



DEPARTMENT OF **FAIR TRADING**
NSW Consumer Protection Agency

Annual Report 1998-1999

Volume 1 of 2



The Hon John Watkins, MP
Minister for Fair Trading

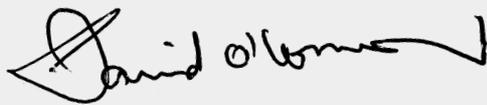
Dear Minister

I am pleased to present the Annual Report of the Department of Fair Trading for the year ended 30 June 1999.

The Report has been prepared for presentation to the Parliament of New South Wales in accordance with the requirements of the Annual Reports (Departments) Act 1985 and the Annual Reports (Statutory Bodies) Act 1984.

The Report also fulfils the statutory reporting requirements of the Director-General under:

- the Fair Trading Act 1987
- the Landlord and Tenant (Rental Bonds) Act 1977
- the Residential Tenancies Act 1987
- the Retirement Villages Act 1989
- the Residential Parks Act 1998
- the Strata Schemes Management Act 1996
- the Community Land Management Act 1989
- the Co-operation Act 1923.



D. B. O'Connor
Director-General
Department of Fair Trading

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ISSN 1327 – 9890
New South Wales Department of Fair Trading
Parramatta NSW
October 1999.

Volume 2 Contents

Volume 2 of this Annual Report (which is available on request) contains the financial statements of the following non-operational accounting entities:

- Rental Bond Board
- NSW Land and Housing Corporation and Rental Bond Board Joint Venture
- NSW Rental Property Trust
- Fair Trading Administration Corporation.

F rom the Minister for Fair Trading



From the time of my appointment as Minister for Fair Trading in April 1999, I have become increasingly aware of the complexity and breadth of responsibilities vested in the Department. The administration of 48 different pieces of legislation requires a broad knowledge base and considerable expertise. This has been clearly evident on a number of notable occasions.

The Sydney hailstorm of April 1999 devastated large parts of the community. The speed of the Department's response and level of real assistance to those in need was particularly satisfying.

The early establishment of the new Fair Trading Tribunal, the enquiry into the sale of personal computers, the Department's Y2K preparations and more recently, its response to the Government's concerns on petrol pricing have all added to my confidence in the Department's ability to deliver on the community's expectations.

Following the amalgamation processes of the past several years, the Department has transformed itself into an effective and well-integrated organisation. My focus for the coming year will be to assist the enhancement of its efforts in two principal areas; the provision of direct customer service and marketplace compliance with fair trading laws.

My thanks go to the staff and executive of the Department for a successful conclusion to the 1998/1999 financial year. I look forward to their continuing support and professionalism throughout the coming year.

John Watkins MP
Minister for Fair Trading

What we do

The Department of Fair Trading exists to serve the consumers and traders of New South Wales. Our role is to safeguard consumer rights and to advise business and traders on fair and ethical practice.

Consumer education and protection

Consumers of everyday goods and services can use our Web site or contact our Fair Trading Centres to obtain information on their rights and responsibilities and assistance with resolving disputes. Unfair practices are investigated and prevented.

Accommodation and property

People renting homes, buying or selling property or living in or managing strata scheme property can turn to us for information and assistance.

Home building

A system of licensing, investigation of residential building complaints and regional compliance programs help ensure unqualified or inappropriate people do not work in the NSW home building industry. This provides integrity to the industry and protection for consumers from faulty or incomplete work.

Business services and products

Traders and business people can register business names, obtain business licences and receive information on their rights and responsibilities under fair trading laws. We actively promote the development of co-operatives and help community groups establish themselves as associations.

P lanning Framework 1998 – 2001

Our strategic intent

New South Wales will be recognised for fairness and value in the marketplace.

Our mission

To safeguard consumer rights and advise business on fair, ethical practice.

We do this in regard to:

- consumer goods and services
- accommodation and property services
- home building.

Our values

- Access and equity for customers and staff.
- Integrity and professionalism in all we do.
- Safe, equitable, satisfying work environment.
- Innovation complementing the strengths of the past.
- Openness in all our communication.

Corporate objectives and outcomes

- Appropriate safeguards for consumers with minimal restrictions on business and traders.
- Maximum compliance with regulatory requirements.
- Accountable use of public resources.

Divisional objectives

- A policy framework creates a balance between interests of consumers and traders.
- Informed, educated consumers and traders.
- Effective compliance monitoring and enforcement.
- Reliable licensing, registration and certification information.
- Economical, efficient and customer-focused operations.

Strategies

- Comprehensive, proactive policy and regulatory review.
- Proactive education activities; responsive enquiry service.
- Special focus on remote and vulnerable groups.
- Targeted compliance activities; complaint handling; dispute resolution.
- Responsive enquiry service; effective licensing and registration process.
- Innovation and continuous improvement of systems focussed on customer needs.
- Staff development and empowerment; systems and culture oriented to supporting staff performance.

The Department of Fair Trading's programs will contribute to social justice outcomes for vulnerable, geographically remote and disadvantaged groups.

Performance reporting

This year our Annual Report has a new, simpler structure. Three new corporate objectives replace the five former key result areas. This change is part of a major project to improve our performance planning and reporting. From 2000/2001 onwards, the Department will have a new suite of performance indicators, directly linked to the three key corporate objectives and these will appear in the Annual Report. The indicators will include measures of effectiveness in achieving key outcomes, efficiency and customer satisfaction. The change will greatly enhance our ability to plan, measure and improve organisational performance and to report on it to Parliament and the community.

Corporate indicators for future reporting

- Proportion of legislation assessed as meeting net public benefit test.
- Level of consumer and trader confidence in fair operation of marketplace.
- Level of compliance with fair trading legislation.
- Increased efficiency and service quality.

D irector - General's Report

Ongoing fine-tuning will always be a natural part of the development and maturation of any organisation. However, the Department's performance during 1998/1999 has demonstrated that the overall divisional structure is working well. I believe we now have the flexibility, skills and programs in place to respond effectively to the fair trading issues currently before us, as well as those that may arise in the future.

Dealing with Y2K

By far the most compelling issue for 1998/1999 has been our continuing efforts to deal with Y2K, or the Millennium Bug. The program has reached into every part of the Department and has involved a threefold approach. We reviewed our legislation to see if date change problems might affect our ability to meet our statutory obligations to the community or affect the ability of traders to meet their reporting requirements to us. We concluded legislative changes were not necessary.

The internal systems that allow us to function both administratively and as a regulator, have been thoroughly reviewed, amended and tested to ensure they will pass the Y2K barrier. At the time of writing we had been externally assessed as being 95% prepared and we are confident of full preparedness by the end of the year.

Community awareness also required attention. A component of the whole of Government approach to Y2K was special funding which allowed the Department to conduct an advertising campaign to bring the issue into focus for consumers and traders.

Olympic preparations

The State is less than a year out from the biggest event in its peacetime history and the Department has been preparing on a number of levels. Since the Games were first announced for Sydney, there have been concerns regarding their impact

on rental accommodation. Although our research indicates adverse affects are unlikely, we have a rental data analysis program in place as a safeguard. A Traveller Helpline has also been established to give visitors a point of contact if they need assistance with consumer problems. On the compliance front, we are developing strategies to respond to such things as counterfeit Olympic goods, price gouging and misleading employment advertising, to name but a few.

Sydney's hail storm

The April 1999 hailstorm left major parts of Sydney reeling. There was an urgent need to ensure repairs and rebuilding efforts were not hampered by unscrupulous tradespeople or unlicensed contractors and our inspectors were on the ground the next morning. In the following days, thousands of information packages were also distributed to affected residents advising them how to go about obtaining repairs and how to avoid unfair traders. In many cases, homeowners took advantage of our free distribution of repair and building contracts.

A new tribunal

Last year we spoke of the reformation of a number of redress tribunals used by consumers and traders. These changes came into effect on 1 March 1999 with the establishment of the new Fair Trading Tribunal. The Tribunal subsumed the roles of the former Consumer Claims Tribunal, Building

Disputes Tribunal, Commercial Tribunal and the Motor Vehicle Repair Disputes Committee. The Department put a major effort into preparing the legislative and administrative procedures it needed to begin operations. Although the Department provides a level of administrative support, the Tribunal has a dedicated budget and is entirely independent.

National Competition reviews

To ensure that regulatory objectives, such as the protection of consumers, are met as efficiently and cost-effectively as possible, the Government is a signatory to the National Competition Policy (NCP) Agreement which requires the review of all legislation that impacts on competition. There are 191 acts to be reviewed in NSW by December 2000. Of these, 30 fall within the Department's responsibility. Although the process is demanding of our limited resources, we are on track to meet the timeframe. The process of each review varies according to the impact of the legislation but always involves consultation with the affected consumers and interest groups.

Aboriginal employment strategy

We launched the Department's Aboriginal Action Plan in August 1998. Aboriginal communities identified tenancy and discrimination as key fair trading issues. The Plan also aims to ensure that our services

are accessible to Aboriginal communities. Aboriginal cultural awareness training was arranged for approximately 600 of our front-line staff and managers. At the same time, 16 identified Aboriginal positions were filled, bringing the proportion of Aboriginal people in our total staff from 1% to 2.6%. We have made major gains in our services to Aboriginal communities, and plan further improvements in the coming year, including the production of further publications and information campaigns for Aboriginal communities.

Because Aboriginal housing organisations and Aboriginal people are increasingly managing their housing needs, a key part of the Action Plan has involved a pilot mediation project designed to resolve problems between Aboriginal housing organisations and their tenants in more culturally appropriate ways. Consultation with Aboriginal organisations is continuing prior to its commencement.

Corporate planning

The first step was to set clear objectives reflecting our brief from the Government. In late 1998 a simplified planning framework was released which set out three corporate objectives which are linked to broad indicators. The next step was to identify specific items to measure. In early 1999 a project to cover this was commenced. Work is continuing on this, and on fine-tuning the divisional indicators developed in 1997/98. In late 1999 a suite of corporate and divisional indicators will be finalised.

Electronic commerce and service delivery

Perhaps no issue looms larger on the fair trading horizon than electronic commerce. Each year the proportion of commerce transacted electronically rises. This is the world that consumers, traders and regulators are inexorably moving towards. To ensure consumers using electronic commerce have adequate protection, the Department is implementing an

Electronic Commerce Consumer Protection Strategy. This involves national cooperation on a framework to address consumer protection, security, and privacy. But no matter what commercial system is in place, it needs to be understood by the community so a continuing focus for the Department will be community education.

However, education alone cannot deliver a fair marketplace. The Strategy also ensures the Department has effective complaints handling and investigative techniques that can respond to the national and global nature of electronic commerce. While it is quite difficult to deal with problems caused by overseas traders, we are cooperating with fair trading agencies in Australia and New Zealand to develop procedures for the referral and handling of complaints involving electronic commerce where the trader and consumer are in different jurisdictions.

The other side of the electronic revolution is the opportunity it provides for us to deliver our services to the community more effectively. We have developed a plan for Electronic Service Delivery (ESD) which so far has focused mainly on developing the necessary infrastructure. Work on a number of initiatives will commence in earnest after the finalisation of our Y2K remediation activities.

Petrol

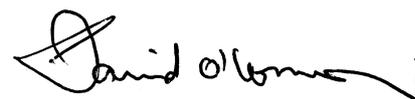
In response to public concern about petrol prices, the Department is undertaking a number of initiatives to promote competition and fair trading in the petrol industry. These initiatives include the development of legislation to make price boards mandatory at petrol stations, exploring the possibility of legislation to ensure that fuel shrinkage in cold weather is accounted for at the wholesale level and commissioning research into the feasibility of using petrol buying co-operatives to promote competition in the petrol industry.

The coming year

Because the Department is starting to mature organisationally, we are now able to devote more attention to internal processes for measuring and improving the quality of our services to clients. Key issues which we have been working on during 1998/1999, and which will be high priorities in the coming year, are extending and improving customer-satisfaction surveys, embedding the use of performance indicators in our regular management practices and systematically reviewing performance (including the quality of information provided to clients). These are now a part of the normal planning cycle and will allow us to explore the effectiveness of our customer service model.

The Guarantee of Customer Service is being updated and will be reported on regularly and we are exploring opportunities to compare our service delivery with other organisations. These initiatives will help us to meet our objective of an accountable use of public resources to provide economical, efficient and customer-focused operations.

1999/2000 has already presented itself as a particularly challenging year. Pressure on resources will mean we have to work smarter and look for new ways to achieve the results expected of us by the Government and the community. I take this opportunity to sincerely thank all staff for their dedication and commitment over the past year and I look forward to their support in achieving our corporate goals in the year ahead.



David O'Connor
Director-General
Department of Fair Trading

T he year at a glance

Objective 1

Appropriate safeguards for consumers with minimal restrictions on business/traders

Policy Division has the main responsibility for this objective, which relates chiefly to the policy and regulatory framework. Other divisions participate in and support the work done by Policy.

Objective 2

Maximum compliance with regulatory requirements

Compliance, Legal and Safety Division, Customer Services and Community Education Division, Home Building and Property Services Division, Licensing and Registration Division, REVS and the Registry of Co-operatives all contribute to meeting this objective.

Objective 3

Accountable use of public resources

Every division is required to take this objective into account in delivering its programs. Management and Information Services Division has responsibility for co-ordinating many of the specific areas involved such as financial and human resource management.

Significant achievements

- Personal computer sales enquiry identifies strategies to improve consumer protection.
- Amalgamation and restructuring of consumer tribunals legislation sees establishment of Fair Trading Tribunal.
- 70 recommendations to improve retirement village operations flow from the Review of Regulations of the NSW Retirement Village Industry.
- New Residential Parks Act caters to the special needs of people living in caravan parks and similar establishments.

Activities

- Legislative program - Spring Session 1998 amendments:
 - Residential Parks Act
 - Fair Trading Tribunal Act
 - Residential Tribunal Act
 - Residential Tenancies Amendment (Social Housing) Act.
- Legislative program - Budget Session 1999 amendments:
 - Regulation of Interests in Goods Act
 - Home Building Act 1989.
- Five regulations reviewed under Subordinate Legislation Act 1989.

The future

- Monitoring of residential rent movements in lead- up to the 2000 Olympics.
- Partnership with community sector to guide future development of No Interest Loans Schemes (NILS).
- Major legislative reviews completed in accordance with National Competition Policy timetable.

- Major consumer advertising campaign for Y2K.
- Centre for Co-operative Research and Development established.
- DFT played key role in helping community recover from Sydney's hailstorm.
- Specialist tenancy services introduced for Aboriginal and Torres Strait communities.

- Almost 700,000 enquiries received through 23 Fair Trading Centres.
- 276,121 calls received at our call centre at Penrith.
- Information and services provided at 65 country towns as part of our regional access program.
- Grants to community organisations exceed \$5.5M.
- Almost 500,000 rental bonds held in trust.
- \$27M potential savings to REVS clients.
- 79,645 people contact the Business Licence Information Service.
- 377,000 tenancy enquiries.

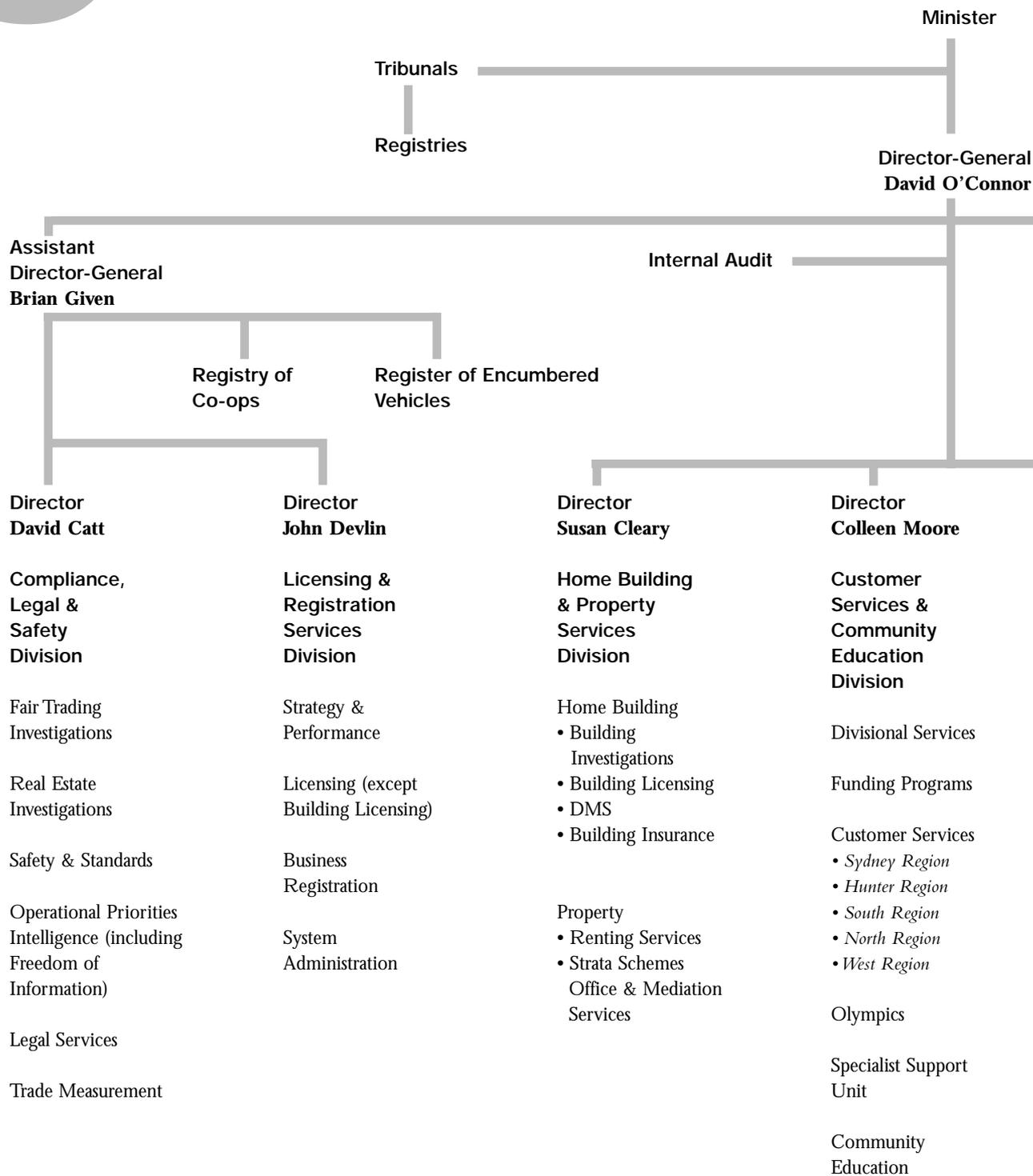
- Automated business names test to streamline approval process.
- Strategies developed to deal with Sydney 2000 Olympic Games fair trading issues.
- Consumer information campaigns on tenancy, home building and credit.
- Youth Web site covering car buying, credit and tenancy.
- Access to Business Licence Information Service on Web site.

- Aboriginal Action Plan sees the employment of 16 Aboriginal officers.
- Y2K compliance and remediation planning brings DFT to 95% readiness for Millennium date change problem.
- Customer Profile Survey identifies users of DFT service.
- Quality improvement projects commenced.
- Business Continuity Plans developed.
- Simplified planning framework provides basis for better performance reporting in the future.

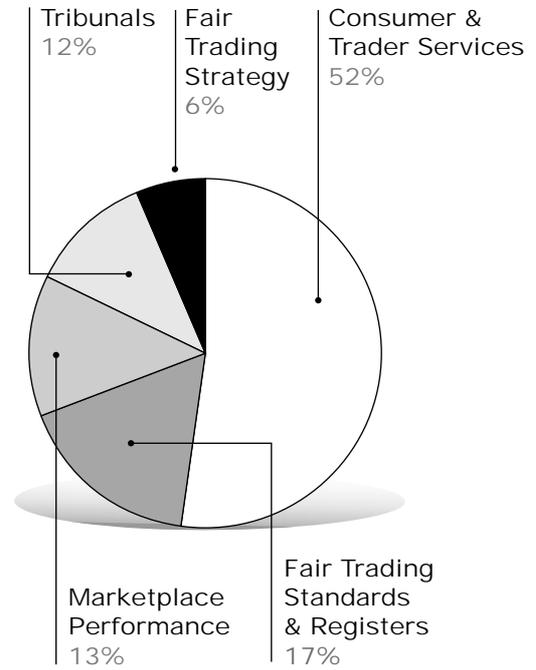
- Processes involved in administering the annual audit reporting requirements for Real Estate agents have been mapped.
- Action taken to identify electronic service delivery opportunities.
- Manual being developed to assist planning, delivery and evaluation of services to people from diverse backgrounds.
- Community organisations consulted to identify difficulties older people face with electronic banking.

- Rental Bond Internet Service available by April 2000.
- Registry of Cooperatives moves to Bathurst.
- More detailed Corporate Plan.
- Workers Compensation premiums to reduce for 1999/2000.
- Information management and technology strategic plans for 2000/2003.
- Commencement of Aboriginal tenancy mediation pilot project.
- Benchmarking.
- Customer satisfaction surveys.
- Performance reporting.
- Guided self-assessment.
- Revised Guarantee of Service.

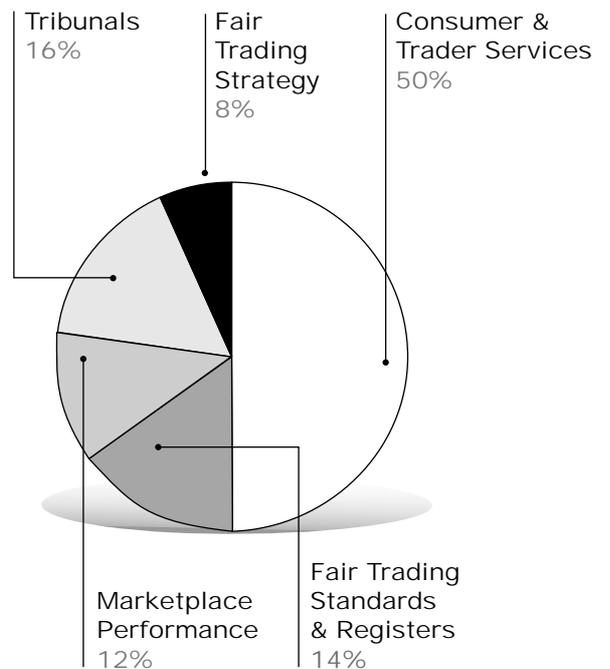
O ur Structure



Program Allocations



AVERAGE STAFF ALLOCATIONS



TREASURY PROGRAM ALLOCATIONS



O bjective 1

Appropriate safeguards for consumers with minimal restrictions on business and traders

This is one of two core objectives which flow from our strategic intent of having NSW recognised for fairness and value in the marketplace. Within our areas of responsibility for consumer goods and services, accommodation and property services and home building, we develop and maintain the policy and legislative framework which provides the setting for many consumer and trader interactions in NSW. The aim is to ensure the framework creates a balance between the interests of consumers and traders.

Protecting electronic commerce

The Department is implementing an Electronic Commerce Consumer Protection Strategy to ensure that consumers using electronic commerce have the same legal protections which apply to other forms of commerce.

The Strategy involves promoting an Australia-wide legal and regulatory framework that addresses the need for consumer protection, security and privacy. For example, to address uncertainty about the law governing electronic documents, contracts and signatures, we are working with the New South Wales Attorney General's Department and the Commonwealth and the other States and Territories to develop a National Uniform Legislative Scheme to provide legal recognition to electronic transactions.

The Strategy also involves ensuring the Department has effective complaints handling and investigative techniques that can respond to the national and global nature of electronic commerce. In this regard, we are currently working through the Standing Committee of Officials of Consumer Affairs and the Ministerial Council on Consumer Affairs on the development of protocols for handling electronic commerce complaints across jurisdictions in Australia and New Zealand. We also participate in joint law enforcement

activities with our national and State counterparts.

Education and awareness programs to increase knowledge of and confidence in, electronic commerce are important too. During 1998/1999 two information guides relating to electronic commerce - *Shopping in the Electronic Age* and *Shopping from home* were made available and similar materials will continue to be provided to the community.

Protection for energy consumers

The 1999 State Election saw the Carr Government announce that it would transfer responsibility for electricity consumer protection from the Minister for Energy to the Minister for Fair Trading and improve legislation so consumers receive the best possible protection in their dealings with energy companies. Prior to this announcement, the Department had been involved in consumer protection in the energy industry in the following fields.

Energy Industry Ombudsman

The Department maintains close contact with the Energy Industry Ombudsman Scheme (EIO) - an independent, industry-based dispute resolution scheme for the electricity industry. The scheme is funded by the electricity industry. To maintain

independence, it is governed by a Council comprising equal numbers of industry and consumer representatives, with an independent Chairperson. The Minister for Fair Trading nominates the consumer representatives. We prepared a submission to the enquiry into Sydney Water proposing that Sydney Water be required to establish or join an independent industry dispute resolution body. In the final report from the Sydney Water enquiry, this proposal was adopted as a recommendation and Sydney Water will seek to join the EIO scheme.

Utility Consumers' Advocacy Program

The Department of Fair Trading administers the funding for the Utility Consumers' Advocacy Program (UCAP) which is undertaken by the Public Interest Advocacy Centre (PIAC).

The broad aims of UCAP are to ensure that consumer protection structures operate effectively, to facilitate education and training of consumer representatives and to facilitate the provision of consumer oriented services by utilities. UCAP will not advocate individual complaints other than to act as a conduit for individuals to access appropriate internal or external complaint mechanisms. UCAP has

conducted a number of seminars for customer representatives on Consultative Councils. We participated in the seminar which considered the report of the Licence Compliance Advisory Board for 1998 and provided a speaker on the history of customer councils at another seminar which looked at the role of customer consultative groups.

UCAP has also made submissions to enquiries by the Independent Pricing and Regulatory Tribunal in relation to various water, gas and electricity issues.

Competition in the gas industry

The Ministry of Energy and Utilities has established a project to develop the framework for a competitive gas market. The NSW retail gas market will become fully contestable from 1 July 2000.

The Department of Fair Trading is a member of the Steering Committee established to oversee the Gas Retail Project. We also convene the Consumer Protection Working Group. The Steering Committee and Working Group comprise representatives of government, industry and community and consumer groups.

A Discussion Paper identifying issues for business customers has been completed and was distributed to interested parties in July 1999. The Steering Committee and Working Groups are currently considering issues for gas consumers in the domestic market.

Rental market monitoring and the 2000 Olympics

Following the release of the report, 2000 Olympics and the Residential Tenancy Market, the Department convened a Consultative Committee including government, industry and tenant group representatives to provide advice on monitoring the rental market for any unusual rent movements. Consultants have been commissioned to undertake analysis of rental data each quarter in the lead-up to the Olympics.

Y2K impact on legislation

In June 1998 the Department began the Year 2000 Legislative Review. We conducted this review of all our legislation to identify any aspects of the Year 2000 date-change problem (sometimes known as Y2K or the 'Millennium Bug') which might impact on our ability to meet our statutory obligations to the Government and the people of New South Wales. We also investigated possible impacts on the ability of a trader or other person or body to meet their reporting requirements to us and possible consumer protection issues where products and services are not Y2K-compliant.

The review concluded that there is no need to make changes to legislation to address consumer protection or the risk of failure to meet statutory obligations. Instead alternative strategies were identified as the best means of addressing any potential problems. These included changes to administrative procedures, contingency planning, targeted liaison with other government and non-government bodies and community awareness campaigns as well as education and compliance programs for traders.

The Year 2000 Legislative Review is one element of our overall effort to address the Year 2000 date change problem. The Review findings have helped our internal remediation and external policy development activities for Y2K.

Uniform Consumer Credit Code

In August 1997, the Ministerial Council on Consumer Affairs agreed to undertake a post-implementation review of the Consumer Credit Code.

Post Implementation Review

The Post Implementation Review of the Consumer Credit Code has considered a broad range of issues relating to the operation and impact of the Uniform Consumer Credit Code. The Review has sought to determine how well the Code is functioning in the marketplace and to determine the views of interested parties. The

recommendations, if adopted by Ministers, will inform the National Competition Policy Review which is also being conducted for the Code.

Uniform Consumer Credit Code Management Committee

While the Consumer Credit Code is 'national' legislation, its administration is the responsibility of eight different State and Territory governments. To ensure consistency in the Code's implementation and application throughout Australia, jurisdictions established the Uniform Consumer Credit Code Management Committee (UCCCMC) in 1996.

Meetings of UCCCMC are held every three months and the NSW Department of Fair Trading has chaired the Committee since its inception. The Committee is responsible for developing and administering procedures, schemes and arrangements designed to ensure consistency in the implementation of the Code. Specific functions of the Committee include considering amendments to the Code and Regulations, as well as reviewing exemption applications.

Personal computer sales inquiry

In May 1998, the former Minister for Fair Trading asked the Fair Trading Advisory Council to conduct an inquiry into problems in the personal computer supply industry, following an alarming increase in the number of complaints from consumers.

The Fair Trading Advisory Council examined a range of issues, including:

- consumer problems relating to product delivery and defective products
- warranties and complaint resolution
- year 2000 product compliance
- unfair practices of suppliers, including payment methods
- whether existing Commonwealth and State laws adequately provide for quick and cost-effective redress and whether a code of conduct for the industry would be appropriate.

The operation of so called 'phoenix' companies also received particular consideration. These are companies that go out of business, with many

customers losing their money, only to have the company's principals reappear in a similar type of business.

The inquiry held over 30 meetings with industry representatives. During June 1998 a Computer Inquiry Hotline was conducted, with over 425 questionnaires completed. In addition two consumer focus groups were held in Newcastle.

The final report was delivered late 1998. Broadly, it recommended:

- education strategies for consumers and retailers
- legislative amendments
- greater exchange of inter-agency government information
- that consideration be given to the establishment of a working party to assess the need for a code of conduct.

These recommendations are designed to work together to provide more effective protection for consumers. In particular, the exchange of information and legislative amendments will improve State and Federal Governments' ability to remove disreputable operators from the industry. The report included a proposal to amend the Fair Trading Act to require traders to substantiate their advertised offers.

Tenancy market research

The rental market in NSW is extremely important, with close to 500,000 privately rented dwellings producing rents totalling \$5 billion per year.

In 1998 the Department of Fair Trading, having primary responsibility for NSW tenancy legislation, commissioned research to gather detailed information on the nature and frequency of fair trading problems in the private tenancy market. The study included interviews with 600 tenants, 200 property owners and 50 real estate agents across NSW. The resulting report *'Fair Trading Issues in the Rental Tenancy Market'* showed that serious problems were not frequent. The research provided reliable information for use in reforming the legislation, improving the quality of DFT services and targeting future information campaigns.

No Interest Loans Schemes

In 1999 we became aware of several 'No Interest Loan Schemes' being started in NSW by community groups.

'No Interest Loan Schemes' (NILS) are aimed at people on social security who cannot get a loan from commercial lenders and cannot afford the high interest rates of fringe lenders. Loans, for essential items such as refrigerators, washing machines or hot water services, are typically for amounts of between \$500 and \$800 and are repaid over 12 months. By using the loan to buy an essential item, the recipient can get a quality product and avoid being driven deeper in debt by high interest rates. The default rate on loans is surprisingly low - around 8%. Loans are administered by welfare groups that also put recipients in touch with other forms of assistance such as budgeting advice.

The aim of these schemes coincides with the NSW Government's social justice objectives and the Department's desire to minimise credit problems in the community.

To assist in the development of these promising schemes, we sponsored a national NILS conference convened by the NSW Council of Social Service. The Department also commissioned a review of NILS schemes by an independent consultant. This review will be used to guide the future development of NILS.

Legislative program – Spring Session – 1998

In the 1998 Spring Session of Parliament a number of significant legislative reforms were passed. These included new residential parks laws, the establishment of new Fair Trading and Residential Tribunals, and amendments to the Residential Tenancies Legislation in relation to social housing.

New residential parks laws

Legislation covering permanent residents of caravan parks and similar establishments commenced on

1 March 1999. The 50,000 or more residents under long-term tenancy arrangements in parks were previously subject to the Residential Tenancies Act but there are now laws in place specifically designed to cater for the unique nature of park occupation. The Residential Parks Act 1998 addressed the special issues arising in park tenancies where the majority of residents own their own homes but rent the sites on which they are placed. The introduction of the new Act followed a Review and Report by the Tenancy Commissioner into the concerns of park residents and extensive consultation with relevant interest groups.

Key initiatives provided for in the new legislation include a more flexible basis for rental disputes to be resolved by the Residential Tribunal, park liaison committees, private mail facilities, easier sale of homes on-site, maximum water and electricity charges, tree maintenance and park notice boards.

Consumer Tribunals Legislation

Legislation to amalgamate and restructure the functions of the various consumer tribunals within the Fair Trading portfolio was developed during 1998. The legislation was developed in response to the recommendations of an independent review of the tribunals, which was conducted during 1997. The following legislation commenced on 1 March 1999.

- Fair Trading Tribunal Act 1998.
- Consumer Claims Act 1998.
- Fair Trading Tribunal Regulation 1999.
- Consumer Claims Regulation 1999.
- Residential Tribunal Act 1998.
- Residential Tribunal Regulation 1999.

Fair Trading Tribunal Legislation

The legislation provided for the establishment of a new Fair Trading Tribunal with a jurisdiction that combines those of the former Commercial Tribunal, Consumer

Claims Tribunals, Building Disputes Tribunal and Motor Vehicle Repair Disputes Committee.

The Tribunal was established with an emphasis on flexibility of procedures and an increased use of alternative dispute resolution mechanisms. Its jurisdiction also covers:

- the hearing of disputes between consumers and motor dealers, a function previously exercised by the Director-General of the Department of Fair Trading and the Motor Dealers' Disputes Committee
- adjudication of disputes involving commissions and fees charged by property, stock and business agents, previously reviewed by the Director-General of the Department of Fair Trading only in regard to the amounts involved but now also covering each party's payment liabilities
- appeals from decisions of the Travel Compensation Fund in relation to compensation claims - previously considered by a specially convened Committee appointed by the Minister for Fair Trading.

Residential Tribunal Legislation

The Residential Tenancies Tribunal was restructured as the Residential Tribunal to provide procedural improvements and enhance the efficiency and effectiveness of its operations.

The jurisdiction of the Tribunal is the same as that of the former Residential Tenancies Tribunal. The Tribunal has jurisdiction to deal with disputes relating to:

- claims by a landlord or tenant under a residential tenancy agreement
- the operation of a strata scheme under the Strata Schemes Management Act 1996 and operation of a community title scheme under the Community Land Management Act 1989
- residents and the retirement village authority under the Retirement Villages Act 1989

- the Residential Parks Act 1998 dealing with tenancies in caravan parks and manufactured home estates.

Residential Tenancies Amendment (Social Housing) Act 1998

The Residential Tenancies Amendment (Social Housing) Act forms part of a wider package of reforms developed within the Housing Portfolio to facilitate successful tenancies in public housing. The amendments introduce measures to promote safe, secure and stable rental housing by amending the residential tenancies legislation to enable the Residential Tribunal to deal more effectively with problems arising in respect of anti-social behaviour, drug trafficking and violence in rental housing. A working party comprising representatives from the Department of Housing and the Department of Fair Trading oversaw the drafting of the legislation.

Legislative program - Budget Session - 1999

In the 1999 Budget Session of Parliament, amendments were made to the Registration of Interests in Goods Act, for the purpose of achieving nationally consistent legislation, and to the Home Building Act, to improve the operation of the home warranty insurance scheme.

REVS - NSW's contribution to nationally consistent legislation

Amendments were made to the Registration of Interests in Goods Act 1986, primarily to achieve nationally consistent legislation for the registration of vehicle security interests. The amendments to the Act, among other things, introduced the changes to New South Wales' legislation recommended by the National Vehicle Security Register Project and will assist in improving overall consumer protection levels.

Amendments to the Home Building Act 1989

A number of amendments passed by Parliament were designed to improve the operation of the home warranty insurance scheme and compliance with the Act. The Act removes the requirement placed on developers to

arrange insurance cover and places the responsibility on the building contractor engaged to do the work. Developers will continue to be obliged to provide purchasers of dwellings in the development with a certificate of insurance.

Another significant change involves requirements for taking out home warranty insurance. Previously, insurance had to be in place at the date of the contract. This could operate unfairly to deny payment to the contractor where insurance was taken out after the date of contract. The Act now provides that a contractor must not commence work until insurance is in place and a certificate of insurance provided to the other party. In addition, a contractor must not demand or receive a deposit or other payment, or enforce a contract until insurance is in place.

The Act will also link the ability of a contractor to obtain a licence with their ability to obtain home warranty insurance. Where the Director-General is informed that a licence-holder no longer has, or is ineligible for insurance, the Director-General will be able to suspend the licence until the licensee provides proof to the contrary.

National Competition Policy Legislation Review

As part of the National Competition Policy (NCP) Agreement, the NSW Government is committed to reviewing all legislation that impacts on competition. The Agreement requires all reviews to be completed and consequential reforms to be in place by December 2000. In total, 191 acts will be reviewed in New South Wales. Out of these, 30 are within our responsibility. The Department has a number of reviews under way including the following:

- Business Names Act
- Fair Trading Act
- Funeral Funds Act
- Property, Stock and Business Agents Act
- Residential Tenancies Act
- Retirement Villages Act and Code of Practice.

The aim of the review process is to ensure that Government regulatory objectives, such as the protection of consumers, are met as efficiently and cost-effectively as possible. The process of each review varies according to the impact of the legislation. However, the reviews always involve consultation with consumers and interest groups that are affected by the legislation. Steering committees formed to oversee the reviews have included interdepartmental, industry and consumer representation.

Regulatory Impact Statements (RIS)

The Subordinate Legislation Act 1989 aims to improve the quality of regulations by requiring departments to assess their economic and social costs and benefits. In the case of a new principal regulation, a Regulatory Impact Statement (RIS) must be prepared. During 1998/1999, five principal regulations were made.

Residential Parks Regulation 1999

To facilitate the commencement of the Residential Parks Act 1998, which came into effect on 1 March 1999, a new Regulation was needed. The purpose of the Regulation is to make provision for a number of aspects of the relationship between a residential park owner and resident.

Fair Trading Tribunal Regulation 1999 and Consumer Claims Regulation 1999

Before the Fair Trading Tribunal could commence operations, new regulations were required to enable the package of legislative reform to take effect. Accordingly the Fair Trading Tribunal Regulation 1999 and the Consumer Claims Regulation 1999 commenced on 1 March 1999. The Fair Trading Tribunal Regulation 1999 applies to various administrative processes of the Fair Trading Tribunal. The Consumer Claims Regulation 1999 covers matters of a machinery nature in relation to the making of a consumer claim.

Residential Tribunal Regulation 1999

The Residential Tribunal commenced operations on 1 March 1999, and its jurisdiction replaces that of the former Residential Tenancies Tribunal. The change required the repeal of the Residential Tenancies (Tribunal) Regulation 1995. The Regulation was replaced with the Residential Tribunal Regulation 1999, which took effect on 1 March 1999. The scope of the Regulation arises directly from the provisions of the Residential Tribunal Act 1998 and covers various administrative processes of the Residential Tribunal.

Electricity Safety (Electrical Installations) Regulation 1998

This Regulation commenced on 1 September 1998 and replaces the Electricity (Installation Safety) Regulation 1992, which lapsed automatically on 1 September 1998 under the Subordinate Legislation Act.

The new Regulation covers all consumer electrical installations, and work performed to alter, add or repair such installations in New South Wales. It sets minimum electrical safety standards for installations and requires people carrying out work to test it and to notify the local electricity distributor for possible third party inspection. Provisions relating to the obligations of electricity distributors and the Department of Energy have been removed from the new Regulation. These obligations are now addressed by the Electricity Supply (Safety) Regulation 1997, which is administered by the Department of Energy.

Penalty Notices

In 1998 amendments were made to the Property, Stock and Business Agents Act 1941 and the Landlord and Tenant (Rental Bonds) Act 1977 to enable the regulations under each Act to prescribe offences which would be subject to a penalty notice. These amendments were part of a package of reforms within the Fair Trading portfolio designed to improve consumer protection and enhance dispute resolution and compliance.

The use of penalty notices is only one part of an overall compliance strategy we have developed. Penalty Notices provide an additional option for enhancing compliance with fair trading laws. We use a range of other strategies to deal with unsatisfactory conduct by traders. These include education programs; assisting the development of industry codes of practice; formal warnings; enforceable undertakings; prosecutions; injunctions; civil remedies; disciplinary action; public warnings and naming of unsatisfactory traders.

Penalty notices are already provided for under a number of Acts administered by the Department of Fair Trading such as the Fair Trading Act, the Business Names Act, the Trade Measurement Administration Act, the Motor Dealers Act and the Pawnbrokers and Second-hand Dealers Act. In addition, the Residential Parks Act, which was introduced on 1 March 1999, makes provision for the issuing of penalty notices. The Home Building Amendment Act 1999 also provided for the introduction of a penalty notice scheme for Home Building legislation.

Review of regulation of the NSW retirement village industry

The report and recommendations of the 'Review of Regulation of the NSW Retirement Village Industry' were released on 20 December 1998. The report contained 70 recommendations aimed at providing a framework to strengthen the rights of residents and to ensure the long-term viability of the industry. The recommendations addressed a number of issues that have long been of concern to residents.

The exposure draft of the Retirement Village Bill 1999 was released for public consultation in mid 1999. The Bill encompasses the findings of the Review and incorporates the existing regulatory provisions that are contained primarily in the Retirement Village Industry Code of Practice that the Review had found to be ineffective.

Code of Practice for Fitness Centres

The Code of Practice for Fitness Centres was developed jointly in response to fitness centre closures, which left consumers who had paid upfront for long-term memberships, significantly out-of-pocket. The Code was launched on 26 July 1998 by the then Minister for Fair Trading in conjunction with the establishment of a peak industry body - **fitnessnsw**.

We supported the introduction of the Code with extensive publicity including the publication of posters for display in Code-subscribing fitness centres and brochures for distribution to consumers.

The Code is administered by, fitnessnsw, which has conducted an audit process to assist participating fitness centres in meeting the requirements of the Code. Also, a Code Administration Committee (CAC) has been formed. The Committee includes representation from the Department of Fair Trading and the Department of Sport and Recreation.

New safety standards

Product safety standards for household cots and laser pointers were introduced in July 1998 and February 1999 respectively. A Prohibition Order prohibiting the supply of unsafe liquid toys and novelties came into effect in February 1999.

The Electricity (Equipment Safety) Regulation 1994 is being reviewed and redrafted as the Electricity Safety (Equipment Safety) Regulation 1999. The new regulation will increase the effectiveness of the electrical equipment regulations and increase the level of public safety. The Electricity Safety Act provides for certain electrical appliances or equipment classes to be declared by the Governor in a Declaration Order. On 13 January 1999, His Excellency the Governor declared 60 classes of electrical articles. The Order revoked earlier orders and brought the Order into line with amendments to Australian Standards.

REVS' new business links

REVS participated in the development of an agreement (Memorandum of Understanding) between NSW, Victoria, Queensland and South Australia. This agreement accommodates the inclusion of South Australia in the national exchange of REVS data and provides for shared legal protection of the second-hand car buying community in those States.

The signing of this agreement with South Australia is a significant step forward for consumer protection nationally. From 1 September 1999, financiers and credit providers will receive extended coverage of their interests, while consumers will have greater protection against financial loss.

Objective 2

Maximum compliance with regulatory requirements

This is the second core objective which directly contributes to our strategic intent. The legislative framework creates rights and obligations for business, traders and consumers. Maximising compliance with the requirements, to ensure fairness in the marketplace, is an important part of our role. To contribute to this, we provide information and education for business and traders, compliance monitoring and enforcement, complaint handling and dispute resolution, and licensing, registration and certification information.

Information and Education

Fair Trading Centres

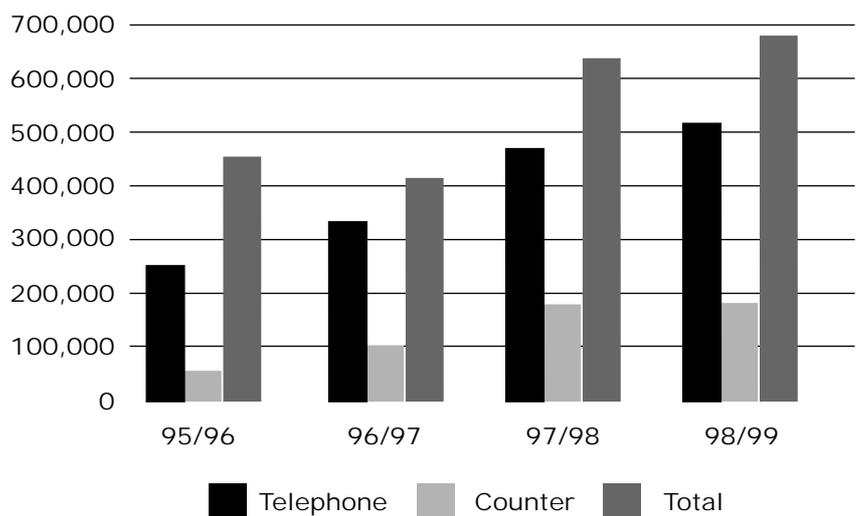
Almost 700,000 enquiries were received through our network of 23 Fair Trading Centres. We provided information and assistance on: fair trading; business names registration; building trades licensing and lodgement of claims with the Fair Trading and Residential Tribunals. This was an increase of 7.6% on the previous year

Demand on our call centre in Western Sydney continues to grow. More than 276,121 calls were received during the reporting year. We have increased the number of staff and are reviewing our technology to improve our response to the demand.

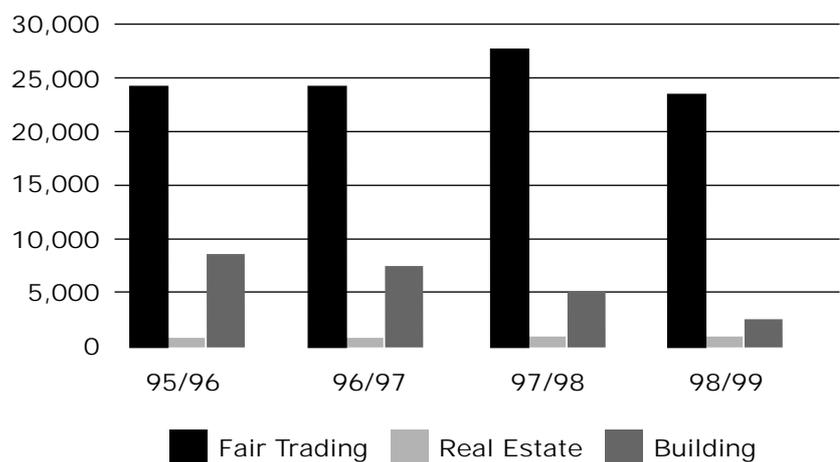
We also gave assistance to people in more than 25,000 formal complaints. The complaints related to various products (38%), services (35%), motor vehicles (16%), building (8%) and real estate (3%).

Customer surveys consistently show 79% of customers are completely satisfied with our service. A further 16% indicate they are somewhat satisfied. Our aim is to improve over the next year by increasing the skills of our staff in handling enquiries and complaints.

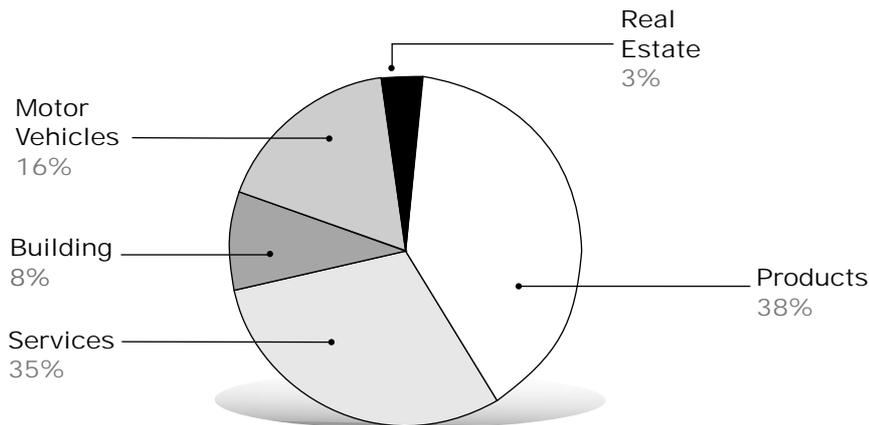
ENQUIRIES AT FAIR TRADING CENTRES



TOTAL FORMAL COMPLAINTS RECEIVED AT FAIR TRADING CENTRES



COMPLAINTS RECEIVED AT FAIR TRADING CENTRES BY CATEGORY



Regional Access

We provide access to the whole range of fair trading services from 17 Fair Trading Centres located in the major regional centres of NSW. A program of visits and outreach services in adjacent areas enhances access to our services.

This year, as part of our regional access program, we provided information and other services in 65 country towns, including: Adelong, Ballina, Barraba, Batemans Bay, Bellingen, Bingara, Bowral, Byron Bay, Casino, Cessnock, Corindi, Darlington Park, Deniliquin, Dorrigo, Foster/Tuncurry, Glen Innes, Griffith, Gundagai, Gunnedah, Guyra, Illuka, Inverell, Kempsey, Kurri Kurri, Lake Cargelligo, Laurieton, Leeton, Lightning Ridge, Lithgow, Macksville, Maclean, Maitland, Manilla, Merimbula, Milton, Mittagong, Moama, Moree, Morriset, Moss Vale, Mullumbimby, Murwillumbah, Muswellbrook, Nambucca Heads, Narrabri, Narrandera, Nowra, Quirindi, Singleton, Taree, Tenterfield, Toormina, Tumut, Ulladulla, Ulmarra, Uralla, Urunga, Walcha, Walgett, Warialda, Wauchope, Wee Waa, West Wyalong, Woolgoolga and Yamba.

We also introduced selected services in country Government Access Centres including applications for building trades licences, business names registration, lodgement of complaints and REVS certificates. This further increases access to our services for people in country New South Wales.

Internet lodgement of complaints in 1998/1999 will give people living in isolated rural areas an additional point of access to the department's services.

Y2K consumer protection

We implemented a comprehensive Y2K consumer protection strategy that includes information products, such as consumer and trader brochures, fact sheets, a statewide consumer advertising campaign, media publicity and information seminars for business groups and consumers.

The continuing strategy also includes monitoring of the marketplace to detect Y2K scams or unfair trading practices.

Our 'Y2K OK' advertising campaign featured on television, radio, press and community newspapers in 13 languages across the State during February, March and May 1999. The campaign helped bring Y2K consumer issues to the fore and was well received by consumers, business and other governments. Tracking research measured high consumer recall of the campaign and its messages.

In association with the Office of Information Technology, we participated in twenty Y2K business seminars during 1998 and our Community Liaison Officers continued a program of information seminars for business and consumer groups during 1999.

Our small business brochure is promoted to traders through articles published by our in-house

newsletters that are distributed to the business community and licensees. Trader education is also promoted through media publicity, public meetings and referrals to the NSW Year 2000 Business Inquiry Hotline (1800 11 2000).

We are working closely with other State Government bodies and interstate agencies to ensure there is an effective response to the Y2K issue.

Home building awareness

Home building issues generate a large number of complaints. During 1998/1999 we commenced development of a marketing campaign to educate consumers and traders to help reduce risks and minimise home building disputes. The campaign's two main objectives are to:

- give consumers the information they need to successfully deal with their tradesperson
- reinforce legal and good business requirements to the trade.

The campaign, which is planned to commence in early 2000, will incorporate advertising across a range of newspapers and trade and consumer publications.

Tenancy awareness

Two independent research projects undertaken during 1998 indicated poor awareness by tenants and landlords of their rights and responsibilities. Both projects also found that awareness of the role of the Department of Fair Trading in the area of tenancy was poor.

To address these low levels of general tenancy awareness, we have planned an awareness campaign to inform tenants they have certain rights, in particular, that their agent must give them a copy of *The Renting Guide*. This DFT publication explains both tenant's and landlord's rights and responsibilities and is the Department's primary education tool for tenancy.

The campaign, which is proposed to commence in late 1999, will incorporate outdoor advertising on

railway billboards, posters inside buses and the rental classifieds of Sydney and suburban newspapers.

Information for the Aboriginal community

In June 1999 we began producing culturally appropriate educational materials for Aboriginal and Torres Strait Islander communities in NSW. These are being used successfully by our Aboriginal Customer Services officers across the State. The educational materials produced include:

- fact Sheets - *Our Services, Renting and Associations*
- a poster - *Fair Go*
- a flyer - for Aboriginal Housing Providers
- advertising in Koori Mail and local newspapers - for Aboriginal Customer Service Officers.

An Aboriginal version of the current *Our Services* is currently being developed and will be known as the *Fair Go* brochure. We are also planning to produce promotional material for such things as the Aboriginal Rugby League Knockout and other events for early 2000.

Credit Campaign

Research conducted by the Department has revealed the scale of problems associated with the over-use of credit. It is a complex personal issue where the use of credit and access to one or more credit cards is seen by some individuals as a pathway to social acceptance and self-esteem. In response to this, the Department began developing an advertising campaign in May 1999 to alert consumers of alternatives to the over-use of credit - especially during the intense Christmas buying period.

Building on the release of a new publication, *The Shoppers' Guide*, the campaign is intended to highlight credit alternatives in the lead up to Christmas, with a launch in early November 1999 intended.

Youth Web site

In early 1999, the Department began developing a multimedia education program for young people. It will incorporate the State Government's

Youth Policy and involve youth throughout the project including members of the Youth Advisory Council. The project is targeting 16-24 year olds but will generally focus on High School students in Years 10,11 and 12. The main components include an interactive web site, video and teaching aids that will complement the school curriculum in the subject areas of Mathematics, English and Commerce. The resources, once completed, will be distributed to the NSW school system.

Publications

The Department's 1998/1999 Marketing Plan highlighted the need to streamline existing publications. Around a small core of redesigned major publications, we are building a suite of simple and inexpensive fact sheets.

The core publications will provide a broad range of information to shoppers, seniors, home building tradespeople, home building consumers, business people, people renting and people in strata schemes.

A full list of publications currently available appears at appendix 14. The list is also available on our Web site together with a printable order form.

National Consumers Day

National Consumers Day is an annual event in which all state and territory consumer affairs/fair trading jurisdictions come together to focus on a specific consumer issue.

In 1998, National Consumers Day was held on 29 October, the theme being *'Fair Trading and Customer Service - The Bottom Line'*.

Research had shown that many small businesses viewed customer service as being too hard, too expensive or a luxury that only larger businesses could afford. To help change those perceptions, the jurisdictions jointly released the Customer Service Guidelines, an easy-to-follow booklet for small businesses that offered practical and affordable advice on how to improve customer service. The Guidelines are action-oriented

and have proven to be a user-friendly tool to assist businesses improve the service they provide to their customers.

Traveller assistance

A key strategy for the Department in the lead up to the 2000 Olympic Games is the production and targeted distribution of an information resource to tell tourists about Australia's consumer rights and help services.

The resulting brochure, *Have a nice stay*, is the result of extensive liaison with a number of Australian tourist bodies. It includes information on shopping around, comparing prices and refunds and also includes information translated into French, German, Korean, Chinese and Japanese. Distribution begins later in 1999.

Information for seniors

To mark International Year of Older Persons, we embarked on the design and preparation of an integrated campaign to provide older consumers with information on their rights and responsibilities.

The campaign involves the production of a comprehensive publication called *The Seniors' Guide*. It covers a range of issues including moving into retirement villages, home improvements, shopping and general consumer advice, dealing with credit and how to resolve problems. A television advertisement was recorded to promote the Guide and a range of fact sheets will round out the campaign. The Guide, the advertisement and the fact sheets were designed for release later in 1999.

Regional television promotion

Regional NSW was catered for in the production of four 60 second television advertisements covering tenancy, buying cars, home building and credit.

The advertisements, developed in April 1999, present basic advice for consumers and invite further contact with the Department if more information is required. The advertisements began broadcasting in

regional NSW in July 1999. Their impact is being monitored with a view to re-running them and adding additional topics next year if the results justify further investment.

DFT Web site

Our Web site provides a service of up-to-date, quality and accessible fair trading information over the Internet. You can access information to help clarify your fair trading rights and obligations. The Web site is organised into broad subject areas such as *Going Shopping; Homes, Building & Renting; Your Business; Cars, bikes, boats* to facilitate easy and speedy access to information.

We added new subject areas and functionality to our Web site in 1999, including Co-operatives and Y2K. Access to the National Names Index Web site is now also available from our Web site. Using this link will allow you to check which business and company names have been registered both in NSW and nationally. As well as new information, we have also provided an e-mail access point from the Your Say area to enable you to contact the Department through the Web site.

Community Grants

The Department complements its own services by funding community based organisations whose role is to provide advice and advocacy and community education on tenancy, financial counselling and credit and debt issues. In all, we provided \$5.5M to community groups to assist people in these matters.

Tenants Advice and Advocacy Program (TAAP)

TAAP funds one co-ordinating group (The Tenants' Union of NSW), an Aboriginal resourcing group, 14 generalist tenancy services, three Aboriginal services, and a specialist caravan parks and manufactured home estates service.

Total Funding for 1998/1999 for TAAP was \$3,834,079.

Credit Counselling Program (CCP)

This program provides funding for statewide provision of financial counselling services and consumer

credit legal advice through a range of community organisations including neighbourhood centres; church affiliated groups and community legal centres. This year 18 organisations were funded to manage a total of 24 financial counselling and consumer credit legal advice services.

Total Funding for 1998/1999 for CCP was \$840,000.

Financial Counselling Trust Fund (FCTF)

The Trust Fund was established in 1993 to provide funds for financial counselling, training of financial counsellors and community education in personal finance management. In 1998/1999 15 organisations received funding to manage 23 financial counselling and training projects.

Total Funding for 1998/1999 for FCTF was \$476,645.

The Tenancy Housing and Information Unit (THIU)

The Combined Pensioners and Superannuants Association of NSW is the auspice body for the THIU, which is funded by the Rental Bond Board. The Unit targets aged tenants who are living independently and provides tenancy advice and advocacy services, including casework, community education seminars and workshops for older tenants. The Unit also provides comment to Government and non-Government organisations on housing policy issues.

Total Funding for 1998/1999 for THIU was \$118,800.

The Aged-care Rights Service Inc (TARS)

Also utilising Rental Bond Board funds, TARS provides advice and information to aged people living in supported accommodation such as nursing homes, hostels, retirement villages and boarding houses.

Total Funding for 1998/1999 for TARS was \$229,233.

Industry Grants

We also provide grants for the property services and home building industries, using industry licence and other statutory fees to fund education, training or research projects that will result in enhanced

service for consumers of those industries. In the 1998/1999 funding year, close to \$752,000 was provided from these statutory fees for grants to the two industries.

Property Services Grants Program

In 1998/1999, we funded 12 projects including a professional development program for property industry staff to ensure that they understand the needs of, and provide access for, clients with disabilities. Another project funded under this scheme was the development of an Internet version of the 'Share Housing Survival Guide'.

Total Funding for 1998/1999 was \$626,839.

Home Building Grants Program (commenced March 1999)

During the 1998/1999 funding period, we funded Building Apprentices Training Limited (BATL) to conduct a program which ensures out of work apprentices can complete their training.

Total Funding for 1998/1999 was \$125,000.

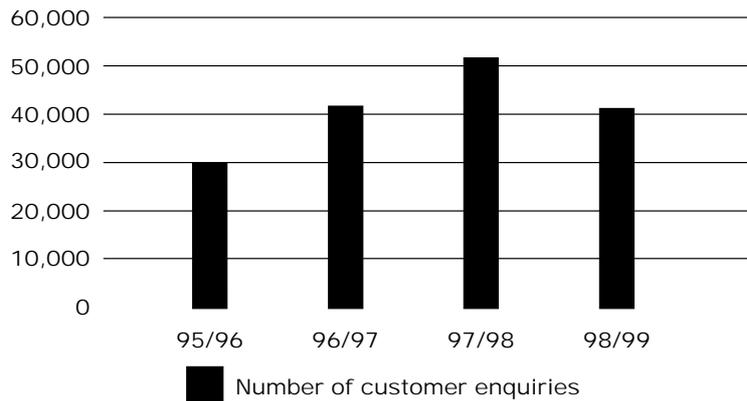
Aboriginal tenancy service

As part of the Department's commitment to improve access to information about residential tenancy matters for Aboriginal and Torres Strait Islander communities, we recruited 2 Aboriginal Customer Service Officers to the Renting Services Branch. They commenced duty in December 1998. To further improve access for the Aboriginal and Torres Strait Islander communities, we opened an Aboriginal Tenancy Queue enabling callers to directly contact the 2 Aboriginal Customer Service Officers to discuss their tenancy concerns. The Service is available for tenants and landlords and provides callers with free and impartial information.

Continued success of strata information services

During the year, 42,988 people accessed information provided by the Strata Schemes Commissioner and the Community Schemes

STRATA SCHEMES COMMISSIONER & COMMUNITY SCHEMES COMMISSIONER INFORMATION SERVICES



Commissioner relating to strata or community living. Customer inquiries have fallen by 18% compared to the extraordinarily high demand during the previous year when a record number contacted us about the introduction of new strata laws. Strategies introduced to improve telephone queue line services have been very successful, with a significant 95% of customer telephone calls answered

Customers continue to take advantage of our easy access bond refund systems. More than 90% of claims for refund of bonds were received by local and freecall 1800 fax services and more than 71,000 claimants directed their refund to be credited as cash to their bank account. Demand for counter cash services continued to decline this year with only 3,695 customers seeking a cash bond refund at the Sussex St counter.

Increase in Rental Bonds and Tenancy Information

The number of private residential tenancies and therefore rental bond transactions, continues to grow. During the year we processed 284,493 new rental bond lodgements valued at \$269.5 million and 267,025 bond refunds totalling \$242.5 million through 383,683 payments. At the end of the year, 497,340 bonds worth \$409 million were held in trust for tenants – an increase of 17,468.

Our specialist rental bond and tenancy information has been widely used by customers throughout NSW. Last year 377,741 local and freecall 1800 telephone callers were assisted by the Branch. This level of response to customers was a significant achievement in light of competing demands on staff.

The introduction of new legislation required all tenancy information officers to participate in a 4-day intensive 'Residential Parks training program' plus training in relation to the new Residential Tribunal.

In the last quarter of the year a new telephone system was installed enabling an enhanced call distribution and monitoring system to be implemented, as well as the introduction of a specialist Aboriginal Tenancy Queue. The Branch has also introduced a TTY telephone system allowing access for hearing impaired customers.

Sydney's hail storm

The Department played a key role in helping the community recover from the worst hail storm in Sydney's memory and was represented on the Recovery Co-ordination Committee convened by Premier's Department.

A specialist tenancy information officer was located at the Randwick Disaster Recovery Centre to provide on the spot information to tenants, landlords and real estate agents, 7 days a week. Advertisements were also placed in major daily, suburban and community language newspapers reminding customers of the availability of the DFT free tenancy information service.

Our compliance teams operated in the field over a four-week period, visiting more than 1,400 sites to provide the community with information on the use of properly licensed contractors and to detect 'shonky' operators. As a result of this activity our investigators listed some 42 contractors and tradespeople for follow-up inquiries.

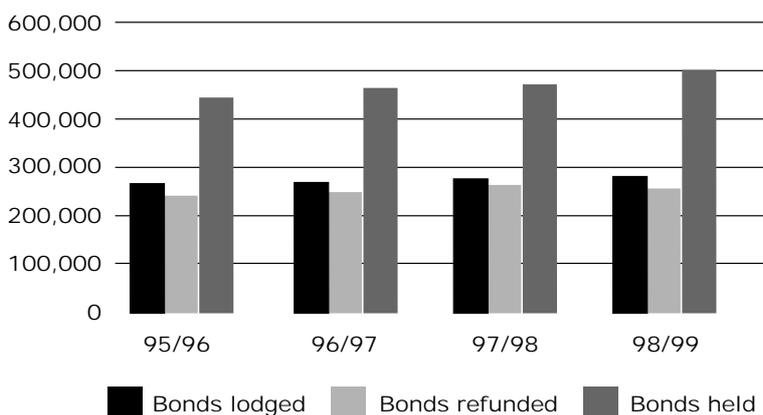
We assisted the industry by setting up a register for appropriate contractors, such as builders, roof tilers and slaters, and carpenters and joiners. 40,000 licensees were advised of the register and the names of some 3,500 contractors were made available to the Southern Sydney Recovery Task Force set up by the Government.

We also worked to expedite licensing under Mutual Recognition principles for interstate contractors who wished to provide their assistance at this time.

More protection for used car buyers

Work we undertook during the year will see another level of protection for used car buyers introduced by late 1999. Details of motor vehicles

RENTAL BOND PROCESSING



REVS - vital statistics 1998/1999

Total enquiries processed:	906,000
Potential savings to clients: *	\$27.1M
Finance industry commitments registered on REVS during 98/99:	\$8.5 Billion
Total encumbrances held on REVS:	over 2.0M

*(Based on finance industry estimates that 1% of encumbrances result in bad debt)

written-off for insurance purposes will be made available to the Register of Encumbered Vehicles (REVS) through The Roads and Traffic Authority (RTA) which maintains a written off vehicles register (WOVR) also known as the Wrecks Register. Used car buyers will have access to this information when they make a REVS enquiry. Along with stolen vehicle details from the Police Service, access to the Wrecks Register forms part of our overall strategy of reducing the risk of consumers purchasing rebirthed vehicles.

This additional information will enhance REVS' role as a single point of contact for the car buying community in New South Wales.

REVS marketing and advertising

Market research conducted in June 1998 showed that 76% of the general public surveyed, who bought a car privately in the last three years, were aware of REVS. However, only 33% of those surveyed actually used REVS. The radio and cinema advertising campaign that we conducted over the last 12 months was aimed at raising the level of awareness of the REVS service to make sure that consumers in the second hand vehicle and boat market contact us before completing a purchase.

Target audiences included regional NSW, western Sydney as well as youth and NESB clients. As a result, general usage of the REVS service has increased. More importantly, public enquiries have increased by 25%, with 165,000 enquiries handled during 1998/1999. The marketing of the REVS Online service, providing

electronic access to our industry users, showed an 18.5% increase in usage.

Our youth market was targeted through a collaborative effort between the Department of Fair Trading, NRMA and Streetwise Comics to fund the production of an 8-page comic. The comic covered issues such as financing, avoiding repossession and insurance and provided young people with details of what services and contacts are available, in an easy to read format. The comics were distributed free across NSW to a wide variety of youth services.

REVS National Conference

In March 1999, we hosted the 1999 National REVS/VSR Conference. All states and territories were represented at the two-day conference which provided an opportunity for face to face discussions on topics including nationally consistent legislation, Y2K and other operational issues.

Co-operative Development Fund (CDF)

The Co-operative Development Fund (CDF) continues to be administered by the Registry of Co-operatives within the Department of Fair Trading. It aims to assist the NSW Co-operatives Sector to grow and remain a viable form of delivery for the Government's economic and social goals.

Applications approved during the 1998/1999 year included:

- a feasibility study into the conversion of a hospital accident and emergency service to a co-operative
- publication of an energy co-operative feasibility study report for distribution to the target audience
- implementation of a quality assurance system for a fruit processing co-operative
- a feasibility study for a proposed co-operative to provide energy services to members
- preparation of a training manual for a buying co-operative
- funding to the Co-operative Federation of NSW Ltd to assist with the 1999 Co-operatives Conference.

Clients submit applications for funding to the Registry where each is assessed for eligibility and selection criteria before being reviewed for approval.

Australian Centre for Co-operative Research and Development

In addition to the relocation of the Registry of Co-operatives to Bathurst, the Government announced its initiative for a Centre for Co-operative Research and Development. As a result, the Australian Centre for Co-operative Research and Development (ACCORD) has been established as a joint venture between the University of Technology, Sydney and Charles Sturt University, Bathurst. The Government will contribute up to \$300,000 pa. for the next three years towards the Centre. This will provide a boost for Bathurst and a stimulus for regional growth.

Compliance monitoring and enforcement

Fair Trading Enforcement Activities

While prosecution is a major deterrent, it is not the Department's only compliance objective. The Department's compliance policy states that our main considerations are to:

- stop the offending conduct
- change the behaviour of the trader or industry concerned to ensure future compliance with fair trading legislation and principles
- deter or punish those who do not comply
- obtain redress for those affected by that conduct.

We assess each case on its merits and determine which compliance strategies would be appropriate. These include legal action through prosecution, injunction, disciplinary proceedings or penalty notice, enforceable undertakings by the trader, 'naming' the trader in public warnings to the community, or a combination of strategies. Some complex cases require months of careful investigation, assessment and discussions as to the legal aspects.

The Department however has established new procedures to identify and report on matters that may require full investigation. This includes a streamlined investigation screening system designed to quickly identify and process reports of conduct involving breaches of legislation. We regularly monitor complaint levels and trends to ensure the Department makes inquiries into traders with a sudden increase in complaints, or reviews their conduct if their general complaint level appears excessive.

Internet and e-commerce

Electronic commerce is on the national consumer affairs agenda. Strategies to deal with Internet operations, including checking for scams and breaches of Australia's fair trading laws, form part of this agenda. Fair trading agencies in Australia and New Zealand are also co-operating to develop procedures for the referral and handling of complaints involving electronic commerce where the trader and consumer may be in different jurisdictions.

Because the Internet operates via millions of sites worldwide, there are difficult jurisdictional and enforcement problems. For example, New South Wales agencies only have authority over sites which are based within this State. Within Australia, the

Australian Competition and Consumer Commission (ACCC) is the only fair trading agency which can take action where a state or territory may not be able to, but even the ACCC is limited when a site is based overseas.

The Australian Internet industry is currently developing codes of practice for Internet service providers, but it must ensure that any code established is compatible with similar codes in other countries.

On 29 July 1998 a liquidator was appointed to Internet 1 Pty Ltd when the company was unable to repay its debts of up to \$150,000 to creditors. Internet 1 Pty Ltd was an Internet service provider. Our inquiries found that the principal behind Internet 1 Pty Ltd was a 15 year old boy who used electronic commerce to remain anonymous and receive money from unsuspecting consumers and trade with other businesses. As he was a minor, creditors had few options available to recover their funds. This case highlights one of the dangers of transacting business over the Internet.

Sweep Days

Australian jurisdictions have agreed that a coordinated approach is the most effective way to crack down on suspect activities. One method is through international Internet 'sweep days', where agencies from around the world target particular activities and search for suspect sites. Warning messages are sent to identified sites, and individual agencies follow up those within their jurisdiction. We have participated in two of these days. The Australian Consumer and Competition Commission (ACCC) coordinates the fair trading agencies and notifies the relevant authority for sites operated from overseas.

The first Internet sweep day in 1997 targeted 'get rich quick' schemes and similar scams. The 1998 day targeted advertising for products that made health claims or that offered 'miracle' cures. This involved searching for advertising claims concerning the treatment or prevention of serious diseases, such as heart disease, cancer, HIV/Aids, diabetes, arthritis and multiple sclerosis.

Private employment agents

On 1 July 1998, we assumed responsibility for the administration of the Employment Agents Act 1996 from the Department of Industrial Relations. By the end of the 1998/1999 financial year, we had issued 459 new licences.

After assuming this new responsibility, our major objective has been to monitor the extent to which the 2,096 licensed Employment Agents in the industry comply with the legislation. The program is focused on a strategy of:

- identifying the extent of industry compliance
- educating employment agents in relation to their obligations
- monitoring the results of the education process through planned inspection programs
- instituting proceedings against agents who continue to flout the legislation.

During 1998/1999 we completed a project involving a review of listings for Employment agents in the Sydney Telstra Yellow Pages. Listings under the headings "Employment - Labour Hire Contractors" and "Employment Services" were targeted. A total of 1055 possible Employment Agents operating from a total of 1266 locations was identified.

Significant enforcement action

Grant Benjamin Rayner - trading as Matchmakers International, GBR Introductions and G Benjamin & Associates.

In September 1997 the then Minister for Fair Trading received a delegation of women who had paid amounts of up to \$3,000 for introductions to men whose profiles were promoted in advertisements published on behalf of Mr Rayner and his businesses.

Evidence provided by the women resulted in the matter being brought before the Supreme Court in November 1997 when interim orders were made prohibiting Mr Rayner from continuing to advertise. The hearing was conducted in March and April 1998. At the hearing, evidence

was presented on behalf of 14 women, most of whom had received no introductions.

On 8 September 1998 the court ordered injunctions against Mr Rayner and others, restraining them from carrying on the business of supplying services as an introduction/dating agency for 5 years. The Court also ordered that the defendants:

- be restrained from continuing to use the numbers published in the Sydney White and Yellow pages advertising the agencies;
- pay damages to each of the complainants (a total of almost \$30,000).

Mr Rayner filed an 'Appeal Without Appointment' which allowed him a period of three months in which to lodge a formal appeal against the Supreme Court orders. However the appeal lapsed on 6 January 1999 and the orders remain.

Ms Renee Fry - trading as Travel Shop

Ms Fry held a NSW travel agent's licence until 25 February 1999 when the Department suspended the licence because of her resignation from the Travel Compensation Fund (TCF). Membership of the TCF is one requirement of holding a licence. Ms Fry is the sole director of The Travel Shop International Pty Ltd. An injunction was sought when Ms Fry and others refused to heed the Department's warnings in regard to unlicensed trading. The Director-General obtained interim orders in the Supreme Court on 19 May 1999 to restrain the defendant from conducting business as travel agents and dealing with any money they had received for travel arrangements they had contracted to provide since late February 1999.

On 24 May 1999 the defendants agreed to consent undertakings to prevent them conducting travel agent business until 23 May 2004.

Mexico Reservation Centre Pty Ltd

Following Supreme Court proceedings initiated by the Department, two unlicensed travel

operators and their company, the Mexico Reservation Centre Pty Ltd were stopped from carrying on business as travel agents.

Neither of the two Directors, Mr Derry and Mrs Lorraine Weis, were licensed travel agents nor members of the Travel Compensation Fund. Membership of the fund protects travellers in cases where the travel agent ceases trading or fails to provide the promised and paid for services. Quick action by the Department ensured that no travellers suffered financial loss.

Business Boost Pty Ltd - trading as Perry Tait's and Computer Wholesalers Direct

Business Boost Pty Ltd was a high-volume direct-sales company selling secondhand computers from \$499 and computer packages, including software and printers from \$724. In the 4 months up to 31 October 1998, the Department received over 100 complaints about the operations of the above company.

In mid November 1998, the Principal, Mr Perry Tait met with Departmental investigators to discuss the increasing complaint rate. This resulted in Tait and his company entering into enforceable undertakings in December. When these undertakings were not honoured by Tait and his company, the Department immediately instituted legal proceedings in the Supreme Court.

On 19 February 1999 a voluntary administrator, Mr Martin Green of Grant Thornton, Chartered Accountants, was appointed voluntary administrator of Business Boost. The company has since ceased trading.

Under a complex Deed of Arrangement, the remaining funds of the company were made available for up to 650 customers to provide for missing parts or for the repair or replacement of items under warranty.

Sasona Enterprises Pty Ltd and Geoffrey King-Osborn

Mr King-Osborn was the director and principal of a finance broking business which placed ads in daily newspapers targeting consumers with a poor credit record and representing

that it could arrange finance for them. Consumers were told to pay an upfront fee, usually of \$300, before the application for credit would be considered. Consumers who were not successful in obtaining loans through Sasona were then denied refund of the payment made.

The defendants each pleaded guilty to six offences at Kogarah Local Court on 25 August 1998 and fined a total of \$1500 each. Mr King-Osborn was ordered to pay compensation to three consumers totalling \$900. The total fines, costs and compensation ordered was \$4812.

This was an important decision as it was one of the first prosecutions for illegally claiming commissions by a finance broker.

Ibiza Pty Limited

This company, operating from Queensland, published the National Facsimile Directory. It used telemarketers to contact businesses and followed up these contacts with faxed order forms. It then faxed an invoice claiming payment of an amount of \$295 for making the entry into the directory. No authority to provide the services had been given by the customers.

We commenced legal proceedings against the company for eleven offences of sending invoices for unauthorised directory entries. On 4 February 1999 at the Local Court, Parramatta, the company pleaded guilty and was fined a total of \$3900 and total costs of \$2572. This was an important victory for business victims as the company ceased this type of activity and no longer operates the National Facsimile Directory.

Public naming of Regal International and Oakroyd Ltd

Overseas mailing in saturation levels has plagued NSW consumers since 1998. Hundreds of complaints have been received from recipients who have been falsely declared as winners of prizes and sweepstakes. Invariably to claim your 'prize' a requisition or transfer fee is required to be sent to an overseas post office.

Regal International and Oakroyd Ltd 'purveyors of fine diamonds and gemstones' sent letters to consumers

claiming that they had won a cash prize and 'Free genuine mined gemstones'. To claim the 'prizes' the respondent was required to pay a \$25 fee for 'delivery and transfer'.

The material being circulated had all the hallmarks of a scam.

Regal International and Oakroyd Ltd were not registered businesses/companies no street address or phone number was provided respondents were asked to send money to a post office address without any real certainty of receiving the 'prizes' or any means of resolving any complaints with the trader.

In October 1998, the then Minister for Fair Trading issued a media release warning the public against dealing with Regal International and Oakroyd Ltd.

Public naming - Michael Kain and Matthew Howden - (trading as the 'Lead Generation Company', and 'Lead Generators')

In August 1998, the former Minister warned the public not to deal with businesses run by Michael Kain (aka Michael Knight) and his partner Matthew Howden (aka Matthew Douglas), both of whom had been named on previous occasions as persons associated with scam activities. Kain has been publicly named previously by former Ministers in an effort to warn the public about his exploits.

Sydney 2000 Olympics Program

We are developing strategies in the build-up to the Sydney 2000 Olympics to ensure that we can deal with Games related fair trading issues:

- counterfeiting goods
- Internet and on-line service delivery
- country of origin labelling
- ticketing issues
- employment advertising
- misleading sales of Aboriginal art and artefacts
- trade measurement - weight and volume.

The compliance strategies will focus on:

- accommodation;
- host home rental schemes;
- product safety and labelling; and
- price gouging.

Unlicensed motor vehicle dealing

Unlicensed operators do not provide warranty and unwitting buyers are often left with faulty vehicles. Unlicensed operators frequently give false descriptions of the history of vehicles that may be unroadworthy and sold with altered odometer readings.

In recent years, we have adopted a more effective strategy to deal with unlicensed operators. Offenders are not only prosecuted through the Local Courts, but where warranted, injunctions are also sought from the NSW Supreme Court to prevent them from further dealings in motor vehicles. Offenders who continue to operate in breach of the orders risk being in contempt of the Court and possible gaol sentences.

Product and electrical safety

Product safety monitoring

During 1998/1999, we developed a comprehensive monitoring and compliance program to remove hazardous products from the marketplace. This program coordinated a survey of over 1000 shops in metropolitan suburbs and country centres in NSW as well as markets, trade shows and exhibitions covering:

- motor vehicle child restraints (part of a national survey)
- care and textile labelling
- disposable, novelty and cheap refillable gas cigarette lighters
- inflatable and portable swimming pools
- prams and strollers
- cots, portable cots and baby walkers
- Christmas products
- liquid filled toys
- second hand goods like pedal bicycle helmets, pedal bicycles and nursery items

- car seat covers
- toys
- Christmas lights
- table lamps
- laser pointers.

Electrical safety approvals

The Department of Fair Trading controls the sale of electrical appliances and equipment to ensure user safety in terms of electric shock or fire. The Electricity Safety Act 1945, provides for two main categories of electrical articles - Declared Articles which require pre-sale approval and Non-Declared Articles which may be sold provided they meet the minimum safety requirements prescribed in the Electricity (Equipment Safety) Regulation 1994. A Certificate of Suitability may be issued, on request, provided the articles meet the minimum safety requirements.

During the reporting year, we carried out 2209 certification tasks related to approval of new equipment or appliances, modifications and variations to existing Approvals and Certificates of Suitability.

1998 Christmas products survey

In the lead up to Christmas 1998, we visited 600 retail outlets in the Greater Sydney Area and NSW country and regional centres to check for unsafe or non-compliant products. The inspections focused on traditional Christmas products and a wide range of household products such as children's toys, flotation toys, children's nightclothes, baby walkers, disposable cigarette lighters, pedal bicycles, bicycle helmets, candleholders, Santa bags and electrical products.

As a result of the inspections, a number of dangerous products were recalled or withdrawn from sale.

1999 Easter show survey

In cooperation with the Royal Agricultural Society and show bag distributors, we examined 231 different show bags prior to the opening of the 1999 Royal Easter Show. Testing the show bags against national guidelines, we found all suppliers had made significant improvements since last year in

complying with bag ventilation requirements. Only a small number of products required further action. A subsequent opening day inspection indicated that products in showbags and in side show alleys met the minimum safety requirements.

Unapproved electrical articles

Following commencement of a monitoring program on 1 March 1999, our investigators have taken action to remove unapproved or non-compliant child-appealing lamps from sale and to impose sanctions on retailers selling the products.

Where goods are found not to comply with the legislation (goods found to be unapproved or unsafe) traders are required to take the goods off sale and if necessary carry out recalls. Some 74 NSW product recalls were negotiated and monitored. Some 70 traders were formally warned to meet their safety obligations. Several traders were interviewed and prosecution briefs submitted in relation to unsafe products.

Electrical safety accident reporting

When serious electrical accidents occur, they must be reported to the Department of Fair Trading and in some circumstances investigated.

In the year ending 30 June 1999, there were nine fatal and 93 non-fatal electrical accidents in New South Wales. Our records show an encouraging long-term trend with the number of fatalities falling to less than half the levels in the early 1970's. Despite increased population and electricity usage the average rate of fatality decline is about 2% per year. Safe electrical work practices and the installation of safety switches would have prevented most of the 1998/1999 fatalities.

The Reject Shop (Aust) Pty Limited

On 16 February 1999, The Reject Shop (Aust) Pty Limited was fined a total of \$30,000 for 11 breaches of the Fair Trading Act 1987 and ordered to pay prosecutor's costs of \$89,772 by the Supreme Court of New South Wales.

The fines related to the sale of unsafe and prohibited goods, including toys such as a pull along train that could release small parts posing a choking hazard to children less than 3 years. There were projectile toys named 'super jet fighter' capable of causing eye injury. Plastic Santa bags did not have the required perforations and were a suffocation hazard to children. There was an exercise equipment item named 'Tummy Trimmer' which had been banned because of the risk of injury and elastic luggage straps that did not have the required warning about safe use.

Trade measurement

Trade measurement legislation provides the cornerstone for fairness and accuracy whenever length, weight or some other dimension is an integral part of a transaction in New South Wales. Some 200 licensed service organisations conduct the majority of routine accuracy testing of equipment such as shop scales, petrol pumps and weighbridges. Our inspectors monitor their work and concentrate on the compliance aspects of the trade measurement legislation.

Besides accuracy monitoring and compliance, we also have an important trade education agenda. During 1998/1999, we conducted seminars in Coffs Harbour, Tweed Heads, Sydney and Moama. We also gave four presentations on the requirements of trade measurement to industry associations and delivered five in-house training sessions to a number of private service companies.

The physical and legal traceability of measurement standards used by industry is crucial to confidence in New South Wales' trade measurement system. By the end of the financial year, we had calibrated some 3500 reference standards of measurement for both internal and external clients.

Improving real estate inspections

We recognised that by using indicators sourced from information gathered for other purposes, we may be able to identify 'at risk' real estate licensees and conveyancers and perhaps intervene before problems arise for consumers.

The new inspection process provides a more efficient and cost effective approach based on defined inspection indicators. It has incorporated a value adding effect on inspections by providing educational advice where applicable, to make licensees aware of their responsibilities, and other resources available to assist them.

Real estate investigations

During 1998/1999, the Department achieved significant results against a number of real estate agents that had been involved in improper or illegal behaviour.

David Newsom/ Fintraw Pty Ltd trading as Central Coast Business Brokers - Gosford.

Mr Newsom allowed his personal and the corporation licence to lapse in 1997. Following this, he closed his doors, ceased trading and fled to Tasmania in January, 1998 owing trust account creditors \$42,000. Our investigators pursued Mr Newsom, and he made a \$26,500 restitution to trust creditors. The Department's Compensation Fund paid out claims for the remaining \$15,500. Mr Newsom was summonsed back to New South Wales to face two counts of unlicensed trading and two counts of failure to bank trust moneys. As a result, the NSW Licensing Court fined Mr Newsom \$3000 and permanently disqualified him and his corporation from holding a Business Agents licence.

Graham Tancred trading as Graham Tancred Stock & Station Agent Pty Ltd - Castle Hill.

Following complaints from the Stock & Station Agents Association, we investigated Mr Tancred's sale of pig meat. Mr Tancred sold pigs to numerous meat wholesalers, but failed to pay \$176,000 in proceeds to the pig producers. Compensation claims to the producers affected have been paid out of the Department's Compensation Fund. On the 27 May 1999, we succeeded in having Mr Tancred permanently disqualified from holding a Stock & Station Agents licence.

Frank Falcomata/ Falcomata & Associates Pty Ltd/ Anthony Geracitano trading as Montano Realty - Bankstown.

As a result of the agency's failure to lodge its 1996/1997 audit report with the Department, investigators conducted an inspection of the agency's records uncovering a \$90,000 deficiency. When detected, Mr Falcomata made full restitution of the outstanding trust moneys. Mr Falcomata's licence and that of his corporation were permanently disqualified by the New South Wales Licensing Court. Mr Anthony Geracitano was disqualified from holding a real estate agent's licence for a period of three years for the offence of 'licence lending'.

Charlie Maklouf/ Dealreef Pty Ltd trading as Scott Henderson Realty - Berala.

Our investigators conducted a routine inspection of the agency's trust account records in May 1998 uncovering a \$102,000 deficiency. Action by the Department in the Licensing Court against Mr Maklouf and his corporation resulted in permanent disqualification of both his personal licence and that of the corporation. Mr Maklouf later paid \$69,000 to trust creditors with the remaining \$33,000 being paid out in claims made on the Department's Compensation Fund.

George Buschman trading as The Professionals - Strathfield.

Following the agency's non-lodgement of its 1997/98 audit return to the Department, our investigators uncovered an \$82,000 trust account deficiency. Shortly after the discovery, Mr Buschman made full restitution to the agency's trust creditors. Action undertaken in the Licensing Court by the Department resulted in Mr Buschman's permanent disqualification from holding or obtaining a real estate licence.

Kim & Shin Pty Limited

A routine inspection of this real estate agent, trading as Laing & Simmons Campsie, identified trust account deficiencies totalling \$168,549.18. On 20 January 1999, the Supreme Court ordered a

receiver to be appointed to protect the interests of consumers dealing with the agency, particularly where the agency was holding monies for these consumers. Investigations are continuing.

Union Bloodstock Pty Ltd and John Cunliffe

Union Bloodstock Pty Ltd and its director John Cunliffe were each holders of Stock and Station Agents licences. In January 1998, Union Bloodstock conducted a yearling sale at Tamworth. The entire proceeds of the sale were not banked into a trust account as required by the Property Stock and Business Agents Act and were partly applied to meet the operating costs of Union Bloodstock. As a result, a cheque sent to a vendor for \$19,550 bounced.

At a subsequent sale conducted by Mr Cunliffe in May 1998 proceeds of sale were again not deposited into a trust account and some of the proceeds were applied to meeting Mr Cunliffe's personal debts.

On 31 May 1999, the Licensing Court cancelled the licences of Mr Cunliffe and Union Bloodstock and permanently disqualified them from holding another licence.

Vasey retirement village outcome

Vasey is a non-profit organisation providing independent accommodation to older women. There are six villages in the Sydney metropolitan area with approximately 270 residents. Each village operates under a separate budget.

During a review of Vasey's operations, it became evident that issues concerning some residents were outside our jurisdiction so the possibility of mediation was suggested. We sponsored and facilitated a mediation process between management and residents at villages where there was a budget dispute and the parties have subsequently signed agreements.

Planned changes to the retirement village legislation will further assist residents and management in dealing with the types of issues involved. The Vasey case is a good example of the Department using alternative processes to help resolve disputes.

Home building compliance

John Paul Bridges

Mr John Paul Bridges was an unlicensed builder who carried out tiling work and shower repairs. Mr Bridges would place advertisements in local newspapers similar to this: *'BEST J. All tiling needs and leaking shower repairs. For best service at best price. No labour above \$200.'*

Unsuspecting consumers would call Mr Bridges and, as he had provided the lowest quote, engage his services. In a number of cases Mr Bridges would complete the work but not fix defects. In other cases Mr Bridges would leave the work unfinished after removing tiles from the shower and taking an initial deposit.

Mr Bridges was successfully prosecuted in Parramatta Local Court on 18 September 1998 for five breaches of s.12 of the Home Building Act in relation to unlicensed building work and five breaches of s.5 (1)(a) of the Home Building Act in relation to advertising while unlicensed. He was ordered to pay fines and cost totalling \$6,010.00. A subsequent Supreme Court injunction restrains Mr Bridges from further unlicensed building work.

Spotlight on Central Coast home building

During January and February 1999, we conducted a targeted compliance program in the Central Coast/Newcastle region. The objective was to monitor levels of individual compliance with amended legislation to ensure that consumers in the residential building industry were being dealt with fairly, especially in the areas of deposits, written contracts and provision of home warranty insurance. There were 336 site visits and where appropriate, formal cautions were issued.

Kitchen industry under the microscope

The Central Coast/Newcastle targeted compliance program highlighted potential issues for consumers and the community in their dealings with the kitchen industry. As a result we have developed a compliance campaign

targeting the kitchen industry in the Sydney/Wollongong region. In developing this campaign, we have liaised with industry associations, with the focus on issues including the use of split contracts, taking excess deposits and compliance with home warranty insurance requirements. This campaign will also target contractors from the Central Coast/Newcastle region who were previously detected as not complying with legislative requirements. We commenced the campaign in May 1999 by sending over 2000 letters to licensees in the kitchen industry.

Co-operatives compliance activities

Two particular cases warrant a special mention. In both cases, circumstances had gone beyond the control of the directors and the cooperatives were failing to meet their objectives. Because the essence of a co-operative is democracy or member control, intervention by the Registrar is the last resort. However, when these situations arise, intervention needs to be swift and decisive. In the first case, the cooperative, which was pursuing commercial objectives, had been overwhelmed by commercial pressures, including the difficulty of competing with cheap imports. A formal Inquiry under the Cooperatives Act was instigated and an inspector appointed to conduct the inquiry. After investigating the financial position and consulting with directors, the problems were identified and it was necessary to appoint an external administrator.

The second case involved a community-based cooperative with social objectives. It was not functioning, largely as a result of member dissension. This resulted in the NSW Supreme Court ordering the Registrar to appoint an administrator. However, before appointing the administrator, it was necessary to conduct an inspection of the co-operative to determine the nature of the problems being faced in order to identify a person suitable for the role.

Transfer of supervision and regulation of Co-operative Housing Societies from FINCOM

During the first half of 1999, we prepared for the 1 July 1999 take-over of the regulation and supervision of Cooperative Housing Societies from the NSW Financial Institutions Commission (FINCOM). In further developing the prudential guidelines for Cooperative Housing Societies, we will be able to build on the work already done by FINCOM. One of our first tasks will be to draft a new Accounting and Audit Regulation to complement the Cooperative Housing and Starr-Bowkett Societies Act 1998.

Complaint handling and dispute resolution

Pool repairs nearing completion

The project to repair defective fibreglass pools supplied by UFI Pools and Spas (Illawarra) Pty Ltd or associated installers will be completed early in the 1999/2000 financial year. At the completion of the project, approximately 700 claims will have been processed at a cost of approximately \$8.37 million. Despite delays due to rain, 256

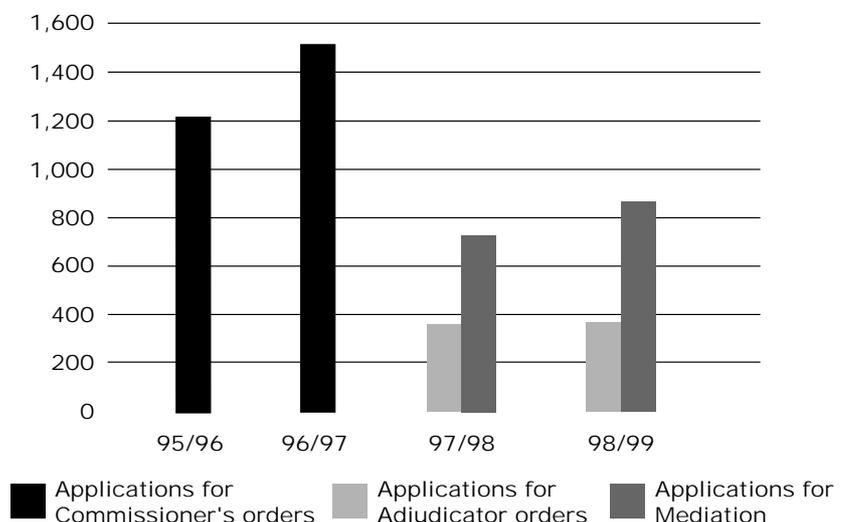
consumers have had their pools repaired or settled their claims over the past year at a cost of \$2.17 million. During the 1998/1999 financial year, the last two rounds of tenders from licensed contractors were administered for us by the Department of Public Works and Services. Each round resulted in the award of contracts covering 85 pools.

Ongoing Success of Strata Mediation

The requirement under the Strata Schemes Management Act for mediation to be attempted before an application can be made to the Strata Schemes Adjudicator continued to be successful. Our highly skilled mediators have encouraged parties to resolve their disputes without the need for formal adjudication of the problem.

Statistics indicate that most customers attending mediation have found it to be a beneficial way to resolve their strata problems. Our Strata Schemes & Mediation Services Branch received 859 applications for mediation, a 16% increase on the previous year. Of these, 60% were resolved by the mediators without the need to directly proceed to adjudication. A continued reduction in the number of applications for formal dispute resolution was seen with only 369 applications lodged for Adjudication.

STRATA SCHEME COMMISSIONER MEDIATION REDUCES NUMBER OF ORDERS TO STRATA SCHEMES ADJUDICATORS



Ongoing success of the Dispute Management Service

We re-focused our efforts in the handling of disputes between contractors and consumers in the residential building industry with the establishment of a Dispute Management Service (DMS). The DMS commenced statewide operation in August 1998 and plays a role in early intervention in disputes. The emphasis is on bringing the parties to an agreed resolution to avoid possible escalation towards Tribunal or civil litigation.

The DMS does not become involved in private insurance matters. However, where consumers are covered by the closed Statutory Insurance Scheme we administer and the matter is unable to be resolved, it is referred to our Insurance Branch. Over 4,000 disputes have now been finalised.

Monitoring the Private Home Warranty Insurance Scheme

Amendments to the Home Building Act 1989 commenced on 1 May 1997. A home warranty insurance scheme was introduced where approved private insurers provide cover of at least \$200,000 for residential building works valued at over \$5,000. Home warranty insurance protects the consumer and any subsequent purchaser for a period of seven years against any loss caused by a building contractor's failure to fix or compensate for defective or incomplete work.

Consumers should check that their builder or tradesperson has given them an appropriate certificate of insurance before commencing the work.

Approved home warranty insurance is available from four insurance companies or their agents approved by the Minister for Fair Trading. These are HIH Insurance (which now owns FAI), Home Owners Warranty, Mercantile Mutual and Zurich. Two other applications for approval from organisations to provide home warranty insurance are under consideration.

Appropriate protocols and procedures on liaison, claims handling and dispute resolution, and reporting requirements were established and approved by the Minister in a document titled *Home Building Warranty Insurance - Conditions of Approved Private Providers*. A condition of approval added this year is that insurers must not sell insurance to unlicensed entities. However, it is expected that insurers will honour any insurance policies sold inadvertently to unlicensed contractors. Approval conditions also require that insurers provide information to the Department at defined intervals. Annual reporting requirements provide an overview of the operation of the scheme.

The Department maintains a positive working relationship with approved insurers through regular meetings to discuss major issues that have arisen during the reporting period. Where necessary, legislative and administrative changes are made to ensure that consumers maintain access to their insurance entitlements.

Licensing, registration and certification

Business names information brokers

For some time, information brokers have been making business name searches available to the business community and the general public. We expanded this service throughout

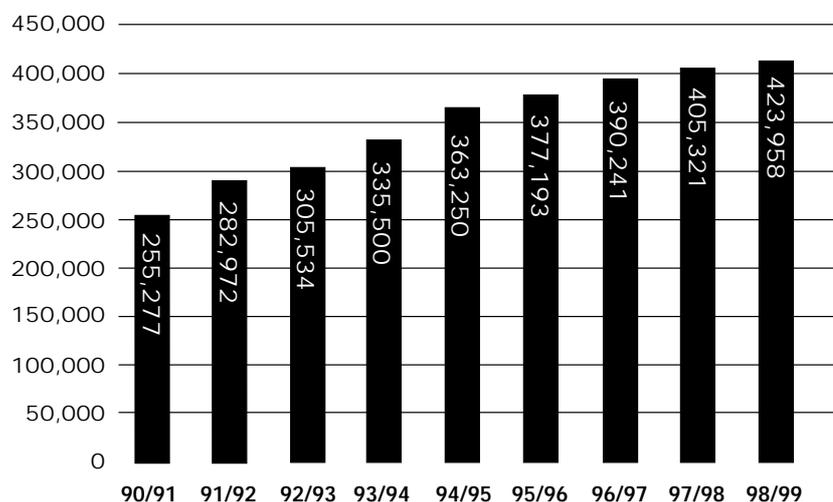
1998/1999 by increasing the original three brokers to nine with a further two brokers expecting to come on-line by November 1999. This expanded service has two benefits in that it provides a more accessible service for the public and increases competition among brokers.

The brokers currently access the NSW business names database through the ASCOT computer system operated by the Australian Securities and Investments Commission under a bureau service arrangement. We are replacing reliance on the ASCOT system with the Department's own computer system next year. More information on this appears in Objective 3.

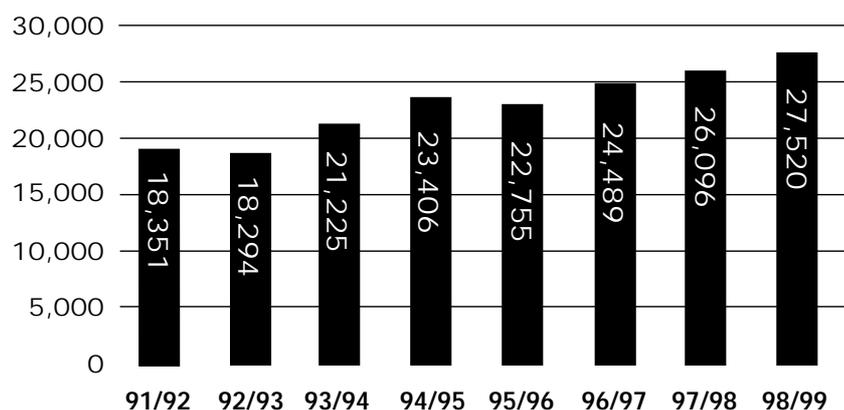
Improved lodging of Annual Statements by incorporated associations

As part of a quality management project relating to the lodgement of annual statements and payment of fees by incorporated associations, we have instigated a pilot compliance program to lift the lodgement rate from its current level of less than 50%. The program also aims to confirm that details held by the Department are correct, thus ensuring the integrity of the database. The program has involved contact with some 5000 incorporated associations. It will be evaluated once responses have been received with a view to extending the boundaries of the program.

TOTAL BUSINESS REGISTRATIONS



TOTAL ASSOCIATIONS REGISTERED



Business Licence Information Service (BLIS)

BLIS is the information arm of our licensing function and provides information on NSW and Commonwealth Government business licence requirements, including application forms and guide notes. BLIS provides a single point of contact. One call to BLIS replaces a number of calls to various agencies.

In 1998/1999, contact with BLIS increased to a record level of 79,645 - a small increase over the previous year's figures.

Tri-annual Licence Fees

This year, amendments were again made to the Property, Stock and Business Agents Act 1941 (the Act) to continue to allow real estate agents the choice of whether to pay \$240 for a one year licence or \$720 for a three year licence.

This arose because, in 1993, amendments to the Act introduced a tri-annual licensing scheme. These amendments envisaged that all real estate licences would only be renewed on a tri-annual basis. Following discussion with the industry and to avoid placing unnecessary burden on them, further amendments were made to the Act in

Business Names Test

The expected introduction of an automated model test for business names will streamline the business name approval process and make the task of applying for a business name simpler and faster for our customers.

At present our assessment of a proposed business name has a significant element of subjectivity because it requires each proposed name to be assessed individually by business registration officers. The high level of human intervention may lead to inconsistencies in decision making and, on occasion, makes the process quite lengthy.

The importance of an automated names test was recognised by representatives of the nation's consumer protection bodies at the Ministerial Council for Consumer

Affairs (MCCA) Conference, held in August 1997. Also, the public consultation stage of the review of the Business Names Act showed strong support for streamlining business registration processes. The automated names test is an essential element to achieving that goal.

During 1998/1999 there was ongoing development of a model test suitable for programming into the Department's new computer system, which is expected to go live in late 1999. The model test introduces the necessary level of objectivity to enable automated decision-making but stops short of an identical names test for assessing availability against registered business names. The expected outcome of the automated model test is to streamline the approval process.

Licensing activity	New licences 96/97	New licences 97/98	New licences 98/99	current
Motor Dealers	478	502	418	4,304
Travel Agents	163	182	141	1,542
Pawnbrokers and Second-hand Dealers	26	1,973	435	1,848
Private Employment Agents	*	*	459	2,246
Public Weighbridge	10	11	14	90
Trade Measurement Services	34	28	27	203
Property, Stock & Business Agents	1,206	1,240	1,384	23,657
Valuers	193	174	142	**4,356
Conveyancers	34	43	47	158
Building	9,760	10,234	11,069	151,463

* Previous numbers not available as Department of Fair Trading only assumed responsibility for Private Employment Agents on 1 July 1998

** This figure includes 804 non-practising valuers

1996 to allow real estate agents to choose whether they would renew their licences on an annual or a tri-annual basis. In 1999, it was decided to continue this scheme because the concern still remained that three yearly fees could be too high a cost for small businesses to absorb.

'Borderline' interviews for real estate applicants

When determining whether to grant a real estate agent's licence, the Director-General or delegate must consider whether the applicant has

sufficient experience to undertake the duties of a real estate agent. To help with this assessment, a process was introduced in 1998/1999 which allows 'border-line' applicants to be interviewed.

The interview comprises two parts.

- An industry experience profile of the applicant is developed as a means of aligning their experience to the duties of a real estate agent.
- The applicant is questioned regarding the practical aspects of real estate agency practice.

This new process has brought a range of benefits including:

- a number of applicants (who otherwise would have had their licences objected to or restricted) being granted appropriate licences
- restricted licences being granted to those who have extensive experience in specific duties of a real estate agency but fall short in other respects
- a greater opportunity to make accurate decisions.

O bjective 3

Accountable use of public resources

All government departments are accountable to Parliament, Ministers and the public for their use of community resources. One of our key aims is to use the resources entrusted to us in the most economical, efficient and cost-effective way, while providing services which are customer-focused and aligned with the Government's social justice objectives.

Aboriginal Action Plan

This year the Department made Aboriginal issues a major priority, beginning with the launch of the Aboriginal Action Plan in August 1998. The Action Plan identifies ten areas for development over the next two years and beyond. The plan concentrates on key fair trading issues identified by Aboriginal communities, such as tenancy and discrimination. It also aims to ensure our services are accessible to Aboriginal communities.

Major initiatives include:

- Aboriginal cultural awareness training for approximately 600 of our front-line staff and managers
- employment of an extra twelve customer services officers across the state to specialise in outreach services to Aboriginal communities and tenancy issues and two Aboriginal customer service officers in Renting Services
- an employment strategy which has increased the proportion of Aboriginal employees from 1% to 2.6% of our total staff by filling 16 identified Aboriginal positions
- consultation and liaison with Aboriginal communities and organisations at state, regional and community level
- a two-year project to develop appropriate publications and information campaigns for Aboriginal communities
- development of a joint project with the Anti-Discrimination Board to counter discrimination against Aboriginal people in the tenancy market

- workshops to assist Aboriginal co-operatives
- an Aboriginal mediation project.

We have already made major gains in our services to Aboriginal communities, and plan further improvements in the coming year.

Aboriginal Mediation Strategy

Aboriginal housing organisations and Aboriginal people are increasingly managing their housing needs. One of the strategies identified in the Aboriginal Action Plan launched in 1998 was for a pilot mediation project to resolve problems between Aboriginal housing organisations and their tenants. The pilot is to provide a culturally appropriate service to help Aboriginal tenants and housing providers look for a mutually agreed long-term solution to disputes.

Consultation took place on the proposed project with the then Residential Tenancies Tribunal, the NSW Aboriginal Land Council, the Department of Aboriginal Affairs, the Aboriginal Tenants Advice and Advocacy Services, the NSW Aboriginal Housing Office and the Department of Housing. Following this consultative process a draft mediation model was developed. Further consultation is now being undertaken with the organisations listed, prior to commencing a pilot mediation project.

Access and Equity Strategy

The Department's Access and Equity Strategy has provided a framework for ensuring our programs meet the

needs of all our customers. This year initiatives have focussed on improving services to Aboriginal people, people from non-English speaking backgrounds and people living in rural or remote locations. Some projects have also specifically targeted people with a disability, young people, women and older people.

The Department has opted for an integrated approach to this area of work, recognising that some specific initiatives will benefit a wide range of disadvantaged or vulnerable people. For example, to help our clients the Department has begun to review standard forms to ensure they are in plain English and understandable to people with low literacy or with a disability. Similarly our publications come in a variety of styles such as the Streetwise comics for young people buying cars. The Renting Guide is translated into seventeen languages, and an audiotape describing the Department's services is available for sight impaired people.

A review of our language services has identified ways to improve our services to people of non-English speaking background. We currently have 47 bilingual staff receiving a community language allowance, with further staff to qualify next year. Future initiatives will focus on making greater use of our bilingual staff and external interpreters.

A manual is also being developed to assist staff in the planning, delivery and evaluation of services to people from diverse backgrounds. This will include practical information such as how to conduct education campaigns and communication strategies and

how to organise consultations. There is also information on physical access to our services.

The Access and Equity Strategy is reviewed by senior management every quarter. Progress is monitored by conducting customer satisfaction and other surveys and through community consultation.

Customer Profile Survey

The Department wants its services to meet the needs of everyone in the State. In 1998/1999 we initiated a Customer Profile Survey to monitor who used the Department's services. This is one measure of how well we meet diverse needs, particularly those of vulnerable groups. It also identifies any areas where improvements are necessary.

The survey found that overall, vulnerable groups, including people in non-metropolitan areas and those who speak languages other than English at home, are just as likely to use our services as other people. While Aboriginal people use our services, we are working hard to improve our accessibility to Aboriginal communities. The survey will be repeated each year to monitor changes.

Community Consultations

The Department holds a multicultural consultative forum twice per year for organisations representing ethnic communities. This is an opportunity to provide information about our services and has also been a rich source of information on consumer and trader problems specific to particular ethnic communities. Feedback on translated publications such as the *Renting Guide* has assisted us to improve the content and distribution.

We also consulted community organisations to identify difficulties older people face with electronic banking. Consultations revealed a preference for face to face transactions but concern was expressed at the high fees and charges that apply to these transactions. These issues were taken up with the banks and with the Commonwealth Government.

Corporate planning and performance reporting

Improving performance planning and reporting has been a major challenge for the Department since integration in October 1995. The four merging agencies, the Department of Consumer Affairs, the Building Services Corporation, the Office of Real Estate Services and the Registry of Co-operatives had widely differing approaches and substantial work is involved in devising a unified system to cover the full range of our responsibilities. We need to ensure that our reports yield worthwhile information for the purposes of external accountability and to help us run the business more efficiently to improve our service quality to customers.

The first step was to set clear objectives reflecting our brief from the Government. In late 1998 a simplified planning framework was released which set out three corporate objectives which are linked to broad indicators. The next step was to identify specific items to measure. In early 1999, a project to cover this was commenced. Work is continuing on this and on fine-tuning the divisional indicators developed in 1997/1998. In late 1999 a suite of corporate and divisional indicators will be finalised.

The next steps will be to systematically collect data and to introduce regular reporting and review. Data collected will include regular, structured feedback from consumers and traders on general fair trading issues and cyclic customer-satisfaction surveys for customer-contact areas. Customer Services and Community Education Division has already trialled both a customer-satisfaction survey and an electronic 'touch-screen' panel. This allows our customers at Fair Trading Centres to provide feedback on the service they have received. Internal target-setting and performance review will be built into the annual budget/planning cycle and flow into the development of our improvement strategies. The key indicators will be incorporated into future annual reports, though for some items where new data

collection mechanisms are needed, statistics may not come on-stream until late 2000.

The revised planning framework is also being used as the basis for developing a slightly more detailed corporate plan which will be released later in 1999.

Quality and Guided Self-Assessment

In late 1998 the Department updated its quality plan. Key elements were to conduct a few small manageable improvement projects, to continue with the performance indicator project and to conduct a further Guided Self-Assessment in late 1999 or early 2000.

Fourteen staff received team-leader training in early 1999 and projects were chosen. Licensing and Registration Services commenced reviewing the processes involved in the lodgement of annual statements and fees by Incorporated Associations, to identify opportunities to improve compliance, database integrity and revenue flow. An electronic complaints-handling project was set up by Customer Services and Community Education Branch. Internet lodgement of complaints next year will give the Internet community, people with disabilities and those living in isolated rural areas an additional point of access to the Department's services. Policy commenced work on reviewing models for consultation during projects to enhance responsiveness to community and interest group issues.

Management and Information Services established a project to review processes involved in the collection of learning and development data to assist in more accurate reporting, budgeting and prioritising of learning and development needs.

Compliance, Legal and Safety Division mapped the processes involved in administering the annual audit reporting requirements for real estate agents. The aim is to reduce costs to the Department and to

clients, improve data collection methodologies and enhance compliance. These five quality projects are expected to be finalised in late 1999.

In 1998 the Department explored the possibility of interstate benchmarking as part of a working party operating under the auspices of the Standing Committee of Officials of Consumer Affairs. Unfortunately this initiative did not proceed. In 1999/2000 the Department will be exploring other options for benchmarking.

Y2K compliance and remediation

The Department is well advanced with the Y2K Remediation Program and Contingency Planning. We have developed a testing and certification process which is being used as the guiding methodology for approaching and executing the Y2K compliance program. Several major systems have been certified compliant, meaning that they are now Year 2000 Ready. Overall, the Office of Information Technology is currently reporting the Department as 95% Y2K ready. Quarterly progress reports are available on the government's Y2K Web site (www.y2k.gov.au) and our program will be ready for external audit in October.

Business continuity program

Our Business Continuity Plan is in its testing phase. During the first phase, 23 functions across 11 areas were identified as being critical. The second phase involved the development of business continuity and recovery strategies with a focus on technology as a key resource. During this phase, a cross-divisional perspective was adopted and 15 strategies were endorsed, based on synergies between functions and resources.

The business units then developed contingency plans to assist them in delivering their services in the event of a loss of critical resources. Business units will be called upon to carry out these plans if any disruptions to service delivery occur, as may be the case with the advent of Y2K.

Electronic service delivery

Like many areas of government, we recognise the need to be more effective and customer focused. One of the ways we will achieve this is by using electronic means, including the Internet, to deliver our services and perform our day-to-day activities.

In mid 1998, we undertook an exercise to identify our opportunities for Electronic Service Delivery (ESD) and create a workable action plan for their implementation. Our plan identifies six high-level initiatives:

- online registry - enabling you to perform registration and licensing transactions online
- smarter customer service - using technology to provide you with reliable, relevant and appropriate fair trading information quickly, consistently and conveniently
- Rental Bond Internet Service - enabling NSW property managers to perform all bond transactions online
- REVS Online - giving you ready access to REVS information and services - 24 hours a day, 7 days a week
- working smarter - using technology and better processes to support our staff in delivering the best possible service to you and in managing internal activities more efficiently
- virtual tribunal - improving the accessibility and convenience of our Tribunal services.

Our progress to-date has focused mainly on developing the necessary infrastructure, including ensuring that any system developments already underway provide scope for future ESD initiatives. We anticipate that work on a number of initiatives will commence in earnest after the finalisation of our Y2K remediation activities.

REVS on the Internet

Electronic service delivery accounts for over 60% of REVS business and we expect at least another 5% growth when our services become available over the Internet. At the moment our Web site provides details of our services, announcements and application forms that can be

downloaded by our account customers. We are currently working on a project to extend our Internet access to include public enquiries.

Business Licence Information Service (BLIS) upgrade

BLIS allows business people to find out all they need to know about obtaining business licences with just one phone call. The service is currently being developed for the upgrade of the existing system to run on a 32 bit windows environment and enable global access to the system via the Internet. When completed it will facilitate public access to the BLIS knowledge bases and allow applications and guide notes etc. to be sent via e-mail.

New computer system for Business Registrations

Last year the Department commenced the development of a new Business Registration System to replace our reliance on the Australian Securities and Investments Commission's ASCOT system. The new system is expected to be operational in late 1999. An Internet access to the National Names Index (NNI) via a hyperlink from the Department's Web site has been implemented. An NNI search is free and provides access to registered business names, registered company and incorporated associations' data.

Information management & technology strategic plans

Our current Strategic Plan which primarily focused on the integration process, has achieved its goals and is approaching the end of its functional life. Consequently, a new plan is being developed to cover the period 1 July 2000 to 30 June 2003 inclusive and is scheduled for completion in October 1999. The focus of the Plan will be the provision of optimal support to our corporate and business planning and will highlight electronic commerce initiatives.

Rental bonds on the Internet

The Rental Bond Internet Service (RBIS) is a cost effective, business-to-business E-Commerce solution, enabling Real Estate agents throughout NSW to authorise the refund of residential rental bond monies to tenants via the Internet. Real Estate agents will be given direct on-line access to Government rental bond services that will enable tenants to receive their bond money more quickly at the end of a tenancy.

The Department has completed the development of detailed requirements for the RBIS Project and selected a prime contractor to conduct an initial scoping study prior to development and implementation of the solution. It is expected that the RBIS Project will be commissioned by April 2000.

Rationalising office space

To improve efficiency and provide clients with 'one stop shopping' the Sydney Business Registration counter service has merged with the new Sydney Fair Trading Centre in Elizabeth Street, Sydney.

Traditionally, our Business Registration Branch has maintained specialised counter services for instant registrations, reservations, association incorporations, public searches and amendments to existing registrations. Our clients may now access information, register a business, obtain a licence, or receive consumer-related advice from one spot rather than visiting several different locations for each enquiry they wish to make.

Our Licensing and Registration Services Division also moved during the year and is now located in the one building – on levels 21 and 22, 227 Elizabeth Street, Sydney. The Licensing Branch in particular was previously located on two sites and our licence customers now enjoy the benefit of being able to follow up on any sort of licence enquiry from the one location. The Division's more convenient location allows for easier, more efficient management and administration which will lead to savings in time and money.

Regional accommodation strategy

We completed our CBD Strategic Accommodation Plan by finalising accommodation refurbishment and relocation of staff under the integration. Fair Trading Centres were refurbished or new centres established in Armidale, Coffs Harbour, Port Macquarie, Orange, Dubbo, Wollongong, Gosford and Tweed Heads. In line with the Regional Accommodation Strategy we are also reviewing accommodation needs at Hurstville, Liverpool, Blacktown, Queanbeyan, Grafton and Albury.

Asset Management Services, Department of Public Works & Services has been engaged to review and update our Strategic Accommodation Facility Plan for the CBD, Metropolitan, Regional and Fair Trading Tribunal accommodation needs.

Relocation of the Registry of Co-operatives to Bathurst

One of the Government's regional objectives is the transfer of appropriate Government business units to regional centres. Accordingly, the Registry of Co-operatives is being relocated to the city of Bathurst. During the latter part of 1999, arrangements will be made for fitting out the new premises at Bathurst and the recruitment of staff.

Risk management & insurance

The Department is part of the NSW Treasury Managed Fund, which is the State Government's self-insurance scheme. It covers all of our operations worldwide for workers' compensation, comprehensive motor vehicle, property loss and public liability as well as providing miscellaneous cover.

Our two major risk areas are workers compensation and motor vehicles and strategies exist to help ensure exposures are minimised. Policies exist on the use (and maintenance) of Departmental motor vehicles and Occupational Health and Safety.

In 1997/1998, we suffered several costly workers' compensation claims. This resulted in an increase in the 1997/1998 premium of 61%. These claims also impacted on our premium for 1998/1999, however concerted effort in claims management and review over the last two years has minimised the impact to 16%. This work has resulted in a substantial reduction in our premium for 1999/2000.

Energy management

An Energy Manager and Energy Coordinator have been appointed and preparation of our Energy Management Plan is well advanced. Appropriate strategies and practices have been implemented in relation to office fit-outs to help ensure that energy savings are optimised. This has included separate switching for all rooms and offices; the purchase and installation of energy saver fluorescent tubes in some tenancies and, initially, a review and rationalisation of the lighting levels in Enterprise House. All of the new computers purchased to help achieve Year 2000 compliance are Energy Star rated.

Improved payroll system

During the year, the Department undertook to implement a new Human Resource Information System. A number of products were reviewed before CHRIS FIVE (Complete Human Resource Information System) from Frontier Software was selected. CHRIS replaced a system that had been in place since 1991 and which was not Y2K compliant. Successful implementation of the payroll module of the new system went live at the end of June 1999. Work is continuing on the remaining modules relating to Training and Development, Occupational Health and Safety and Claims Management.

Equal Employment Opportunity

The following outcomes were achieved during 1998/1999:

- 2.6% representation of Aboriginal and Torres Strait Islander people

Percent of Total Staff by Level

Level	Subgroup as Percent of Total Staff at each Level				Subgroup as Estimated Percent of Total Staff at each Level				
	TOTAL STAFF (Number)	Respondents	Men	Women	Aboriginal People & Torres Strait Islanders	People from Racial, Ethnic, Ethno-Religious Minority Groups	People Whose Language First Spoken as a Child was not English	People with a Disability	People with a Disability Requiring Adjustment at Work
< \$25,761	1	0%	100%	0%					
\$25,761 - \$33,835	96	80%	39%	61%	2.6%	39%	32%	21%	15.6%
\$33,836 - \$37,825	326	67%	21%	79%	2.8%	29%	29%	8%	2.8%
\$37,826 - \$47,866	358	88%	36%	64%	4.5%	34%	28%	8%	2.2%
\$47,867 - \$61,899	368	86%	54%	46%	1.9%	19%	14%	13%	4.1%
\$61,900 - \$77,374	163	89%	69%	31%	0.0%	21%	14%	14%	6.9%
> \$77,374 (non-SES)	3	67%	67%	33%	0.0%	0%	0%	0%	0.0%
> \$77,374 (SES)	12	83%	58%	42%	0.0%	10%	20%	0%	0.0%
TOTAL	1,327	81%	42%	58%	2.6%	27%	23%	11%	4.4%
Estimate Range (95% confidence level)					2.2% to 3.0%	25.8% to 28.2%	21.8% to 24.1%	10.0% to 11.5%	3.9% to 4.9%

Percent of Total Staff by Employment basis

Employment Basis	Subgroup as Percent of Total Staff in each Category				Subgroup as Estimated Percent of Total Staff in each Employment Category					
	TOTAL STAFF (Number)	Respondents	Men	Women	Aboriginal People & Torres Strait Islanders	People from Racial, Ethnic, Ethno-Religious Minority Groups	People Whose Language First Spoken as a Child was not English	People with a Disability	People with a Disability Requiring Adjustment at Work	
Permanent	Full-Time	1,048	86%	45%	55%	2.5%	27%	23%	12%	5.0%
	Part-Time	64	78%	16%	84%	0.0%	30%	24%	8%	0.0%
Temporary	Full-Time	169	62%	36%	64%	3.8%	28%	25%	9%	2.9%
	Part-Time	34	35%	18%	82%	8.3%	8%	0%	0%	0.0%
Contract	SES	12	83%	58%	42%	0.0%	10%	20%	0%	0.0%
	Non SES	0								
Casual		22	0%	18%	82%					
TOTAL		1,349*	80%	41%	59%	2.7%	26%	22%	10%	4.2%
Estimate Subgroup Totals			1,081	559	790	36	353	296	141	57

Notes:

Figures for EEO groups other than women have been adjusted to compensate for the effects of non-response to the EEO data collection. EEO statistics reported in years prior to 1998 may not be comparable due to a change in the method of estimating EEO group representation.

* This table includes casual staff

- 27% representation of racial, ethnic and ethno-religious minority group
- 23% people whose language first spoken as a child was not English
- 4.4% people requiring workplace adjustment
- recruitment of 16 Aboriginal staff
- the development of the 1999 Aboriginal Employment Strategy
- establishment and implementation of a support network for Aboriginal and Torres Strait Islander staff and staff with a disability
- development of policies on recruiting people with a disability and making adjustments for people with a disability
- staff trained in the grievance mechanism, Aboriginal Cultural Awareness and the Performance Planning and Feedback System.

Our Goals for 1999/2000 are

- review of staff selection in accordance with the NSW Public Sector guidelines
- inclusion of Learning and Development statistics in the new Human Resources System
- conducting a DFT Aboriginal Conference to plan for meeting the needs of the Aboriginal community and support for Aboriginal staff
- support for the implementation of the networks for Spokeswomen, Aboriginal and Torres Strait Islander staff and staff with a disability
- the inclusion of EEO in corporate and strategic frameworks and the Performance Planning and Feedback system
- the development of an Aboriginal Employment Strategy for Year 2000.

Performance Planning and Feedback

During the year, we introduced the Performance Planning and Feedback System, a key component of strategic people management in the NSW Public Sector. The System is a process of planning; reviewing and assessing individual achievements against agreed work goals. It was developed using the principals set out in the

Performance Management Policy and Guidelines issued by the Premier's Department in 1998.

Occupational Health and Safety

We recorded a number of positive achievements in Occupational Health & Safety (OH&S) during the year, each contributing towards providing a safe working environment for staff and clients at each DFT workplace.

Initiatives included:

- developing an OH&S Policy Statement and Strategic Plan
- establishing a (head office) Working Group, responsible for setting the strategic direction of OH&S and determining the appropriate structure and resources needed
- arranging the inclusion of an OH&S information session in the corporate induction training programs
- rationalising the Workplace Committee structure in DFT, including recommending the creation of new Workplace Committees

- in consultation with the Public Service Association, formally establishing two new OH&S Workplace Committees covering the staff based in the Sydney metropolitan area
- arranging and funding WorkCover accredited OH&S training for members of the OH&S Working Group and local Workplace Committees.

Investigator Training

A priority for the Compliance, Legal and Safety Division for 1998/1999 was the upgrading of specialised skills for investigators in the Division and also in the Building Investigations Branch in Home Building and Property Services Division.

The year's major achievement was the development of an intensive 5-day residential training course for middle level investigators through the Charles Sturt University's Professional Development Centre (Policing) and the NSW Police Academy at Goulburn. The aim was to ensure that staff were trained in current best practice investigation procedures and to identify ways in which our own practices could be improved.

Staff Classification Profile

	1996/97	1997/98	1998/99
SES	8 (10 positions)	10	10
Senior Officers	-	3	4
Statutory Appointees	14	15	21
Clerks *	785	1030	1062
Legal Officers	21	19	22
Clerical Officers	158	78	78
Clerical Assistants	8	4	2
Librarian/Library Technicians	2	4	6
General Division	12	5	-
Architect/Engineer	2	-	-
Total	1010	1168	1205

* Explanation for changes in Clerk numbers from 96/97 to 98/99

- Reduction in number of agency staff following integration. Agency staff not shown in staffing number
- New functions acquired by DFT
 - > Electrical Safety from Department of Energy
 - > Licensing of Employment Agencies from Department of Industrial Relations
- Expansion of Services
 - > Residential Tribunal Regionalisation of Services (Penrith, Wollongong, Newcastle)
- New Service Initiatives
 - > Penrith Call Centre



BOX 12 GPO
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

DEPARTMENT OF FAIR TRADING

To Members of the New South Wales Parliament and the Director-General of the Department of Fair Trading

Scope

I have audited the accounts of the Department of Fair Trading for the year ended 30 June 1999. The Director-General of the Department is responsible for the financial report consisting of the accompanying statement of financial position, operating statement, statement of cash flows, program statement - expenses and revenues and summary of compliance with financial directives, together with the notes thereto, and information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament and the Director-General based on my audit as required by sections 34 and 45F(1) of the *Public Finance and Audit Act 1983*. My responsibility does not extend here to an assessment of the assumptions used in formulating budget figures disclosed in the financial report.

My audit has been conducted in accordance with the provisions of the Act and Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates.

In addition, other legislative and policy requirements, which could have an impact on the Department of Fair Trading's financial report, have been reviewed on a cyclical basis. For this year, the requirements examined comprised compliance with:

- core business activities being in accordance with approved program descriptions;
- the *Public Authorities (Financial Arrangements) Act 1987*;
- the Department's policies and procedures in respect of trust accounts operations; and
- the Department's policies and procedures in respect of grants made to entities external to the NSW public sector.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the requirements of the *Public Finance and Audit Act 1983*, Accounting Standards and other mandatory professional reporting requirements so as to present a view which is consistent with my understanding of the Department's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Qualification

As disclosed in note 18 to the financial statements, in accordance with a direction issued by the Treasurer, the Department for the year ended 30 June 1998 accounted for the net transfer of assets from the Property Services Council as an adjustment against the opening balance of accumulated funds.

This is a departure from Australian Accounting Standard AAS 29 "Financial Reporting by Government Departments". In my opinion, the adjustment of \$32.9m should have been recognised as revenue within the operating statement. Had this been done, the net cost of services for the Department would have decreased by this amount to \$18m. The reported surplus for the year would then be \$35.4m and there would be no effect on net assets. The independent audit report on the financial report for the year ended 30 June 1998 was qualified accordingly.

Qualified Audit Opinion

In my opinion, the financial report of the Department of Fair Trading complies with section 45E of the Act, except for the effects of the comparatives for 1998, of the matter referred to in the qualification paragraphs, presents fairly in accordance with the applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the Department as at 30 June 1999 and the results of its operations and its cash flows for the year then ended.



R J Sendt
Auditor-General

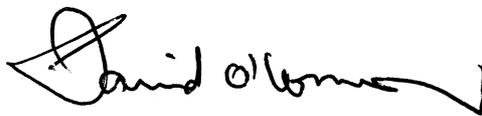
SYDNEY
18 October 1999

DEPARTMENT OF FAIR TRADING STATEMENT BY DEPARTMENT HEAD

Pursuant to Section 45F of the Public Finance and Audit Act 1983,

I state that:

- (a) the accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Financial Reporting Code for Budget Dependent General Government Sector Agencies, the applicable Clauses of the Public Finance and Audit (General) Regulation 1995 and the Treasurer's Directions;
- (b) the statements exhibit a true and fair view of the financial position and transactions of the Department; and
- (c) there are no circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.



D B O'Connor

Director-General

Department of Fair Trading

31 August 1999

DEPARTMENT OF FAIR TRADING
OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 1999

	NOTES	ACTUAL 1999 \$'000	BUDGET 1999 \$'000	ACTUAL 1998 \$'000
Expenses				
Operating expenses				
Employee related	2(a)	73,868	65,362	65,342
Other operating expenses	2(b)	33,332	32,937	31,079
Depreciation and amortisation	2(c)	3,998	4,900	3,512
Grants and subsidies	2(d)	4,313	6,496	3,339
Other expenses	2(e)	2,350	2,000	2,551
Total Expenses		117,861	111,695	105,823
Less:				
Retained Revenues				
Sale of goods and services	3(a)	11,397	10,895	11,443
Investment income	3(b)	1,802	5,680	2,575
Retained fees and fines	3(c)	18,767	15,300	13,088
Grants and contributions	3(d)	19,962	2,893	13,091
Other revenue	3(e)	17,987	21,123	14,675
Total retained revenues		69,915	55,891	54,872
Gain on sale of non-current assets	4	13	-	38
NET COST OF SERVICES	25	47,933	55,804	50,913
Government Contributions				
Recurrent appropriation (Net of transfer payments)	5	44,702	44,276	48,567
Capital appropriation	5	660	660	1,860
Acceptance by the Crown Entity of employee entitlements and other liabilities	6	3,915	3,110	2,968
Total Government Contributions		49,277	48,046	53,395
SURPLUS/(DEFICIT) FOR THE YEAR		1,344	(7,758)	2,482

DEPARTMENT OF FAIR TRADING
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 1999

	NOTES	ACTUAL 1999 \$'000	BUDGET 1999 \$'000	ACTUAL 1998 \$'000
ASSETS				
Current Assets				
Cash	9	14,238	3,007	13,098
Investments	10	19,326	22,834	24,184
Receivables	11	3,948	4,135	10,450
Total Current Assets		37,512	29,976	47,732
Non Current Assets				
Plant and equipment	12	24,892	15,619	13,121
Investments	13	5,050	5,153	5,078
Receivables	14	14	194	184
Total Non Current Assets		29,956	20,966	18,383
TOTAL ASSETS		67,468	50,942	66,115
LIABILITIES				
Current Liabilities				
Accounts payable	15	1,484	2,133	1,804
Employee entitlements	16	6,772	3,561	5,893
Other	17	5,113	1,909	6,006
Total Current Liabilities		13,369	7,603	13,703
Non Current Liabilities				
Employee entitlements	16	811	928	727
Other		-	4,089	-
Total Non Current Liabilities		811	5,017	727
TOTAL LIABILITIES		14,180	12,620	14,430
NET ASSETS		53,288	38,322	51,685
EQUITY				
Accumulated funds	18	53,288	38,322	51,685
TOTAL EQUITY		53,288	38,322	51,685

DEPARTMENT OF FAIR TRADING

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 1999

	NOTES	ACTUAL 1999 \$'000	BUDGET 1999 \$'000	ACTUAL 1998 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(69,977)	(62,446)	(60,632)
Grants & subsidies		(4,313)	(6,496)	(3,339)
Other		(34,074)	(37,694)	(39,020)
Total Payments		(108,364)	(106,636)	(102,991)
Receipts				
Sale of goods and services		11,409	10,895	11,437
Retained fees and fines		16,892	15,300	11,281
Interest received		1,562	17,615	1,231
Other		43,883	12,505	26,447
Total Receipts		73,746	56,315	50,396
Cash Flows from Government				
Recurrent Appropriation		44,702	44,276	48,567
Capital Appropriation		660	660	1,860
Cash reimbursements from Crown Entity		987	560	596
Net Cash Flows from Government		46,349	45,496	51,023
NET CASH FLOWS FROM OPERATING ACTIVITIES	25	11,731	(4,825)	(1,572)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of plant and equipment		108	100	6,389
Proceeds from sale of investments		7,250	9,020	5,200
Advance repayments received		135	-	104
Purchases of plant & equipment		(16,516)	(5,432)	(9,245)
Advances made		-	-	(40)
Purchases of Investments		(1,568)	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		(10,591)	3,688	2,408
NET INCREASE/(DECREASE) IN CASH				
Opening cash and cash equivalents		1,140	(1,137)	836
Cash transferred in as a result of Administrative Restructuring		13,098	4,144	4,463
		-	-	7,799
CLOSING CASH AND CASH EQUIVALENTS	24	14,238	3,007	13,098

Program Statement - Expenses and Revenues

	Fair Trading Strategy *		Marketplace Performance *		Fair Trading Standards & Registers *		Consumer & Trader Services *		Tribunals *		Not Attributable		Total	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000	1999 \$'000	
AGENCY'S EXPENSES AND REVENUES														
Expenses														
Operating expenses	5,528	5,240	10,587	8,696	10,925	10,066	34,202	31,344	12,626	9,996	-	-	73,868	65,342
Employee related	2,987	3,565	3,191	3,204	4,608	4,986	16,550	14,167	5,996	5,157	-	-	33,332	31,079
Other operating Expenses	164	36	309	300	635	574	2,428	2,469	462	133	-	-	3,998	3,512
Depreciation & amortisation	314	30	-	29	175	143	3,824	3,137	-	-	-	-	4,313	3,339
Grants and subsidies	47	26	431	1,313	232	503	1,556	643	84	66	-	-	2,350	2,551
Total Expenses	9,040	8,897	14,518	13,542	16,575	16,272	58,560	51,760	19,168	15,352	-	-	117,861	105,823
Retained Revenue														
Sale of goods and services	125	414	699	739	1,604	2,088	7,995	7,135	974	1,067	-	-	11,397	11,443
Investment income	103	165	219	345	273	325	1,022	1,430	185	310	-	-	1,802	2,575
Retained fees and fines	962	819	2,117	1,705	4,780	2,470	9,179	6,570	1,729	1,524	-	-	18,767	13,088
Grants and contributions	772	-	1,005	-	567	84	8,757	633	8,861	4,046	-	-	19,962	4,763
Other revenue	2,454	1,501	1,569	3,174	1,322	4,313	11,747	11,188	895	2,827	-	-	17,987	23,003
Total Retained Revenue	4,416	2,899	5,609	5,963	8,546	9,280	38,700	26,956	12,644	9,774	-	-	69,915	54,872
Gain/(loss) on sale of non-current assets	1	(3)	2	(13)	2	9	7	57	1	(12)	-	-	13	38
NET COST OF SERVICES	4,623	6,001	8,907	7,592	8,027	6,983	19,853	24,747	6,523	5,590	-	-	47,933	50,913
Government contributions	-	4,028	-	9,020	-	9,109	-	24,762	-	6,476	49,277	-	49,277	53,395
NET EXPENDITURE/(REVENUE)	4,623	1,973	8,907	(1,428)	8,027	(2,126)	19,853	(15)	6,523	(886)	(49,277)	-	(1,344)	(2,482)

Program Statement - Expenses and Revenues (cont.)

	Fair Trading Strategy *		Marketplace Performance *		Fair Trading Standards * Registers *		Consumer & Trader Services *		Tribunals *		Not Attributable		Total	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
ADMINISTERED EXPENSES AND REVENUES														
Administered Expenses														
Transfer payments	-	-	-	-	(17)	(16)	-	-	-	-	-	-	-	(16)
Other	(69)	(162)	(148)	(339)	(184)	(451)	(571)	(1,182)	(124)	(303)	-	-	(1,096)	(2,437)
Total Administered Expenses	(69)	(162)	(148)	(339)	(201)	(467)	(571)	(1,182)	(124)	(303)	-	-	(1,113)	(2,453)
Administered Revenues														
Transfer receipts	-	-	-	-	17	16	-	-	-	-	-	-	17	16
Crown Transactions	-	1	-	3	40,902	37,479	1,456	1,474	-	-	-	-	42,358	38,959
- Taxes, fees and fines	281	430	599	895	746	1,191	2,317	3,121	505	800	-	-	4,448	6,437
Total Administered Revenues	281	431	599	898	41,665	38,686	3,773	4,595	505	802	-	-	46,823	45,412
Administered Revenues less Expenses	212	269	451	559	41,464	38,219	3,202	3,413	381	499	-	-	45,710	42,959

* Name and purpose of each program is summarised in Note 8.

Summary of Compliance with Financial Directives

	1999				1998			
	Recurrent Appropriation \$'000	Expenditure \$'000	Capital Appropriation \$'000	Expenditure \$'000	Recurrent Appropriation \$'000	Expenditure \$'000	Capital Appropriation \$'000	Expenditure \$'000
ORIGINAL BUDGET APPROPRIATION EXPENDITURE								
Appropriation Act	44,276	42,931	660	660	50,773	48,273	2,010	1,860
BUDGET VARIATION ACT (IE ADDITIONAL APPROPRIATIONS)	-	-	-	-	-	-	-	-
s21A PF & AA - Special Appropriation	-	-	-	-	-	-	-	-
s24 PF & AA - transfers of functions between departments	150	150	-	-	-	-	-	-
s26 PF & AA - Commonwealth specific purpose payments	-	-	-	-	-	-	-	-
	44,426	43,081	660	660	50,773	48,273	2,010	1,860
OTHER APPROPRIATIONS/ EXPENDITURE								
Treasurer's Advance	1,231	1,231	-	-	-	-	-	-
Section 22 - expenditure for certain works and services	460	390	-	-	294	294	-	-
Transfers from another agency (section 28 of the Appropriation Act)	-	-	-	-	-	-	-	-
	1,691	1,621	-	-	294	294	-	-
Total Appropriations/ Expenditure (includes transfer payments)	46,117	44,702	660	660	51,067	48,567	2,010	1,860
Drawdowns from Treasury		44,702		660		48,567		1,860
Total Unspent Appropriations		-		-		-		-

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Department of Fair Trading as a Reporting Entity comprises all the activities under its control, including its self-funding commercial branch, the Register of Encumbered Vehicles (REVS). The Department performs administrative functions for the Rental Bond Board and the Fair Trading Administration Corporation. Costs associated with these functions are recouped from these entities on an operational basis in relation to activities performed.

The Departmental Reporting Entity also encompasses funds which, while containing assets which are restricted for specified uses by the Department are nevertheless controlled by the Department (ie the Motor Dealers Compensation Fund, Real Estate Services Compensation Fund and Statutory Interest Account). All transactions and balances between the funds and entities comprising the Department have been eliminated in the process of preparing the financial statements.

On 7 April 1999, functions relating to Consumer Protection Unit, including transactions were transferred to the Department from the Department of Minerals and Energy. These functions have been included in the Marketplace Performance Program. Transactions for the period 8 April 1999 to 30 June 1999 were included in the accounts under the respective categories.

(b) Basis of Accounting

The Department of Fair Trading's financial statements are a general purpose financial report which has been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements, the requirements of the Public Finance and Audit Act (the Act) and Regulation and the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer under section 9(2)(n) of the Act.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

Statements of Accounting Concepts are used as a guide in the absence of applicable Accounting Standards, other mandatory professional reporting requirements and legislative requirements.

Except for certain investments and plant and equipment, which are recorded at valuation, the financial statements are prepared in accordance with historical cost convention. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency. The accounting policies adopted are consistent with those of the previous year.

(c) Revenue Recognition

The Department of Fair Trading recognises revenue from Sale of goods and services, Retained taxes, fines and fees and Other revenue if all the following conditions are met:

- a) an agreement exists between the Department and one or more parties external to the Department supporting the provision of goods and services;
- b) cash has been received, or the agency has a valid claim against an external party or parties that is for a specified consideration in the form of cash, other assets or a reduction in a liability and cannot be avoided without incurring a penalty large enough to deter avoidance;
- c) all acts of performance necessary to establish a valid claim have been completed and
- d) it is possible to estimate reliably the collectability of debts or the return of the goods sold.

Interest revenue is recognised to the extent that it is probable that the economic benefits will flow to the Department and the revenue can be reliably measured, and control of a right to receive consideration for the provision of, or investment in, assets has been attained.

Grants and Contributions are recognised as revenue when the contributed assets qualify for recognition. Contributions include cash and non-monetary assets.

(d) Administered Activity

The Department of Fair Trading administers, but does not control, certain activities on behalf of the Crown Entity. It is accountable for transactions relating to those administered activities but does not have discretion, for example, to deploy the resources for the achievement of the Department's own objectives.

Transactions and balances relating to the administered activities are not recognised as the Department's revenues, expenses, assets and liabilities, but are disclosed in the accompanying schedules as 'Administered Revenues', 'Administered Expenses', 'Administered Assets' and 'Administered Liabilities'.

The accrual basis of accounting and all applicable accounting standards have been adopted for the reporting of the administered activities.

(e) Parliamentary Appropriations and Contributions from Other Bodies

Parliamentary appropriations and contributions from other bodies (including grants and subsidies) are recognised as revenues when the Department obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions are normally obtained upon the receipt of cash.

With effect from the financial year ended 30 June 1999, appropriations are received on an agency basis. Prior to 1998-99, agencies received appropriations on a program basis. This change has resulted in a change in the Summary of Compliance with Financial Directives, as program information is no longer required in the Summary of Compliance.

(f) Employee Entitlements

(i) Wages and Salaries, Annual Leave, Sick Leave and On-Costs

Liabilities for wages and salaries and annual leave are recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the entitlements accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee entitlements to which they relate have been recognised.

(ii) Long Service Leave and Superannuation

The Department's liabilities for long service leave and superannuation are assumed by the Crown Entity. The Department accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of Employee Entitlements and other Liabilities'.

Long service leave is measured on a nominal basis. The nominal method is based on the remuneration rates at year-end for all employees with five or more years of service. It is considered that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (ie Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (ie State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(g) Insurance

The insurance activities of the Department of Fair Trading are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The Fund Manager based on past experience determines the expense (premium).

(h) Acquisition of assets

The cost method of accounting is used for the initial recording of all assets controlled by the Department. Cost is determined as the fair value of the assets given as consideration plus the costs incidental to the acquisition.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

(i) Plant and Equipment

Single items of plant and equipment costing \$5,000 and above individually are capitalised. Computer Equipment costing in excess of \$4,000 and those items costing in excess of \$1,500 attached to one of the Department's Computer Networks are also capitalised.

(j) Revaluation of Physical Non-Current Assets

Where assets are revalued upward or downward as a result of a revaluation of a class of non-current physical asset, the Department restates separately the gross amount and the related accumulated depreciation of that class of asset. The recoverable amount test has not been applied as the Department is a not-for-profit entity whose service potential is not related to the ability to generate net cash flow.

(k) Depreciation of Non-Current Physical Assets

Depreciation is provided for on a straight line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the entity. The applicable rates of depreciation are :

Motor Vehicles - Trade Measurement	20%
Motor Vehicles - Other	8%
Fitouts, Furniture and Fittings	10%
Electronic Equipment	20%
Computer Equipment and Development	33%
Trade Measurement Equipment	4%

(l) Leased Assets

The Department has entered into a number of operating lease agreements for buildings and equipment where the lessors effectively retain all of the risks and benefits incidental to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the operating statement over the lease term as this lease is representative of the pattern of benefits to be derived from the leased property.

(m) Trust Funds

The Department receives monies in a trustee capacity for various trusts as set out in Note 27. As the Department performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the Department's own objectives, they are not brought to account in the financial statements.

(n) Administrative Restructuring

The transfer of net assets between agencies as a result of administrative restructuring is treated as a direct adjustment to the opening balance of 'Accumulated Fund'. This treatment is required by Treasury Circular 10 of 15/4/94.

	1999 \$'000	1998 \$'000
2. EXPENSES		
(a) Employee related expenses comprise the following specific items:		
Salaries and wages (including Recreation Leave)	60,704	52,507
Superannuation entitlement	4,900	4,214
Long service leave	2,652	2,019
Workers' compensation insurance	575	386
Payroll Tax and Fringe Benefit Tax	4,666	4,486
Redundancies	371	1,730
	73,868	65,342
(b) Other operating expenses		
Auditor's remuneration	106	100
Bad and Doubtful Debts	588	5
Rental expense relating to operating leases	10,219	9,246
Insurance	184	125
Telephones/Postage	4,993	4,223
Fees	6,047	6,545
Stores	1,753	1,748
Motor Vehicle Expenses	939	527
Travel	1,264	1,283
Advertising	2,766	2,443
Fitout of Premises	132	489
Books, periodicals, newspapers & subscriptions	410	415
Gas/Electricity	266	267
Minor Equipment	2,304	2,738
Maintenance contracts	700	764
Other Expenses	661	161
	33,332	31,079

	1999 \$'000	1998 \$'000
(c) Depreciation		
Computer equipment and development	2,974	2,713
Electronic equipment	236	169
Fitouts, Furniture and Fittings	729	510
Trade Measurement equipment	11	5
Vehicles	20	94
	3,970	3,491
Amortisation of premium on investment	28	21
	3,998	3,512
(d) Grants and subsidies		
Credit Counselling services	1,186	834
Co-Operative Development Fund	175	104
Tenancy Advice and Advocacy Program	1,592	1,739
Building Education Grants	335	251
Real Estate Education Grants	651	395
Other	374	16
	4,313	3,339
(c) Other Expenses		
Legal Assistance	330	203
Motor Dealers Compensation Fund Payments	753	395
Compensation Claims	416	1,075
Other Expenses	851	878
	2,350	2,551
3. REVENUES		
(a) Sale of goods comprise :		
Sale of Publications	123	448
Other	114	177
	237	625
Sale of services comprise :		
Fees charged by REVS for the provision of services and registering of encumbrances over vehicles	7,817	7,067
Fees charged for the lodgement of a claim before the:-		
Consumer Claims Tribunal	79	121
Commercial Tribunal	25	34
Building Disputes Tribunal	51	75
Fair Trading Tribunal	90	-
Residential Tribunal	729	735
Fees charged for search of Business Names database	1,275	1,620
Fees charged for establishment and renewal of Associations	230	252
Electrical Appliance Testing	698	721
Other	166	193
	11,160	10,818
	11,397	11,443

	1999	1998
	\$'000	\$'000
(b) Investment Income		
Interest - Investments	1,374	1,832
- Bank Accounts	428	743
	1,802	2,575
(c) Retained fees and fines		
Motor Dealers Compensation Fees	1,241	620
Real Estate License Fees	1,729	2,400
Real Estate Compensation Fund	64	411
Statutory Interest	15,231	9,657
Owner Builder Permit Fees	497	-
Other	5	-
	18,767	13,088
(d) Grants and Contributions		
Fair Trading Administration Corporation assets	-	633
Rental Bond Board Assets (i)	172	-
Contribution from Rental Bond Board (ii)	7,493	4,046
Contributions from Fair Trading Administration Corp (iii)	12,102	8,328
Grant from Agriculture Co-operative Leader	-	9
Grants from Department of Industry, Science and Tourism (iv)	50	75
Employment Grants - NSW Department of Training and Education Co-ordination (v)	145	-
	19,962	13,091
(i) On 21 January, 1999 the Minister authorised the transfer of plant and equipment from Rental Bond Board to the Department of Fair Trading with effect from 1 July, 1998. At 30 June 1998 the written down value of these assets was equal to \$172,504.		
(ii) The cost of running the Residential Tribunal is split 50/50 by the Rental Bond Board and the Property Services Statutory Interest Fund. This grant reflects the Rental Bond Boards contribution to the cost of administering the Residential Tenancy Tribunal.		
(iii) The Department performs administrative functions for the Fair Trading Administration Corporation on a cost recovery basis.		
(iv) A Grant of \$50,000 (1997/98 - \$75,000) was received from the Commonwealth Department of Industry, Science and Tourism as their contribution towards the Joint Initiative Project 'Redevelopment of BLIS Software'.		
(v) A grant of \$145,146 was provided by the Department of Training and Education Co-ordination under the Elsa Dixon Aboriginal Employment Program.		

	1999 \$'000	1998 \$'000
(e) Other Revenue		
Administrative Assistance (Refer Note 1(a))	16,672	13,653
Telstra Rebate	340	404
Fees charged by REVS to other States (i)	-	325
Legal Costs Recovered	730	208
Other	245	85
	17,987	14,675

(i) This revenue is now accounted for under the category Sale of Goods and Services 3(a).

4. GAIN/(LOSS) ON SALE OF NON-CURRENT ASSETS

Gain/(loss) on disposal of plant and equipment		
Proceeds from sale	108	373
Written down value of assets sold	95	335
Net gain on disposal of plant and equipment	13	38

5. APPROPRIATIONS

Total Recurrent appropriations (per Summary of Compliance)	44,702	48,567
Recurrent appropriations (per Operating Statement)	44,702	48,567
Total Capital appropriations (per Summary of Compliance)	660	1,860
Capital appropriations (per Operating Statement)	660	1,860

6. ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE ENTITLEMENTS AND OTHER LIABILITIES

The following liabilities and/or expenses have been assumed by the Crown Entity:

Superannuation	2,431	1,869
Long Service Leave	1,317	970
Payroll Tax on Long Service Leave	167	129
	3,915	2,968

7. YEAR 2000 COMPLIANCE

The Department of Fair Trading is investigating if and to what extent the date change from 1999 to 2000 may affect its activities. The Department of Fair Trading has established a programme to help ensure that the impact of the transition to the year 2000 on the Department of Fair Trading and its customers is minimised by seeking to ensure that its significant/core computer hardware, software and/or systems are year 2000 compliant. The Department of Fair Trading does not expect its activities to be significantly impacted by the date change.

8. PROGRAMS/ACTIVITIES OF THE DEPARTMENT

44.1.1 Fair Trading Strategy

This program includes the Departmental Division, Policy and the Community Education Branch of the Customer Services and Community Education Division.

Objectives: To develop and promote value and fairness in the New South Wales marketplace.

44.1.2 Marketplace Performance

This program includes the Departmental Division, Compliance, Legal and Safety (excluding Trade Measurement Branch) and the Building Investigation Unit from Home Building and Property Services Division.

Objectives: To detect, remedy and deter unfair trading practices.

44.1.3 Fair Trading Standards and Registers

This program includes the Departmental Division, Licensing and Registration Services, the Building Licensing Unit from Home Building and Property Services Division and the Registry of Co-operatives.

Objectives: To maintain confidence in the marketplace through the provisions of registration and licensing services.

44.1.4 Consumer and Trader Services

This program includes the Departmental Divisions, Home Building and Property Services Division (excluding the Building Licensing Unit and the Building Investigation Unit), Trade Measurement Branch from Compliance, Legal and Safety Division, REVS and the Customer Services and Community Education Division (excluding Community Education).

Objectives: To foster fairness and ethical trading in the marketplace.

44.1.5 Tribunals

This program includes the Commercial Tribunal, the Consumer Claims Tribunal , Strata Schemes Office and the Residential Tribunal. During the 1998/99 financial year the Commercial Tribunal and the Consumer Claims Tribunal were incorporated into the Fair Trading Tribunal

Objectives: To ensure impartial forums for the resolution of marketplace disputes.

9. CURRENT ASSETS - CASH

Cash comprises cash on hand, Hourglass Cash and Cash Plus facilities and bank balances within the Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate adjusted for a management fee to Treasury. The applicable rate for the Treasury Banking System was 3.86% and TCorp interest for Hourglass Cash and Cash Plus was 4.74% and 4.32% respectively

	1999 \$'000	1998 \$'000
Cash Facility	3,563	1,759
Cash Plus Facility	1,602	2,990
Cash at Bank	9,030	8,298
Cash on Hand	43	51
	14,238	13,098

10. CURRENT ASSETS - INVESTMENTS

The Department has investments in TCorp's HourGlass facilities. The Department's investment is represented by a number of units of a managed investment pool, with each particular pool having different investment horizons and being comprised of a mix of asset classes appropriate to that investment horizon. TCorp appoints and monitors fund managers and establishes and monitors the application of appropriate investment guidelines. These investments are generally able to be redeemed with seven days notice (dependent upon the facility). The value of the investments held can decrease as well as increase depending upon market conditions. The value that best represents the maximum credit risk exposure is the net fair value. The value of the above investments represents the Department's share of the value of the underlying assets of the facility and those assets are stated at net fair value as advised by the New South Wales Treasury Corporation as at 30 June 1999, with an effective interest rate of 3.69%.

The Department's investments are:

TCorp HourGlass Fixed Interest Facility	19,326	22,184
Other Investments Term Deposits	-	2,000
	19,326	24,184

11. CURRENT ASSETS - RECEIVABLES

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off. A provision for doubtful debts is raised when some doubt as to collection exists. The credit risk is the carrying amount (net of any provision for doubtful debts). No interest is earned on trade debtors. The carrying amount approximates net fair value. Sales are made on 30 day terms.

	1999 \$'000	1998 \$'000
Receivables currently comprise:		
Motor Dealers Compensation Fund fees	1,496	1,014
Trade Measurement Fees	14	30
Unallocated Income - Remitting Account	14	170
Salaries recoupables	-	2
Interest for Operating Accounts	190	217
Interest - other	-	542
REVS fees	743	728
Administrative Assistance due	664	5,182
Inter-agency Transfers - Fair Trading Admin Corp	5	7
Monies owing from Ministry of Energy and Utilities	11	-
Inter-agency Transfers -Rental Bond Board	-	24
Real Estate license fees due from Treasury	-	1,300
Amounts owed due to Prosecutions	437	331
Other	269	545
	3,843	10,092
<i>Less:</i> Provision for doubtful debts		
- Motor Dealers Compensation Fund	930	704
	2,913	9,388
Prepayments	980	1,050
Loans - Abrasiflex Workers' Co-operative	13	12
Port Hacking and Sutherland Co-operative Housing Society	42	-
	3,948	10,450
Receivables amount due written off during the year were:		
Motor Dealers Compensation Fund	340	-
REVS	-	4
Other	-	1
	340	5

12. NON CURRENT ASSETS – PLANT & EQUIPMENT

	1999 \$'000	1998 \$'000
Computer Equipment and Development		
At Cost	23,871	16,781
	23,871	16,781
Accumulated Depreciation at Cost	13,132	11,132
	13,132	11,132
	10,739	5,649
Electronic Equipment		
At Cost	1,600	1,616
	1,600	1,616
Accumulated Depreciation at Cost	887	793
	887	793
	713	823
Fitouts, Furniture and Fittings		
At Cost	15,343	8,056
	15,343	8,056
Accumulated Depreciation at Cost	2,230	1,860
	2,230	1,860
	13,113	6,196
Trade Measurement Equipment		
At Cost	2,199	2,199
At Valuation	102	102
	2,301	2,301
Accumulated Depreciation at Cost	2,001	1,990
	2,001	1,990
	300	311
Motor Vehicles		
At Cost	375	482
	375	482
Accumulated Depreciation at Cost	348	340
	348	340
	27	142
Plant and Equipment	24,892	13,121

It is estimated that the majority of assets contained in the Asset Register continue to give economic benefit to the Department. All assets were reviewed during the latter stages of 1997/98 and action taken to write-off those assets that no longer have an economic value. The values stated are considered to be an accurate reflection of the assets true value. During May 1997 Heritage assets consisting of a collection of Antique and Modern Weights and Measures were valued on the basis of a fair market value by actuarial agents James R Lawson Pty Ltd. These assets were previously valued as a group at a nominal value of \$1.

The acquisition value of fully depreciated plant and equipment as at 30 June 1999 amounted to \$13.902 million. Approximately \$8.431 million will be disposed of prior to 31 December 1999 as a result of the Y2K upgrade and finalisation of office accommodation. The specialised Trade Measurement vehicles are due to be replaced in 2000/2001 and the acquisition value was recorded as \$0.293 million. The useful life of the Trade Measurement Instruments will be reassessed during the 1999/2000 year. Their acquisition value is recorded as \$1.922 million.

	1999 \$'000	1998 \$'000
13. NON-CURRENT ASSETS - INVESTMENTS		
Mortgaged Backed Investment	5,050	5,078
	5,050	5,078
14. NON-CURRENT ASSETS - RECEIVABLES		
Port Hacking and Sutherland Co-operative Housing Society	-	158
Abrasiflex Workers' Co-operative - Loan	14	26
	14	184
15. CURRENT LIABILITIES - ACCOUNTS PAYABLE		
Trade Creditors	1,162	1,655
Other Creditors	322	149
	1,484	1,804

The liabilities are recognised for amounts due to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. There were no claims for late payment interest during the reporting periods.

	1999 \$'000	1998 \$'000
16. CURRENT/NON CURRENT LIABILITIES - EMPLOYEE ENTITLEMENTS		
Current :		
Recreation leave	5,159	3,946
Accrued salaries and wages	1,597	1,934
	<u>6,756</u>	<u>5,880</u>
SES Liabilities	16	13
	<u>6,772</u>	<u>5,893</u>
Non Current :		
Payroll Tax on Long Services Leave	811	727
	<u>811</u>	<u>727</u>
Aggregate employee entitlements	<u>7,583</u>	<u>6,620</u>

17. CURRENT LIABILITIES - OTHER

Prepaid REVS income from other States	21	126
Real Estate Licenses - prepaid	583	1,530
Provision for outstanding claims	4,509	4,350
	<u>5,113</u>	<u>6,006</u>

Trowbridge Consulting carried out an Actuarial Review of the Real Estate Compensation Fund as at 30 June 1998. The purpose of this review was to ascertain the possible liability of the Compensation Fund.

The outstanding claim provisions recommended by the Actuary in the advice dated 24 August 1998 total \$ 4.0 million. This figure, the same as in 1997, includes a prudential margin of \$ 0.8 million. This margin represents 20% of the Actuary's net central estimates for outstanding claims and has been recommended by the Actuary to allow for the uncertainty in the claims and estimation processes and possible changes in future to the risk profile.

The Actuary recommended that the outstanding claims provision for this fund is reviewed every two or three years. The next actuarial assessment will be obtained as at 30 June 2000.

18. CHANGES IN EQUITY

Balance at the beginning of the financial year	51,685	16,266
Purchases from previous financial year recognised as assets after stocktake	259	-
Adjustment to opening balances due to the recognition of pre-existing asset of Trade Measurement Equipment	-	38
Increase/(Decrease) in net assets due to administrative restructuring (Note 19)	-	32,899
Surplus/(deficit) for the year	1,344	2,482
Balance at the end of the Financial Year	<u>53,288</u>	<u>51,685</u>

	1999 \$'000	1998 \$'000
19. INCREASE/(DECREASE) IN NET ASSETS FROM ADMINISTRATIVE RESTRUCTURE		
Property Services Council	-	32,899
Total increase/(decrease) in net assets from administrative restructure	<u>-</u>	<u>32,899</u>
Details of Assets and Liabilities transferred :		
Assets - Cash	-	7,799
Assets - Receivables	-	895
Assets - Investments	-	33,161
Plant and Equipment	-	812
Liabilities - Accounts Payables	-	(3,771)
Liabilities - Other	-	(5,997)
Net Assets/(Liabilities) transferred	<u>-</u>	<u>32,899</u>

20. SPECIAL PURPOSE FUNDS ADMINISTERED BY THE DEPARTMENT

	Motor Dealers Compensation Fund \$'000	Real Estate Services Compensation Fund \$'000	Statutory Interest Account \$'000
Balance as at 1/7/1998	1,926	25,869	9,827
Adjustments from 1997/98	-	(681)	(2,413)
Receipts	497	2,511	15,587
Expenditure - Administrative	(820)	(2,877)	(14,037)
Expenditure - Capital	-	(61)	(3,220)
Balance as at 30/6/1999	<u>1,603</u>	<u>24,761</u>	<u>5,744</u>

The Motor Dealers Act established the **Motor Dealers Compensation Fund** to provide protection to persons who have suffered a loss in connection with a motor vehicle through their dealings with a motor dealer or a car-market operator. Licensing fees paid by full dealers and car-market operators finance the fund. Claims are usually made on the fund when a motor dealer ceases to trade either on a voluntary basis or a forced closure.

The Real Estate Services Compensation Fund is supported by:

- i) investment income earned on the investments of the fund;
- ii) contributions or levies paid by licensees; and
- iii) other lawful receipts.

Moneys in the Compensation Fund are applied to:-

- i) payment of claims, as provided by the Act;
- ii) legal expenses in relation to claims, licensing objections and complaints for cancellation, incurred in relation to the Fund;
- iii) the expense involved in the administration of the Fund; and
- iv) other lawful expenses.

The Statutory Interest Account is supported, under Sections 36AC and 63D of the Property, Stock and Business Agents Act 1941, by interest earned on trust monies held by agents and investments made by the Department.

The Statutory Interest moneys are applied to:

- i) Schemes for establishing and conducting courses leading to license qualifications prescribed by the Act and educational meetings organised by or for the Department for licensees;
- ii) trustee status housing programs;
- iii) the payment to the Department for expenses of the collection of interest and investment administered under Sections 36D and 36AC of the Act; and
- iv) meeting half the costs, charges and expenses of the Tenancy Advice and Advocacy Program and the Residential Tribunal and the full costs, charges and expenses of the Strata Schemes Office.

21. COMMITMENTS FOR EXPENDITURE

	1999 \$'000	1998 \$'000
(a) Capital Commitments		
Aggregate capital expenditure contracted for at balance date but not provided for:		
Not later than one year	1,219	235
Later than 1 year and not later than 2 years	-	113
Later than 2 years and not later than 5 years	-	-
Later than 5 years	-	-
	1,219	348
(b) Other Expenditure Commitments		
Aggregate other expenditure contracted for at balance date but not provided for:		
Not later than one year	547	436
Later than 1 year and not later than 2 years	-	3
Later than 2 years and not later than 5 years	-	-
Later than 5 years	-	-
	547	439
(c) Operating Lease Commitments		
Commitments in relation to non-cancellable operating leases payable as follows:		
Not later than 1 year	8,524	9,001
Later than 1 year and not later than 2 years	7,705	5,572
Later than 2 years and not later than 5 years	12,500	9,230
Later than 5 years	413	6
	29,142	23,809

These capital, other expenditure and operating lease commitments are not recognised in the financial statements as liabilities.

22. CONTINGENT LIABILITY

The Department is currently involved in a number of legal cases where, if lost, costs may be awarded against the Department. It is estimated that these costs may total \$1.442 million.

23. BUDGET REVIEW

	Actual 1999 \$'000	Budget 1999 \$'000	Variance Budget to Actual		Comment
			\$'000	%	
Operating Statement					
Net Cost of Services	47,933	55,804	(7,871)	(14.1%)	(a)
Financial Position					
Total Current Assets	37,512	29,976	7,536	25.1%	
Total Non-Current Assets	29,956	20,966	8,990	42.9%	
Total Assets	67,468	50,942	16,526	32.4%	(b)
Total Current Liabilities	13,369	7,603	5,766	75.8%	
Total Non-Current Liabilities	811	5,017	(4,206)	(83.8%)	
Total Liabilities	14,180	12,620	1,560	12.4%	(b)
<i>Net Assets</i>	<i>53,288</i>	<i>38,322</i>	<i>14,966</i>	<i>39.1%</i>	
Cashflows					
Cash Inflow/(Outflow) from Operating Activities	11,731	(4,825)	16,556		(c)
Cash Inflow/(Outflow) from Investing Activities	(10,591)	3,688	(14,279)		
<i>Net Increase/(Decrease) in Cash</i>	<i>1,140</i>	<i>(1,137)</i>	<i>2,277</i>		

(a) Net Cost of Services

The reduction in the net cost of services can be attributed primarily to the increase in retained revenue (approximately \$14.0 million). Contributions from the self funding entities, Rental Bond Board and the Fair Trading Administration Corporation were underestimated by approximately \$9.0 million. This underestimate can be attributed to an increased activity in areas dealing with the Rental Bond Board and the Fair Trading Administration Corporation. This increase in Employee Related activities resulted in an increase in contributions from these entities. Also an under estimate in relation to the entities capital expenditure resulted in increased contributions. Retained revenue increased also in relation to the greater contributions from the Building Insurance Schemes and the Residential Tribunal, however these have been offset by an increase in expenses.

(b) Assets and Liabilities

The level of net assets has risen significantly from the forecast in the budget although it remains at a similar level to 30 June 1998. This is due to some delays in the Year 2000 rectification program that will see significant levels of assets written off after being replaced early in the new financial year.

(c) Cashflows

The increase in Operating Activity cash from the forecast is due, as with the Net Cost of Services, to the contributions from the self funding entities being underestimated.

The reduction in Investing Activities cash relates to the increase in purchases of assets for the Year 2000 rectification program, and the sale of investments to fund the Residential Tribunals operational and capital costs.

24. CASH AND CASH EQUIVALENTS

For the purposes of the Cash Flow Statement, cash includes cash on hand, HourGlass Cash and Cash Plus and cash in bank. Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:

	1999 \$'000	1998 \$'000
Cash	14,238	13,098
Closing Cash and Cash Equivalents	<u>14,238</u>	<u>13,098</u>

	1999 \$'000	1998 \$'000
25. RECONCILIATION OF NET COST OF SERVICES TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash used on/(provided by) operating activities	(11,731)	1,572
Cash Flows from Government	46,349	51,023
Receipt from sale of property	-	(6,015)
Valuation gains on TCorp investments	(825)	(1,321)
Fair Trading Administration Corporation Plant & Equipment	-	(633)
Rental Bond Board Plant & Equipment	(172)	-
Interest Capitalised on Loans	(6)	(12)
WDV of assets written off	742	423
Net loss/(gain) on sale of plant and equipment	(13)	(38)
Acceptance by the State of Departmental liabilities	2,928	2,372
Depreciation and amortisation	3,998	3,512
Provision for doubtful debts	226	91
(Increase)/decrease in prepayments and other assets	6,318	(6,596)
Increase/(decrease) in Accounts Payable	49	5,788
Increase/(decrease) in Employee Entitlements and Other	70	(8,126)
Net (Assets)/Liabilities arising from Administrative Restructure	-	8,873
Net cost of services	47,933	50,913
26. NON CASH FINANCING AND INVESTING ACTIVITIES		
Plant and equipment transferred from Fair Trading Administration Corporation	-	633
Plant and equipment transferred from Rental Bond Board	172	-
Assets transferred from Property Services Council: Plant and Equipment	-	812
Investments	-	33,161
Increase in net assets from administrative restructuring	172	34,606

27. TRUST FUNDS

The Department holds moneys in a Miscellaneous Trust Fund held at Treasury which is used for payments to Funeral Fund claimants, McFadden Compensation claimants and Phone Australia Ltd claimants. These monies are excluded from the financial statements as the Department cannot use them for the achievement of its objectives. The following is a summary of the transactions in the trust accounts:

	1999 \$'000	1998 \$'000
Funeral Fund		
Cash balance at the beginning of the financial year	115	117
Add : Receipts	-	-
Less : Expenditure	1	2
	<hr/> 114	<hr/> 115
Cash balance at the end of the reporting period		
McFadden Compensation		
Cash balance at the beginning of the financial year	76	74
Add : Receipts	4	2
Less : Expenditure	-	-
	<hr/> 80	<hr/> 76
Cash balance at the end of the reporting period		
Phone Australia Ltd		
Cash balance at the beginning of the financial year	13	17
Add : Receipts	-	-
Less : Expenditure	13	4
	<hr/> 0	<hr/> 13
Cash balance at the end of the reporting period		

28. ADMINISTERED ASSETS AND LIABILITIES

Administered Assets			
Receivables	Note 30	411	589
Other		65	82
		<hr/> 476	<hr/> 671
Administered Liabilities			
Other		65	82
		<hr/> 65	<hr/> 82
Total Administered Liabilities			

Treasury letter dated 29 April 1997, advised of their decision to provide an interest-free advance to the Administrator of the AWU and Guardian Co-operative Housing Societies. The payment of \$102,000 was to be made by the Department of Fair Trading and the repayments made to the Department of Fair Trading and then onforwarded to Treasury. Repayments of \$16,950 were received by the Department of Fair Trading during the period 1 July 1998 to 30 June 1999 and onforwarded to Treasury. Balance of loan of \$65,179 is shown as Other Administered Assets.

	1999 \$'000	1998 \$'000
29. ADMINISTERED REVENUE - DEBTS WRITTEN OFF		
Business Name Registration	24	23
Trade Measurement	1	2
Other	-	-
	<hr/> 25 <hr/>	<hr/> 25 <hr/>

**30. ADMINISTERED REVENUE - SCHEDULE
OF UNCOLLECTED AMOUNTS**

License Fees	294	443
Business Registrations	27	33
Trade Measurement	42	50
Miscellaneous	48	63
	<hr/> 411 <hr/>	<hr/> 589 <hr/>

Aged Analysis of Administered Revenue

Current	320	520
Between 30 days and 59 days old	4	11
Between 60 days and 89 days old	6	6
Over 90 days old	81	52
	<hr/> 411 <hr/>	<hr/> 589 <hr/>

END OF AUDITED FINANCIAL STATEMENTS

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1 Prosecutions July 1998 – June 1999

Acts	Defendants	Offences	Penalties
Business Names Act	3	3	\$1,704.00
Credit (Finance Brokers) Act	2	12	\$4,812.00
Fair Trading Act	10	60	\$210,507.00
Home Building Act	39	75	\$69,143.00
Motor Dealers	34	161	\$173,274.80
Pawnbrokers & Second Hand Dealers Act	1	1	\$4,052.00
Property Stock & Business Agents Act	48	92	\$51,639.00
Residential Tenancies Act	1	1	\$201.00
Trade Measurement	7	22	\$14,328.00
Totals	145	427	\$529,660.80

2 Penalty Notices July 1998 – June 1999

Acts	Defendants	Offences	Total Penalty
Business Names Act	11	20	\$2,200.00
Fair Trading Act	17	3	\$600.00
Motor Dealers Act	159	611	\$30,950.00
Pawnbrokers & Secondhand Dealers Act	37	54	\$5,700.00
Trade Measurement Act	48	71	\$23,950.00
Total:	272	759	\$63,400.00

3 Civil Litigation July 1998 – June 1999

Court/Tribunal	Act	No. of matters under Act	Court/Tribunal	Act	No. of matters under Act
Supreme Court			Fair Trading Tribunal	HB Act	6
Legal Assistance (s.12)	FT Act	6	Commercial Tribunal		
Injunction	FT Act	14	Insurance Appeals	HB Act	66
Ministerial Intervention	CCT Act	6	Licence Appeals	CL Act	2
Other	Credit Act	1		HB Act	6
	FT Act	2		MD Act	2
	MD	1		PBSD Act	4
Insurance	HB Act	1		RIG Act	4
Costs	LP Act	2	Residential Tenancies		
Defamation		1	Legal Assistance	RTT Act	2
District Court			Totals		
Licence Complaints	PSBA Act	3	Supreme Court		34
Objections	PSBA Act	8	District Court		12
Negligence		1	Local Court		50
Local Court			Administrative Decisions Tribunal		4
Examination Summons	FT Act	1	Fair Trading Tribunal		6
Licence Complaints	PSBA Act	16	Commercial Tribunal		84
Objections	PSBA Act	33	Residential Tribunal		2
Administrative Decisions Tribunal			TOTAL		192
Licence Appeals	HB Act	3			
	PBSD Act	1			

4 Legislation administered by the Department

- Associations Incorporation Act 1984 No. 143.
- Business Licences Act 1990 No. 72.
- Business Names Act 1962 No. 11.
- Community Land Management Act 1989 No. 202.
- Consumer Claims Act 1998 No. 162.
- Consumer Credit Administration Act 1995 No. 69.
- Consumer Credit (New South Wales) Act 1995 No. 7.
- Contracts Review Act 1980 No. 16.
- Conveyancers Licensing Act 1995 No. 57.
- Co-operatives Act 1992 No. 18.
- Co-operation Act 1923 (1924 No 1) the provision of the Act (section 17AB (3)(c) excepted) so far as they relate to a Starr-Bowkett Society (remainder, Treasurer and Minister for Housing)
- Co-operation (Leeton Fruit Growers' Agreements) Act 1951 No. 36.
- Credit Act 1984 No. 94.
- Credit (Finance Brokers) Act 1984 No. 96.
- Credit (Home Finance Contracts) Act 1984 No. 97.
- Door-to-Door Sales Act 1967 No. 36.
- Electricity Safety Act 1945 (1946 No 13) so far as it relates to electrical articles and electrical installations (remainder, Ministry of Energy)
- Electricity Supply Act 1995 No. 94 (jointly administered with the Ministry of Energy)
- Employment Agents Act 1996 No. 18.
- Fair Trading Act 1987 No. 68.
- Fair Trading Tribunal Act 1998 No. 161.
- Funeral Funds Act 1979 No. 106.
- Hire-Purchase (Repeal) Act 1981 No. 127.
- Home Building Act 1989 No. 147.
- HomeFund Commissioner Act 1993 No. 9.
- HomeFund Restructuring Act 1993 No. 112, ss 14, 15, 16 and Schedule 2 (remainder Minister for Housing).
- Landlord and Tenant Act 1899 No. 18.
- Landlord and Tenant (Amendment) Act 1948 No. 25.
- Landlord & Tenant Amendment (Distress Abolition) Act 1930 No. 49
- Landlord and Tenant (Rental Bonds) Act 1977 No. 44.
- Letona Co-operative (Financial Assistance) Act 1993 No. 85.
- Mock Auctions Act 1973 No. 17.
- Motor Dealers Act 1974 No. 52.
- Motor Vehicle Repairs Act 1980 No. 71.
- Pawnbrokers & Secondhand Dealers' Act 1996 No. 13.
- Prices Regulation Act 1948 No. 26.
- Property, Stock and Business Agents Act 1941 No. 28.
- Registration of Interests in Goods Act 1986 No. 37.
- Residential Parks Act 1998 No. 142.
- Residential Tenancies Act 1987 No. 26.

- Residential Tribunal Act 1998 No. 168.
- Retirement Villages Act 1989 No. 74.
- Strata Schemes Management Act 1996 No. 138.
- Trade Measurement Act 1989 No. 233.
- Trade Measurement Administration Act 1989 No. 234.
- Travel Agents Act 1986 No. 5.
- Valuers Registration Act 1975 No. 92.
- Warehousemen's Liens Act 1935 No. 19.

5 Motor Dealers Compensation Fund

The Motor Dealers Act establishes a Motor Dealers Compensation Fund to provide protection to persons who have suffered a loss in connection with a motor vehicle through their dealings with a motor dealer or a car-market operator. The Fund is financed by licensing fees paid by full dealers and car-market operators. Claims are usually made on the Fund when a motor dealer ceases to trade either on a voluntary basis or a forced closure.

During the year the Fund paid a total of 108 claims against 15 dealers. The Fund paid out \$819,583.03 for consumer losses due to dealers failing to meet warranty obligations; failing to pass an unencumbered title; and failing to account.

	\$'000
Balance as at 1 July 1998	1,926
Receipts	497
Expenditure	(820)
Balance as at 30 June 1999	1,603

6 DFT Insurance Activities July 1998 – June 1999

Item	Comprehensive Insurance Schemes & House Purchasers Agreement	Special Insurance Schemes	Total
Number of Claims Received	682	111	793
Number of Claims Reopened	157	17	174
Number of Claims Approved	959	131	1090
Value of Claims Approved	\$19,160,877	\$613,614	\$19,774,491
Value of Claims Paid	\$15,212,360	\$692,826	\$15,905,186
Number of Claims Declined	296	95	391
Number of Claims Settled	675	141	816
UFI Pools – Claims Settled	256	-	256
UFI Pools – Claims Paid	\$2.2m	-	\$2.2m

7 Portfolio authorities

Fair Trading Tribunal
Level 7, 175 Castlereagh Street
Sydney New South Wales 2000
Ph 02 9895 2070

Residential Tribunal
Level 12 175 Castlereagh Street
Sydney New South Wales 2000
Ph 02 9641 6400

Strata Schemes Board
Level 12 175 Castlereagh Street
Sydney New South Wales 2000
Ph 02 9641 6400

Co-operatives Council
Level 8 Bankstown Civic Tower
66 – 72 Rickard Road
Bankstown New South Wales 2200
Ph 02 9793 0557

Registry of Co-operatives
Level 8 Bankstown Civic Tower
66 – 72 Rickard Road
Bankstown New South Wales 2200
Ph 02 9793 0557

Rental Bond Board
Level 14 227 Elizabeth Street
Sydney New South Wales 2000
Ph 9377 9000

Statutory Bodies at:

Level 14 227 Elizabeth Street
Sydney New South Wales 2000

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

Level 22 227 Elizabeth Street
Sydney New South Wales 2000
• Registrar of Funeral Funds

Level 4 Enterprise House
1 Fitzwilliam Street
Parramatta New South Wales 2150
• New South Wales Products Safety Committee

Level 5 Enterprise House
1 Fitzwilliam Street
Parramatta New South Wales 2150
• Motor Dealer Disputes Committee

8 Consultants - Engagements Over \$30,000:

Hardin & Associates P/L	Development of a business plan for an organisation to undertake export facilitation for co-operatives	\$43,550.00
Robyn Kennedy & Co P/L	Project on 2000 Olympics and Rental Market Monitoring	\$46,000.00
Total:		\$89,550.00

The Department also engaged 6 consultants for values under \$30,000 at a total cost of \$68,467.50.

9 Overseas travel

Officer	Dates of Travel	Destination	Purpose of trip	Total Cost to Dept. (\$)
David O'Connor	28/07/98-02/08/98	Wellington NZ	Attendance at MCCA & SCOCA meeting	2,641.98
John Schmidt	28/07/98-02/08/98	Wellington NZ	Attendance at MCCA & SCOCA meeting	2,571.59
Robert McMahon	28/07/98-02/08/98	Wellington NZ	Attendance at MCCA & SCOCA meeting	2,813.61
Nivek Thompson	29/07/98-02/08/98	Wellington NZ	Attendance at MCCA & SCOCA meeting	1,379.54
Rod Hawks	04/08/98-08/08/98	Christchurch NZ	Attendance at Standards Australia Technical Committee meeting	1,478.95
Dave Turley	01/10/98-05/10/98	Christchurch NZ	Attendance at LEADR Conference	1,296.20
Michael Carroll	11/04/99-14/04/99	Wellington NZ	Attendance at ANZRA Conference	1,497.55
John Schmidt	30/05/99-04/06/99	Wellington NZ	Public Sector Leaders Summit	1,437.40

10 Freedom of information

These statistics are set out in accordance with the format prescribed in the NSW Premier's Department FOI Procedures Manual.

FOI requests	Personal		Other		Total	
	97/98	98/99	97/98	98/99	97/98	98/99
New	28	56	188	54	216	110
Brought forward	0	2	21	8	21	10
TOTAL	28	58	209	62	237	120
Completed	25	50	191	46	216	96
Transferred	1	0	2	5	3	5
Withdrawn	0	3	8	4	8	7
TOTAL	26	53	201	55	227	108
Unfinished	2	5	9	7	11	12

Results of FOI applications:

FOI results	Personal		Other	
	97/98	98/99	97/98	98/99
Granted in full	22	21	131	11
Granted in part	2	21	42	24
Refused	1	8	18	11
Deferred	0	0	0	0
Completed	25	50	191	46

	97/98	98/99
Ministerial Certificates issued	0	0
Formal consultation Issued:	47	18
Formal consultation completed:	47	15
Amendment of personal records:		
Amendment - agreed	0	0
Amendment - refused	2	0
Number of requests for notations	2	0

Basis of disallowing access:

Section	Personal		Other	
	97/98	98/99	97/98	98/99
19 application incomplete, wrongly directed	0	0	3	0
22 deposit not paid	0	6	2	6
25(1) (a1) diversion of resources	0	0	0	0
25(1) (a) exempt	1	21	46	26
25 (1)(b), (c), (d) otherwise available	0	2	2	1
28(1) (b) documents not held	2	0	7	2
24(2) deemed refused	0	0	0	0
31(4) released to Medical Practitioner	0	0	0	0
TOTAL	3	29	60	35

Costs and Fees:

Costs/Fees	97/98 \$	98/99 \$
Assessed cost	30,778.00	24,870.00
Fees received	6,500.00	7,356.85

Discounts allowed:

Type of discount	Personal		Other	
	97/98	98/99	97/98	98/99
Public interest	0	0	0	0
Financial hardship - pensioner /child	2	7	5	0
Financial hardship ñ non profit group	0	0	1	0
Significant correction of personal records	0	0	0	0
TOTAL	2	7	6	0

Days to process:

Elapsed time	Personal		Other	
	97/98	98/99	97/98	98/99
0-21 days	8	19	56	23
22-35 days	1	14	35	11
Over 35 days	15	20	101	21
TOTAL	24	53	192	55

Processing time:

Hours	Personal		Other	
	97/98	98/99	97/98	98/99
0-10	13	50	193	46
11-20	2	3	5	9
21-40	0	0	2	0
Over 40	0	0	1	0
TOTAL	15	53	201	55

	97/98	98/99
Number of internal reviews finalised:	2	3
Number of Ombudsman reviews finalised:	0	0
Number of Administrative Decisions Tribunal reviews finalised:	0	0

Basis of Internal Review:

	Personal		Other	
	97/98	98/99	97/98	98/99
Access refused	1 upheld	0	1 varied	3 upheld
Deferred	0	0	0	0
Exempt matter	0	0	0	0
Unreasonable charges	0	0	0	0
Charge unreasonably incurred	0	0	0	0
Amendment refused	0	0	0	0

During 1998/99, Freedom of Information (FOI) procedures had no significant impact on the Department's administration and no major issues arose affecting the Department's compliance with the FOI Act.

There has been a 50% reduction in the number of FOI applications received, which has been attributed to the pro-active disclosure of documents outside the provisions of the FOI Act in the Home Building and Property Services Division. This Division receives over 50% of all applications. The number of staff across the Department determining applications has been reduced due to the decrease in applications.

The subject matter of the FOI applications, received during 1998/99, was often complex, requiring the assessment of a very large number of documents. This resulted in an increase of the costs imposed by the Department to determine these applications. The Department will continue with its efforts to improve the level of applications finalised within the statutory period.

As for the previous year, there were no enquiries or appeals to the Ombudsman nor any review applications to the Court system or the Administrative Decisions Tribunal.

Particular sections of the Department's legislation came under the Tribunal's jurisdiction on 1 January 1999. Decisions made by the Director-General or his delegates relating to the refusal, cancellation, suspension or application of conditions/ restrictions on a licence, or certificate or registration of a financial interest under the following Acts, can now be reviewed by the Administrative Decisions Tribunal:

The jurisdiction of the Administrative Decisions Tribunal has been given by way of amendment to these Acts:

Conveyancers Licensing Act 1995	Registration of Interests in Goods Act 1986
Employment Agents Act 1996	Travel Agents Act 1986
Home Building Act 1989	Trade Measurement Act 1989
Motor Dealers Act 1974	Trade Measurement Administration Act 1989
Pawnbrokers & Second hand Dealers Act 1996	

The ADT can also review an internal review determination under the Freedom of Information Act 1989.

As at 30 June 1999 a total of 80 requests for internal review had been received.

Licence Type	Review requests received
Employment Agent	13
Second hand Dealer	34
Motor Dealer	7
Travel Agent	5
Conveyancer	2
Home Building	19
TOTAL	80

Between 1/1/99 and 30/6/99 the Department received 12 applications for review by the Administrative Decisions Tribunal. Five determinations have been made:

Act	Tribunal Decision
Pawnbroker & Second hand Dealer Act	1 – withdrawn 1 – decision set aside
Home Building Act	2 – withdrawn 1 – dismissed
TOTAL	5

The seven outstanding matters for hearing include: two applications relating to the Home Building Act, four concerning conditions imposed by the Pawnbroker and Second hand Dealers Act to keep electronic records and one application regarding the Department's refusal to grant a licence under the Motor Dealers Act.

11 Customer feedback

The Department continues to operate customer feedback systems known as 'Your Opinion Counts'. This system allows customers to comment on aspects of service offered by the Department.

It was anticipated that this feedback system would be upgraded during this year, however priorities concerning Y2K remediation have resulted in the upgrade being moved to the 1999-2000 financial year.

22 complaints were received through customer feedback during 1998-1999. All were resolved either through ministerial correspondence or by conciliation with program managers where possible. No allegations of suspected corrupt conduct or illegal behaviour were received through the customer feedback system.

	94/95	95/96	96/97	97/98	98/99
Total	537	442	358	250	215
Compliment	74%	92%	92%	93%	90%
Complaint	12%	8%	8%	7%	10%

12 Grants

Property Service Grants

Service	Funding \$
Australian Property Institute Incorporated	61,000
Institute of Strata Title Management	17,000
Redfern Legal Centre Publishing Ltd	95,539
Stock and Station Agents' Association NSW Incorporated	276,000
Strathfield Regional Community College Inc	44,800
University of Western Sydney	52,000
TOTAL	546,339

*Real Estate Institute of NSW (approved in 1998/1999, however, REI did not commence projects in this period, so funding approval carried forward to 1999/2000) 80,500

Tenants Advice and Advocacy Program (TAAP) 1998-1999

Service	Funding \$
Canterbury-Bankstown Migrants Resource Centre Inc	220,915
Central West Community College	200,330
Combined Pensioners and Superannuants Association of New South Wales	117,487
Durahrwa Training and Development Aboriginal Corporation	172,716
Eastern Area Tenants Service Incorporated	165,686
Hunter Community Legal Centre Inc	237,233
Illawarra Legal Centre Inc	168,197
Lismore Neighbourhood Centre	145,099
Management & Advisory Services Aboriginal Corporation	172,716
Marrickville Legal Centre Ltd	193,301
Northern Area Tenancy Service Inc	165,686
Orange Community Resource Organisation	200,732
Port Macquarie Neighbourhood Centre	140,584
Redfern Legal Centre Ltd	165,686
South Sydney Aboriginal Corporation Resource Centre	111,964
South West Sydney Legal Centre Inc	165,686
Tenants Union of New South Wales Co-op Ltd	305,265
The Uniting Church in Australia Property Trust (NSW)	251,040
Thubbo Aboriginal Medical Co-op	172,716
Wyang/Gosford Community Legal Centre	140,582
Program administration	55,229
Special Purpose Fund	110,000
Systems Administrator	55,229
TOTAL	3,834,079

Other Funded Tenancy Projects

Service	Funding \$
The Aged Care Rights Service Inc	229,233
Combined Pensioners and Superannuants Association of New South Wales	118,800

Home Building Grants Program for 1998/1999

Applicant Name	Grant-approved
Building Apprentices Training Limited	\$125,000
TOTAL	\$125,000

Credit Counselling Program 1998/1999

Service	Location	Amount
Campbelltown Legal Centre	Campbelltown	\$22,000
Coffs Harbour Neighbourhood Centre	Coffs Harbour & Grafton	\$21,000
Consumer Credit Legal Centre	Surry Hills	\$116,000
Creditline Financial Counselling Newcastle	Hamilton	\$22,000
Creditline Financial Counselling Service Fairfield	Fairfield	\$51,500
Creditline Financial Counselling Service Sydney	Haymarket	\$292,500
Creditline Macarthur	Macarthur	\$15,500
Eastlakes Family Support Service	East Lake Macquarie	\$16,000
Forster Neighbourhood Centre	Forster	\$25,500
Illawarra Legal Centre	Warrawong	\$50,000
Kempsey Financial Counselling Service	Kempsey	\$30,500
Lismore and District Financial Counselling	Lismore	\$57,500
Murwillumbah Community Support Financial Counselling Service	Murwillumbah	\$23,500
Port Macquarie Neighbourhood Centre	Port Macquarie	\$31,500
Redfern Legal Centre	Redfern	\$16,000
Sydney City Mission	Green Valley	\$24,000
Wollongong City Mission	Wollongong	\$25,000
TOTAL	TOTAL	\$840,000

Department Supplementary Financial Counselling Funding 1998/1999

Service	Location	Amount
Central Coast Financial Counselling Service	The Entrance	\$63,029
Creditline Nowra	Nowra	\$21,529
Wagga Wagga Financial Counselling Service	Wagga Wagga	\$35,500
Westlake Macquarie Financial Counselling Service	West Lake Macquarie	\$15,500
	TOTAL	\$135,558

Financial Counselling Trust Fund 1998/1999

Service	Location	FCTF
Bankstown Family Support Service	Bankstown	17,160
CARE, Queanbeyan FC Service	Queanbeyan	30,969
Careforce Inc - Eden	Eden	8,000
Christian Community Aid Service Inc, Ryde-Eastwood \$35,150, Granville \$13,600, Westmead \$10,000 & Auburn \$13,000	Ryde-Eastwood, Granville, Westmead & Auburn	71,750
Credit Line - Central West	Bathurst	39,000
CreditLine FC Service Penrith \$41,750, Hawkesbury \$16,000 & Quakers Hill \$16,000	Penrith, Hawkesbury & Quakers Hill	73,750
Eurobodalla Family Support Service	Moruya	30,500
Gosford City Community & Information Service Ltd	Gosford	16,000
Hunter Region N/C Forum	Hunter	33,000
Lifeline South Coast (NSW)	Nowra	9,556
Salvation Army - Campsie \$16,000, Mt Druitt \$24,960, Parramatta \$24,000 & FC Training \$10,000	Campsie, Mt Druitt & Parramatta	74,960
San Remo Neighbourhood Centre Inc	San Remo	16,000
St David's Care - Albury	Albury	24,000
St Vincent de Paul - Broken Bay	Brookvale	8,000
Sydney City Mission - Campbelltown	Campbelltown	24,000
	TOTAL	476,645

13 Report of Registrar of Funeral Funds

The Funeral Funds Act, 1979 provides for the registration or exemption of prearranged and contributory funeral funds operating in New South Wales. The purpose of the legislation is primarily to safeguard consumer's prepayments for funeral services. The Registrar of Funeral Funds is responsible for monitoring the continuing operation of existing funds for the benefit of existing members and to facilitate the registration of new funds which meet the requirements of the legislation.

The Director-General of the Department of Fair Trading is the Registrar of Funeral Funds. The appointment is by virtue of the Public Sector Management Administrative Changes (Fair Trading) Order, 1995 published in New South Wales Gazette No. 128.

The Registrar's functions include ensuring statewide compliance with the Act, which is achieved by:

- monitoring funeral fund complaint data
- developing and implementing programs for the inspection of funeral fund records
- examining Annual Statements submitted in accordance with the Act
- evaluating the continued relevance of funeral fund registration criteria.

A review of the Funeral Funds Act, 1979 was commenced during the year in accordance with National Competition Policy. The review and the legislative amendments flowing from the review are to be in place by December 2000.

There are 15 registered and 48 exempted (pre 1979) pre-arranged funds.

Contributory funeral funds, which existed prior to the Act's introduction in 1979, were granted exemption from registration under the legislation on the condition that no new members could be recruited. There are currently no registered contribution funds and 15 exempted contribution funds of which 13 were in existence pre 1979.

The Department maintains a trust fund for contributors of the Russell Kinsela Group of companies, which went into liquidation in 1981. A number of contributors to those schemes remain unidentified. The Department makes payments from the trust fund as former contributors are identified or come forward. The balance of the trust of the Russell Kinsela Pty Limited Trust Fund as at 30 June 1999, was \$112,758. During the year payments totalling \$1,803 were made to former contributors.

There were 39 formal complaints registered against funeral industry operators in 1998/99. This represents an overall reduction in complaints of 8% over the previous year. The major reduction occurred in complaints lodged against funeral directors, which fell from 26 in 1997/1998 to 13 in 1998/99. The reduction in complaints may be an indication that the industry is stabilising following the impact of the more aggressive marketing approach adopted by some sectors of the industry during the last few years.

The Funeral Funds Act requires the lodgement of annual returns by registered funeral funds. A compliance program was instigated this year to improve the level of lodgement by the funds on an ongoing basis.

14 Publications

* Indicates a new publication in 1998-99

Publications available during 1998-99 included the following titles:

Titles:

- *The Renting Guide* – English, Arabic, Chinese, Croatian, Farsi, Greek, Italian, Japanese, Khmer, Korean, Macedonian, Polish, Portuguese, Russian, Serbian, Spanish, Turkish, Vietnamese
- *Associations - A Guide to Incorporating*
- *Shopping from Home*
- *Shopping – All you want to know*
- *Building a Pool*
- *Our Services* – English, Bosnian, Chinese, Thai, Turkish, Vietnamese
- *Before You Borrow Money*
- *Retirement Village Living*
- *Residential Park Living**
- *Car Buyers' Checklist*
- *Builders and Tradespeople*
- *Home Building Renovations & Maintenance*
- *Becoming an Owner Builder*
- *Protecting Your Home from Termites*
- *Minor Works Building Contract Pad 10* (\$10)
- *Minor Works Building Contract Pad 50* (\$25)
- *Renovations Contract Pad 10* (\$10)
- *Renovations Contract Pad 50* (\$25)
- *Home Building Contract - 2 Pack* (\$10)
- *Swimming Pool Contract - 2 Pack* (\$20)
- *Strata Living*
- *A Guide to Solving a Dispute in a Strata Scheme*
- *Conveyancing in NSW*
- *How to Apply for a Conveyancer's Licence*
- *Household Cots**
- *Knives*
- *Knives Stickers - Point of Sale*
- *Knives Sticker - Shop window - (reverse print)*
- *Safe Toys for Kids*
- *Keeping Baby Safe*
- *REVS - Cars*
- *REVS - Boats*
- *Changes to the laws for Pawnbrokers & Second-hand Dealers**
- *Annual Report 1997-98**
- *Customer Service Guidelines**
- *A Better Life for Park Residents**
- *A New Deal for NSW Retirement Village Residents**
- *The Good Business Matters Kit (Cost \$145)*
- *Y2K Consumer**
- *Y2K Business**
- *Introducing Fair Trading Tribunal**
- *REVVED Up (Streetwise)**
- *Running an Incorporated Association*
- *The New Fitness Industry Code**
- *Aboriginal Action Plan**
- *Electrical Accident Report 1999**

Flyers:

- *A Student Guide – to consumer rights**
- *A Seniors' Guide – to consumer rights**
- *Disposal Cigarette Lighters*
- *Inflatable Pools – Consumers**
- *Inflatable Pools – Business**
- *Laser Pointers**
- *Aboriginal Housing Providers**
- *A new deal for retirement village residents**

Posters:

- *Plain English Building Contracts*
- *Strata Law Changes*
- *Borrowing Money? - Arabic*
- *Borrowing Money? - Chinese*
- *Borrowing Money? Turkish*
- *Borrowing Money? Vietnamese*
- *Home Warranty Insurers**
- *When Dealing in Second-Hand Goods**
- *Fair Go (Aboriginal)**

Videos:

- *Consumer Power* \$19
- *Home Delivery – Mediation* \$10

Newsletters:

- *Target - Building Issues*
- *KeyNotes - Real Estate/Tenancy*
- *Retirement Village Green – For seniors*
- *Co-operation – For Co-operatives*

15 Membership of statutory bodies and interdepartmental committees

Representation Key: [c] - Chairperson; [m] - Member; [t] - Trustee.

Acceptable Standards of Construction Committee NSW
Barry Miller [m]

Australia – New Zealand Reciprocity Association
Peter Smith [m]

Australian Standard: Guide for the prevention, handling and resolution of disputes
Robert Drake [m]

Builders Licensing Australia
Susan Cleary [m]

Central Coast Regional Co-ordination Management Group
Sean Lonergan [m]

Committee of Inquiry into Cosmetic Surgery
Kel Nash [m]

Committee on Uniformity of Plumbing and Drainage Regulations in NSW
Kel Nash [m]

Connecting Business Reference Group
Marie Bonney [m]
Cameron Smith [m]

Construction Industry Training Advisory Board
Michael Carroll [m]

Consumer Products Advisory Committee David Catt [m]	Coordination Management Group Marilyn Richmond [m]	Kell Nash [c]
Electrical Equipment Safety Advisory Committee Alex Krestovsky [c]	NSW Car Theft Action Group John Devlin [m]	Review of NSW Residential Tenancies Law Steering Committee Susan Dixon [c] Joy Brookes [m]
Electrical Regulatory Authorities Council John Furbank [m] Michael Carroll [m]	NSW Financial Counselling Trust Fund Brian Given [t]	Riverina Murray Regional Coordination Management Group Jan Malone [m]
Fair Trading Advisory Council David O'Connor [m]	NSW Food Advisory Committee Merilyn Betty [m]	Senior Officers Reference Group on Crime Prevention Susan Dixon [m]
Fair Trading Operations Committee David Catt [m]	NSW Injury Prevention Forum John Furbank [m]	Standing Committee of Officials of Consumer Affairs (SCOCA) David O'Connor [m]
Fitness Centres Code of Practice, Code Administration Committee Lynne Murray [m] Anthea Kerr [m]	NSW Treasury Managed Fund Advisory Board Garry Waters [m]	State Records Customer Council David Lilley [m]
Funeral Industry Council Tony McCarroll [m]	Olympic Co-ordination Authority Social Impacts Advisory Committee Rod Stowe [m]	The Clothing Outworkers Advisory Committee Susan Dixon [m] Robert Drake [m]
Government & Related Employees Appeal Tribunal (GREAT) Ann Keating [m]	Partnership Against Homelessness Committee John Schmidt [m]	Trade Measurement Advisory Committee Victor Lawrence [m]
Home Building Advisory Council David O'Connor [m]	Pawnbrokers & Secondhand Dealers Industry Consultative Committee Tracy Taylor [m]	Travel Compensation Fund Brian Given [t]
Hunter Regional Coordination Management Group Richard Buckley [m]	Pest Control Licensing Committee (WorkCover) Merilyn Betty [m]	Uniform Consumer Credit Code Management Committee Margaret Raffan [c]
Illawarra Regional Coordination Management Group Paul Humble [m]	Products Safety Committee David Catt [c] Stephen Hutchison [m]	Western Area Region Coordination Management Group Paul Coles [m]
Inter-Agency Fraud Committee Greg Jemmeson [m]	Property Services Advisory Council David O'Connor [m]	Western Sydney Regional Coordination Management Group Rod Stowe [m]
Ministerial Taskforce on Affordable Housing David O'Connor [m]	Rental Bond Board David O'Connor [c]	Whitegoods Repair Code of Practice, Code Administration Committee Lynne Murray [c]
Motor Dealer Disputes Committee Andrew Gavrielatos [m]	Residential Parks Consultative Committee Peter Berry [c]	Whole of Government Call Centre Coordination Working Party Wayne Gardner [m]
Motor Trade Advisory Council David O'Connor [m]	Residential Tenancies Consultative Committee Peter Berry [c] Joy Brookes [m]	Workcover Working Party on safety of small LPG cylinders and fittings Lindsay Tegert [m]
North Coast Regional Coordination Management Group Marilyn Richmond [m]	Residential Tribunal Operations Committee Joy Brookes [m]	
Northern Tablelands Regional	Retirement Villages Consultative Committee	

16 Internal Audit

Internal Audit services were provided by internal and contracted services. Contracted services were specifically used to cover specialist IT audit tasks.

Approximately 65% of the annual audit plan was achieved. Major variations to the annual plan arose from:

- remediation and contingency planning for Y2K within Internal Audit operations
- the management and investigation of 5 protected disclosures
- investigation into 9 matters referred by the ICAC and NSW Ombudsman
- investigation of 1 alleged fraud by employee (possible loss \$790)
- certification of corporate credit card usage
- requests from management for audits/reviews.

At the time of reporting, a survey of client satisfaction with Internal Audit services was being performed. Target indicators are for >80% satisfaction over a range of attributes. The executive Internal Audit Committee met regularly to oversee Internal Audit services and to assess the internal control environment within the Department. Internal Audit trialed a review using the NSW Treasury Risk Management self-assessment methodology – further work will be undertaken in 1999~2000 for the implementation of control self assessment processes within the Department.

Education and awareness of staff on the DFT Code of Conduct, Protected Disclosure and fraud prevention was undertaken through staff induction courses, presentations to regional meetings and Internal Audit Branch newsletters. At the time of reporting a review of the DFT Code of Conduct was being completed. This review will result in an update of the Code during 1999~2000.

Actual Audit Tasks July 1998 – June 1999

- Internet/Web Security
- Y2K Remediation
- Real Estate Investigations
- FBT Administration
- Motor Vehicle Management
- SAP R/3 Financial Management System
- Property Services Licensing
- Fair Trading Centre operations
- Investments
- Debt Administration
- Trade Measurement LSO operations
- Grants/Funding operations
- Fixed Assets
- Intelligence Services
- Payroll/Leave

Corporate Credit Cards

In accordance with Treasurer's Directions, the Director-General has certified to the Minister that credit card use has been in accordance with established government requirements. The certification was qualified to the extent that a very small number of transactions did not have adequate supporting documentation and that action is being taken to improve management reporting processes.

Planned Audit Tasks 1999~2000

- Building Insurance
- Debt Administration
- Y2K Remediation
- Payroll/Leave
- Business Registration operations
- Business Registration IT System
- Purchasing/Accounts Payable
- Business Licensing
- Property Services Licensing
- Strata Services
- Customer Services Division Inspection activities
- REV's
- Co-operatives Compliance/Monitoring operations
- Fringe Benefits Tax Administration
- Associations operations
- Compensation Funds
- Residential Tribunal administration
- Penalty Notice system
- Fair Trading Centre operations
- Corporate Credit Card management
- Product Safety/Industry Standards operations

NB. 1999~2000 audit plan may be subject to change

17 Performance of Chief Executive

Mr David O'Connor
Director-General, SES Level 6

The Minister for Fair Trading has expressed his satisfaction with Mr O'Connor's management of the Department and dedication to service throughout 1998/1999.

Mr O'Connor has successfully addressed the key result areas of his performance agreement by leading the implementation of a number of significant strategies.

The Hon J A Watkins, MP
Minister for Fair Trading
30 August 1999

18 Statutory Annual Report – Co-operation Act 1923, Section 123

This report covers the period from 1 July 1998 to 30 June 1999 and is presented in accordance with Section 123 of the Co-operation Act 1923.

Co-operative Housing Societies and Starr-Bowkett Building Societies are the only types of societies registered under the 1923 Co-operation Act. The New South Wales Financial Institutions Commission is the regulatory authority for Co-operative Housing Societies, whereas the Registrar of Co-operative Societies is the regulatory authority for Starr-Bowkett Building Societies.

Starr-Bowkett Building Societies

As at 30 June 1999 there were 30 Starr-Bowkett societies on the Register, four societies having been wound up and removed from the Register during the year.

Details of Co-operative Activity

Type of Society	New Societies registered during the year ended 30 June		Societies on the Register at 30 June	
	1998	1999	1998	1999
Starr-Bowkett Building Societies	0	1	29	30

19 Consumers' requests for review of commissions charged by real estate agents

	1996/97	1997/98	1998/99*
Applications brought forward	36	136	49
Applications received	127	38	75
Total	163	174	124
Applications finalised	123	138	93
Applications carried forward **	49	38	20
Total	172	176	113

* Function ended on 28 February 1999. As at 1 March 1999, disputes regarding real estate agents commissions and other charges became the responsibility of the Fair Trading Tribunal

** Forwarded to the Fair Trading Tribunal

20 Ethnic Affairs Priorities Statement, 1998 – 1999 Report

Corporate Plan	Objectives/Outcomes	Maximise appropriate safeguards for consumers Minimise unnecessary restrictions on business and traders
Key Result Area 1	Policy and regulatory framework	
Strategies	Desired outcomes	Report on achievements
Incorporate access and equity considerations in legislative reviews and other policy work (eg. issues papers and consultation) by piloting a best practice approach in two legislative reviews.	Perspective of disadvantaged groups incorporated in new legislation, research and policy	Review of Fair Trading Act is not yet at consultation stage. Review of Associations Act deferred until 1999-2000.
Undertake research to identify fair trading issues in the tenancy market	Information to assist the reduction of problems and enhance dispute resolution mechanisms	Report completed. Options developed for better information distribution to NESB tenants and landlords.

Participate in the development and implementation of the NSW Multicultural Business Strategy	Report to the Premier on business and employment opportunities, building on productive diversity	Overall responsibility for strategy is with Premier's Office. DFT responsibilities already being implemented Credit Code compliance and ensuring multicultural issues are taken into account in policy development.
Increase the number of people from equity target groups appointed to DFT advisory bodies	DFT targets are met	Strategy document prepared. Information about Premier's registers provided to Minister when appointments are being considered.
Corporate Plan	Objectives/Outcomes	Maximise appropriate safeguards for consumers Minimise unnecessary restrictions on business and traders
Key Result Area 2	Information and education	
Strategies	Desired outcomes	Report on achievements
1. Review DFT forms and key marketplace documents to assess level of complexity 2. Improve documents found to not be in plain English or poorly laid out	1. Difficult forms and documents identified 2. Key DFT forms and key marketplace documents in plain English	Samples of all forms and form letters used by or sent to customers collected. Forms review committee established. Agreement to examine top 10 forms as a preliminary step. Most highly used forms identified. Draft evaluation criteria developed.
1. Review DFT publications which are translated or ATSI targeted 2. Produce translated and/or culturally appropriate versions of key publications where justified	1. Gaps identified in publication list 2. ATSI and NESB communities have access to appropriate DFT publications	Project incorporated into forms/publications review Current translated publications: <ul style="list-style-type: none"> • The Renting Guide – 17 languages • Our Services – 5 languages
Incorporate strategies appropriate for equity target groups in general DFT education campaigns	Wide range of communities are served by DFT education campaigns	All campaign planning incorporates consideration of equity target groups. Implementation of various campaigns underway. REVS advertising on radio in 4 languages. Advertising relating to enquiries following the hail storms in Sydney in print media in 5 languages. Y2K Consumer advertising campaign <ul style="list-style-type: none"> • A statewide advertising campaign conducted in February, March and May 1999. • Adverts placed in 24 newspapers in 13 languages. • Adverts placed on SBS radio in six languages. Production of Y2K flyers <ul style="list-style-type: none"> • Information leaflet produced in 14 languages. • Flyers distributed to all Fair Trading Centres where a community need was identified.

Conduct specific education campaigns targeting people of NESB	DFT education campaigns address key issues for particular target groups	<p>South Region</p> <p>Seminars to NESB groups including:</p> <ul style="list-style-type: none"> • Overseas students at Wollongong TAFE • Newly arrived migrants at Illawarra Migrant Centre open day <p>Hunter Region</p> <p>Seminars and related activities for NESB groups including:</p> <ul style="list-style-type: none"> • Information Sessions specifically targeting the NESB community in regional areas. • NESB students undertaking English studies through TAFE, WEA and the Community College. • Hunter Migrant Interagency. • Ensuring appropriate brochures and media stories are supplied to the Migrant Resource Centre for dissemination in the NESB community. • Information Stand at ethno-specific expos – eg Cultural Healthy Ageing Expo in Newcastle. <p>Sydney Region</p> <p>Seminars and related activities including:</p> <ul style="list-style-type: none"> • Auburn Multicultural Day • Willoughby Ethnic Carnivale • Merrylands Ethnic Carnivale • Bankstown Arabic Youth Event • Chinese Information Day • Arabic Carnivale • Arabic Information lecture • Greek Information lecture • St George Migrant Information Day • Ethnic Chambers of Commerce • Ethnic Radio 2000 • Migrant Information Day – Eastwood <p>North Region</p> <p>Presentation to Sikh community – Grafton Rural Access Program Woolgoolga March 1999.</p>
Spend 7.5% of DFT advertising budget on utilising the ethnic print media	Increased awareness of DFT and its services in ethnic communities; comply with Premier's Memoranda	Segment programs are implemented with appropriate ethnic advertising components and are on target. 14.8% - ethnic print media 3.1% - ethnic electronic media
Spend 3% of DFT electronic media expenditure on ethnic electronic media		
Provide information on DFT services on the Internet in languages other than English	Broad availability of DFT information to NESB people using the Internet	In progress. Technical options under investigation

Corporate Plan	Objectives/Outcomes	Maximise appropriate safeguards for consumers Minimise unnecessary restrictions on business and traders
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Key Result Area 3 Compliance monitoring & enforcement

Strategies	Desired outcomes	Report on achievements
Conduct training of DFT compliance and Tribunal staff in effective customer service to people from diverse backgrounds	Increased skills to identify and meet needs of all DFT customers	Several compliance staff have attended customer service training including diversity issues. Tribunal restructuring has delayed implementation.
Review access by equity target groups to the Tribunals	Assessment of gaps by particular groups to services provided by the Tribunals	Residential Tribunal has implemented the following: <ul style="list-style-type: none"> • Registry staff from different cultural backgrounds • provision of interpreter services • regionalisation program • information on Tribunal processes translated into community languages • community education sessions in regional NSW

Corporate Plan	Objectives/Outcomes	Maximise appropriate safeguards for consumers Minimise unnecessary restrictions on business and traders
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Key Result Area 4 Licensing, registration & certification

Strategies	Desired outcomes	Report on achievements
Conduct training workshops for staff involved in regulation on implications for equity target groups	Increased skills to identify and incorporate issues affecting target groups	Planning underway for workshops linked to the development of the Access & Equity Manual

Corporate Plan	Objectives/Outcomes	Maximise appropriate safeguards for consumers Minimise unnecessary restrictions on business and traders
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Key Result Area 5 Quality, efficiency & customer focus of operations

Strategies	Desired outcomes	Report on achievements
Conduct training of DFT staff in effective customer service to people from diverse backgrounds	Increased skills to identify and meet needs of all DFT customers	<ol style="list-style-type: none"> 1. Presentations at DFT induction sessions include diversity issues 2. Customer Service Division initial NESB seminar held for Managers in November 1998. 3. Initial training on working with interpreters conducted for customer service staff in South Region (Illawarra) 4. Customer Service Division training planned to coincide with Enquiries Procedures Training in second half of '99 5. Funding confirmed for development of 2 training modules 6. Tender document drafted for prospective consultants.

Produce an access and equity resource manual	DFT staff more able to incorporate access and equity considerations into all policy, planning and service delivery.	Consultant appointed to develop draft manual.
Establish systems for data collection and analysis of characteristics of DFT customers	<ul style="list-style-type: none"> • Profile of current DFT customers provides benchmark and better understanding of customer needs • Future data measures progress on improving access by particular target groups and understanding of changes in customer needs 	Survey has been completed, and initial results have helped guide improvements to customer service.
Conduct regular customer satisfaction surveys	Feedback on DFT services for service evaluation and planning	<p>Customer Satisfaction Survey Pilot conducted in North region in September 1998</p> <p>Other regions planned for later in 1999</p> <p>Other Divisions will then adapt and implement survey</p>
Review language services, including level of provision, and the Community Language Assistance Scheme (CLAS)	Access by customers to interpreters and language aides for all core DFT services	<ol style="list-style-type: none"> 1. Information collected on current services, procedures and available statistics 2. Focus groups were held in February/March 1999 3. Presentation of preliminary findings to DFT Executive 4. Implementation of initial recommendations underway: <ul style="list-style-type: none"> • Planning for training • Review of Community Language Allowance Scheme (CLAS) <p>Currently 53 staff receive the allowance in 20 languages.</p>
Conduct a series of internal workshops on workload management and how to focus resources to most disadvantaged customers	DFT better able to devote appropriate resources to disadvantaged target groups	<p>Research completed</p> <p>Workshops deferred to coincide with development of access and equity manual</p>
Align the staff diversity profile to reflect DFT customer service needs, through the Equal Employment Opportunity Strategy and the Aboriginal Employment Strategy	Improved capacity to provide services to customers from diverse backgrounds	Strategies included in 1997/98 EEO Plan, including employment framework for targeting EEO groups
Undertake regular liaison with peak, regional and local groups regarding DFT services, policy and new initiatives	<ul style="list-style-type: none"> • Increased awareness among target communities of DFT • DFT more aware of needs of diverse target groups 	<ol style="list-style-type: none"> 1. Ongoing liaison visits and consultation in the regions with ethnic community groups 2. Multicultural Consultative Forums held twice yearly with peak/state organisations.

21 Ethnic Affairs Priorities Statement July 1999 – June 2000

Access and Equity Objective:

Access and Equity groups have the same benefit from safeguards and the same access to Departmental services, as all consumers.

This Ethnic Affairs Priorities Statement has been incorporated into the Department's Access and Equity Strategy and follows the DFT corporate objectives and Corporate Plan format, which has less detail. Some projects have a specific focus on cultural diversity issues, others aim to improve outcomes for a range of Access and Equity groups. Full details are contained in project plans. Many minor initiatives are not included.

Key to accountability column below

Management and Information Services Division (MIS), Customer Service and Community Education Division (CSCE), Licensing and Registration Services Division (LRS), and Home Building Property Services Division (HBPS)

Corporate objective

Appropriate safeguards for consumers with minimal restrictions on business/traders

KRA/divisional objective

Policy framework creates a balance between the interests of consumers and traders

Project	Accountability	Timeframe	Milestones
Incorporate access and equity considerations in legislative reviews and other policy work (eg. issues papers and consultation) by piloting a best practice approach in two legislative reviews.	Policy	Dates to be determined	Fair Trading Act Review Develop a risk checklist for stakeholders Targeted consultations with equity groups Issues reflected in final report Associations Act Review Develop a risk checklist for stakeholders Targeted consultations with equity groups Issues reflected in final report
		Mar 2000	
		Sept 1999	
		Feb 2000	
		Jun 2000	

Corporate objective

Appropriate safeguards for consumers with minimal restrictions on business/traders

KRA/divisional objective

Informed, educated consumers and traders

Project	Accountability	Timeframe	Milestones
Revise and improve DFT forms found to not be in plain English or poorly laid out	CSCE leader, all Divs, (Secretariat with Policy)	Jul 1999	Identify most used forms and prioritise
		Aug 1999	Develop plain English criteria
		Dec 1999	First 10 forms improved and approved
Conduct specific education campaigns targeting equity target groups, as appropriate	CSCE	Dec 1999	Renting Guide to be updated in 17 languages
		Dec 1999	Seniors guide, credit booklet and 2 building guides with associated fact sheets to be translated
		Nov 1999	Booklet, poster and fact sheets (translated in 5 languages) on relationship debt

Corporate objective

Appropriate safeguards for consumers with minimal restrictions on business/traders

KRA/divisional objective

Economical, efficient and customer focused operations

Project	Accountability	Timeframe	Milestones
Market the Access and Equity Strategy and resource manual to DFT staff and others, as appropriate.	Policy	1. Dec 1999	1. Launch and distribution of access and equity report and manual
		2. To be determined	2. Workshops for staff
		3. May 2000	3. Evaluation of manual
Ensure DFT language services meet the needs of customers through greater use of interpreters, CLAS recipients and bilingual front line staff	Policy leader, all Divisions	1. Oct 1999	1. Report on language services review
		2. Oct 1999	2. Promote use of CLAS within the DFT
		3. Dec 1999	3. Develop project plan to increase numbers of bilingual staff in front line areas
Conduct cultural diversity training of DFT staff in effective customer service	MIS leader, CSCE, LRS, HBPS	1. Aug 1999	1. Consultant engaged
		2. Sept 2000	2. Training commenced (extent of training dependent on budget)
Undertake regular liaison with peak, regional and local groups regarding DFT services, policy and new initiatives	Policy	1. One day per month	1. Liaison visits to ethnic community organisations
		2. Oct 1999	2. Multicultural Consultative Group
		3. As scheduled	3. Director-General's liaison committees
Conduct annual customer satisfaction surveys	CSCE leader, LRS, HBPS, Tribunals	1. Sept 1999	1. Model survey distributed to other divisions
		2. Dec 1999	2. Survey conducted in all CSCE regions
		3. As required	3. Results reviewed and action implemented

22 Accounts payable performance

1 Schedule of accounts payable as at 30 June 1999

Current	\$1,162,419.27
Less Than 30 Days	-
Between 30 & 60 Days	-
Total accounts payable	\$1,162,419.27

2 Accounts paid during 1998/1999

Percentage of accounts paid on time (24,918 vouchers processed on time out of 27,348)	91.11%
Total dollar amount of accounts paid on time	\$88,098,569.80
Total dollar amount of accounts paid	\$94,049,911.18

23 Access and Equity Strategy: Disability Report, July 1998 - June 1999

Corporate Plan	Objectives/Outcomes	Maximise appropriate safeguards for consumers Minimise unnecessary restrictions on business and traders
Key Result Area 2	Information & education	
Access & equity strategies	Desired outcomes	Report on achievements
1. Review DFT forms and key marketplace documents to assess level of complexity	1. Difficult forms and documents identified	Samples of all forms and form letters used by or sent to customers collected. Forms review committee established. Agreement to examine top 10 forms as a preliminary step.
2. Improve documents found to not be in plain English or poorly laid out	2. Key DFT forms and marketplace documents in plain English	Most highly used forms identified. Draft evaluation criteria developed.
Incorporate strategies appropriate for equity target groups in general DFT education campaigns	Wide range of communities are served by DFT education campaigns	Planning for each campaign incorporates consideration of equity target groups. Audio version of 'Our Services' produced
Corporate Plan	Objectives/Outcomes	Maximise appropriate safeguards for consumers Minimise unnecessary restrictions on business and traders
Key Result Area 3	Compliance monitoring & enforcement	
Access & equity strategies	Desired outcomes	Report on achievements
Review access by equity target groups to the Tribunals	Assessment of gaps by particular groups to services provided by the Tribunals	Residential Tribunal has implemented the following: <ul style="list-style-type: none"> • TTY equipment • Disabled access to satellite registries and permanent hearing venues
Corporate Plan	Objectives/Outcomes	Maximise appropriate safeguards for consumers Minimise unnecessary restrictions on business and traders
Key Result Area 5	Quality, efficiency & customer focus of operations	
Access & equity strategies	Desired outcomes	Report on achievements
Produce an access and equity resource manual	DFT staff more able to incorporate access and equity considerations into all policy, planning and service delivery.	Consultant appointed to develop manual.
Review language services, including level of provision, and the Community Language Assistance Scheme (CLAS)	Access by customers to interpreters and language aides for all core DFT services, including deaf sign language.	<ul style="list-style-type: none"> • Information collected on current services, procedures and available statistics • Focus groups were held in February/March 1999 • Presentation of preliminary findings to DFT Executive • Implementation of initial recommendations underway: <ul style="list-style-type: none"> - Planning for training - Review of Community Language Allowance Scheme (CLAS) • One staff member has been nominated for testing in the deaf sign language.

Review physical access to DFT buildings and the availability and use of TTY phones	Premises and communication systems suitable for customers and staff with a disability	Ongoing review of premises as leases considered OPTUS/DFT communications agreement will ensure availability of TTY phone services Staff identified for training in use of TTY phones
Align the staff diversity profile to reflect DFT customer service needs, through the Equal Employment Opportunity Strategy and the Aboriginal Employment Strategy	Improved capacity to provide services to customers from diverse backgrounds	Strategies included in 1997/98 EEO Plan, including employment framework for targeting EEO groups Developed three disability policies: <ul style="list-style-type: none"> • <i>Recruiting People with a Disability</i> with key issues, guiding principles and legislative requirements for DFT selection panels and managers to take into consideration when recruiting people with a disability. • <i>Recruiting People with a Disability in Special Cases</i> contains legislative provisions and procedures required to recruit people with a disability in special cases such as through targeted selection procedures. • <i>Making Adjustments for People with a Disability</i> with legislative requirements, key issues and essential procedures to follow when providing adjustments for people with a disability in recruitment and employment situations within DFT.
Undertake regular liaison with peak, regional and local groups regarding DFT services, policy and new initiatives	<ul style="list-style-type: none"> • Increased awareness among target communities of DFT • DFT more aware of needs of diverse target groups 	Liaison and networking with Aged & Disability Service Support Officers with Sydney/Penrith region. Consultation with Ageing and Disability Department: <ul style="list-style-type: none"> • On development of general strategies • On access issues for Olympic Traveller Helpline

24 Property Services Compensation Fund

	No.	\$ Amount	Year to date	No.	\$ Amount
Claims brought forward – 1 July 1998	32	349,884.97	1 July 1998	32	349,884.97
Claims received	145	1,075,581.10		145	1,075,581.10
Claims completed	136	916,183.28		136	916,183.28
Claims paid *	99	194,819.39		99	194,819.39
Claims part paid	13	55,173.59		13	55,173.59
Claims rejected	24	644,799.48		24	644,799.48
Claims on hand – 30 June 1999	41	509,282.79		41	509,282.79

* For amount claimed or in excess of amount claimed.

25 Senior Executive Service

	1997	1998	1999
No. of SES	8	10	10
	(10 positions)	(10 positions)	(10 positions)
Level of positions			
6	1	1	1
4	1	1	2
3	2	3	2
2	2	2	2
1	2	3	3
No. of positions filled by women	2	4	4

26 Guarantee of Customer Service

Service delivery standards vary with the nature of the particular services provided in different divisions of the Department. These standards are set out in the Department's Guarantee of Service which is currently being reviewed in the context of a project to enhance performance reporting. The revised Guarantee of Service will be released in late 1999.

The Department is aware of some variations during 1998/1999 to its standards in relation to answering incoming calls. The Departmental standard is an average response time of four minutes. However, available data shows that in some very heavy traffic areas of the Department, the average time was slightly over five minutes, and there are occasions when callers encounter difficulties in accessing a queue. Steps are currently being taken to address this issue.

Office Hours

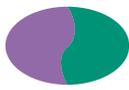
You can contact our Fair Trading Centres Monday to Friday between 8.30 am – 5.00 pm.

Production Information

- Volume 1: print run 1,000; unit cost \$9.80
- Volume 2: print run 250; unit cost \$2.78
- Typesetting and printing: Artegra Imaging Pty Ltd

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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 inquiry.

Fair Trading Centres - call 13 32 20

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

Specialist Services

Rental Bond Inquiries.....	9377 9000	
	1800 422 021	
Tenancy Inquiries	9377 9100	
	1800 451 301	
Strata Schemes and Mediation Services	9338 7900	
	1800 451 431	(outside Sydney)
REVS	9600 0022	
	1800 424 988	(outside Sydney)
Business Licence Information	9619 8722	
	1800 463 976	(outside Sydney)

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 Department of Fair Trading.

Web site www.fairtrading.nsw.gov.au

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