanish, Vietnamese, and Macedonian. The most frequently accessed language on the website was Chinese followed by Arabic and Vietnamese. The most popular translated publication is *The renting guide*, which is available in 17 community languages.

## Seniors education and Scam Smart

Coinciding with Seniors Week in March 2004, our popular publication, the *Seniors' guide* was promoted at various community events across NSW such as the Royal Easter Show and the Seniors Week Expo.

*...among young people, debt ranks as a problem behind excessive drinking and drugs but above unemployment and youth suicide.*

*The most popular translated publication is The renting guide, which is available in 17 community languages.*

To further promote consumer protection among seniors, and awareness of scams in particular, we also screened a three-minute television infomercial across all regions in NSW during Seniors Week. Produced in 2002, the infomercial emphasises the fact that scams are crimes and they should be reported. The under-reporting of scams by embarrassed older people is a major stumbling block to stopping scam artists.

The infomercial featured the *Scam Smart Kit*, our education program that encourages seniors to “Beat the Cheats”. The Kit comprised checklists, brochure information, wallet reminders and a ‘*Scam Smart House*’ sticker that warned potential con artists that an occupant of the house is scam smart. The *Scam Smart* information was also translated into seven community languages.

As a result of the infomercial and the promotion of the *Seniors’ guide* during Seniors Week and beyond, some 8,000 copies of the guide were distributed. We also conducted numerous seminars at senior’s organisations and participated in senior’s information expos and displays throughout the year.

### **REVS information**

The REVS education campaign focussed on increasing consumer awareness of the risks involved in buying a used car or boat without a REVS check. The campaign also targeted Arabic, Chinese, and Vietnamese communities. We used a variety of media to reach consumers – internet, radio, press, and ethnic radio and press. This year we also targeted the Western Sydney area with promotions at National Rugby League home games in Penrith and Parramatta, reaching up to 20,000 people per game. Advertising was also placed in boating and industry magazines.

### **Promoting Home building reforms**

From 1 January 2004, building consultants who carry out pre-purchase inspections of residential properties are required to be licensed. This was the first of a series of home building reforms that we promoted to industry through direct mail. In January we distributed a fact sheet outlining the reforms to 164,000 licence and certificate holders. Titled *Home Building Service – what’s happening in 2004*, the publication listed the range of reforms to be implemented during the year, including the changes to building consultant licences and the introduction of continuing professional development.

To let consumers know about these changes we placed advertisements in metropolitan, suburban and regional newspapers in January.

Changes to the requirements for home building contracts came into effect on 16 February and we promoted these to consumers through a second round of advertisements in metropolitan, suburban, regional and community newspapers in late January.

New publications were introduced to improve the availability of information on home building for consumers and the residential building industry including:

- *Home Building Contracts* which outlines the additional contract clauses required from February 2004, and notes the requirement for a consumer building guide and checklist
- the *Standards and Tolerance Guide* that helps builders and consumers agree on what is acceptable construction by defining standards of building work
- the *Home Warranty Insurance* brochure outlining the requirements on builders, owner builders and developers to obtain home warranty insurance.

During 2003-2004, a dedicated home warranty insurance hotline took almost 2500 calls from home builders on home warranty insurance and other matters.

### **Home building expos**

We participated in a number of home building expos in early 2004 to provide information and assistance to consumers looking to build or renovate their home. These included:

- The Housing Industry Association’s Home and Building Expo, 1-4 April, Darling Harbour
- Sydney Home Show, 12-16 May, Darling Harbour
- Wollongong Home Show, 30 April – 2 May, WIN Entertainment and Sports Centre

Visitors to our stands were able to pick up copies of our publications on home warranty insurance, resolving disputes and building a pool. They were also able to purchase our Home Building Contracts as well as access our website and do an online licence check on the builder or contractor they were thinking of using on their building or renovating job. Our staff were on hand to answer queries and explain how Fair Trading can make homeowners’ building or renovating work hassle free. The Home Building Service presented seminars at these home shows, providing consumers and traders with home building reform information.

### **Tenancy information**

We administer the laws that set out the rights and responsibilities of landlords and tenants. Our role in this area includes providing information to tenants and landlords about the laws affecting them as well as conducting

information campaigns to raise awareness of tenancy issues.

The legislation states that landlords must provide a tenancy publication to tenants before entering into a residential tenancy agreement.

In the past, we have assisted landlords to meet this obligation by developing, publishing and distributing, a comprehensive 32 page publication called *The renting guide* free of charge. This publication was distributed largely through real estate agencies on demand and was also provided in 17 languages.

In January 2004, we implemented the first of a number of changes to the nature of our tenancy information and the way we deliver it. A new, simpler version of *The renting guide* provides key information for tenants more relevant to the commencement of their lease. It too has been translated into 17 community languages. A supply of the new brochure was distributed to real estate agents in a state-wide mail out in January. New supplies will be sent to agents every six months.

The previous booklet was revised, renamed the *Tenancy handbook*, and distributed to real estate agents and other frontline services for use as a reference manual.

## Property industry reforms

The most significant reforms to the property industry in NSW for over 60 years commenced on 1 September 2003. In the lead up to implementation, we developed and distributed a number of publications to inform industry and consumers about the reforms. And, to further provide industry education, we held 10 seminars throughout NSW in July 2004. These seminars provided an overview of the *Property, Stock and Business Agents Act* and were attended by approximately 900 licensees and certificate holders.

A four page fact sheet was distributed to all licensees in NSW in July 2003. *Changes to property agents law* summarised the key reforms and mapped out the reform implementation schedule.

We explained changes to auction procedures and the requirement for potential bidders to register in order to bid at residential and rural property auctions in the *Bidders guide*, a fact sheet for consumers. A second consumer guide *Agency agreements for the sale of residential and rural property*, was developed to explain the new requirements for agency agreements, including the introduction of a cooling-off period.

Under the reforms, agents are responsible for ensuring potential bidders receive a copy of the

*Bidders guide* and potential clients receive a copy of the *Agency agreements* fact sheet before signing an agreement with the agency to sell residential property. We distributed an initial supply of both publications to agents in August 2003 so that consumers could be provided with copies from 1 September. We also developed and distributed a fact sheet for agents explaining in detail the changes to auction laws.

Commencing on 16 August 2003 we ran a month long media advertising campaign to promote implementation of the reforms and the introduction of the consumer guides on bidding and agency agreements. Advertisements appeared in the real estate classified section of 26 newspapers, including five community language papers. We also placed ads on a property web site and set up a telephone hotline to answer inquiries. The hotline answered 1630 queries about the reforms.

## Regional Services

Through our Regional Access Program we continued to visit regional and remote centres to provide consumers and traders with access to our services.

Regional initiatives and programs included:

- a weekly "Your Rights" segment on Radio 2CCC (Central Coast)
- a "Your Rights" column, distributed to 53 regional newspapers in the South region
- involvement in Reconciliation Week, NAIDOC Week, Law Week, Small Business Month, Annual Aboriginal Knockout and Gosford Community Safety Week
- stalls at the Newcastle, Wollongong and Sydney Home Shows
- regular radio segments on 2Vox FM in Wollongong and ABC Riverina
- continued participation in the *Think Smart* program
- continued delivery of seminars to Non English Speaking Background (NESB) communities
- on demand seminars to community organisations
- a display at the Nowra Art Centre and the Aged Community Expo at Dapto
- displays at local community libraries
- a pre-Christmas consumer rights campaign in the South Region
- trader visits, visits to local councils and shopping centre displays.

We have agreements with Business Enterprise Centres (BECs) at Bega, Nowra, Griffith, Leeton and Deniliquin to provide regional and remote residents of New South Wales access to fair trading services including: renewal of licences, business registration applications and renewals, complaint lodgement and access to a

*We explained changes to auction procedures and the requirement for potential bidders to register in order to bid...*

range of our publications. The agreement has also seen the development of joint promotional activities including seminars on Incorporated Associations and Good Business matters.

In southern NSW, a regular monthly outreach service is provided to Tumut, Cootamundra and Temora. Our visiting officers provide assistance to members of the community as well as community organisations.

Working in conjunction with the Department of State and Regional Development and the Office of Industrial Relations, we presented seminars to small business in southern NSW to help them understand their rights and responsibilities as traders.

A Consumer Rights Campaign within the Taree and Forster/Tuncurry areas was conducted in November 2003, and in the Muswellbrook and Singleton areas in June 2004. These campaigns were designed to give local residents the information they need to exercise their rights with confidence.

In the Hunter region, a TAFE "Train the Trainer" workshop was developed for head teachers in the building and construction area to help meet the educational requirements of final year students wishing to obtain a contractor licence from Fair Trading.

### **Website re-design**

The website plays an increasingly important role for our customers, who access it over 100,000 times each month. We are continually improving the site to ensure we remain responsive to their needs. In November 2003 we reviewed and re-designed the site and moved to a more sophisticated segmentation of the information. The website homepage is now an entry point into the different subject areas covered by Fair Trading. Each subject is a uniquely identified sub-site, accessible from the homepage. These include: business; real estate and renting; shopping; and home building. Special target audiences - seniors, indigenous people, young people and ethnic Australians - now have improved access to information of particular relevance to them.

On 3 November 2003 we launched a new section on the Fair Trading website, dedicated to providing professionals with information about the property services industry and consumers with information about all aspects of living in, buying or selling residential property. It has proven to be a valuable addition. Since then, over 17.6% of all visitors to the Fair Trading website explored this new section.

### **Online Problem Solver**

A new problem solver section, which helps consumers resolve their problem or dispute was launched on 10 November 2003. *Problem Solver* provides an opportunity for consumers and traders to establish their rights and responsibilities online, 24 hours a day, 7 days a week – before matters escalate. It includes online complaint lodgement and has enhanced the gathering of marketplace intelligence, enabling more pro-active compliance action.

### **Home building and building licence checks online**

Our website has a dedicated home building section where builders and tradespeople can access information on reforms within the industry. In 2003-2004 there were 173,138 visitor sessions on the Home Building website – that is approximately 14,400 sessions per month.

The home building area also allows for online licence checks. This lets consumers see if the contractor they are dealing with is licensed and can perform the type of work they require. During 2003-2004 more than 23,000 people obtained a full search on the online licence check facility.

### **Indigenous people**

Our 14 Aboriginal Customer Service Officers continued to promote our services to Aboriginal communities and organisations through presentations and seminars focusing on tenancy, consumer rights, credit and purchasing a car. We distribute culturally appropriate information and establish partnerships with other agencies to develop and deliver multi-agency initiatives targeting the needs of Aboriginal communities.

The South Region publishes a quarterly newsletter for Aboriginal communities, which is distributed through community organisations and local elders. A similar quarterly newsletter is distributed to local Aboriginal communities in the Hunter Region.

Consumer protection education modules are presented to Aboriginal drug and alcohol rehabilitation centres at Chittaway Bay (Central Coast) and Rothbury (West of Newcastle). The modules cover the use of credit, motor vehicle purchases and all aspects of renting. Our staff also participate in information programs for indigenous juveniles in pre-release programs at Keelong, Wollongong.

**Problem Solver  
provides an  
opportunity for  
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traders to establish  
their rights and  
responsibilities  
online...**

## Information services

### Fair Trading Centres

Through a network of 23 Fair Trading Centres we provide assistance on matters relating to fair trading, tenancy, building, and resolution of disputes. Also, we carry out community liaison activities to promote fair trading issues and meet local needs across metropolitan and regional areas of NSW. Regionally based inspectors monitor compliance with fair trading legislation.

Our Fair Trading Centres also provide services such as licensing and registration for business and trade, also they act as an agent in providing access to the services of the Consumer, Trader and Tenancy Tribunal. The Fair Trading Centres are grouped into five regions: Hunter Region, North Region, South Region, Sydney Region and West Region.

On 14 April 2004, Reba Meagher MP, Minister for Fair Trading officially opened the new Gosford Fair Trading Centre and Consumer, Trader and Tenancy Tribunal facilities. The Gosford Fair Trading Centre services over 300,000 people in an area stretching from the Hawkesbury River in the south, to the shores of Lake Macquarie in the north, and west to the Dooralong and Yarramalong Valleys. This new

facility now brings together, under one roof, all the key client services provided by the Fair Trading portfolio to create a prime example of a one-stop shop.

As well, many of our services are available from Government Access Centres and through other agency arrangements.

### Integrated Call Centre

Following last year's decision to integrate its various phone services, Fair Trading finalised a business case and obtained Treasury approval for funding to commence the integrated Call Centre Project.

During 2003-04 we completed the planning phase of the project, selected the site and finalised the facilities plan for the centre.

The acquisition process for the call centre technology commenced in May 2004 and the system is expected to be commissioned in time for the Integrated Call Centre to commence operations in the first half of 2005.

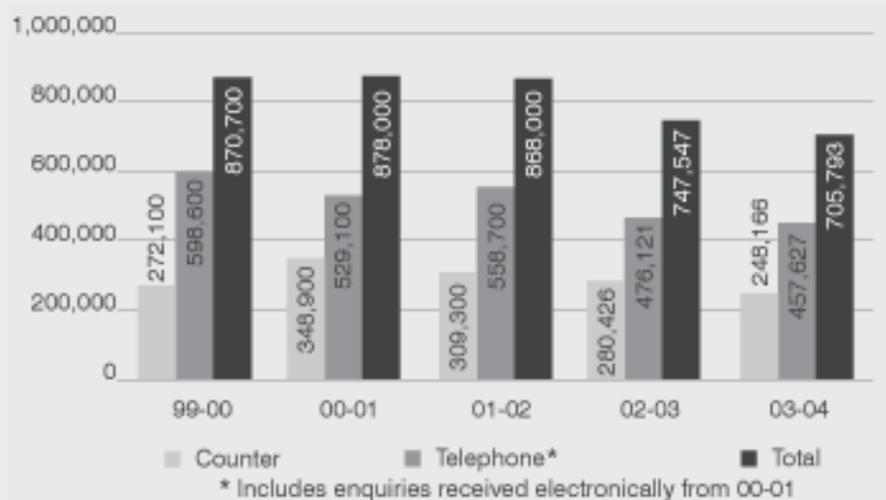
In the meantime, a new staffing structure will be implemented along with a significant change management and staff development program aimed at preparing staff for their future in the call centre.

*...we provide assistance on matters relating to fair trading, tenancy, building, and resolution of disputes.*

Fair Trading Centre locations		
Albury	Grafton	Port Macquarie
Armidale	Hurstville	Queanbeyan
Bathurst	Lismore	Sydney
Blacktown	Liverpool	Tamworth
Broken hill	Newcastle	Tweed Heads
Coffs harbour	Orange	Wagga Wagga
Dubbo	Parramatta	Wollongong
Gosford	Penrith	

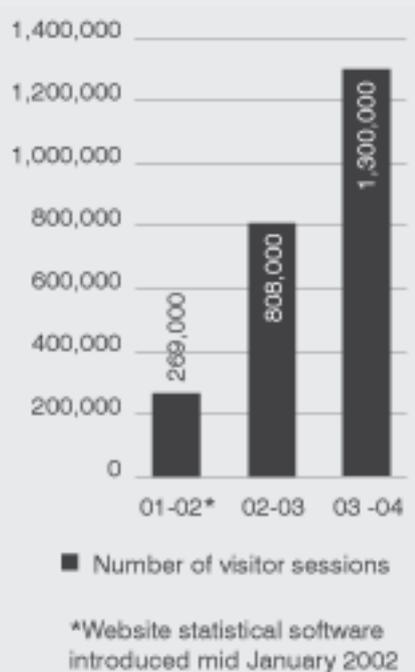
Government Access Centres and outreach sites providing OFT services			
Ashford	Eden	Lockhart	Peak Hill
Balranald	Finley	Maclean	Quirindi
Barham	Forbes	Menindee	Rylstone
Bega	Forster	Merriwa	Scone
Boggabilla	Gilgandra	Moama	Temora
Bombala	Glen Innes	Moree	Tenterfield
Boorowa	Goulburn	Moruya	Tibooburra
Bourke	Grenfell	Moulamein	Tumbarumba
Brewarrina	Griffith	Mt Druitt	Ulladulla
Cobar	Gundagai	Mudgee	Walcha
Condobolin	Hay	Mungindi	Walgett
Cooma	Hillston	Murrurundi	Warialda
Coonabarabran	Holbrook	Nambucca Heads	Warren
Coonamble	Inverell	Narooma	Wentworth
Crookwell	Ivanhoe	Narrabri	West Wyalong
Culcairn	Jindabyne	Narrandera	Wilcannia
Deniliquin	Kyogle	Nowra	Woodenbong
Dorrigo	Lake Cargelligo	Nyngan	
Dunedoo	Leeton	Oberon	

## Fair trading enquiries



Overall demand for information services is increasing, but some shifting from traditional channels such as phone and counter to website continues. However, the more than 0.70 M fair trading enquiries received in 2003-2004 demonstrates that demand through these channels remains extremely high. The increase in website visitor sessions reflects the growing community takeup rate of electronic information services - which are supplementing and extending the traditional services provided.

## Website visitor sessions



Significant improvements in customer service are expected to be delivered as a result of the upgraded technology and the focus on building a flexible, professional and technically skilled team to deliver the range of Fair Trading services from the one location.

## REVS information enhancement

REVS continued to develop a link between the REVS database and the National Exchange of Vehicle and Driver Information System (NEVDIS). This will enable all REVS searches to be verified against NSW and national vehicle registration information maintained by NEVDIS including stolen and written off vehicle data. The provision of national information to industry and consumers through REVS is a valuable and effective mechanism in the NSW Government's fight to prevent and detect motor vehicle theft. The first phase of this initiative is near completion with system changes finalised to enable all call centre enquiries to be verified against the national data. Testing of this module will be finalised through the latter half of 2004. Development work will continue to enable REVS enquiries via electronic service delivery channels to be verified against national data as well.

## Speech recognition for better service

REVS introduced a speech recognition service for industry and consumers. The speech recognition system will assist industry and consumers who don't have access to the Internet and who want to undertake a REVS check outside business hours. This service complements REVS current services through its call centre, which operates during business hours and restricted hours on weekends or, via the Internet. The speech recognition system will allow potential used car buyers to check by phone 24 hours a day, seven days per week, if a car still has money owing on it. This new

REVS vital statistics	2002-03	2003-04
REVS checks	1,212,535	1,352,873
REVS - Potential savings to the client (\$)	\$15.95M	\$28.5M*
Finance industry commitments registered on REVS	\$6.55B	\$7.68B*
REVS total encumbrances held	2.89M	2.95M

\* Industry advise that the average financial loan on a vehicle has increased

service, expected to be available in 2005, uses speech recognition that only requires callers to read out and confirm vehicle identifiers to have their vehicle check processed without human intervention.

**Website upgrade**

Industry clients are provided with information on stolen vehicles, fine defaults, salt and flood affected vehicles, odometer tampering, written off and stolen vehicles obtained from NSW Police and RTA. REVS' financial industry clients can register, cancel and vary their interests or encumbrances on motor vehicles online. REVS also provides numerous reports to clients. REVS continually endeavours to provide customer focussed quality services via diverse service delivery channels to clients. The Web Services Interface to REVS allows industry to access REVS information online for the purpose of integrating REVS information with their own systems. The result is a seamless, cost effective and efficient connection between REVS' application and its clients, which will result in an improvement in both REVS and industry business processes. The Interface has been successfully developed with client testing to be finalised later in 2004.

**BLIS redevelopment project**

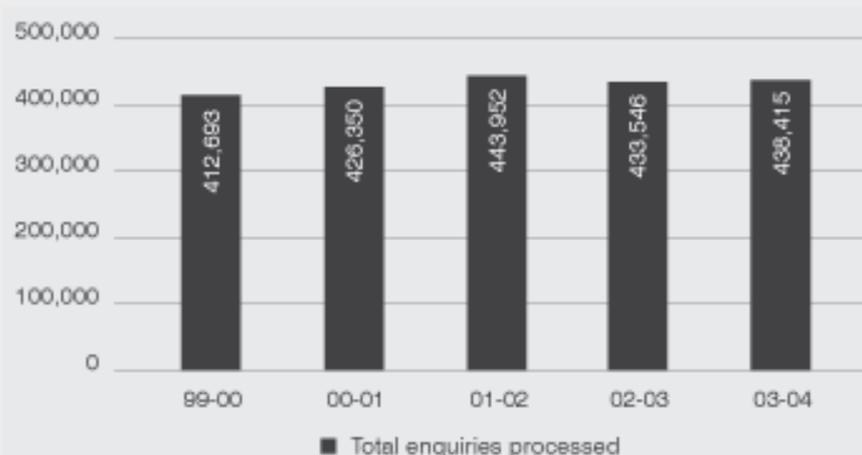
The NSW Government has embarked on a major initiative – the connectingBusiness NSW Government Licensing Project (GLP) – aimed at rationalising more than 70 different computer systems used by licensing agencies

and departments to process business and occupational licences within a single licensing system. The project is to be delivered within several phases. Phase 2 of the GLP involves the replacement of the Business Licensing Information System (BLIS). The objective of this stage of the BLIS Project is to redevelop the existing service to allow for a more user-friendly self-help interface and for integration with the Government Licensing System. Launched in 1989, BLIS has provided potential and existing business owners within and outside NSW, who are looking to establish or operate in NSW, with access to a comprehensive range of licensing and associated general business information. The information supports proprietors who are considering a new business venture, or expanding an existing venture. A request for quotation to redevelop the existing service was issued in April 2004.

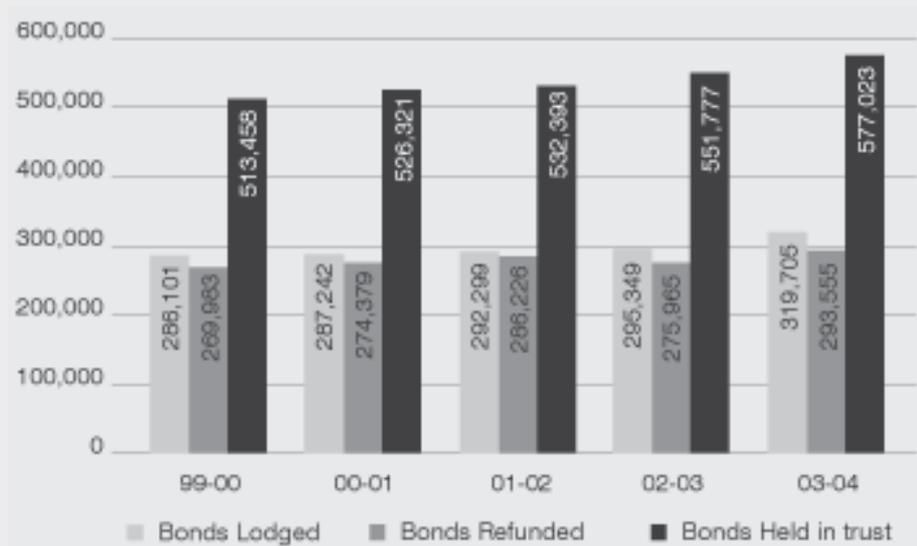
**Rental Bonds, Tenancy and Strata Schemes**

Since 1 July 2003 a total of 296,649 new rental bonds were lodged, an increase of 0.4 % over the previous year. By contrast, the number of refunded bonds declined, with 271,403 bonds refunded through 388,896 individual payments. This represented a decrease of 1.7% in the number of refunds compared to last year. Overall there was a 4.6% increase in the number of bonds held in trust at the end of the year – 577,023 bonds held with a value of \$569.3 million.

**Rental bond and tenancy enquiries processed**



## Rental bonds - number processed and held in trust

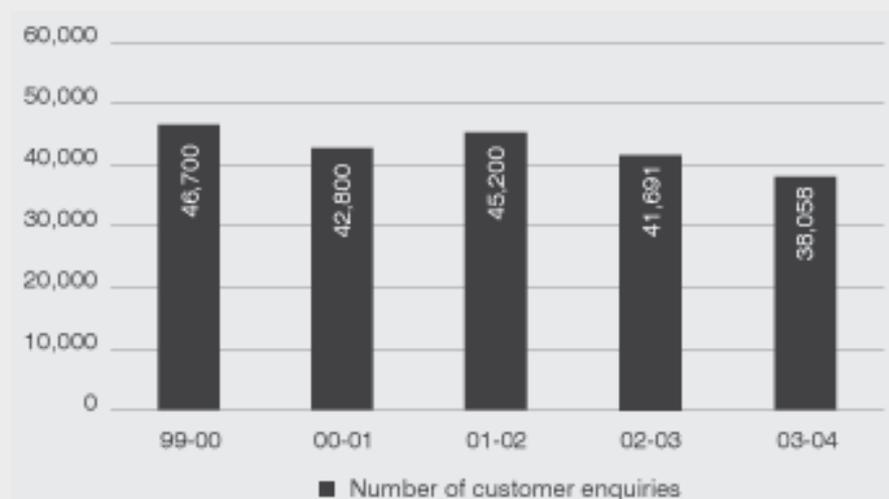


Electronic services continued to be preferred over the more traditional postal or face-to-face services. During the year tenants, landlords and real estate agents submitted over 90% of all claims electronically. The proportion of customers requesting their refund be credited directly to their bank account increased from 38.4% in 2002-2003 to 42.5% this year. By contrast, only 3.2% of customers sought a refund over the counter, down from 3.8% in 2002-2003 and 4.3% in 2001-2002. The Rental Bond Internet Service (RBIS), which allows NSW property managers to transact their rental bond business online, 24 hours a day seven days

a week, continues to grow in popularity. Over 920 real estate agencies were connected to RBIS at 30 June 2004 and the proportion of claims submitted through RBIS grew by 71% when compared with the previous year.

During the year, our strata information service was aligned with our rental bond and tenancy information services, to create a consolidated Renting and Strata Services Branch. In 2003-2004 the number of Renting and Strata customers assisted through the traditional local and freecall 1800 telephone services declined by 7.2%. Tenancy inquiries decreased by 5.6%

## Strata schemes enquiries



and the number of strata schemes inquiries by 12.5%. These decreases can largely be attributed to the ready availability of customer information and electronic versions of our publications on our website. The number of customers seeking rental bond information over the telephone also declined by 7.4% as a consequence of the growing number of real estate agents choosing to access convenient information on the status of their tenants' rental bonds via RBIS. Real Estate property managers used the service to make 69,000 bond inquiries and access a range of financial and other reports. Overall there were 297,000 visits to the RBIS site during 2003-2004.

## Co-operatives and Associations

The Registry of Co-operatives & Associations has an important function in developing and supporting the co-operative sector in NSW. A major component of this work involves disseminating information through educational programs and other targeted activities to broaden awareness of co-operative philosophy and to assist community groups in making an informed decision about the type of incorporation that suits their needs. This includes linking with key government agencies and local councils to participate and support regional development programs. Through its Co-operative and Regional Development Strategy (CARDS) project and other development activities, the Registry has been participating in workshops and conducting presentations to community groups, particularly Aboriginal communities in far western NSW, to assist community renewal and enterprise development initiatives.

The Registry's educational programs and regional development activities over the past year have included:

- expanding the Registry's information brochures to include two new compliance checklists, one specifically designed for newly formed aboriginal co-operatives to assist them in meeting their statutory obligations during their establishment period
- conducting information sessions for Regional NSW Law Society groups aimed at broadening awareness of the co-operative structure within the legal profession
- attendance at Orange, Mudgee and Tocal Field Days
- conducting presentations and workshops for regional community groups and organisations as far and wide as Wilcannia, Cobar, Coonamble and Bourke in the far west, to Gosford, Newcastle and Port Macquarie on the mid-north coast and Queanbeyan and Wollongong in the south.

Information about co-operatives and the Registry's regional development strategy has also been published in the electronic and news media, including:

- the *Australian Centre for Co-operative Research and Development Newsletter* which has over 800 subscribers
- the Premier's Department Community Builders website.

In addition, the Registry's development staff answered over 6,000 telephone inquiries from individuals, groups and organisations providing advice and assistance about incorporation.

The Registry's focus on reaching and assisting regional community groups is reflected in that 80% of new co-operatives formed during the last year were in regional centres.

## Grants

Grants are provided to not-for-profit organisations for the provision of community education, advice and advocacy services for tenants, retirement village residents and consumers who need assistance with dealing with personal finance difficulties. In line with the NSW Government's social justice role, these grants promote the principles of access, equity and diversity.

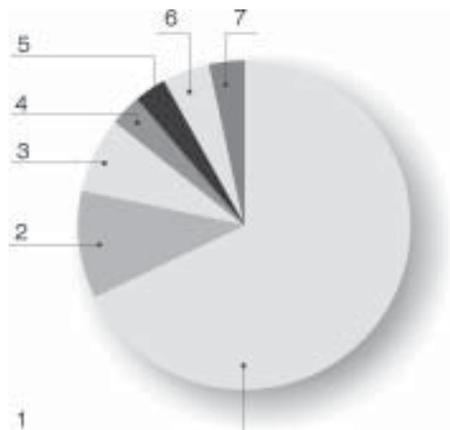
Our partnership with funded not-for-profit groups ensures complementary service provision, in that we have legislative authority to provide advice and information for consumers while the community sector specialises in the provision of consumer advocacy services.

We also have grants programs that target the home building and property services industries. Under these programs, we provide funds for one year projects to undertake research or training which will enhance the professionalism of those industries and in turn, enhance outcomes for their consumers. In 2003-2004, the priorities of both these programs were to fund projects relating to new legislative requirements, and in particular, those relating to continuing professional development.

All grants provided are closely monitored through accountability reporting requirements and liaison visits or meetings. All grant recipients are required to submit work reports and financial reports, and where a grant exceeds \$20,000, an independent audit of funds must also be provided.

*In line with the NSW Government's social justice role, these grants promote the principles of access, equity and diversity.*

## Total grant allocations



### Funding allocated in 2003-2004

1. Tenants Advice and Advocacy Program - \$6,915,171 (this figure includes \$117,971 from TAAP Special Purpose Funds).
2. Credit Counselling Program - \$1,078,552
3. Financial Counselling Trust Fund - \$746,981
4. The Aged - care Rights Service - \$319,505
5. Home Building Grants Program - \$311,922
6. Property Services Grants Program - \$499,917
7. Co-operatives Development Grants Program - \$336,206

All figures are excluding GST, which is paid on all grants

Periodic in-house and external reviews are undertaken of either a grants program or individual organisations funded within a program.

### Tenants Advice and Advocacy Program

In the past year, the community based organisations funded under the Tenants Advice and Advocacy Program (TAAP) provided assistance to around 23,000 tenants across NSW. In addition to the \$6.8M provided in core funds to the 22 TAAP services operating in 2003-04, funding support was also provided from the TAAP Special Purpose Fund to enhance the services and resources available to clients of the TAAP.

For example, the Special Purpose Fund contributed \$7,100 toward the provision of interpreters for tenants whose first language was not English. A total of \$22,543 was also contributed for the production of a *How To Rent* booklet for new migrants, 10 factsheets specifically targeting tenants with low literacy skills, and for the printing of a revised edition of the *Tenants Rights Manual*.

### Financial Counselling

This year, approximately 24,000 people seeking assistance contacted the 44 services receiving a funding contribution from either the Credit Counselling Program or the Financial Counselling Trust Fund. Many hundreds also attended community education sessions provided by these services.

During the year, the problems associated with credit over commitment and the difficulties young people and low income earners face in meeting their financial commitments were highlighted. Reports we commissioned, in addition to reports prepared by community and academic groups and media articles, drew attention to the difficulties faced by people in economic hardship. Financial counselling services are often the first point of contact for people seeking help.

We value the active partnership enjoyed with the financial counselling sector and are pleased to note that the contributions of these dedicated services continue to be recognised in the annual Consumer Service Awards. This year the Illawarra Legal Centre received acknowledgment under the Indigenous Community category, for its community education project *Money Troubles*, which was funded with a Credit Counselling Program grant. Another service that received funding from the same program, the Lifeline Newcastle/Hunter financial counselling service, also received a Highly Commended Award in the Regional Community Organisation category.

### Pilot Home Building Advice and Advocacy Service

In response to the recommendations of the Report of the Joint Select Committee on the Quality of Buildings (Campbell Inquiry) we developed guidelines for the establishment of a

*Financial counselling services are often the first point of contact for people seeking help.*

pilot Home Building Advice and Advocacy Service modelled on the TAAP, but targeting consumers of the home building industry.

#### **Co-operatives Development Grants Program**

The Co-operatives Development Grants Program (CDGP) is designed to assist the NSW co-operative sector grow and remain a viable sector of our economy. Common themes such as rural renewal, community building, economic development and ecological sustainability were found amongst the successful projects this year.

Feasibility studies into the Scone Community Owned Organic Recycling Enterprise and the Upper Hunter Community Employment Resources Action Centre Co-operative explored the value of the co-operative structure in addressing the social, economic and ecological issues currently facing these communities. Funding made available to the Tamworth Produce Marketing Co-operative Limited enabled a comprehensive study into the commercial production of lucerne hay and the identification of local, domestic and export markets for this produce.

The CDGP continued to support the Australian Centre for Co-operative Research and Development (ACCoRD) as part of the Government's commitment to research into mutual and not for profit organisations. Grants were also made available to the Co-operative Federation of NSW Limited to conduct seminars with a strong educational focus in regional centres. The one-day seminars, aimed at trading and not-for-profit co-operatives, provided accessible training and networking opportunities for the sector as well as the wider community.

*The Grants Program is designed to assist the NSW co-operative sector grow and remain a viable sector of our economy.*

## Provision of effective consumer help to the public

Fair Trading continues to achieve considerable success in resolving disputes between consumers and traders. In addition to our existing services a new home building dispute resolution service has been established.

The new *Problem Solver* section on our website provides information so that consumers and traders can establish their rights and responsibilities before matters escalate. If matters cannot be resolved, complaints can be lodged online, at a Fair Trading Centre or by telephone.

Our aim is to provide cost effective ways for consumers and traders to resolve disputes quickly and fairly. This is demonstrated in our complaint handling and dispute resolution services, where the percentage of general consumer complaints or disputes between parties to be finalised within 30 days of receiving the complaint has increased from 70% to 80%.

### Informal dispute resolution

#### Fair trading

Information is provided to consumers and traders to assist them in resolving marketplace disputes. When parties are unable to reach a settlement, a complaint may be lodged and we then act as an informal negotiator between the

parties with a view to achieving a successful resolution.

Upon receipt, a complaint will be assessed to determine:

- the issues in dispute and options which will help to resolve the complaint
- if a breach of the law has occurred
- if the matter would be better suited to another organisation.

Each party is contacted to seek a mutual resolution to the complaint. If a mutual agreement between the parties is not reached, we will provide options that may assist in reaching a resolution. This may include tribunals, other government departments or independent legal advice.

We aim to finalise 80% of general consumer complaints or disputes between parties within 30 days of receiving the complaint. In other cases we contact the parties within 30 days to advise them of action being taken.

#### Strata mediation

The use of mediation to settle strata and community scheme disputes continues to be a success. Mediation Services Unit has assisted many parties resolve their disputes without the need for formal adjudication of the matter. The mediation process often restores relationships and allows many side issues to be resolved along with the main dispute.

*Our aim is to provide cost effective ways for consumers and traders to resolve disputes quickly and fairly.*

### Fair trading complaints



*The rise in complaints this year is the result of the Office of Fair Trading assuming responsibility for initial handling of home building complaints. This role was transferred to OFT from the Consumer, Trader & Tenancy Tribunal as part of a package of improvements designed to provide a quick and cost free way of resolving disputes between consumers, builders and trades people.*

Statistics support this success. In 2003-2004, we received 1050 applications for mediation, 13% more than the previous year. We finalised 1027 matters, 71% were successfully resolved through mediation.

The use of Customer Service officers during the mediation process to provide information on strata legislation to the parties is adding to the quality of our service. This information often clarifies complex legislative issues during the heat of a mediation session so that parties can move on to negotiating an agreement with legislative certainty.

### **Home building**

On 1 July 2003 a home building dispute resolution service was established that provides a quick and cost free way of resolving disputes between consumers, builders and tradespeople. All complaints are now initially received through OFT's Fair Trading Centre network. Of the 6275 complaints received:

- 1602 (26%) were resolved through intervention by FTC staff
- 2467 (39%) were referred to the Home Building Service (HBS) where 1823 disputes were resolved through technical assessment by HBS inspectors
- 2206 (35%) were either referred to the Consumer, Trader and Tenancy Tribunal (CTTT), another part of Fair Trading, another agency or required no further action.

Not all disputes can be resolved by FTC or HBS staff and approximately 20% of matters referred to the HBS are ultimately referred to the Consumer, Trader and Tenancy Tribunal (CTTT). However, it is pleasing to see the new process is delivering positive results by causing a 32% reduction in the number of cases that need to employ the more costly and complex procedures involved with a Tribunal hearing and determination.

# 3 Context:

## community-level objective three

Maximum compliance with regulatory requirements

This is the third of three high-level, community-impact objectives which contribute to the strategic priority of a fair marketplace. The fair regulatory framework sets the ground rules for interactions between consumers and traders, and the ability to access information services helps consumers and traders know their rights and obligations. However, traders also need to act in accord with the legislation for a fair marketplace to be achieved. Our ability to enforce compliance depends on many factors including, increasingly these days, cross-agency and cross-jurisdictional co-operation as many scams originate interstate or overseas but affect NSW consumers.

### Agency performance

#### *Provision of effective enforcement to community*

We support the community-level objective at the top of the page through a service-level objective of providing effective enforcement activities to the community. Apart from the services to individuals we provide under objective two, we also investigate potential serious breaches of the legislation, including those where large numbers of consumers may be affected or large amounts of money may be involved. Potential enforcement options range from issuing penalty notices and criminal prosecution to licensing disciplinary actions such as suspension or cancellation of a licence or the imposition of conditions.

Service delivery objective/results	00-01	01-02	02-03	03-04	Target 04/05
<b>Result:</b> <i>Provision of effective enforcement to community</i>					
<b>Measure:</b> <i>Proportion of prosecutions successful</i>	97%	96.5%	86%	91%	90%

#### **Comment/Interpretation**

Good service level measures for compliance work are quite hard to develop and we are doing some further development work on these. Currently we monitor successful prosecutions – those that result in conviction, as well as those where the offence is proven but a conviction is not recorded. This measure reports the outcome of enforcement through the courts in matters where OFT is satisfied, as a result of investigation, that significant

legislative breaches have occurred. While a notional target of 90% is set, this must be flexible enough to accommodate changes of strategy, as in 02-03, where a decision was made to test a broader range of offences where Court results are less predictable. “Unsuccessful” prosecutions can still have a deterrent effect. Although this is a service-level measure, the results are not completely within our control as the outcomes depend not just on the cases prepared by OFT, but on Court decisions.

Snapshot: service-level statistics	2003-2004
Successful prosecutions	709
Penalty notices issued	1054
Investigations	2288
Inspections	5056

### Highlights 2003-2004:

- Fair Trading recovers \$2m compensation for consumers.
- \$1.9m paid into the Financial Counselling Trust Fund as a result of a civil penalty for contraventions of the *Credit Act*.
- Operation Hammer, a state-wide blitz of residential building sites uncovers 461 unlicensed builders and tradespeople – 306 on the spot \$500 fines issued.

## Community level statistics

	00-01	01-02	02-03	03-04	Projection 04-05
<b>Outcome:</b> <i>Maximum compliance with regulatory requirements</i>					
<b>Indicators:</b> <i>Number of complaints per \$Billion of Gross State Product</i>	<b>116</b>	<b>110</b>	<b>98</b>	<b>104</b>	<b>97</b>

There are immense difficulties, in principle and in practice, in directly measuring levels of compliance with the legislation. It is not possible – or desirable – to monitor every transaction which occurs in the marketplace for compliance. Numbers of complaints or Tribunal applications are possible indirect measures but by themselves can be very misleading, (for example, an increase in the number of complaints related to car purchases may not reflect a problem if the number of purchases is itself increasing).

To get around this problem, as an indirect measure, Fair Trading has been monitoring the level of complaints relative to the amount of activity occurring in the marketplace, measured (for practical reasons) by the dollar value of Gross State Product. The indicator is still

experimental, but since it was introduced it shows that the level of complaints per \$Billion of marketplace activity is both quite low and relatively steady in NSW.

Complaint numbers can be expected to vary within a bandwidth, but a very large increase in the ratio of complaints to marketplace activity would trigger closer scrutiny to see if there are problem areas where Fair Trading could be taking action

Fair Trading can only contribute to the level of compliance in the marketplace – it does not directly control it – but we will continue to monitor this indicator which must be treated with caution as it is still experimental.

*..the focus is on  
obtaining  
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for consumers  
whenever possible.*

## Maximum compliance with regulatory requirements

An important aspect of Fair Trading's compliance activities is the focus on obtaining appropriate redress for consumers whenever possible. The results for 2003-04 underscore the importance of this approach in protecting consumer interests.

Fair Trading also seeks long-term solutions to non-compliance wherever that can be achieved. Through applications to the Court, negotiation and the use of occupational/business licensing provisions we require traders who have engaged in misconduct to make structural changes to their operations (where their operations can be conducted lawfully). Structural changes might require a trader to introduce new processes or require them to implement a system of third party audits – these are designed to ensure that the trader identifies, understands and can fully meet their compliance obligations, including providing appropriate redress to consumers.

Where a trader will not or cannot comply with their fair trading and consumer protection obligations we require them to cease operating. We will take action to require a trader to cease operating in circumstances where there is either no lawful manner in which the trader can continue to operate or where the particular trader involved is not committed to trading lawfully.

Fair Trading will continue to seek long-term compliance solutions – our focus in the future will be on using our enhanced powers to achieve these outcomes even more quickly.

## Significant investigations and prosecutions

### Consumer goods and services

The Office of Fair Trading has a wide range of remedies available to it when dealing with alleged or suspected misconduct. These remedies range from the less serious, for example, reprimanding a trader or licensee, to other more significant action such as seeking injunctions in the Supreme Court or initiating a criminal prosecution.

Generally speaking, in cases where serious misconduct is alleged or suspected the Office of Fair Trading will first take steps to ensure the misconduct ceases. Second, we will act promptly to secure consumer funds or assets that may be at risk. Third, we will take or will require the trader to take action to, so far as is possible, restore consumers to the position

they were in prior to the misconduct occurring. Finally, we will take appropriate disciplinary or other punitive action against those engaged in the misconduct.

An important part of the compliance response is obtaining redress for consumers – this may entail getting compensation from the trader who engaged in unlawful conduct, returning to consumers money or property or facilitating access to a statutory compensation scheme.

In the last financial year the Office of Fair Trading has either directly recovered money or obtained compensation orders from the Courts totalling approximately \$2,000,000. This is a record amount recovered for, or to be paid to, consumers and is in addition to \$1,900,000 paid in to the Financial Counselling Trust Fund as a civil penalty for contraventions of the *Credit Act*. Where the compensation has not yet been paid we will be monitoring compliance with the Courts' Orders and will take further enforcement and recovery action where necessary.

### Credit Accounting Consultancy (CAC)

This finance broking business used newspaper advertising to target consumers with poor credit histories, especially those who wished to obtain loans to consolidate debts and who had difficulty in obtaining finance from conventional sources. CAC illegally charged up-front fees and failed to obtain loans for their customers. In some cases customers were left in a significantly worse financial state. The business was registered to David Ross but was operated by Rowland Thomas, with the assistance of Helen Lewis (now Topalov) and Michael Carney. **Result.** Interim orders prevented CAC directors from disposing of their assets, and prevented them from continuing to conduct the business. David Ross consented to Orders in the Supreme Court restraining him from certain conduct as a broker and requiring payment of \$700,000. On 3 June 2004 the Supreme Court handed down judgement and made orders that a trust fund be established into which the three other defendants are to pay \$200,000 each. The trust fund, with a total of \$1,300,000 will be used to compensate victims of their unacceptable business practices. Orders by consent were made broadly prohibiting the defendants from finance broking and engaging in deceptive and misleading conduct. The last three defendants were also ordered to pay costs including investigation costs.

Detectives from NSW Police provided assistance in the investigation of this matter and have charged several people with offences under the *Crimes Act*.

### **Bassem Dodar - AAA Complete Electronic Repairs**

This trader failed to return electrical and electronic appliances submitted for repair and failed to provide warranty on returned items. The Minister for Fair Trading previously named Bassem Dodar as a habitually unfair trader. **Result.** On 25 May 2004 the Supreme Court declared that Bassem Dodar engaged in conduct that is misleading, contrary to section 42, and unconscionable, contrary to section 43 of the *Fair Trading Act 1987*. Orders were made with the consent of the parties that:

- banned Bassem Dodar from operating a business as an electronic or electrical goods repairer for a period of 20 years;
- compensated consumers by the amount of \$91,280.

In addition, the Commissioner accepted enforceable undertakings under the *Fair Trading Act* from two other defendants, Josephine Mishhawi and Zeyad Dodar, banning them from operating in or assisting with a business as electronic or electrical goods repairers for a period of 10 years.

### **Joanne Monaghan and David Darby trading as Liberty Network**

Ms Monaghan operated an introduction agency, Liberty Network, from premises at Burwood. The Manager was Mr David Darby who has been adversely associated with the introduction industry for more than 20 years. The agency advertised extensively and targeted lonely men who were required to pay excessive membership fees. In one case a man paid in excess of \$35,000 in return for promises that he would be able to form a relationship with a woman. The agency even sent a member of its staff with the man while he withdrew the money from his bank to ensure that he didn't change his mind. **Result.** The Court granted Orders that included a declaration that both Ms Monaghan and Mr Darby had engaged in unconscionable conduct in breach of the *Fair Trading Act*. They were ordered to:

- refund approximately \$65,000 to three of their former clients
- refrain from conducting an introduction agency in New South Wales unless they provide their clients with a written explanation of the nature of their services, the time and frequency such services are to be provided and the cost of each service
- provide a cooling off period of three clear business days to any client who enters into an agreement for introduction services.

### **Radisson Maine Financial Group (Australia) P/L**

This company and its principals operated a website that falsely represented its capacity to provide a diverse range of international

financial services and advice to clients. The defendants falsely represented that they had offices in the major financial centres across the world, operated a fleet of aircraft and had specialist knowledge relating to maritime enterprises. Their prominence was further enhanced when the company secured sponsorship rights for the West Tigers Rugby League Club. **Result.** Following our intervention, the defendants withdrew the contents of the website on 6 June 2003. We were particularly concerned that the material contained on the site was inaccurate and had the potential to lead consumers into significant debt if it was followed. The defendants consented to Orders of the Supreme Court of New South Wales that required the company to publish corrective advertising both in national newspapers as well as on its website, and provide contract termination to clients who could substantiate that they had been misled by its false representations.

### **AVCO Financial Services Ltd**

In December 2003 the NSW Consumer Trader and Tenancy Tribunal ordered Avco to pay \$1,910,000 penalty into the Financial Counselling Trust Fund in respect of breaches of the NSW *Credit Act 1984*.

The conduct occurred between 1985 and 1996 and related to errors in a large number of regulated loan contracts including failure to adequately disclose important information such as the total amount financed, credit charges and commissions.

The \$1,910,000 represents the NSW portion of a total national penalty of \$3,250,000 that Avco was ordered to pay. The Financial Counselling Trust Fund provides funding to financial counselling services in NSW.

### **Mailmasters P/L**

Mailmasters is located in North Sydney. The company directly markets to overseas consumers the opportunity to participate in various Australian lotteries. Its extensive operation involves it purchasing 80,000 tickets a week on behalf of its clients. We examined the company's operations and established that its representations regarding the chances of winning a major prize could be misleading or deceptive in breach of the *Fair Trading Act*. We had concerns regarding the security of consumer funds while in possession of the company and its promotional material failed to disclose that the company is paid 85% commission for each game played. For example, it would cost Japanese based consumers \$AUD69.00 to play 20 games of Lotto over 10 weeks whereas the cost for the same number of games purchased in Australia was \$AUD5.00. **Result.** The Commissioner

...\$1.9M was paid into the Financial Counselling Trust Fund as a civil penalty...

accepted enforceable undertakings from the company that include:

- an agreement by the company that it will withdraw all promotional material that we believe to be misleading or deceptive
- that the company implement adequate compliance procedures to ensure consumer protection
- an agreement to deposit \$AUD1.25 million as a security deposit to meet consumer claims in the event of misappropriation or other default by the company.

The company has refused to disclose to consumers the amount of its commission. This matter remains to be resolved and a declaration will be sought from the Supreme Court of New South Wales.

#### **Friedrich Mueller**

Friedrich Mueller is a trading name used by a large business group based in Austria. The group sent unsolicited direct mail promotions to Australian consumers. The promotions variously stated that consumers would receive a new car, a new kitchen, a \$9,000.00 savings account or a holiday to Florida or the Bahamas. The group did not disclose the fact that consumers must pay their own airfares before they could use the holiday vouchers. The group also made claims about some products it promoted that it was unlikely they could substantiate. **Result.** The Commissioner accepted enforceable undertakings from the group in February 2004. In providing the undertakings the group agreed to cease making misleading or deceptive representations about its products and promotions. During the course of the investigation we intercepted 5,000 incoming envelopes and 2,000 consumer responses. The undertakings authorised the destruction of the incoming mail. This meant that consumers were not put at risk of being misled by the promotions and the undertakings also authorised the Commissioner to return the response letters to consumers. We estimate that an amount of approximately \$335,000 was returned to consumers.

The group has since advised us through its Australian solicitors that it will not be conducting any trading activities in Australia.

#### **David Novak trading as Galaxy Video Games**

Prior to Christmas 2003, Mr Novak extensively advertised in community newspapers that he could supply latest release electronic games and DVD movies for extremely low prices. The advertisements required consumers who wanted to purchase these items to send their personal cheques or money orders in amounts ranging from \$49 to \$99 to a post office box in Parramatta. Several weeks after the

advertisement was circulated we received a number of inquiries regarding Mr Novak's failure to supply the contracted goods. **Result.** An investigation was immediately commenced and the Commissioner for Fair Trading issued a public warning statement against Mr Novak on 24 December 2003. With the assistance of Australia Post, the post office box he used was closed and some of the cheques and money orders were returned to consumers. Our investigators have compiled a detailed brief of evidence and will be seeking the assistance of NSW Police to bring criminal charges against him. It is estimated that Mr Novak obtained \$68,000 as a result of this scam. He also issued a number of valueless cheques to pay for advertising.

#### **Australian Roll of Honour**

This vanity publisher targets consumers who are recipients of public/national awards (e.g. Order of Australia Medal) and seeks payment for biographical entries in various publications. The business operates from New Zealand but has used a Sydney post office box and telephone number in the past. Its principal is Alistair Taylor. The publisher required payment in advance for a number of vanity publications that it had failed to deliver in the promised timeframe. Some customers have now been waiting several years for their publications or a refund. **Result:** Fair Trading commenced action against Mr Taylor in the Supreme Court of New South Wales on 21 August 2003, seeking orders restraining Mr Taylor from breaching the *Fair Trading Act 1987* (NSW) and requiring him to provide redress to affected consumers. A hearing date is to be set. Fair Trading has established a database of about 880 affected consumers from all over Australia who are seeking redress through the Supreme Court action.

#### **Australasian Publications and Advertising P/L**

This trader engaged in false billing conduct by sending invoices to small businesses for unsolicited advertisements that were to be placed in magazines and journals. The magazines and journals were either non-existent or were published only in token quantities. Its principal is Michael Oliver. In December 2002 the Supreme Court granted interim orders prohibiting Australasian Publications and Advertising P/L, publishers of National Police Bulletin & Statewide Firefighters, from engaging in any publishing or advertising activities. **Result:** Fair Trading commenced contempt proceedings against Mr Oliver on 12 September 2003 for breaching the interim orders. Mr Oliver pleaded guilty on 16 April 2004.

*...car cheats have  
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## Motor Dealers

### Crack Down on Car Cheats

Fair Trading has been cracking down on unlicensed motor dealers and speedo cheats. Forty-four cases of alleged unlicensed motor dealing and 22 cases of speedo windbacks have been investigated over the past 12 months. These car cheats have been ordered to pay \$208,000 in fines, costs and compensation to their victims and forfeiture of the proceeds of their sales. Our inspectors go behind the scenes at sales yards to ensure that dealer workshops and their preferred mechanics are abiding by the law. The primary focus with vehicle repairers is to ensure that the businesses and employees are appropriately licensed and qualified and that they are aware of their consumer protection responsibilities.

### Electronic detection of unlicensed motor vehicle dealers

We have joined forces with the Australian Publishing Bureau to catch unlicensed motor dealers. Classified advertisements in major regional and metropolitan newspapers will be searched to identify individuals and entities that may be engaging in unlicensed motor dealer activity.

### Auto-Dismantlers Industry Guide

An auto-dismantler inspection program carried out by Fair Trading in 2003 showed a low level of industry compliance with, and knowledge of, their consumer protection obligations. As a result Fair Trading issued auto-dismantler guidelines in March 2004 to assist auto-dismantler licence holders. The guidelines are intended to assist auto-dismantlers to identify and meet their compliance obligations and cover prescribed parts, prescribed registers, salvaging of parts, 'cut' vehicles, inspection of records, identification of prescribed parts, receipts, registration plates, licence sign and number, suspicious goods, business names and penalties.

### Wesley Bond

Wesley Bond used the motor dealer's licence of Dave's Caprice World P/L, a used car dealership in Victoria to conduct business in NSW. Operating in this manner denied NSW consumers the protection given to them under the NSW *Motor Dealers Act* and breached NSW licensing requirements. **Result.** Following our investigations, Mr Bond was convicted on 27 April 2004 of unlicensed motor dealing, subsequently fined and required to pay \$11,912 in fines and court costs.

### Lahood Motors

Our investigators found that Lahood Motors, operated by father and son team, Robert and Peter Lahood, engaged in systematic odometer interference covered up by an elaborate system of non-existent buyers and sellers recorded in the dealer's register. **Result.** Lahood Motors was convicted on 5 April 2004 of 13 charges of odometer interference and 15 charges of placing false entries in a register. Robert Lahood was convicted on 3 charges of odometer interference and Peter Lahood was convicted of 15 charges of placing false entries in a register. They were ordered to pay \$43,483 in fines and court costs. We cancelled the company's motor dealers licence and Robert Lahood was permanently banned from holding a motor dealer's licence in NSW

## Product Safety

### Programmed Inspections

Each year Product Safety officers inspect showbags prior to the Royal Easter Show. In preparation for the 2004 Show, 295 showbags were inspected. Product Safety officers also conduct statewide product surveys to test compliance with NSW product safety standards.

While surveys were conducted throughout the State during the year officers concentrated on the Southern, Hunter and Metropolitan areas. 1500 stores throughout NSW were visited during the surveys and officers detected 124 products that did not comply with relevant safety standards. All non-compliant products were withdrawn from sale and recalls were conducted. 11 prosecutions were commenced as a result of breaches of the *Fair Trading Act* and 19 penalty notices were issued. 76 formal cautions were also issued to traders.

Of the non-compliant products detected, 96 involved toys for children under three, which presented potentially fatal inhalation or ingestion hazards due to small parts.

During the next 12 months surveys will be conducted in the Far North Coast and the Western Districts as well as the Metropolitan area.

*All non-compliant products were withdrawn from sale and recalls were conducted.*

### **Gag Magic Showbags South P/L**

A toy xylophone was implicated in an incident involving a 10-month-old child. Fortunately the child was not harmed. The toy failed the mandatory standard for toys for children under three years of age. The supplier of the toy, Gag Magic Showbags South P/L was asked by Fair Trading to voluntarily recall the toy. The company did not do so. **Result:** Using new powers the Commissioner directed the company to conduct a mandatory recall of the product. The company requested a review of the mandatory recall. Following a review by the NSW Products Safety Committee, the company complied with the requirement to conduct a mandatory recall which was advertised throughout NSW.

Fair Trading's investigation of the breach of the mandatory standard is continuing.

### **Zafiropoulos Group**

Parramatta Variety P/L trading as The Base Warehouse Parramatta, Zafco Franchise Company Pty Ltd, Newbuy P/L and Jaff P/L are involved in the importation, distribution or retail sale of discount variety goods. The companies supplied products that did not comply with NSW product safety standards. **Result:** On 19 December 2003, Fair Trading prosecuted and imposed fines and costs in excess of \$24,000.

## **Accommodation and property services**

A number of important changes were introduced when the new *Property, Stock and Business Agents Act 2002* and the corresponding regulation came into force on 1 September 2003. These changes include:

- increased transparency in the auction process and a requirement for bidders to be registered
- the ability of the Commissioner for Fair Trading to appoint a manager to a licensee's business
- increased disclosure by agents of any interest they have in a property
- a prohibition on agents underquoting purchasing price or over-quoting a selling price
- the Commissioner having increased disciplinary powers.

The new laws now give the Commissioner powers to appoint a manager for a licensee's business if he is of the opinion that it is necessary to protect the interests of other persons. The powers of a manager include the disposal of, or otherwise dealing with any property in relation to the business.

The new laws allow the Commissioner to take disciplinary action against licensees on a number of specified grounds. By 30 June, the

Commissioner has asked 24 licence holders to show cause why their licence should not be cancelled.

Since the new laws came into force inspectors have conducted 514 inspections, issued 69 formal cautions, issued 1 penalty notice and are considering prosecuting 7 licensees.

### **Frank Conti P/L trading as Raine and Horne Warrarong.**

In April 2004 Mr Frank Conti, who operates an agency trading as Raine and Horne Warrarong, had the dubious distinction of being the first real estate agent caught dummy bidding at an auction. At the auction Mr Conti purported to accept bids that had not been made. He attributed these bids to registered bidders who, while in attendance at the auction, did not make the bids attributed to them. Mr Conti also failed to comply with requirements in relation to the registration of bidders and committed other breaches of the Act. **Result.** Mr Conti had his licence cancelled and was disqualified from being a licensee for five years. He was also disqualified from being involved in the direction, management or conduct of the business of a licensee for five years. The corporation licence for his company Frank Conti P/L was also cancelled.

### **St George Property P/L trading as Raine and Horne Kogarah.**

An inspection at Raine and Horne Kogarah revealed a trust account deficiency of \$332,806.47. Trust account irregularities are of great concern to Fair Trading and steps were immediately taken to protect the interests of consumers who were affected. **Result.** On 11 February 2004 the Commissioner appointed a manager to protect the interests of others in respect to St George Property P/L and who used his powers under the new laws to take control of the business and made arrangements to sell some of the assets of the business. The proceeds from this sale were used to reduce the trust account deficiency. The licensee in charge of the agency and one of its directors, together with the corporation, have been served with Notices to Show Cause why disciplinary action should not be taken against them.

### **Pitaree P/L trading as Elders Real Estate Forster/Tuncurry.**

An inspection at Pitaree P/L revealed a trust account deficiency of \$125,167.42. As with the matter referred to above, Fair Trading took immediate action to protect the interests of consumers and secure trust funds that were at risk. **Result.** The Commissioner appointed a manager on 24 February 2004 who also made arrangements to sell some of the assets of the business. The proceeds from this sale were

*...the first real estate agent caught dummy bidding at an auction.*

used to reduce the trust account deficiency. The Commissioner has suspended the licence held by the licensee in charge of the agency. A Notice to Show Cause why disciplinary action should not be taken has been served on the licensee in charge.

#### **Michael Ho Homes P/L trading as Ray White Fairfield.**

Investigations revealed that the agency had on 32 occasions taken commissions prior to becoming entitled to them, sold residential property whilst not holding the required contracts of sale, and employed uncertificated salespersons. Furthermore, Mr Ho illegally used \$148,980.00 of trust money and had operated an undisclosed trust account. **Result.** On 3 May 2004 the Commissioner cancelled the licence of Michael Ho Homes P/L and Mr Michael Ho (licensee in charge and director). In addition to having his licence cancelled Mr Ho was permanently disqualified from holding a licence or certificate of registration and he was also permanently disqualified from involvement in the management, direction or conduct of the business of a licensee.

#### **Home building**

Fair Trading undertook many major building industry investigations during the year that culminated in three matters proceeding before the Supreme Court and an increase in the number of prosecutions undertaken before local courts.

Forty people were prosecuted during the year in relation to 115 offences. A total of \$134,225 in fines were issued by the courts.

There was also a substantial increase in the number of disciplinary actions undertaken and penalty notices issued to those found breaching the legislation. A total of 83 disciplinary actions were undertaken during 2003-2004 and 664 penalty notices (totalling \$293,650) were also issued during the year.

#### **Operation Hammer**

During the first two weeks of May 2004, we conducted a state-wide blitz of residential building sites to weed out unlicensed builders and tradespeople. The operation was one of the largest ever conducted by the Office of Fair Trading and its Home Building Service.

Over 70 investigators and inspectors visited 2597 sites across New South Wales and inspected 6680 licences. There were 461 unlicensed persons detected during the program. 306 were issued with \$500 on the spot fines, 15 others who had previously been dealt with for unlicensed offences were prosecuted. A further 272 breaches were detected. Targeted follow-up inspections took place six weeks

after the conclusion of the program to ensure that offenders identified had either obtained an appropriate licence or were no longer working in the residential building industry.

The presence of the Home Building Service in large numbers was well received by the building industry and signalled that the Home Building Service is to play a more dominant role in the future. The operation was very successful in sending a powerful message to unlicensed operators who, in the past have given the industry a bad name and preyed on consumers who invariably find themselves unable to obtain redress when things go wrong.

A significant proportion of the persons found during Operation Hammer to be unlicensed were sub-contractors working for a head builder. The compliance program generated a 30% increase in the number of licence applications.

#### **Premier Turf – Peter & Melinda Garay**

Numerous complaints were received about defective building work carried out by Premier Turf Supplies P/L and Hunter Landscaping P/L. Both businesses were owned and operated by Peter and Melinda Garay. Our investigation revealed that the Garay's and their companies were undertaking residential building work, such as installing concrete driveways and retaining walls, whilst not holding an appropriate licence. **Result:** Following a lengthy investigation Fair Trading succeeded in obtaining an injunction from the Supreme Court banning the Garay's from being involved in residential building for five years.

#### **Doukas Petrou – Budget Mobile Homes**

We received a number of complaints from Illawarra and South Coast consumers concerning the supply and installation of kit homes by Budget Mobile Homes being operated by Mr Doukas Petrou. Our investigation revealed that Mr Petrou and Budget Mobile Homes had been supplying and installing kit homes without a licence. **Result.** In February this year, the Supreme Court banned Mr Petrou from being involved in the home building industry for ten years.

#### **Tony Phillip Tadrosse**

After being disqualified from holding a licence in 2003, we received further complaints from consumers that Mr Tadrosse was continuing to do concreting work in Western Sydney. The investigation revealed that Mr Tadrosse was falsely claiming to hold a licence. The investigation also found that he was using the names and licence numbers of reputable builders to continue operating. **Result.** On 16 April 2004, Parramatta Local Court convicted Mr Tadrosse and fined him \$25,193.

*The compliance program generated a 30% increase in the number of licence applications.*

Home Building Compliance Prosecution Results			
Trader's Name	Court	Result	Fines
Algate, Paul	Tweed Heads	Fined	\$1,561
Amos, Susan Elizabeth	Downing Centre	Fined	\$3,061
Australian Design & Construction P/L	Penrith	Fined	\$461
Brain, John Bernard	Redfern	Fined	\$4,444
Bruce John Davies Jr	Gosford	S.10 & costs	\$322
Commercial Interim Accommodation P/L	Parramatta	withdrawn	
Franklin, Tony	Gosford	Fined	\$311
Gervaise, Stuart	Wollongong	Fined	\$4,000
Marchant, Paul Anthony	Parramatta	Fined	\$822
Marshall, Peter John	Parramatta	Fined	\$6,744
McCoy, Mark Kenneth	Gosford	Fined	\$622
McNamara, Thomas Scott	Blacktown	Fined	\$9,192
Medanic Constuctions	Sutherland	Fined	\$1,061
Medanic, Krunoslav	Sutherland	Fined	\$1,361
Meier, Glenn	Gosford	Fined	\$1,022
Middelton, Michael	Gosford	Fined	\$1,000
Moller, Steven Carl	Gosford	s.10	
Nash, Craig Arthur	Gosford	S.10 & Costs	\$200
Neoform Developments & Interiors	Liverpool	Fined	\$10,272
Nock, David W	Parramatta	Fined	\$2,322
Norman, Lesley	Parramatta	Fined	\$1,661
Panther Concreting	Parramatta	See Lesley Norm	
Prestland, Scott William	Gosford	Fined	\$722
Priest, Terry	Maitland	S.10 2 year GB Bond	
Reardon, Robert Colin	Gosford	Fined	\$261
Ryan, Bob	Gosford	Fined	\$2,105
Rylewski, Edward Peter	Penrith	Fined	\$161
Saare, Robert	Gosford	Fined	\$600
Sanform P/L	Liverpool	Fined	\$25,555
Seelin, Barry Stanley	Gosford	Fined	\$922
Tadrosse, Tony Phillip	Parramatta	Fined	\$25,193
The Brain Group P/L	Redfern	Fined	\$3,383
Timmins, Peter t/a PT Roofing	Hornsby	Fined	\$10,252
TNA Steel Constructions P/l	Camden	Fined	\$1,311
Tuckwell, Gregory Wayne	Maitland	Fined	\$1,122
Wen Yu Zhang	Parramatta	Fined	\$8,683
Williams, Anthony	Camden	Fined	\$1,211
Williams, Bronwyn	Camden	Fined	\$861
Wohl, Ludwig J	Queanbeyan	s.10	
Worsley, Scott Raymond	Gosford	Fined	\$1,000
Younan, Hassib	Parramatta	Fined	\$1,622

Note: s.10 Section 10 of the *Crimes (Sentencing Procedures) Act 1999* – makes provision for a court to find an offence proved without proceeding to conviction.

GB The defendant is to be of good behaviour for a period specified by the court.

#### Peter Francis Timmins – trading as PT Roofing

In early 2003, we received complaints from consumers in relation to the poor work performed by Peter Timmins, trading as PT Roofing. Consumers in the Hornsby and Berowra areas of northern Sydney advised investigators that they had engaged the services of Mr Timmins after responding to advertisements appearing in the local paper. The investigation revealed that Mr Timmins was falsely claiming to be licensed. **Result.** On 8 January 2004, Hornsby Local Court convicted Mr Timmins and fined him \$10,000.

#### Stuart Gervaise

Mr Gervaise came to our attention from a complaint about roof painting undertaken for an elderly Albion Park Rail couple. Mr Gervaise would canvas door-to-door to undertake roof repair work in established areas of Wollongong and the Illawarra. The investigation revealed that Mr Gervaise was falsely claiming to be licensed. **Result.** Wollongong local court ordered Mr Gervaise to pay \$4,122 in fines and costs for the two offences under the *Home Building Act*. In addition, Mr Gervaise paid \$1,800 compensation to his victims.

## Home Building Compliance - Disciplinary Results 2003 – 2004

Trader's Name	Licence No.	Nature of Allegations	Determination
Achram, Samir	137293C	Fail to comply CTTT Order	Reprimand
Akoum, Mohamed	120832C	Fail to comply CTTT Order	Reprimand
Batey, Michael	71868c	Fail to comply Rec & CTTT Order	\$1,500 Penalty on each ground
Bemoj Pyt Ltd	24961C	Fail to comply Rec Order	Formal Caution
CJM Roof Services P/L	116142C	Fail to comply CTTT Order	Reprimand
Clancy, Bernard	47287C	Fail to comply CTTT Order	Reprimand
Cochrane, Andrew	106035C	Fail to comply CTTT Order	\$1,500 Penalty; Disqualify 12 mths
Dennis, Neale Raynor	141869C	Fail to comply CTTT Order	\$3,000 Penalty
Douglas, Peter Ralph	110212C	Fail to comply Rec Order	Reprimand
Elite Doors P/L	129562C	Fail to comply Rec Order	\$1,500 Penalty
Elta Homes P/L	94171C	Statutory warranties	\$18,000 Penalty
Fortray P/L	135655C	Fail to comply CTTT Order	No Further Action
Gitani Stone P/L	128983C	Fail to comply Rec Order	\$1,500 Penalty
Gonzales, Enrique	124481C	Fail to comply CTTT Order	\$1,000 Penalty
Grandview P/L	27965C	Attempt comply CTTT Order, taken steps re s8 HBA,	Reprimand
Hayman, Gregory	3682C	Fail to comply CTTT Order	Reprimand
Hodge, George William	98320c	Fail to comply CTTT Order	Licence cancelled s22(1)(c)
Kalokeri, Chrys	N/A	Improper conduct of Director	\$18,000 Penalty
Kalokeri, Soula	N/A	Improper conduct of Manager	Permanent Disqualification
Lavis, Mark Sydney	144805C	Fail to comply Rec Order	\$1,000 Penalty
Lindfield, Matthew	83968C	Fail to comply CTTT Order	\$1,500 Penalty; Disqualify 1 yr
Michael D Varley P/L	98766c	Improper conduct	Permanently Disqualified
Misiarek, George	96349C not renewed	Fail to Comply CTTT Order	\$1,500 Penalty
Morales, John	140560c		No Further Action
Partridge, Michael	Q5329	Improper conduct of Director	Disqualify 2 yrs effective 01/04/04
Pobjie Agencies P/L	R89638	Fail to comply CTTT Order	\$34,500 Penalty & Conditions to report monthly on work on hand
Rogers, Rodney (Pobjie Ag)	39101	Improper conduct of Supervisor	\$1,000 Penalty
Selling, John	37986C	Fail to comply CTTT Order x 2	\$6,000 Penalty
Sentimon P/L	9068	Fail to comply CTTT Order	\$2,000 Penalty; Disqualify 5 yrs
Sesinando Oller	123890C	Fail to obtain HWI & comply CTTT Order	\$3,000 Penalty
Smith, Murray Philip	88998C	Fail to comply CTTT Order	\$1,000 Penalty
Varley, Michael David	Q4352	Improper conduct	Disqualified 5 yrs effective 30/11/03
Venetos, Emanuel	37364	Fail to comply CTTT Order	\$1,000 Penalty
Watt, Ronald Gordon	121831C	Fail to comply Rec Order	NTSC Dismissed
White, John Patrick	20811s	Improper conduct	\$5,000 Penalty; Permanently Disqualified
Woolley, Graham Edward	R97813	Breaches of Home Building Act	\$3,000 Penalty
Wormleaton, David	118315C	Fail to comply CTTT Order	\$1,500 Penalty

### Soula Kalokeri – Elta Homes P/L

Elta Homes were investigated following a complaint received about work carried out in 2002. It revealed that a false home warranty insurance certificate had been supplied to the consumer. **Result.** Mrs Soula Kalokeri, a partner in the company, was permanently disqualified from being a director or corporate officer holder of any licensed building company.

## Regional Compliance Activity

In a new initiative undertaken in 2003-2004, we worked alongside the NSW Police - inspecting auto dismantlers (auto wreckers) to ensure they were complying with fair trading legislation.

Across the state, we also continued to conduct covert and overt inspections of travel agents, motor dealers, employment agents, pawnbrokers & second-hand dealers and real estate agents to ensure they complied with their responsibilities under fair trading legislation.

Our inspectors undertook unannounced visits of motor dealers from Forster to Kempsey, including Taree, Port Macquarie and Wauchope, in a program designed to ensure compliance under the *Motor Dealers Act*. In southern NSW and the Riverina, as part of a campaign targeting motor dealers, mechanics and repairers, inspectors visited 20 towns - from Nowra and Goulburn in the north, down to the border, and as far west as Deniliquin.

At major events throughout the year retail merchandise stores were inspected and ticket promotions were monitored to prevent scalpers, unofficial suppliers and false tickets. Events such as commercial New Years Eve parties were also monitored to promote the Entertainment Industry Code of Practice - to minimise the likelihood of complaints concerning ticket sales and refunds. Product safety inspectors also checked the showbags sold at the Bathurst Show this year to ensure the included toys and novelties were safe.

Earlier in the year service station operators across New South Wales were put on notice that we were undertaking an inspection blitz. Our inspectors conducted random, unannounced inspections of service stations in both metropolitan and country regions of NSW to ensure consumers get what they pay for when pulling up to the bowser.

As part of our regular industry compliance program, inspectors visited employment placement agencies across the state to ensure that agencies were complying with the new *Fair Trading Amendment (Employment Placement Services) Act 2002* that commenced in February this year. The inspectors were actively ensuring that agents were doing the right thing in terms of providing the correct information to their clients.

Weekend markets were inspected to ensure stalls were compliant with product safety, trade measurement and fair trading legislation and we inspected unofficial roadside 'car yards' for unlicensed motor dealers.

Other compliance issues such as product safety and trade measurement, which includes retail packaging, weighing scales, fuel & LP gas dispensing and liquor dispensing were also pursued during the year.

Fair Trading conducts Regional Access Programs which, deliver information and education to NSW businesses with the objectives of improving compliance and customer service in the marketplace.

The synergy of work conducted by the Office of Fair Trading and Industrial Relations in the provision of information to NSW businesses had led to a number of joint activities.

These programs have provided the opportunity for joint activities with the Office of Industrial Relations by informing businesses of their responsibilities in regards to industrial relations as well as fair trading.

As part of Fair Trading's regional activities, planning work will continue to identify programs that can be delivered jointly by Fair Trading and Industrial Relations.

In addition to general inspections, inspectors were also involved in a number of targeted programs including Operation Hammer in the home building industry and Operation Drive for motor dealers and repairers. This program was conducted jointly with the Motor Vehicle Repair Industry Authority.

## Co-operatives and Associations

### Goulburn & Districts Live at Home Inc

The association was funded by the Department of Ageing, Disability and Home Care (DADAHC) to provide care and services to disabled clients in the Goulburn area. The Registry carried out an investigation as a result of the association's failure to lodge annual statements as well as concerns raised by DADAHC. **Result.** The Registry filed a summons in the Supreme Court which appointed a liquidator and made Orders that the association be wound up and that the liquidator's costs incurred in the winding up be paid from the proceeds.

### Australian Wine Consumers Co-operative Society Limited

The Australian Wine Consumers Co-operative Society Limited (commonly known as the Wine Society) was established in 1946. Its objects include providing quality wine at competitive prices to its members. The Registry of Co-operatives & Associations received a number of member complaints

*...ticket promotions were monitored to prevent scalpers, unofficial suppliers and false tickets.*

## Civil Litigation

Court/Tribunal	Act	No. of matters
<b>Supreme Court</b>		
Injunction	FT Act	6
	HB Act	2
Other	CTTT Act	2
	Other	11
Contempt	SC Rules	1
<b>District Court</b>		
	HB Act	1
	PSBA Act	5
<b>Local Court</b>		
Licence Complaints	PSBA Act	13
Objections	PSBA Act	28
<b>Administrative Decisions Tribunal</b>		
	CL Act	2
	FT Act	1
	HB Act	7
	MD Act	6
	PSBA Act	1
	PSHD Act	2
	Other	5
<b>Consumer Trader &amp; Tenancy Tribunal</b>		
Insurance Appeals	HB Act	25
Applications	C Act	1
<b>Total</b>		
Supreme Court		22
District Court		6
Local Court		41
Administrative Decisions Tribunal		24
Consumer Trader & Tenancy Tribunal		26
<b>Total</b>		<b>119</b>

### Legend

**C Act** – Credit Act, **CL Act** – Conveyancers Licensing Act, **CTTT Act** – Consumer Trader & Tenancy Tribunal Act, **FT Act** – Fair Trading Act, **HB Act** – Home Building Act, **MD Act** – Motor Dealers Act, **PSBA** - Property, Stock & Business Agents Act, 2002, **PSBA Act** – Property, Stock & Business Agents Act, 1941, **PSHD Act** – Pawnbrokers & Second-hand Dealers Act, **SC Rules** – Supreme Court Rules.

## Successful Prosecutions

Act	Defendants	Offences	Penalties
Business Names	2	2	\$900.00
Conveyancers Licensing	5	5	\$2,244.00
Crimes	2	18	\$1,361.00
Electricity Safety	5	53	\$19,541.00
Employment Agents	1	2	\$1,500.00
Fair Trading	15	41	\$52,020.00
Home Building	40	115	\$134,225.00
Motor Dealers	36	349	\$287,117.00
Property Stock & Business Agents	22	80	\$57,273.00
Trade Measurement	4	44	\$1,761.00
<b>TOTAL</b>	<b>132</b>	<b>709</b>	<b>\$557,942.00</b>

Civil Litigation includes:

- injunctive and ancillary relief in the Supreme Court
- complaints in the Local and District Court
- objections in licensing matters under the *Property Stock and Business Agents Act*
- proceedings in the Administrative Decisions Tribunal regarding review of decisions under the *Conveyancers Licensing Act, Fair Trading Act, Home Building Act, Motor Dealers Act, Pawnbrokers and Second-hand Dealers Act* and the *Travel Agents Act*
- proceedings in the Consumer Trader and Tenancy Tribunal under the *Home Building Act* relating to building insurance and licence disciplinary matters.

The Office's Legal Services Division also acts or instructs in various courts and tribunals where the Minister or Commissioner intervenes in proceedings.

## Penalty Notices

Penalty notices are used in relation to breaches of prescribed statutory provisions. Penalty notices do not take away the person's right to have the matter determined by a court and payment of the penalty does not constitute an admission of liability or prejudice any civil claim relating to the matter.

### Penalty notices and fine totals

Act	Defendants	Offences	Penalties
Business Names	29	29	\$5,500.00
Fair Trading	25	32	\$17,600.00
Home Building	502	664	\$293,650.00
Landlord and Tenant (Rental Bonds)	1	1	\$550.00
Motor Dealers	89	212	\$109,550.00
Pawnbrokers & Second-hand Dealers	3	6	\$3,000.00
Property Stock & Business Agents	39	52	\$28,270.00
Registration of Interests In Goods	3	3	\$660.00
Retirement Villages	4	10	\$5,500.00
Trade Measurement	23	45	\$14,550.00
<b>TOTAL</b>	<b>718</b>	<b>1,054</b>	<b>\$478,830.00</b>

about the conduct of the board in relation to the election of directors, in the lead up to the 2002 annual general meeting of the co-operative. The Commissioner considered that there had been a serious breach of the *Co-operatives Act* and the *Fair Trading Act*. In particular, it was considered that a Notice and Statement to members was misleading and deceptive, that the board acted to render a proposed member resolution to remove a member of the board futile and that the board's decision to enlarge the size of the board in the months prior to the election was an improper use of power and the position of director. Those matters were brought to the attention of the board of the Wine Society. **Result.** Without making any admissions, the directors in question, and the Wine Society, agreed to give enforceable undertakings to the Commissioner regarding future conduct.

- Notices to members are not to contain misleading material
- There will be transparency in the calling for, and process for dealing with, nominations for the Board
- A proposal will be made to amend the rules of the Wine Society to limit the discretion of the Board to change the number of directors
- The Board will not act to compromise or prejudice member resolutions
- An annual report will be provided to the Registry relating to whether the board has made any decision in respect of the size of the board, and how any proposed members resolutions have been dealt with by the board.

### Alleged misappropriation of funds

The Registry also has two other significant actions in progress where there are allegations in relation to the misappropriation of funds.

One relates to a co-operative housing society where there are anomalies in payments made by the society. The other relates to a co-operative, established as a housing provider for moderate income members, where there are also a number of anomalies in payments made on co-operative funds. These investigations are ongoing at present.

## Licensing, registration and certification

### Government Licensing Project

In response to the NSW Government's commitment to provide all appropriate services online, we successfully marketed our new Online Licence Renewal Service (OLRS) during 2003-2004.

This new service to the business community provides for 24 hour, 7 days per week access to online lodgement of business name renewals and changes of particulars. It also allows holders of Motor Dealers, Travel Agents and Pawnbrokers/Second-hand Dealers licences to renew their licences online and make certain amendments. As well as being convenient, the service saves money for business. Transactions made online attract a discount of 10% of the processing fee or \$5, whichever is the greater.

During the first full year of operation the online renewal system has proven popular with customers. The take up rate has exceeded expectations and has been used for 26% of all business name renewals and 19% of business licence amendments and renewals received since its inception in March 2003.

OLRS is the first phase of the broader Government Licensing Project being coordinated by the NSW Office of Information

*...the online renewal system has proven popular with customers.*

& Communications Technology. Over the next two years Fair Trading will progressively migrate all of its separate licensing systems to the centralised Government Licensing System (GLS). As part of the migration, additional online services will be offered to customers, including the lodgement of licence applications and the provision of online public register inquiries.

## Continuing professional development

Recent legislative reviews have recommended the introduction of continuing professional development for some occupational licensing schemes administered by the Office of Fair Trading. In particular, continuing professional development has been recommended for property agents, conveyancers and the building industry.

### Property industry

One of the outcomes of the review of the *Property, Stock and Business Agents Act 1941* was the recommendation to adopt mandatory continuing professional development as a consumer protection mechanism. Along with competency based licensing requirements, professional indemnity insurance and prescribing rules of conduct, mandatory continuing professional development will form part of the framework for modernisation of the property industry in New South Wales.

In the property agency industry, where there is a public perception of unethical practices and incompetence, continuing professional development was introduced to raise the levels of professionalism and reinforce best practice. There are consequential benefits for professional industry bodies as the professional competence of participants increases and there is greater consumer confidence in the profession.

The continuing professional development requirements have been developed in a way that provides the maximum flexibility to accommodate as many licensees as possible. In developing the Commissioner's Guidelines the special needs of particular sectors of the industry were taken into consideration. Accordingly, the guidelines provide for a broad range of activities that can earn continuing professional development points. To ensure that specific areas of concern are targeted, the guidelines provide for both compulsory topics and priority learning areas.

Continuing professional development points may be obtained through a variety of training programs including face-to face learning, on the job learning, watching a video, learning through CD Rom, on-line learning, and even by teaching certain types of continuing professional development activities. Since commencement of the new requirement, specially developed continuing professional development training has been made available by a number of training providers including private providers, industry associations and TAFE.

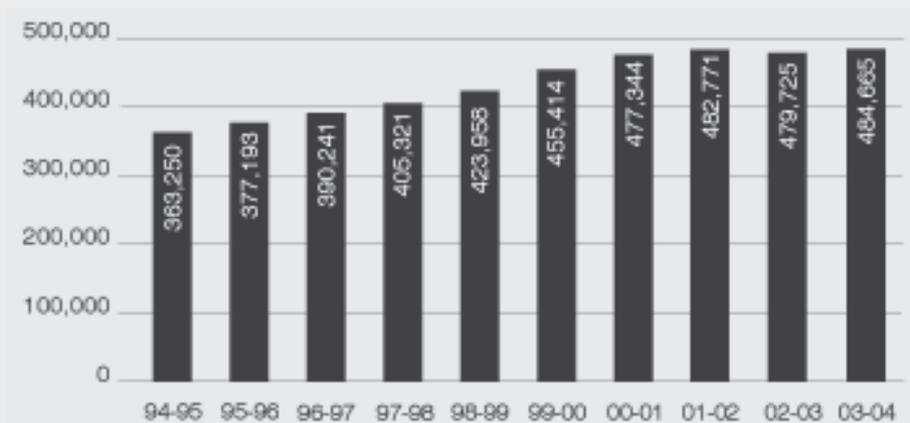
### Home building industry

The continuing professional development program for the building and construction industry came into effect on 1 March 2004. The program will assist industry participants to improve their knowledge and skills, bring about improvements to the quality of construction, create a more robust and sustainable building industry and protect the interests of consumers.

The introduction of the continuing professional development program followed consultation and support from the Minister for Fair Trading's Home Building Advisory

*...continuing professional development has been recommended for property agents, conveyancers and the building industry.*

## Business names register total



*The Committee provides a co-ordinated approach to the management of building regulatory functions...*

Council and the Joint Select Committee on the Quality of Buildings (Campbell Inquiry). The scheme was developed in consultation with the major building industry associations, professional associations and TAFE NSW.

## Home Building

### Building Co-ordination Committee

The Building Co-ordination Committee was established in 2003 as part of the Government's response to the recommendations of the report of the Joint Select Committee on the Quality of Buildings (Campbell Inquiry). The Committee provides a co-ordinated approach to the management of the building regulatory functions of the Department of Commerce, Department of Infrastructure, Planning and Natural Resources, Department of Local Government and the WorkCover Authority. The role of the Committee is to generally review the operation of the representative agencies to ensure the building regulatory system continues to meet the key themes and findings from the Campbell Inquiry.

The Director-General of the Department of Commerce chairs the Committee, which has senior representatives from each of the agencies. The Home Building Service within Office of Fair Trading provides secretariat and administrative support for the Committee. The Committee met on seven occasions during 2003-2004.

### Licensing of Building Consultants

The licensing of building consultants involved in pre-purchase property inspections commenced on 1 January 2004.

As at 30 June 2004 a total of 414 licences had been issued to individuals and entities to undertake pre-purchase property inspections.

### Deferral of some proposed reforms

The reports of the Campbell and Grellman Inquiries included the following recommendations for changes to the current licensing arrangements.

- The categories of licences be revised to align with building types (ie low, medium and high-rise buildings)
- Information available to consumers be enhanced specifically by a rating system for builders based on performance to assist consumers in identifying better-performed builders
- The creation of an independent licensing function that reports directly to the NSW Home Warranty Insurance Scheme Board and to the Commissioner for Fair Trading on executive and administrative matters
- A robust grading system of licences to be developed by the new licensing function in liaison with the Home Building Advisory Council
- An evaluation by the new licensing function of the merits of issuing builder's licences to natural persons only where the capital base is less than \$500,000. Corporate entities, with capital above \$500,000, could obtain a licence at the entity level.
- The establishment of an insurance claims register recording the details of properties where a home warranty insurance claim had been approved.

The recommendations were referred to the interim NSW Home Warranty Insurance Scheme Board for evaluation. The interim Scheme Board was of the view that recent reforms to the dispute resolution process, contracts and continuing professional development as well as planned reforms to home warranty insurance needed time to take effect before implementing further changes to the licensing of builders. The Board was also of

## Licensing Activity

Licence type	New 02-03	New 03-04	Currently Registered
Building	13,973	13,554	165,282
Conveyancers	99	134	522
Motor Dealers	426	453	3,989
Pawnbrokers & Second-hand Dealers	249	267	1,203
Property, Stock, & Business Agents	1,911	2,523	26,533
Public Weighbridge	9	10	83
Real Estate Certificates	5,090	8,020	15,378
Trade Measurement Services	19	42	196
Travel Agents	120	133	1,471
Valuers	143	216	5065**

\*\* Includes 1,720 non practicing Valuers

the view that an insurance claims register would only be of limited benefit to consumers. The Board sought the views of the major industry associations on the issue.

The associations indicated that industry organisations and participants are fully occupied in implementing these recent reforms. The associations agreed that it would be appropriate to undertake an assessment of the effectiveness of the reforms in 12 – 18 months time to determine whether further reform of the licensing system is required.

The interim Scheme Board has recommended to the Minister that licensing continue to be undertaken by the Home Building Service for the time being and that the implementation of the remaining licensing reforms, recommended by the Campbell and Grellman Inquiries, be deferred until January 2006.

#### **Quality management in the building industry**

The Campbell Inquiry recommended that the effectiveness of recent licensing reforms be assessed with particular reference to the ratio of supervisors to the volume of work undertaken by a building company or firm.

The Home Building Service commissioned the Building and Construction Council to survey industry and conduct a forum on a proposal for setting a ratio of nominated qualified supervisors. The forum was attended by the major project home builders as well as the Housing Industry Association and Master Builders Association. The builders and their associations did not support the concept of a set ratio of nominated qualified supervisors related to either building starts or turnover.

As a preferred alternative to a set level of supervision there was general industry support for licensed builders being required to introduce 'Quality Management Plans'. The plans would have to satisfy the licensing authority that the business incorporated a structured and transparent quality assurance mechanism including a critical stage inspection process with minimal scope for delegation of the inspection responsibility.

The Home Building Service is to examine the feasibility of producing a model quality management plan. Organisations will be invited to submit expressions of interest in developing a model quality management system including the cost, timeframe and scope of the project. The availability of a model quality management plan would alleviate concerns as to the cost implications of requiring all contractors to put in place a quality management system.

The proposal is to be the subject of ongoing consultation with industry groups and licensed contractors.

#### **Closure of the FTAC Insurance Scheme**

As a result of the introduction of private home warranty insurance in 1997, the Government's FTAC Insurance Scheme, administered by the Office of Fair Trading, ceased to provide cover in April 2004, following the expiry of seven years statutory cover since the last policy took effect. Administration of this closed scheme will continue at a significant level for a number of years and will involve ongoing claims management and debt recovery/credit management.

#### **Late cancellation of interests**

Changes to *the Registration of Interests in Goods Act 1986* in 2002 enabled REVS to issue penalty notices to interest holders for failing to cancel a registered interest within the required time after it ceases to exist.

The number of penalty notices issued this year is an indication of the success of the legislative change and the educational campaign conducted to inform all of REVS clients about the penalty notice regulation. As at 23 June 2004 only 3 penalty notices had been issued.

However, on each occasion where a 'late cancellation of interest' complaint has been investigated, REVS has been able to ensure the prompt removal of the interest, thus assisting the buyer and seller of the vehicle. Offending interest holders were also issued with a penalty notice warning letter.

*The number of REVS penalty notices issued this year is an indication of the success of the legislative change and the educational campaign...*

# Office of Fair Trading

# Access & equity

Fair Trading measurably reaches a significant proportion of the more than 6.7 million people living in NSW. It is a service organisation and would cease to exist without its 1,090 staff. Our people respond to high levels of demand in a way that customers and the broader community clearly appreciate. For consumer and trader customers our services are provided in an efficient and friendly manner. For the broader community, on-going fair trading policy and legislative development as well as associated compliance action continues to ensure fairness and integrity in the NSW marketplace.

Our programs include specific services for many community sectors: regional people, those from non-English speaking backgrounds, young people as well as the Aboriginal community.

#### **People with a disability**

We consulted with a wide range of disability groups to identify their needs in relation to our services. This information has been used to develop proposals for our Disability Action Plan.

Access to our services continues to be provided by appropriate means. Telephone Typewriters (TTYs) for people who are deaf or have a speech or hearing impairment are available in 5 operational areas. Information and services are provided in a variety of formats, including an increase in online access.

During the course of the design of the new Gosford Fair Trading Centre emphasis was placed on ensuring improved access for customers and staff with a disability. The customer area includes an automatic sliding front door and interview booths with adjustable desk tops to accommodate wheelchair users. In the staff area, purpose-built toilets recognise the needs of wheelchair users and all passageways are designed to allow ease of movement throughout the office.

#### **Ethnic communities**

The Ethnic Affairs Priorities Statement (EAPS) Consultative Team meets regularly to ensure a coordinated approach to how we plan and implement services for ethnic communities.

Under the Community Language Allowance Scheme we have over 90 staff that speak 28 languages to assist communication with clients who speak languages other than English. We continue to provide professional on-site and telephone interpreters for more detailed matters.

*Think Smart*, our ethnic community education program, continues to deliver information and education services through community and media partnerships. Our ethnic web site provides key consumer information in seven languages. A quarter of our publications are translated in up to 25 languages.

#### **Employment equity**

We continued to maintain nearly 100% response rate to our EEO Survey of staff. This enabled us to develop appropriate strategies according to the needs identified. We exceeded most of the government targets for percentages of EEO group members.

The policies on Flexible Work Practices, Harassment-Free Workplace, EEO and the Grievance Policy were promoted across the Office. We advertised opportunities for scholarships, promotional positions, and sent out information on childcare, vacation care and elder care on a regular basis to all staff. We maintain up to date information on EEO, careers, training and employment practices on the Office of Fair Trading's intranet under the Access and Equity, Women's section "E-Quality", the OFT Policies and Procedures and Training Resources. Our position descriptions and Performance Agreements contain appropriate levels of EEO accountabilities.

We supported members of the EEO groups through sponsoring official networks including the Spokeswomen's Network, the Aboriginal and Torres Strait Islander Network and the Disability Network. These networks meet on a regular basis to support and act as a consultative mechanism on issues that effect staff and customers and provide skills development. We continued to encourage members of EEO groups to apply for memberships of boards and committees.

Our goals for 2004-2005 are to implement the strategies based on the results of the Work and Carer's Responsibilities survey and the staff focus groups, continue building on the success of the Aboriginal Employment Strategy, further develop the Spokeswomen's Program, maintain the high staff response rate to the EEO Survey, develop strategies for mature age staff and for employing more staff with a disability.

#### **Spokeswomen**

Our Spokeswomen's Program continues to flourish. Ten Spokeswomen, representing divisions and regions, have been elected for three years by the Office's female staff to provide a range of information and activities to support women. Four new Spokeswomen commenced in the last financial year.

A Spokeswomen's Planning Day was held on 5 May 2004 in which a Spokeswomen's Strategic Plan for 2004-2005 and target activities for each electorate were developed. The Office's Spokeswomen's Plan 2003-2004 has been used by the Government Spokeswomen's Management Committee as an example of best practice for training new Spokeswomen across the Public Sector.

#### **Aboriginal people**

For the past five years our Aboriginal and non-Aboriginal staff have been very busy in Aboriginal communities and have achieved real results. The Office of Fair Trading's Aboriginal Action Plan 2003-05 will continue to build on

this and continue to make a real difference for Aboriginal consumers and traders. Through the Aboriginal Employment Strategy, and initiative within the plan, the percentage of Aboriginal staff employed by Fair Trading has increased to 3.3% against the government target of 2%. We continue to work towards further opportunities with employment, training and career progression within the Office of Fair Trading.

The Plan has been written in plain English - using the OFT Aboriginal design. It incorporates publications, photographs, and newspaper clippings to address the issue of literacy problems in Aboriginal communities and its less formal, non-government style is designed to appeal to its target audience. The Plan has been organised into two parts: "what we have achieved so far" and "what our next steps will be." It has seven overlapping initiatives.

1. Regional Aboriginal Services Program
2. Education materials
3. Community Partnerships
4. Aboriginal Employment Strategy
5. Aboriginal Tenancy Program
6. Aboriginal Services Strategy for Cooperatives & Associations
7. National Partnership Project.

#### **Privacy**

Fair Trading operates within the binding privacy standards set out by the *Privacy and Personal Information Protection Act 1998*. These standards, known as information protection principles, regulate the way NSW public sector agencies deal with personal information in relation to its collection, storage, use and disclosure.

Fair Trading has policies and practices to ensure compliance with the legislative provisions; as well as established procedures to deal with complaints about its conduct and the disclosure of personal information held on public registers.

*Our programs include specific services for many community sectors...*

# Publications

Print publications play a critical role in delivering Fair Trading information and education to safeguard consumer rights and advise business and traders on fair ethical practice in the marketplace. During the year 19 new and 63 revised publication titles were produced for distribution, bringing the total of Fair Trading publications at the end of the year to 191 titles. Our customers accessed these from Fair Trading Centres across NSW, by phoning 13 32 20, by attending community events and electronically by visiting our website and the NSW Government Online Bookshop. Other customers received our publications as a result of targeted mail-outs and through intermediaries such as real estate agents and community organisations.

## **www.fairtrading.nsw.gov.au**

By using our website, customers can obtain our information outside business hours, directly from home or from remote areas of NSW. The website homepage is now an entry point into the different subject areas covered by Fair Trading including: business; real estate and renting; shopping; and home building. Special target audiences - seniors, indigenous people, young people and ethnic Australians - now have improved access to information of particular relevance to them via our website. The statistics are impressive:

- over 770 pages of information
- access to 308 print and electronic publications (191 titles)
- access to 117 publications in languages other than English (23 titles in up to 25 different languages).

The site is visited by our customers over 100,000 times each month. This year the most popular publications

accessed from the site were The renting guide, The tenancy handbook and the Business names booklet. The most popular web information pages were about registering a business name and access to Fair Trading forms.

- New and revised publications produced in the 2003-2004 financial year
- \* Electronic only items

### **Corporate Publications:**

- *Advertising checklist for the use of media staff*\*◦
- *Annual reports: 1997/1998\**, *1998/1999\**, *1999/2000\**, *2000/2001\**, *2001/2002*
- *Customer service standards: our guarantee of service – English, Arabic\**, *Chinese\**, *Greek\**, *Italian\**, *Vietnamese\**
- *Fair Trading and the NSW Privacy Law*◦
- *Fair Trading: serving consumers and traders in NSW 2002/2003*◦
- *Not happy with the decision?*\*◦
- *Our services – English*◦
- *We can help you*◦ – *English, Arabic\**, *Bosnian\**, *Chinese\**, *Croatian, Farsi\**, *Fijian, Filipino\**, *Greek\**, *Hindi\**, *Indonesian\**, *Italian\**, *Japanese\**, *Khmer\**, *Korean, Macedonian\**, *Polish\**, *Portuguese\**, *Russian\**, *Serbian\**, *Spanish\**, *Tamil, Thai\**, *Turkish\**, *Vietnamese*

### **Property and Tenancy Publications:**

- *Agency agreements*◦
- *Being a landlord*◦
- *Bidder's guide*◦
- *Buying a home*◦
- *Buying into a strata scheme*◦
- *Changes to property agents law*\*◦
- *Conveyancing*\*◦
- *Discrimination and renting*
- *Ending a tenancy*
- *Holiday lettings*\*◦
- *Living in a community scheme*◦
- *New auction laws*◦
- *New laws for holiday vans*

- *Renting holiday homes\**
- *Residential park liaison committees*
- *Residential park living*◦
- *Residential park owners: your main obligations to residents*
- *Residential park residents' rights: what you should do if you hear that the park may close*
- *Retirement village living*◦
- *Retirement village repairs*
- *Retirement village residents' rights: what you should do if you hear that the village may close*
- *Retirement Villages Act: Dealing with prospective clients*
- *Retirement Villages Act: Effect of the new Act on existing contracts*
- *Retirement Villages Act: Financial accounts*
- *Retirement Villages Act: Recurrent charge variations*
- *Retirement Villages Act: Residents committees*
- *Retirement Villages Act: Statements of expenditure*
- *Retirement Villages Act: Strata retirement villages*
- *Starting a tenancy*
- *Strata disputes*◦
- *Strata living – English*◦, *Arabic\**, *Chinese, Vietnamese\**
- *Strata mediation*◦
- *The renting guide: metropolitan edition*◦
- *The renting guide: regional edition*◦
- *The renting guide*◦ – *Arabic, Chinese, Croatian, Farsi, Greek, Italian, Japanese, Khmer, Korean, Macedonian, Polish, Portuguese, Russian, Serbian, Spanish, Turkish, Vietnamese*
- *The tenancy handbook*◦
- *Vendor finance*◦
- *What is a retirement village?*
- *What you should know before you rent – Bosnian\**, *Dari\**, *Indonesian\**, *Tamil\**

### **Building Publications:**

- *A builders guide to customer service*
- *Becoming an owner/builder*◦
- *Building consultant licences*◦
- *Building disputes and resolution*◦

- *Building inspections: a home buyer's guide*<sup>o</sup>
- *Buying off the plan*
- *Consumer building guide*<sup>o</sup>
- *Electrical accidents in 1999*
- *Electrical accidents in 2000*
- *Electrical accidents in 2002*<sup>o</sup>
- *Electrical safety for plumbers*
- *Electrical safety for workers*
- *Getting a contractor licence*
- *Guide to standards and tolerances*
- *Home building checklist – English<sup>o</sup>, Arabic, Chinese, Macedonian, Vietnamese*
- *Home building contract: for work under \$25,000 (cost \$10.85)*<sup>o</sup>
- *Home building contract: for work over \$25,000 (cost \$10.85)*<sup>o</sup>
- *Home building contracts: why you should use one*<sup>o</sup>
- *Home building reforms 2002-03: summary of progress*
- *Home warranty insurance*<sup>o</sup>
- *NSW HHH rescue package: consumers*
- *NSW HHH rescue package: builders and developers*
- *Owner-builder approved courses*<sup>o</sup>
- *Owner-builder approved equivalent qualifications*<sup>o</sup>
- *Post construction*
- *Protect your home from termites*
- *Renewing your contractor licence*

#### **Consumer Publications:**

- *A seniors guide to consumer rights*
- *Backpacker accommodation*<sup>\*</sup>
- *Banking – reducing your transaction costs – English, Arabic, Chinese, Vietnamese*
- *Bathing your baby*<sup>o</sup>
- *Booking a holiday through a travel agent*<sup>\*</sup>
- *Borrowing money*<sup>o</sup> – English, Arabic, Chinese, Vietnamese
- *Buying a mobile phone*<sup>o</sup> – English, Arabic, Chinese, Italian, Vietnamese
- *Buying a used car*<sup>o</sup> – English, Arabic, Chinese<sup>\*</sup>, Italian, Vietnamese
- *Car rental*<sup>\*</sup>
- *Check the safety of your pool*<sup>o</sup>
- *Child safe blinds and curtains*<sup>o</sup>
- *Consumer help for the busy traveller*
- *Consumer tips for travellers: authenticity of indigenous art and crafts*
- *Credit cards, and 'interest free' deals – English<sup>o</sup>, Arabic, Chinese, Vietnamese*
- *Door-to-door sales – English<sup>o</sup>, Arabic<sup>\*</sup>, Chinese<sup>\*</sup>, Italian, Vietnamese*
- *Electrical power tools*
- *Electrical safety guide*
- *Exercise your rights: new rules for fitness service providers*
- *Gas water heaters*
- *Help with credit problems*<sup>o</sup>
- *In good hands: baby products and you*<sup>o</sup>
- *Inflatable pools: consumers*
- *Inflatable products containing polystyrene beads*<sup>\*</sup>
- *Introducing comparison rates*

- *Lay-bys information for consumers*
- *Little black book of scams*<sup>o</sup>
- *Love and loans*<sup>o</sup>
- *Nursery furniture and baby products*<sup>o</sup>
- *Pyramid schemes*
- *Relationship debt – English, Arabic<sup>o</sup>, Chinese<sup>o</sup>, Vietnamese<sup>o</sup>*
- *REVS brochure: cars and boats*
- *REVS poster: one in 5 used cars repossessed*
- *REVS poster: would you buy a car or boat*
- *Safety switches: information for consumers*<sup>o</sup>
- *Scams and how to avoid them – English<sup>\*</sup>, Arabic<sup>\*</sup>, Chinese<sup>\*</sup>, Greek<sup>\*</sup>, Italian<sup>\*</sup>, Korean<sup>\*</sup>, Spanish<sup>\*</sup>, Vietnamese<sup>\*</sup>*
- *ScamSmart kit*
- *Shopping and refunds: information for consumers*<sup>o</sup>
- *Some things to consider before you borrow money – English, Arabic, Chinese, Vietnamese*
- *Student guide: understanding your consumer rights*<sup>o</sup>
- *The car buyers handbook*<sup>o</sup>
- *The hard sell*<sup>o</sup>
- *The seniors' guide*<sup>o</sup>
- *The shoppers' guide*
- *Toughened glass*
- *Toy safety checklist*<sup>o</sup>
- *Vanity publishing*<sup>\*</sup>
- *Work from home poster*
- *Work from home scams – English<sup>o</sup>, Arabic, Chinese, Italian, Vietnamese*

#### **Business Publications:**

- *Advertising: guidelines for business*
- *A guide to co-operatives – English<sup>o</sup>, Arabic<sup>\*</sup>, Italian<sup>\*</sup>, Spanish<sup>\*</sup>, Vietnamese<sup>\*</sup>*
- *Auto dismantler guidelines*<sup>o</sup> – English, Arabic
- *Baby bath support law*<sup>o</sup>
- *Balloon payments: a guide for business*
- *Building customer relationships*
- *Business Licence Information Service (BLIS) brochure*<sup>o</sup>
- *Business names: a guide to registering and using your business name*
- *Changes to pawnbroking laws: stage 1*<sup>o</sup>
- *Co-operatives development grants program*
- *Corded internal window coverings*
- *Credit: guidelines for business*
- *Customer service guide*<sup>\*</sup>
- *Customer service: guidelines for business*
- *Dealing with business scams – English, Arabic<sup>\*</sup>, Chinese<sup>\*</sup>, Greek<sup>\*</sup>, Italian<sup>\*</sup>, Korean<sup>\*</sup>, Spanish<sup>\*</sup>, Vietnamese<sup>\*</sup>*
- *Good business matters kit*
- *Handling complaints and repairs*
- *How to form a co-operative*<sup>o</sup>
- *Inflatable pools: suppliers*
- *Interest free offers and promotions: a guide for business*
- *Invoice fraud: guidelines for business*
- *Knives brochure*

- *Knives: full kit*
- *Lay-by sales: guidelines for business*
- *Measuring instruments for traders*<sup>o</sup> – English<sup>\*</sup>, Arabic<sup>\*</sup>, Korean<sup>\*</sup>, Vietnamese<sup>\*</sup>
- *Model rules for incorporated associations*<sup>o</sup>
- *Online services for business*<sup>o</sup>
- *Our refund policy (poster)*<sup>o</sup>
- *Petrol price signs*<sup>\*o</sup>
- *Pre-packed bread*<sup>o</sup> – English<sup>\*</sup>, Vietnamese<sup>\*</sup>
- *Redliner chairs: safety guidelines*
- *Reforms to the employment agents industry*<sup>o</sup>
- *Refunds information for business*
- *Registry of Co-operatives and Associations*<sup>o</sup>
- *Running an incorporated association*<sup>o</sup>
- *Safe electrical goods*<sup>o</sup> – English, Chinese<sup>\*</sup>, Vietnamese<sup>\*</sup>
- *Sales methods: guidelines for business*
- *Setting up an incorporated association – English<sup>o</sup>, Arabic<sup>\*</sup>, Italian<sup>\*</sup>, Spanish<sup>\*</sup>, Vietnamese<sup>\*</sup>*
- *Signage for the sale of meat*
- *Soda siphon brochure*<sup>\*</sup>
- *The sale of meat*
- *Trade measurement*<sup>\*</sup>
- *Warranties and repairs*
- *Your statutory warranty (poster)*

#### **Aboriginal Publications:**

- *Aboriginal housing providers*
- *Are you having problems renting or leasing your home?*<sup>o</sup>
- *Book-up: do you know what you are paying for?*<sup>o</sup>
- *Book-up: what to look for*
- *Buying a car*
- *Discrimination and renting*
- *Don't get caught out with credit*
- *Fair go*
- *Fair go poster*
- *Keeping your kids safe*<sup>o</sup>
- *Know your rights poster*
- *Mad choices*
- *Need credit? Well, think again!*<sup>o</sup>
- *Not just surviving poster*
- *Renting a home*
- *Renting information for Aboriginal housing providers*
- *Shopping refunds and lay-bys*
- *Sorting out your tenancy problems*
- *Starting a business*<sup>o</sup>
- *Thinking of starting a cooperative*<sup>o</sup>
- *Toy safety checklist*
- *What REVS can do for you*
- *Your rights on renting your home*

#### **Other Titles**

- *Retirement village green: newsletter issue 2, 2001*<sup>\*</sup>
- *Retirement village green: newsletter issue 3, 2002*

# Advisory Councils

## Fair Trading Advisory Council

**Ms Margaret Hole, AM** (Chairperson) (C)  
Partner, Solicitor in Legal Firm

**Ms Narelle Brown** (C)  
Nominee of the Financial Counsellors  
Association of NSW Inc.

**Mr Francis (Frank) Burgess, AM** (I)  
Chief Executive Officer, Institute of  
Automotive Mechanical Engineers

**Ms Karen Cox** (C)  
Co-ordinator, Consumer Credit Legal Centre  
(NSW) Inc.

**Mrs Elizabeth Crouch** (I)  
Executive Director, NSW Housing Industry  
Association

**Mr Malcolm Gledhill** (O)  
Solicitor  
Nominee of the Law Society of NSW

**Mr Phil Marchionni** (C)  
Industrial Officer, Australian Association of  
Professional Engineers,  
Scientists and Managers Australia (APESMA)

**Mr David Matthews** (I)  
Director, Bi-Cam Pty Ltd

**Mrs Shirley Morgan** (C) (O)  
Aboriginal Employment Co-ordinator,  
University of Western Sydney

**Mr Rodi Orantia** (O)  
Certified Practising Accountant

**Dr Gail Pearson** (O)  
Senior Lecturer, School of Law, Faculty of Law,  
University of New South Wales

**Ms Gae Pincus** (C) (O)  
Consultant Lawyer, public policy, regulatory,  
human rights, consumer protection and trade  
practices

**Ms Phillippa Russell** (O)  
Practising Lawyer and Principal in Strata  
Managing company

**Mr Peter Shearing** (C)  
Farmer and Grazier  
Member, Social Security Appeals Tribunal

**Mr George Varughese** (C)  
Hon. Secretary, Ethnic Communities' Council  
of NSW Inc.

## Home Building Advisory Council

**Mr Greg McCarthy** (Chairperson) (I)  
Consultant  
Chairman, Interim Scheme Board

**Ms Kim Crestani** (O)  
Managing Director, Order Architects Pty Ltd

**Ms Elizabeth Crouch** (I)  
Executive Director, NSW Housing Industry  
Association

**Ms Penelope Ho** (O)  
Senior Lawyer, Corporate and Commercial  
Law, Blake Dawson Waldron

**Mr Paul Jameson** (I)  
National Warranty Manager, Suncorp Metway  
Ltd

**Professor David Lamond** (O)  
Director, Sydney Graduate School of  
Management

**Ms Maxine Leeson** (I)  
Managing Director, Stone-Edge Homes and  
Divisional Secretary to MBA of NSW P/L

**Mr Peter McClelland** (I) (O)  
President, Construction Forestry Mining &  
Energy Union

**Mr Jacob Mamutil** (I)  
Manager, Business Development, NRMA  
Solicitor of the Supreme Court of NSW

**Mr William Peter Meredith** (I)  
Director, Housing, Master Builders  
Association of NSW

**Mrs Gisela Ramensky** (C) (O)  
Lawyer

**Mr Larry Rice** (I)  
Managing Director  
Licensed builder

**Mr Sam Romeo** (I)  
Managing Director  
Licensed builder

**Mr Salvatore Russo** (C)  
Lawyer

## Motor Trade Advisory Council

### Mr Francis (Frank) Burgess, AM

(Chairperson) (I)  
Chief Executive Officer, Institute of  
Automotive Mechanical Engineers (Inc.)

### Ms Maria Alessi (I)

Executive Secretary, Institute of Automotive  
Mechanical Engineers (Inc.)

### Mr David Allen (O)

General Manager, Compliance Strategy, RTA  
Nominee of the Roads and Traffic Authority

### Mr Cecil Bodnar (O)

Australian Workers Union Greater NSW

### Mr Ronald Bowden (I)

Chief Executive Officer, Service Station  
Association Ltd

### Mr Ian Brown (I)

NSW/ACT After Sales Manager for Holden  
Ltd

### Mr Gordon Bunyan (I)

Senior Manager, Compliance Sales &  
Marketing, Toyota Motor Corporation  
Australia Limited

### Mr Garry Hingle (O)

Secretary, Vehicle Division of the  
Australian Manufacturing Workers' Union

### Det Supt John Kerlatec (O)

Commander of Motor Vehicle Theft/  
Rebirthing & Property Crime Squad, NSW  
Police Service

### Mr Trevor Lawler (I)

Automotive Engineer  
Allianz Australia

### Mr James McCall (I)

Chief Executive Officer, Motor Traders  
Association

### Mr Robert McDonald (C)

Senior Manager, NRMA Industry Research,  
NRMA Insurance Limited

### Ms Maryanne Petersen (O)

CEO, Automotive Training Board

### Mrs Margaret Thompson (C)

Company Director, Automotive Training  
Australia

## Property Services Advisory Council

### Ms Phillippa Russell (Chairperson) (O)

Lawyer and Strata Managing Agent  
Member, Law Society of NSW

### Ms Mara Ashmore (C)

President, Property Owners' Association of  
NSW

### Mrs Cristine Castle (I)

Licensed Real Estate Agent, Vice President of  
Real Estate Institute of NSW

### Mr Kevin Clay (I)

Licensed Real Estate Agent, President of  
Property Industry Council

### Mr Christopher Fitzpatrick (I)

Licensed Real Estate Agent, President of Real  
Estate Institute of NSW

### Mrs Maria Linders (I)

Managing Director, Linders Strata  
Management Pty Ltd

### Mr John McIntyre (I)

Solicitor

### Mrs Judith Maher (C) (O)

Manager, Complaints, Aboriginal & Torres  
Strait Islander Commission

### Ms Pamela Morgan (O)

Lecturer in Law, Solicitor

### Mr Eric Prince, AM (I)

Manager, Prince Harrington Valuers Pty Ltd

### Mr Donald Wright (I)

Director, Stock and Station Agency

## Retirement Villages Advisory Council

### Mr Malcolm Gledhill (Chairperson) (O)

Solicitor, Slade Manwaring

### Mr Reginald Allen (C)

Retired, Village resident

### Shirley Bains (C)

Nominee of the Combined Pensioners &  
Superannuants Association

### Mr David Bentley (I)

Manager, Retirement Village

### Professor Clifford Blake, AO (O)

Retired

### Ms Kathleen Brewster (C)

Retired

### Mrs Barbara Burnham (C)

Retired, Member of Retirement Village  
Residents Association

### Ms Joan Carter (C) (O)

Retired, Nursing qualifications

### Mr John Cowland (I)

CEO, Illawarra Retirement Trust

### Miss Geraldine Daley (O)

Solicitor, The Aged-Care Rights Service

### Ms Wendy Fisher (C)

Principal Solicitor, The Aged-Care Rights  
Service

### Mr Ian Hill (C)

Retired

### Mr Nick Reid (I)

General Manager, Gandel Group, Retirement  
Division

### Mr Paul Sadler (I)

CEO, Aged & Community Services Association  
of NSW & ACT

### Ms Lynne Wilkins (C)

Solicitor, Legal Aid Commission of NSW

### Key

C: Consumer Groups I: Industry Groups  
O: Other Groups (including academic, trade  
unions, etc)

# Portfolio Authorities

**Consumer, Trader and Tenancy Tribunal**

Stockland House  
Level 12, 175 Castlereagh Street  
Sydney NSW 2000  
Ph: 1300 135 399

**Co-operatives Council**

154 Russell Street  
Bathurst NSW 2795  
Ph: 02 6333 1400

**Registry of Co-operatives & Associations**

154 Russell Street  
Bathurst NSW 2795  
Ph: 02 6333 1400

**Rental Bond Board**

Level 20, 227 Elizabeth Street  
Sydney NSW 2000  
Ph: 02 9338 8992

**Statutory Bodies:**

- Fair Trading Advisory Council
- Home Building Advisory Council
- Property Services Advisory Council
- Motor Trade Advisory Council
- Retirement Villages Advisory Council

Level 20, 227 Elizabeth Street  
Sydney NSW 2000  
Ph: 9338 8979

**Registrar of Funeral Funds**

154 Russell Street  
Bathurst NSW 2795  
Ph: 02 6333 1400

**New South Wales Products Safety Committee**

Level 3, Enterprise House  
1 Fitzwilliam Street  
Parramatta NSW 2150

**Financial Counselling Trust Fund**

Level 6, Enterprise House  
1 Fitzwilliam Street  
Parramatta NSW 2150

**Electrical Equipment Safety Advisory Committee**

Level 4, Enterprise House  
1 Fitzwilliam Street  
Parramatta NSW 2150

# Office Locations

## **1 Fitzwilliam Street Parramatta NSW 2150**

### **Head Office**

Tel: 9895 0111  
Fax: 9895 0222

### **REVS**

Tel: 9633 6333  
or 1800 424 988 (outside Sydney)  
Fax: 9891 5135

### **Home Building Service**

Tel: 1300 554 668

## **234 Sussex Street Sydney NSW 2000**

### **Renting and Strata Services**

#### **Rental Bonds**

Tel: 9377 9000 or 1800 422 021  
Fax: 9377 9371

#### **Strata Schemes**

Tel: 9338 7900  
or 1800 451 431 (outside Sydney)  
Fax: 9338 7999

#### **Tenancy Services**

Tel: 9377 9100 or 1800 451 301  
Fax: 9377 9371

#### **Aboriginal Tenancy Information**

Tel: 9377 9200 or 1800 500 330  
Fax: 9377 9371

## **Bradfield Road Lindfield West NSW 2070**

### **Standards Laboratory**

Tel: 8467 4400  
Fax: 8467 4444

## **154 Russell Street Bathurst NSW 2795**

### **Registry of Cooperatives & Associations**

Tel: 6333 1400 or 1800 502 042  
Fax: 6333 1444

## **Fair Trading Centres**

Our Fair Trading Centres (FTCs) are located at the following addresses. If you are located outside the Sydney Metropolitan region you can contact the Fair Trading Centre nearest you on 13 32 20 Monday to Friday between 8:30 am and 5:00 pm. Calls to this number from within the Sydney Metropolitan region and from all mobile telephones will be received at our Penrith Call Centre.

490 David Street  
**Albury** 2640

85 Faulkner Street  
**Armidale** 2350

154 Russell Street  
**Bathurst**

Level 3A  
13 Kildare Road  
**Blacktown** 2148

32 Sulphide Street  
**Broken Hill** 2880

22 Park Avenue  
**Coffs Harbour** 2450

50 Wingewarra Street  
**Dubbo** 2830

Level 2, 237 Mann Street  
**Gosford** 2250

50 Victoria Street  
**Grafton** 2460

Level 3  
4-8 Woodville Street  
**Hurstville** 2220

29 Molesworth Street  
**Lismore** 2480

Shop 1R  
33 Moore Street  
**Liverpool** 2170

Level 5  
400 Hunter Street  
**Newcastle** 2300

184-186 Lords Place  
**Orange** 2800

1 Fitzwilliam Street  
**Parramatta** 2150

518 High Street  
**Penrith** 2750

143 Horton St  
**Port Macquarie** 2444

Shop T7, City Link Plaza  
Morisset Street  
**Queanbeyan** 2620

Level 21  
227 Elizabeth Street  
**Sydney** 2000

Cnr Kable Ave & Darling Street  
**Tamworth** 2340

43 Wharf Street  
**Tweed Heads** 2485

8 Baylis Street  
**Wagga Wagga** 2650

63 Market Street  
**Wollongong** 2500

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# phone 13 32 20

For help on any fair trading issue call your nearest Fair Trading Centre, or call the specialist service listed below which is relevant to your enquiry. A range of Fair Trading services are also available via Government Access Centres (GACs) and other agency locations throughout regional New South Wales. For details, visit the website [www.fairtrading.nsw.gov.au](http://www.fairtrading.nsw.gov.au)

## Fair Trading Centre locations

Albury  
Armidale  
Bathurst  
Blacktown  
Broken Hill  
Coffs Harbour  
Dubbo  
Gosford  
Grafton  
Hurstville  
Lismore  
Liverpool  
Newcastle  
Orange  
Parramatta  
Penrith  
Port Macquarie  
Queanbeyan  
Sydney  
Tamworth  
Tweed Heads  
Wagga Wagga  
Wollongong

## Fair Trading Centres – call 13 32 20 for general enquiries

*TTY Telephone service for the hearing impaired.*

General enquiries.....9338 4943  
Tenancy enquiries .....9377 9099  
REVS enquiries.....1300 135 399

## Language assistance

Ring the telephone interpreting service on 13 14 50 and ask for an interpreter in your language. The interpreter can then contact the Office of Fair Trading.

Office of Fair Trading  
1 Fitzwilliam Street Parramatta NSW 2150  
PO Box 972 Parramatta NSW 2124  
Tel. (02) 9895 0111

[www.fairtrading.nsw.gov.au](http://www.fairtrading.nsw.gov.au)