

Year in review 2013–2014



Fair
Trading

Fair Trading - making a difference

NSW Fair Trading operates within the NSW Office of Finance and Services, which provides a wide range of government services.

The Office provides an annual report to the Minister for Finance and Services.

Consequently, this additional report focuses exclusively on Fair Trading activities in NSW.

Contents

Fair Trading - making a difference	2
Commissioner's Foreword	3
NSW Fair Trading	4
Service Delivery	5
Regulatory reform and red tape reduction	15
Ensuring compliance with fair trading laws.....	17
View from the inside.....	29

Snapshot

Policy development and regulatory review in 2013-14

Acts administered	42
Bills assented to	4
Acts repealed	2

Services provided to the public in 2013-14

Requests for service*	6,755,252
Website visitor sessions	4,153,349
Mobile website visitor sessions	261,751
Phone enquiries received	910,392
Rental bond transactions	546,651
Counter enquiries	22,014
Consumer and trader complaints about marketplace transactions	45,108
Public seminars and information sessions	1,268
Seminar audiences	39,181

* Includes all requests for information, services and transactions.

Information on registers as at 30 June 2014

Occupational licences on registers	387,450
Registry Services records on registers	39,337
Electrical safety certifications – declared articles on registers	5,197

Compliance and enforcement actions in 2013-14

Inspections	12,033
Investigations*	1,302
Plumbing Inspection and Assurance Service inspections	63,348
New electrical safety certifications – declared articles	1,844
Penalty notices issued	1,091
Prosecutions	410
Civil proceedings	62
Total compliance related activities	80,090

* An improved data collection methodology was implemented in January 2014 which may result in variances from previous years data.

Agency as at 30 June 2014

Staff FTE count (Full Time Equivalent)	779
Expenditure budget	\$ 154.3m
Fair Trading Centres throughout NSW*	19

* Selected Fair Trading services are also provided through Service NSW.

Commissioner's foreword



I am pleased to present on behalf of NSW Fair Trading the Year in Review for 2013-14.

The report charts another year of significant achievement by the agency across its many responsibilities.

It was a year in which we were called upon to utilise our product safety powers under the Australian Consumer Law to clear retail shelves of harmful synthetic drugs while the Government developed an effective permanent regulatory framework to control these substances.

We also continued the transition to the Government's one-stop-shop customer service delivery model through Service NSW.

While this has meant the progressive closure of Fair Trading Centre counters, we are still providing highly valued dispute resolution, community engagement and compliance and enforcement services across our regional network.

Our "My Place" outreach program continues to go from strength to strength, with our overall community activities reaching a record high during the year in terms of both events and participants.

A new specialist service for the resolution of tenancy disputes commenced during the year and attained an impressive 88% resolution rate during its first six months of operation.

Although demand for dispute resolution and licensing services has increased, we have maintained our guarantee of service performance ratings. At the same time, our annual market surveys have revealed high levels of customer satisfaction amongst our clients as well as positive levels of consumer confidence in the marketplace.

Importantly, we have continued to progress the Government's law reform program. This has culminated in significant reform bills relating to Home Building, Land Lease Communities and Motor Vehicle sales and repairs being passed by the Parliament.

At the national level, NSW has commenced the Co-operatives National Law which brings consistency to the way co-operatives are regulated by the States and Territories.

Additionally, legislation was passed which provided for the repeal of travel agent licences as part of a national project to deregulate travel intermediaries.

Of course, none of these achievements would have been possible without the efforts of our highly skilled staff. I take this opportunity to thank all Fair Trading officers for their enthusiasm, dedication and commitment throughout the year.

A handwritten signature in black ink that reads "Rod Stowe". The signature is written in a cursive, flowing style.

Rod Stowe
Commissioner for Fair Trading

NSW Fair Trading

What we do

NSW Fair Trading safeguards consumer rights, regulates specific industries and occupations, and advises traders on fair and ethical business practice. The laws we administer set the guidelines for fairness in the countless daily transactions between consumers and traders.

We mediate consumer complaints and enforce compliance through licensing, inspections, investigations, prosecution and other disciplinary actions.

Both consumers and traders can access our website, visit our Fair Trading Centres or phone the Fair Trading Contact Centre on 13 32 20 to obtain information on their rights and responsibilities, or seek assistance with resolving disputes.

Selected Fair Trading services are also provided through Service NSW.

Our vision

NSW Fair Trading serves the consumers and traders of NSW. Our vision is to ensure an ethical, fair and efficient marketplace for all.

To achieve this, we will continue to raise the profile of Fair Trading so that the public knows where to get help, and to ensure consumers and traders feel confident that the marketplace is operating fairly.

Objectives

Fair Trading has a set of robust objectives backed by legislation and in our role as both a market regulator and a consumer protection agency. Fair Trading's objectives are to:

- provide fair marketplace regulation with minimal red tape, through continuous review and reform, reducing existing red tape and removing unnecessary regulation;
- provide community access to information and services, and make it easy for customers to find Fair Trading information and services;
- support consumers and traders to meet their marketplace obligations, by providing adequate information and advice about rights and obligations;
- ensure compliance with fair trading laws by safeguarding the rights of consumers, and advising businesses and traders on fair and ethical practices.

Snapshot

Agency	30 June 2014
Staff FTE Count (Full Time Equivalent)	779
Expenditure Budget	\$ 154.3m
Community grants funding allocation	\$ 18.9m
Fair Trading Centres throughout NSW	19

Our priorities

In order to achieve our objectives, we have developed a number of key priorities:

- deliver and support targeted and efficient services by strategically targeting key priority areas;
- ensure our presence and intervention reflects current and emerging priorities in the market;
- collaborate with other government agencies and stakeholders on policy and operations, working closely with those stakeholders to increase the accuracy and relevance of data and intelligence;
- recruit and develop highly capable, adaptable and engaged staff, confident in delivering our goals and objectives.

Customer feedback

Our Customer Feedback management system captures feedback about Fair Trading's service delivery. It enables customers to lodge responses at a counter, over the telephone, through the mail or on the Fair Trading website at www.fairtrading.nsw.gov.au

In 2013-14, 380 customer feedback responses were received from consumers and traders, comprising 198 (52%) compliments, 22 (6%) suggestions and 160 (42%) complaints. Compliments expressed praise for various aspects of customer service, especially service quality and staff actions, including helpfulness and professionalism.

Fair Trading actively monitors its customer complaint handling performance and evaluates customer complaint volumes and trends for service improvement purposes.

Service Delivery

Objective

Provide community access to information and services

Strategy

Provide effective education, information and services

A range of Fair Trading services contribute to fairness and equity for individuals and growing prosperity across NSW.

Information for consumers and traders allows individuals and businesses to understand their rights and obligations and to function effectively in the marketplace.

Business licensing services protect consumers and assist traders by maintaining and improving the integrity of industries vital to the NSW marketplace.

Rental bond custodial services provide tenants, landlords and property agents with confidence that bonds are used for their rightful purpose and are quickly available when required.

Fair Trading provides a range of service delivery channels to assist consumers and traders in accessing information in a way that meets their needs.

Snapshot

Service level statistics	2013-14
Requests for service	6,755,252
Telephone calls answered	910,392
Rental bond transactions	546,651
Consumer and trader complaints about marketplace transactions	45,108

Highlights 2013-14

- 93% of 45,108 complaints about marketplace transactions worth up to \$876 million were successfully resolved without recourse to a tribunal or court.
- Website visitor sessions have increased by almost 10% to more than 4.1 million, while our mobile website was visited over 261,000 times throughout the year, an increase of 50% over the previous year.
- 39,181 people attended Fair Trading's 1,268 information sessions, talks and seminars across the state.
- 726,337 residential rental bonds to the value of \$1.116 billion held in trust.
- 910,392 telephone enquiries received in the Contact Centre, Fair Trading Centres across the state, Business Licensing, Registry Services and in Fair Trading's back offices with 89% calls to the Contact Centre answered within five minutes.

Guarantee of Service (GoS) performance measures	Target	2009-10	2010-11	2011-12	2012-13	2013-14
Services meeting published GoS standards*	90%	100%	100%	100%	100%	88%
Customer satisfaction meets or exceeds benchmark	≥90%	91%	92%	88%	94%	89%
Community take-up rate**	≥700	856	991	998	851	910
Accuracy of information provided	≥95%	96%	96%	N/A	94%	92%
Consumer and trader complaints finalised within GoS	≥85%	92%	90%	90%	86%	91%
Consumer and trader complaints resolved successfully	≥70%	89%	89%	85%	93%	93%
Telephone enquiries answered within GoS	≥90%	98%	90%	91%	90%	89%
Licensing and registration services meeting GoS	100%	100%	100%	100%	100%	100%
Bond refunds meeting GoS	100%	100%	100%	100%	100%	98%

*Fair Trading's published Guarantees of Service (GoS) include turnaround times for our primary services including phone enquiries, licence processing times, rental bond refunds and incorporation of associations. It is published on the Fair Trading website under Customer service standards.

**Average number of services requested per 1000 people in NSW - Based on ABS statistics of 7.41 million (June 2013).

Access to Information

Fair Trading telephone enquiries

Fair Trading answered 910,392 telephone enquiries on general fair trading matters, bonds, strata and tenancy, business licensing, home building and Registry Services matters. Registry Services administers Co-operatives, Associations, Funeral Funds, Co-operative Housing Societies, Starr-Bowkett Societies, Boarding Houses, Limited Partnerships and Solicitor Corporations.

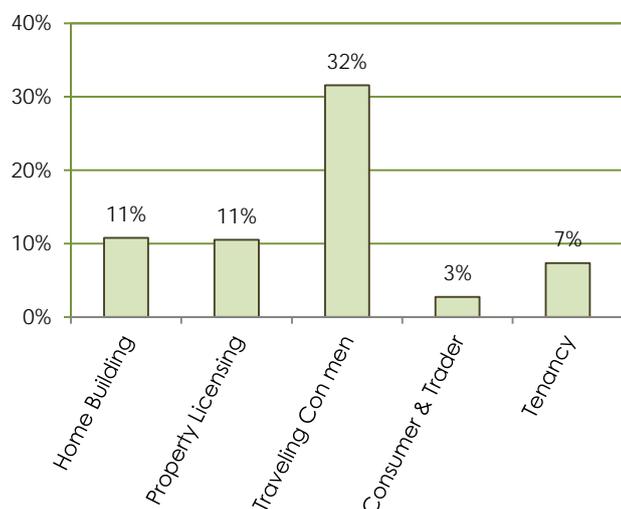
Of all the calls received by the Fair Trading Contact Centre, 89% were answered within Fair Trading's Guarantee of Service standard of five minutes.

Telephone enquiries	2013-14
Residential rental bonds, strata and tenancy	356,143
Home Building	143,534
General fair trading	158,757
Business licensing information service (BLIS)	15,252
Other enquiries	105,446
Registry Services	34,335
Business licensing administration service (BLAS)	30,916
Fair Trading Centres (state-wide)	32,994
Fair Trading calls (head office)	33,015
Total telephone enquiries	910,392

Increase in Contact Centre calls

In 2013-14, our Government Contact Centre function was transferred to Service NSW.

Of the remaining calls, there was an overall increase of 2% in total calls received in 2013-14. The table below shows the subject areas that received a higher than average increase in calls.



Electronic enquiries

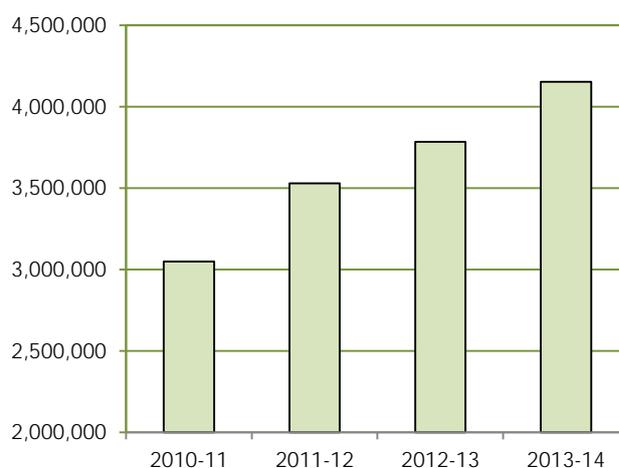
Our customers can lodge their questions online through the Fair Trading website. In 2013-14, Fair Trading responded to 29,957 electronic enquiries on a range of service delivery areas.

Product description	Electronic Enquiries
Fair Trading	10,382
Tenancy, Bonds, Residential Parks	5,739
Retail	4,904
Other Services	2,101
Community/Strata	1,754
Construction	1,688
Property	941
Information Media and Telecommunications	800
Financial and Insurance Services	374
Utilities	260
Professional Scientific and Technical Services	249
Accommodation and Food	228
Education and Training	189
Employment/Investment/Gambling	187
Transport Postal and Warehousing	145
Other	16
Total electronic enquiries	29,957

Our website

The Fair Trading website provides easy access to current information for consumers and traders in NSW. Over 4.1 million visits were made to the website during the year - an increase of 9.8% from the previous year.

Website visits by year



Our mobile website received 261,751 visits during the year, an increase of 50% from the previous year. The mobile website adds value by making use of smartphone functions, for example global positioning to find the closest Fair Trading services.

Our events register, which allows consumers and traders to register online for our extensive program of seminars and *My Place* events, was re-designed and now has the capacity for improved communication with attendees and for producing Continuing Professional Development (CPD) certificates for licensees.

Another enhancement was our first eBook - *Car buyers guide*. This was incorporated into Fair Trading's *My Next Car* app and is also available to download onto Apple and Android smart devices.

Fair Trading in social media

Fair Trading has been active on Facebook since August 2012, promoting the availability of consumer and trader information and services as well as events. The page has become an effective way of engaging with consumers as well as a quick and direct way to respond to consumer queries. As at the end of June 2014, the Facebook page had 38,071 likes.

Our presence on Twitter continued to gain momentum as a tool for communicating and engaging with our customers with 861 new followers during the year, bringing our total followers to 3,284 by the end of June.

As well as daily messages to accompany Fair Trading news and media releases, social media strategies were built into all our major communication campaigns, including Fair Trading Week and *My Place* programs.

We increased our presence on YouTube with 55 new videos, bringing the total to 305 videos available on our channel. These included *My Consumer Rights* in six languages. Our videos were viewed 62,542 times during the year, a 54% increase from the previous year.

eNews

We continued to provide targeted eNews services to our customers through news feeds, email newsletters and alert services. We added two new RSS feed services: *Media releases* and *Recent scams*. During the year subscribers to our email newsletter services increased across most newsletters:

- *The Letterbox* – 26% increase to 10,964 subscribers;
- *Foundations* – 4% decrease to 25,160 subscribers;
- *What's new* – 16% increase to 10,118 subscribers;
- *Property industry news* – 3% increase to 15,148 subscribers;
- *Auto Torque* - 25% increase to 1,565 subscribers (a result of promotion at our motor vehicle seminars and events).

Publications

In 2013 we implemented a Publishing Strategy to achieve the right balance between online and printed information for our customers.

We reduced the number of publications available for direct ordering by the public, strengthened partnerships with industry bodies to distribute our mandatory publications and focussed the use of printed publications on our regional and outreach programs, for example *My Place*, and our multicultural audiences through our Think Smart program.

In total, 283 publication titles were available to download and print from our website, including 244 website pages that could also be downloaded and printed as fact sheets. 23 of the fact sheets are available in up to 33 languages and 133 as large print format fact sheets.

Fair Trading publications that continue to be available in print for public ordering include: *Moving into a Retirement Village*, *Residential Park Living*, *Seniors Guide* and *Model Constitution* for incorporated associations.

Product safety projects

Fair Trading zeroed in on measures to help educate residents on how to make homes safer for children with safety campaigns on blind cords and windows.

This complemented communication of new pool safety laws, including portable pools mandatory labelling and education; product recalls; and seasonal promotion of product safety, including Christmas gift toys and Easter show bag contents.

We also promoted our services and information for families in the Child Safety Handbook for the Police Legacy Magazine, 50,000 copies of which are distributed across 450 NSW schools.

Fair Trading also supported NSW Fire and Rescue communication regarding life-saving product safety measures. This included a 2014 *Snug and Safe* social media campaign with warnings about common dangers and tips to keep households safe in winter. We also supported the national campaign *Trampoline safety - It's flippin' important*.

Window safety: Kids don't fly

With around 50 children falling from windows or balconies each year, Fair Trading continued public education on how residents can protect children by installing a life-saving window safety device, as well as communicating new requirements for strata units.

A core component of our window safety education program was a video series featuring DIY guru Rob Palmer. 2013 saw the entire suite of window safety videos launched, attracting more than 10,000 views in total over the past year.

The series has been widely promoted on parenting websites, blogs and publications, including an editorial feature in Sydney's Child Magazine with a distribution of more than 127,000 as well as through Fair Trading's website, eNewsletter service, and social media channels.

Window safety messages have been incorporated into related campaigns about keeping children safe around the home and the presence of safety devices is now included in the mandatory *Condition report* checklist that is required by law for residential tenancies.

Blind cord safety

Fair Trading secured a partnership with prominent injury-prevention organisation Kidsafe NSW to distribute 3,000 blind cord safety packs through its networks as part of a forthcoming 2014 campaign. The overall campaign will see Fair Trading distribute 10,000 information packs in total to target audiences.

Deck and balcony safety guide

We produced and promoted a new *Deck and Balcony Safety and Maintenance Guide* for residents. The guide received NSW regional and metropolitan media coverage.

Supporting consumers

Reaching out to young people

Now in its 14th year, the *Money Stuff Challenge* provides NSW high school students in years 8-10 with the opportunity to participate in a rewarding activity that meets some of the learning outcomes of the NSW Commerce syllabus.

It challenges students to learn how they can best avoid the pitfalls of being a modern consumer.

Using this knowledge, students are asked to select a consumer issue, identify a consumer message and develop it into a creative, entertaining and informative electronic presentation or tool that appeals to their classmates and other peers.

In 2013 the competition attracted 362 entries involving more than a thousand students from 60 schools across NSW. Entries came in a range of forms including short movies, websites, smart phone apps, electronic magazines and presentations.

For the second year, the People's Choice category was awarded, giving students and the general public the opportunity to vote for their preferred winner from 14 finalists. More than 20,400 online votes were received, almost double the number of votes recorded in 2012.

The Minister for Fair Trading awarded prizes to the winners of the 2013 Money Stuff competition at the Money Stuff Youth Forum and Awards Ceremony, held at the Powerhouse Museum, on 1 November.

Reaching out to seniors

The 2014 edition of the NSW Seniors Directory, mailed to one million Seniors Card holders across the state, featured 11 pages of Fair Trading editorial and a full page advertisement. This was in addition to a series of articles running in the Seniors Card eNewsletter. This was the result of an ongoing partnership between Fair Trading and NSW Family and Community Services.

The new editorial content included boarding houses – complementing our new *Living in a Boarding House* publication – as well as repeat features on online shopping, buying and selling real estate, buying a car, shopping rights, moving into a retirement village, planning a funeral and avoiding scams.

Our NSW Seniors Week campaign included producing and printing 45,000 seniors-focused *What we can do for you* brochures. This publication, outlining Fair Trading services, was disseminated through targeted events including the Seniors Week Premier's Gala, and in Telstra and NSW Family and Community Services Royal Easter Show bags.

500 copies of our Seniors Guide were provided to Pittwater Council for distribution in their show bags. This large print publication is also available year-round for public ordering. We also cooperated to raise awareness of whole-of-government initiatives for seniors. We aligned with the NSW Ageing Strategy to cross-promote services aimed at vulnerable seniors, boosting the profile of the recently launched Elder Abuse Helpline.

This helpline covers financial, psychological, physical, verbal, sexual abuse and neglect. It provides information, advice and referrals for people who experience, witness or suspect the abuse of older people living in their homes in NSW.

We engaged with our audience to communicate the availability of this important service. Promotion resulted in 13,500 Facebook views and 118 shares, and included notifying our call centre staff so they can refer clients when appropriate.

Reaching out to multicultural communities

We have been running the Think Smart education program for culturally and linguistically diverse (CALD) communities since 2002. This program delivers information and education directly to CALD groups through partnerships with community organisations and multilingual media.

The *Think Smart* program raises awareness of fair trading issues and services using a variety of information resources, public relations events and grass roots community activities. There are currently 36 Think Smart partners comprising 28 community organisations and 8 multilingual media outlets. Selected information for traders and consumers is now available in 30 languages, including those of new and emerging communities, through our website.

My Consumer Rights

In August 2013, the Minister for Fair Trading launched an animatic DVD resource, *My Consumer Rights* in six languages - Arabic, Dinka, English, Farsi, Karen, Nepalese and Tamil, covering six key aspects of consumer rights and responsibilities under the Australian Consumer Law. It is a valuable educational resource for teachers, educators, community workers and intermediaries.

Development of the DVD was managed by NSW Fair Trading on behalf of and in collaboration with all state, territory and federal consumer protection agencies.

International students

In March 2014 we distributed approximately 35,000 copies of the *Consumer Guide for International Students* to language, tertiary, high school and technical educational organisations across NSW. Information for international students was also distributed at the International Education Sector Safety and Wellbeing Forum and at the Harmony Day - My Study, My Career International Student Forum.

Consumer rights seminars

We continued to run seminars and workshops for *Think Smart* partners, community workers and service providers to keep them up-to-date on consumer issues and legislation changes. In November 2013, 75 people attended two seminars targeting the Australian Turkish and Kurdish Communities and Vietnamese Women.

Small business seminars

We run seminars for culturally and linguistically diverse small business operators to provide information on a range of relevant topics including the Australian Consumer Law and the National Business Names Registration Service.

In March 2014 a forum for new and emerging communities and other CALD small business operators was held at Blacktown Ma Webber Library, in collaboration with SydWest Multicultural Services and Centrelink. The event was supported by the Australian Securities and Investments Commission and the Australian Taxation Office and was attended by over 50 people.

Multicultural Conference

In December 2013 we hosted the annual Think Smart Multicultural Conference in Parramatta. The conference was attended by over 100 people including Think Smart partners, community organisations, workers and leaders, educators, service providers and government agencies.

Fair Trading Week

2013 Fair Trading Week ran from 3 - 8 November with the theme: *Check your tradie, check your rights*.

This theme was the basis of a public awareness campaign encouraging consumers to go to our website to check a tradesperson's licence details before engaging them to carry out the work.

The campaign was a response to findings of independent market research we commissioned investigating consumer trends when hiring tradespeople.

The survey of homeowners found that while 80% of home owners think licensing is important, only one in ten go to our website to check if a tradesperson is licensed. The easy-to-use licence check web page is now one of the most visited pages on our website.

Besides raising awareness of the value of licence checks, the Fair Trading Week program encompassed My Place activities in local communities; the annual Money Stuff Youth Challenge presentation, schooling students in financial and consumer literacy; announcing the winners of the I love my local business social media competition; and hand-outs of themed promotional brochures, cardholders and magnets at high pedestrian traffic locations.

Supporting local communities videos

Fair Trading launched a series of videos to illustrate our vision of supporting local communities and to connect our customers with the services we provide.

The videos profiled Fair Trading staff talking about what motivates them to perform work that benefits the daily lives of people in the community. These videos have received 4,889 views to date.

Home shows

We coordinated stands at the HIA Sydney Home Show and Home Buyers and Property Investor Show. As part of its promotions for the 2014 HIA Sydney Home Show, Fair Trading published editorial including stories on '*Check your tradie: using a licensed tradesperson*', and '*Before you sign a contract: what you need to do*'.

At the three-day 2013 Home Buyers and Property Investor Show our stand attracted 2,000 visitors with close to 8,500 publications distributed. Fair Trading videos were broadcast and staff answered a range of questions with hot topics including buying off the plan and residential tenancy matters.

Supporting traders

I love my local business

Building on its previous success, we ran our second *I love my local business* competition using Facebook. The campaign shone a light on businesses providing a commendable service by asking consumers to nominate their favourite experience with a local business.

The 2013 campaign resulted in a 70% increase in competition entries compared to the previous year, high engagement including more than 14,000 new Facebook page likes, and prominent media coverage amounting to more than 150 print, online and radio stories.

Industry-specific information and updates

We provide industry-specific information through various online, print and interpersonal communication channels. Additions to existing communication included new technical notes for plumbers and gasfitters on our website. A new section for the retirement village operator audience was created on our website.

Subscribers to *Property Industry News* alerts, including licensed property agents, received timely information and resources to help them carry out their responsibilities and maintain good practice. Alerts were informed by identified and emerging industry issues, such as marketing 'off-the-plan' property. This complemented updates to information seminar presentations with information about pest control, NBN installation and tenant rights when rental property is put up for sale.

Foundations alerts and quarterly eNewsletters were issued to more than 24,000 home building industry subscribers to help build professional capacity and keep readers up-to-date with the sector's requirements.

Law reform announcements

In 2013-14 we communicated announcements of proposed reforms into the home building industry, strata title, window safety, property, stock and business agents' work, occupational licensing and residential parks.

We used our core communications channels and industry-relevant communications outlets to convey opportunities for traders to contribute to public consultations.

Input was invited on proposals such as a national licensing system, reviewing Continuing Professional Development requirements for real estate agents, and proposed regulation including the Property, Stock and Business Agents Regulation 2014 and Home Building Regulation 2014.

Underpinning reforms, we also raised awareness about our role in areas such as strata law through social media, stakeholder communication and promotion in trade publications and on key strata-focused sites and community forums.

National travel reform

On 7 December 2012, a majority of state and territory Ministers for Consumer Affairs approved a Travel Industry Transition Plan setting out national reforms to travel agents' regulation and the Travel Compensation Fund (TCF).

Under the plan the reforms will take place in four phases commencing 1 July 2013 and concluding in June 2015.

Fair Trading wrote to licensed NSW travel agents in June 2013 and again in June 2014 to inform them about the changes.

Fair Trading is continuing to work collaboratively with the other states and territories to develop and implement appropriate communication activities for the duration of this reform process.

These have so far included media releases, website updates, social media posts and industry articles. A consumer education advertising campaign is planned for the second half of 2014.

Petrol signage

On 1 September 2013, new requirements for fuel price signs came into effect in NSW and Fair Trading promoted the commencement of this reform through online information and social media messages.

Co-operatives National Law

On 3 March 2014 the Cooperatives National Law (CNL) commenced in NSW. The CNL was developed to provide consistent state and territory legislation and to remove the competitive disadvantages that exist in comparison to entities operating under the *Corporations Act 2001 (Cwth)*.

We promoted the commencement of the national law by writing to all registered co-operatives in NSW and publishing information about the changes online.

Access to Services

Complaint Handling

Information is provided to consumers and traders on their rights and responsibilities under fair trading legislation to assist both parties to resolve marketplace issues.

Where parties cannot agree between themselves, a complaint can be lodged with Fair Trading and we will negotiate between the parties in an attempt to resolve the matter.

Complaint handling is conducted throughout a network of 19 Fair Trading Centres and a Specialist Complaint Service located in Penrith. During 2013-14, we received 45,108 consumer complaints to the value of \$876 million, of which 93% were resolved without the need for recourse to a Tribunal or court.

Tenancy complaint handling

From 2 December 2013, Fair Trading introduced enhanced information and complaint handling services for tenancy matters.

Tenants, landlords and agents can access the service which provides a convenient avenue for the early resolution of tenancy disputes.

Since commencing the service, 1,522 complaints have been received with 88% of those successfully resolved without recourse to the NSW Civil and Administrative Tribunal.

Strata mediation services

In 2013-14, we received 16,508 strata scheme enquiries with 1,375 applications for mediation.

Of these, 240 were successfully managed prior to mediation and 389 were successfully mediated. 510 were declined by the respondent and 236 were not settled by mediation.

The use of mediation to settle strata and community scheme disputes continues to be a success. Fair Trading has helped many parties resolve their disputes without the need for formal adjudication.

The mediation process often restores relationships and allows many side issues to be resolved along with the main dispute.

Consumer and trader complaints about marketplace transactions

	2009-10	2010-11	2011-12	2012-13	2013-14
Real estate	2,564	2,358	2,341	1,444	3,754
Home building	8,008	7,014	8,586	7,774	7,988
Fair trading	29,616	30,223	33,321	33,942	33,366
Total	40,188	39,595	44,248	43,160	45,108

Top 10 consumer complaints in 2013-14

Rank	Product Description	Complaints	Breakdown
1	Electrical, Electronic, Whitegoods and Gas Appliances	2,537	5.6%
2	Used Motor Cars	2,221	4.9%
3	Furniture, Furnishings and Manchester	2,165	4.8%
4	Clothing, Footwear, Accessories and Jewellery	2,087	4.6%
5	House Construction	1,829	4.1%
6	Residential Tenancies	1,522	3.4%
7	Motor Car Repairs and Maintenance	1,514	3.4%
8	New Motor Cars	1,338	3.0%
9	Travel & Tourism	1,291	2.9%
10	Mobiles and smart phones	937	2.1%

Rental Bonds

According to Fair Trading's Guarantee of Service, provided both parties to a bond have agreed on who should receive the bond, refunds are usually deposited to a bank account within two working days or issued by postal cheque within four working days of receiving the claim form. This standard was met in 98% of rental bond refunds. At 30 June 2014, 726,337 residential rental bonds to the value of \$1.116 billion were held in trust.

Residential rental bonds	2009-10	2010-11	2011-12	2012-13	2013-14
Bonds lodged	273,939	260,693	267,757	275,388	284,915
Bonds refunded	256,584	246,073	250,372	252,340	261,736
Bonds held in trust	648,151	662,759	680,152	703,158	726,337
Total enquiries processed	438,319	389,882	403,923	428,143	434,291
Value of residential rental bonds held	\$839.8M	\$902.6M	\$969.4M	\$1,042.7M	\$1,116M

Licensing Services

Home building licensing

Licensing for trade work is an important aspect of maintaining a high quality and robust residential building industry, which protects consumers and builders alike. NSW has a rigorous licensing regime which aims to ensure that only properly qualified, and fit and proper, tradespeople are issued with licences to contract with consumers. This is achieved through checking qualifications, criminal records, bankruptcy and insolvency, company histories and previous licence records.

In recent years NSW Fair Trading has cut red tape to assist small businesses with licensing in areas such as accessing a range of services online, including renewing their licence and updating their details.

Fair Trading provides licensees with the option to renew their licence for three years instead of one, saving 20% on fees.

Lifetime licence numbers have improved efficiency for builders and tradespeople, and also enhanced consumer protection and awareness by providing continuity of the licence record, should a licensee leave and later return to the industry.

In 2013-14:

- 186,470 entities held 276,665 licence classes;
- 99,010 licences/certificates renewed or restored;
- 16,912 new licences and certificates were issued;
- 1,221 licences upgraded by variation requests;
- 599 licences cancelled or suspended;
- 93% of new applications were processed within Fair Trading's Guarantee of Service of 30 working days; and
- 96% of renewals were processed within the Guarantee of Service of two working days.

Business Licensing

Fair Trading is committed to a high standard of quality customer services, including a guarantee of service promising that new business licence applications which include all the required information will be processed within 30 days of receipt.

Business licence renewals are issued within 14 working days provided they are not affected by a disclosure statement relating to an applicant's fitness to continue the business. This year the standard was met for 91% of the 14,692 new business licences issued and for 97% of the 53,067 business licence renewals.

Licence types on registers	New applications	Total on registers
Builders and specialist trades	16,912	186,470
Motor dealers	382	3,845
Motor vehicle repairers and tradespeople certificates	3,048	139,063
Travel agents*	58	1372
Pawnbrokers and second-hand dealers	140	721
Property, stock and business agents	3,549	31,094
Real estate certificates	6,616	19,463
Valuers	247	3,247
Conveyancers	101	1,151
Tattooists	641	748
Tattoo Parlour Operators	199	276
Total licensing activity	31,893	387,450

* Total number of current travel agents licences as at 30 June 2014. It should be noted that on 1 July 2014 the Travel Agents Act 1986 was repealed. As from 1 July 2014 there will be no current travel agents licences.

Registry Services

Fair Trading administers legislation for the registration and maintenance of public registers for the administration of associations, co-operatives, funeral funds, cooperative housing societies, Starr-Bowkett societies, limited partnerships, solicitor corporations and boarding houses.

In 2013-14, Fair Trading conducted a campaign to improve the governance of Incorporated Associations by ensuring their compliance with annual reporting obligations.

The campaign targeted all associations with outstanding lodgements and resulted in a significant increase of 55% - up to 35,323 from 22,720 - in the number of annual summaries of financial affairs lodged with Fair Trading over the previous financial year. This project is continuing into 2014-15.

Information on public registers	New	Total
Incorporated associations	1,631	36,892
Co-operatives	11	610
Funeral funds	1	31
Cooperative housing societies	0	5
Starr-Bowkett societies	0	11
Limited & incorporated limited partnerships	37	970
Solicitor corporations	0	79
Boarding houses	253	739
Total information on public registers	1,933	39,337

Community engagement – supporting local communities

Fair Trading has in place an extensive community education program to educate vulnerable consumers and licensed traders about their rights and responsibilities.

Fair Trading's wide-ranging community education program includes the flagship My Place events which see Fair Trading staff spend a week in a local community to conduct seminars, information stands and trader education activities.

Fair Trading expert speakers are also proactive in visiting local high schools, TAFE colleges, seniors groups, retirement villages, migrant groups, mothers' groups, men's sheds, juvenile justice centres and a range of other community organisations to run short information seminars.

Last year, Fair Trading ran more than 1,331 community engagement events right across NSW. The events attracted over 40,000 consumers and traders.

Service NSW

Delivery of one stop shops for government services is a key commitment of the NSW Government. As Service NSW service centres have rolled out across the state, Fair Trading has transferred its counter services to the new Centres. This transfer of services has occurred at the following locations:

Sydney	Port Macquarie	Lismore
Penrith	Queanbeyan	Dubbo
Liverpool	Wagga Wagga	Orange
Hurstville	Newcastle	Tamworth
Parramatta	Tweed Heads	Gosford

Fair Trading continues to retain its regional focus and presence delivering complaint handling, community engagement and compliance programs through its regionally based Consumer Protection Officers.

While our counter services have largely ceased, Fair Trading is ensuring that local consumers and businesses are aware of the ongoing Fair Trading services available in their communities through an extensive community engagement program, My Place Programs and local network.

Community Grants

Community grants are provided to not-for-profit organisations for the provision of community education and advice and advocacy services for tenants, retirement village residents and consumers who need assistance with personal financial difficulties. In line with NSW Government goals these grants promote the principles of access, equity and diversity.

In 2013-14, Fair Trading administered five programs with over \$18.8 million in funding. Our partnership with funded not-for-profit groups ensures complementary service provision, in that we provide information, regulation and remedy, while the community sector specialises in the provision of advocacy and assistance for vulnerable consumers. These programs also assist in ensuring these important services are made available to regional and remote communities.

Funding Allocation

Community grants funding allocation*	2013-14
Tenants' Advice and Advocacy Program	\$9,517,384
Financial Counselling Services Program	\$6,360,986
No Interest Loans Scheme	\$2,286,410
Aged Care Supported Accommodation Service	\$461,688
Home Building Advocacy Service	\$240,885
Total	\$18,867,353

*All figures exclude the GST payable on grants.

Building Business Expos

Since 2009, NSW Fair Trading has been facilitating a series of free Building Business Expos, aimed at educating licence holders and their partners in relation to business improvement strategies and regulatory requirements within the home building industry.

Since the program commenced, approximately 10,000 people have attended 62 events.

The Expos are held outside of normal working hours in the residential building industry (from 5pm to 8pm) and provide builders and tradespeople with direct access to a range of industry experts who can provide practical advice to help them run their small businesses.

The Fair Trading Building Business Expos have proven to be very successful in the past, with large attendances and positive feedback from participants.

The expos provide a one-stop-shop for builders, tradespeople and their business partners to receive relevant information and support, essential for operating within the industry in NSW.

Certain attendees can also gain points under the continuing professional development scheme for attending the seminars.

During 2013, Fair Trading delivered nine Building Business Expos in the Sydney metropolitan area and in key centres in regional NSW and these events were attended by 1,357 licensed builders, tradespeople and business partners.

Given the positive response from these industry education and awareness programs, nine expos have been scheduled during the second half of 2014.

Fair Trading staff will be joined by senior representatives from a range of relevant Government agencies, private sector partners specialising in business management advice, and major industry associations.

Senior representatives from the Office of the Small Business Commissioner and the NSW Self Insurance Corporation / Home Warranty Insurance Fund attended the Expos in 2013 and provided valuable business advice, which was well received by the licensed contractors.

Our customer profile

In 2013-14, Fair Trading conducted its annual Customer Profile Survey. Results suggested that our customers consisted of a wide ranging and diverse demographic group including 27.7% from culturally and linguistically diverse backgrounds and 2.95% who identified as being of Aboriginal or Torres Strait Islander descent.

We also conducted a number of Consumer and Trader Confidence surveys as well as a Customer Satisfaction survey.

The Consumer Confidence Survey measures the level of confidence that consumers have in their ability to resolve disputes with traders in general as well as through the intervention of NSW Fair Trading.

The Trader Confidence Survey measures trader awareness and perception of NSW Fair Trading, the degree and perception of consumer complaints and the action taken in response.

Fair Trading's 2013-14 Consumer and Trader Confidence Surveys indicated that 74% of consumers and 86% of traders were confident that they could safely buy products and services in NSW knowing that most business and traders are fair and ethical.

Through those surveys, 48% of consumers and 65% of traders correctly named Fair Trading (or similar variations of the name) as the main government body in NSW for informing consumers and businesses of their rights and responsibilities.

The Customer Satisfaction Survey is designed to provide insight into the Fair Trading customers' service experience. The main measure of the survey is the level of satisfaction customers have with the service received from Fair Trading.

The survey is also designed to understand satisfaction with specific elements of service, any variations between telephone and face-to-face service, the most important elements of service to customers and where service could potentially improve.

The survey results indicated 88% of our customers were satisfied with Fair Trading staff knowledge, 91% with staff helpfulness and importantly 88% finding our services simple and uncomplicated.

Regulatory reform and red tape reduction

Objective

Implement effective and efficient regulation to achieve a fair and competitive marketplace.

NSW Fair Trading reviews and develops the regulatory framework for consumer goods and services, including accommodation and property services, and home building.

We co-ordinate community consultation and prepare options for Government decision-making.

NSW Fair Trading plays a leading role in negotiations with other jurisdictions to achieve a nationally consistent marketplace.

The foremost priority is that NSW marketplace regulation, currently involving 42 different pieces of legislation, provides for simple, uncomplicated services for customers and ensures traders are not unduly burdened by unnecessary compliance requirements.

Strategy

Deliver a significant legislative reform agenda in consumer and industry regulation through continuous review and reform, reducing existing red tape and removing unnecessary regulation.

Snapshot

Service level statistics	2013-14
Acts administered	42
Bills assented to	4
Acts repealed	2

Legislation administered

At 30 June 2014, the Minister for Fair Trading was responsible for:

- *Agricultural Tenancies Act 1990*
- *Associations Incorporation Act 2009*
- *Boarding Houses Act 2012* (except Parts 1 and 5, and Part 1 of Schedule 2, Minister for Disability Services jointly with the Minister for Fair Trading, and Part 4 and Part 2 of Schedule 2, the Minister for Disability Services)
- *Business Names (Commonwealth Powers) Act 2011*
- *Community Land Management Act 1989*
- *Consumer Claims Act 1998*
- *Contracts Review Act 1980*
- *Conveyancers Licensing Act 2003*
- *Co-operative Housing and Starr-Bowkett Societies Act 1998*
- *Co-operatives (Adoption of National Law) Act 2012*
- *Credit (Commonwealth Powers) Act 2010*
- *Electricity (Consumer Safety) Act 2004*
- *Fair Trading Act 1987*
- *Fitness Services (Pre-paid Fees) Act 2000*
- *Funeral Funds Act 1979*
- *Gas Supply Act 1996*, section 83A (remainder, the Minister for Resources and Energy)
- *Holiday Parks (Long-term Casual Occupation) Act 2002*
- *Home Building Act 1989* (except part, the Minister for Finance and Services)
- *HomeFund Commissioner Act 1993*
- *HomeFund Restructuring Act 1993*, sections 14, 15, 16 and Schedule 2 (remainder, the Minister for Finance and Services)
- *Landlord and Tenant Act 1899*
- *Landlord and Tenant (Amendment) Act 1948*
- *Motor Dealers Act 1974*
- *Motor Dealers and Repairers Act 2013*
- *Motor Vehicle Repairs Act 1980*
- *Occupational Licensing (Adoption of National Law) Act 2010* and the *Occupational Licensing National Law (NSW)*
- *Partnership Act 1892 Vic No 12* in so far as it relates to the functions of the Registrar of the register of limited partnerships and incorporated limited partnerships and to the setting of fees to be charged for maintaining that register, jointly with the Attorney General and the Minister for Finance and Services (remainder, the Attorney General)
- *Pawnbrokers and Second-hand Dealers Act 1996*
- *Personal Property Securities (Commonwealth Powers) Act 2009*, Division 2 of Part 2 of Schedule 1 and clause 24 of Schedule 1, jointly with the Attorney General and the Minister for Finance and Services (remainder, the Attorney General)
- *Plumbing and Drainage Act 2011*
- *Prices Regulation Act 1948*
- *Property, Stock and Business Agents Act 2002*
- *Residential (Land Lease) Communities Act 2013*
- *Residential Parks Act 1998*
- *Residential Tenancies Act 2010*
- *Retirement Villages Act 1999*
- *Strata Schemes Management Act 1996*
- *Tattoo Parlours Act 2012*, jointly with the Minister for Police and Emergency Services
- *Travel Agents Act 1986*
- *Valuers Act 2003*
- *Warehousemen's Liens Act 1935*

Legislative reforms

Strata and community title

We have completed the next stage of this ground-breaking review. A position paper was published in November 2013 setting out the Government's policy position on the new reforms.

We have arranged for a set of Bills to be drafted and have discussed them with key stakeholders. We are in the process of refining the draft Bills for introduction into Parliament in 2015.

At the same time, we are bringing forward the community scheme reforms, with a position paper due in late 2014.

Home Building

A major set of home building reforms passed Parliament in May 2014, following the release of a position paper in September 2013.

Draft regulations are expected to be released in July 2014 for stakeholder feedback, and we anticipate the regime to commence in late 2014 or early 2015.

Residential parks

Consistent with one of the Government's election commitments, we continued to implement some far reaching changes in the residential parks sector.

The *Residential (Land Lease) Communities Act 2013* was passed in November 2013, which was a complete rewrite of the existing *Residential Parks Act 1998*.

Implementing regulations are being drafted and will be released for public comment in September 2014. We expect this key reform to commence in late 2014.

Motor vehicles

Another major review, this time amalgamating the *Motor Dealers Act 1974* and the *Motor Vehicle Repairs Act 1980*, saw legislation passed by Parliament in November 2013.

The resulting *Motor Dealers and Repairers Act 2013* is an important delivery on the Government's commitment to reduce red tape and the volume of legislation on the statute books.

Community feedback on the implementing regulations has taken place, and final regulations will be released in mid-2014 before the regime commences in late 2014.

Real estate

As part of the Government's commitment to review regulation to ensure it remains relevant – and removing any that does not – we have reviewed the Property, Stock and Business Agents Regulation.

Comment has closed on the draft regulations, which are expected to be finalised by September 2014. A discussion paper on ongoing real estate issues (e.g. under-quoting) is also under development and will be released in late 2014.

Travel agents

As part of a national red tape reduction initiative, the NSW Parliament passed a travel agents deregulation bill in May 2014.

From July 2014 travel agents no longer need a licence and the travel compensation fund will be disbanded.

Mutual recognition

The National Occupational Licensing Scheme project was disbanded in late 2013 following a decision from the Council of Australian Governments (COAG).

Following this, NSW has taken the lead in developing an automatic mutual recognition framework for tradespeople.

A Bill is currently before the Parliament and negotiations are ongoing to seek reciprocal mutual recognition with neighbouring states and territories.

Synthetic drugs

Fair Trading led the NSW Government's campaign against the supply of dangerous synthetic drugs. This included using a Product Safety ban under the Australian Consumer Law to clear these substances from retail shelves as well as leading an intergovernmental working group, responsible for the development of the most comprehensive synthetic drugs laws in Australia. A bill was introduced into Parliament in September 2013 and was commenced in October 2013.

Co-operatives National Law

On 3 March 2014 the Cooperatives National Law (CNL) commenced in NSW. The CNL was developed to provide consistent state and territory legislation and to remove the competitive disadvantages that existed in comparison to entities operating under the *Corporations Act 2001 (Cwth)*. NSW Fair Trading was the lead agency in driving these reforms which ultimately resulted in significant red tape reduction.

Ensuring compliance with fair trading laws

Objective

Compliance with fair trading laws.

Strategy

Effective enforcement.

Highlights

- During 2013-14 Fair Trading's Compliance & Enforcement division (C&E) completed 8,784 trader visits across a range of key industries in 2013-14 - a 95% increase over the 4,505 inspections undertaken during the previous financial year.
- C&E issued 492 penalty infringement notices totalling \$420,710 in 2013-14 - a 264% increase over the 135 issued in 2012-13. Overall there has been a 90% trader compliance rate.
- C&E completed 469 investigations during 2013-14, 90% of which were completed within the Guarantee of Service obligation of 180 days. A further 191 remained open as at 30 June 2014.
- There were 108 matters referred to Legal Services for prosecution for the year. This is up 50% on the previous year.
- Fair Trading's Home Building Service (HBS) investigated 671 complaints to check compliance with the *Home Building Act 1989* along with 162 investigations into breaches of the *Electricity (Consumer Safety) Act 2004* and Gas Supply (Consumer Safety) Regulation 2012 matters.
- HBS undertook 1,147 home building, 682 electrical and 81 gas field audit inspections on a random basis during compliance campaigns.
- HBS conducted 2,044 mediations and onsite inspections to assist in home building dispute resolution.
- HBS issued 36 Notices to Show Cause resulting in a total value of \$40,500 in fines and seven licences cancelled and/or the licensee disqualified from holding a licence.
- HBS issued 391 penalty notices for offences totalling \$375,600 in fines.
- HBS undertook successful prosecutions for 166 offences totalling \$500,662 in penalties.

Compliance programs

Operation Salt

Operation Salt was conducted in response to a dramatic rise in crime associated with the use of what were then categorised as 'Synthetic Drugs'.

The escalation in crime associated with the use of those substances involved damage to property, offences against the person, attempted self-harm and in some circumstances death.

The increase in crime rates was simultaneous with an increase in presentation to emergency wards of hospitals by users of the substances for psychotic episodes and other related illnesses.

In response to the recommendations of a Parliamentary Inquiry, an interim ban was placed on the sale of these products.

Once the ban was imposed, Fair Trading embarked on a three stage operation across NSW.

We initially educated traders about the ban and then conducted covert operations to investigate compliance with the ban.

Following these lengthy operations, we commenced the prosecution stage, where two traders were convicted for selling banned substances in contravention of the ban.

In late 2013 the NSW Government passed an amendment to the *Drug Misuse and Trafficking Act 1985*. That Act now captures the synthetic substances and makes them a prohibited drug in accordance with that legislation. With this legislation in place, the product safety ban has lapsed.

Operation Poseidon

This operation involved overt and covert surveillance at real estate auctions during July and September 2013 and May 2014. A total of 63 auctions were attended and all were found to be compliant.

A Penalty Infringement Notice was issued to an agent for not holding a licence, two verbal warnings were given relating to signage and one agent was cautioned about registering bids.

Operation Oder

State-wide fuel signage surveillance operations were conducted throughout September and November 2013 continuing in March, April and June 2014.

More than 1600 inspections of petrol outlets were conducted with over 100 Penalty Notices issued.

In the last round of inspections in June 2014 98% of petrol outlets were found to be compliant.

Operation Unlicensed

This inspection program of expired or cancelled licensees was conducted during March and May 2014.

In March 346 inspections were conducted revealing 301 entities were no longer trading however 45 were found to be trading.

The follow up in May revisited 38 traders and one PIN was issued.

Operation Unlicensed RE

This inspection program of expired or cancelled real estate licensees was conducted during May 2014. 13 real estate agents were inspected, resulting in the issue of five warning letters.

Operation ACL

An inspection program was conducted in March 2014, targeting major retail outlets and shopping precincts.

331 shops were visited and compliance with the Australian Consumer Law, including layby sales and dual pricing requirements were checked. No non-compliance was found.

Operation Markets

Surveillance programs were conducted during April and June 2014 to identify compliance with the Australian Consumer Law, *Graffiti Control Act*, Product Safety, Gas Safety and the *Pawnbrokers & Second-Hand Dealers Act*.

Officers attended 19 markets, inspecting a total of 1,720 stalls in April. Two Penalty Notices were issued for offences under the *Graffiti Control Act*.

In June officers reinspected a number of markets as well as inspecting an additional 162 stall holders.

Real estate inspections

In February 2014 inspections were carried out at 53 real estate agencies to ensure they were properly licensed and meeting their continuing education requirements.

While a number of agents did not have the appropriate documentation at the time of inspection, they subsequently demonstrated they were satisfying their obligations.

Motor vehicle repairers' inspection program

In August 2013 a two week inspection program was undertaken targeting motor vehicle repairers. 61 repairers were inspected.

\$2 shop survey

Surveillance of \$2 shops and discount stores was commenced in June 2013 for non-compliant products.

145 stores were inspected discovering 12 breaches related to non-compliant luggage straps, children's nightwear, children's toys, bean bags and 'no refund' signage. 10 traders were issued warnings and six penalty notices were issued.

Operation Qualified Audit

As part of the ongoing Operation Qualified Audit, officers inspected real estate agents who submitted a qualified audit report as part of their annual reporting requirements.

Of the 506 qualified audits received for the 2012-13 financial year:

- 51 are the subject of further investigations;
- 83 audit reports were assessed and issued with a warning; and
- 285 were deemed to require no further action.
- The remaining 87 required on-site inspections. Of those, 64 have already been inspected and five penalty infringement notices have been issued.

In addition to this, Fair Trading is undertaking dip sampling across the industry, checking agencies which did not submit a qualified audit for the financial year 2012-13.

This is to ensure agents have an audit completed and made available to NSW Fair Trading for inspection, as required by the law.

Of 1,682 agents subject to dip sampling, 171 were identified as not complying and flagged for follow-up enforcement action.

National compliance activities coordinated by CDRAC

As Chair of the Compliance and Dispute Resolution Advisory Committee (CDRAC), NSW Fair Trading plays a significant leadership role in compliance and enforcement matters at a national level.

CDRAC's primary function is to ensure that compliance and dispute resolution across Australia is coordinated, efficient, responsive and where appropriate, consistently applied.

As part of this role, CDRAC focuses on significant current and emerging compliance and dispute resolution issues, and initiates and delivers effective national responses.

During 2013-14 NSW led a number of coordinated CDRAC tasks so that regulators were able to operate more effectively and to improve efficiency.

Tasks completed include the development of:

- a national crisis management protocol;
- complaint handling language, including building standard definitions;
- consistent agreed messaging;
- an agreed process for engagement with administrators.

In 2013-14, NSW also participated in the following six national projects:

Training providers

CDRAC has approved NSW leading a national project which will involve Australian Consumer Law (ACL) regulators examining the conduct of training providers such as false, misleading and exaggerated claims, high pressure sales tactics, unfair contract terms, conditions and practices.

The project aims to undertake compliance and enforcement activities against non-compliant traders in addition to educating consumers and traders of their rights and obligations under the Australian Consumer Law.

Testimonials

Research suggests that over 70% of Australians look at customer testimonials and reviews before purchasing a product or service.

In 2013, NSW led a national project where ACL regulators undertook to learn more about the way traders use fake testimonials as this type of conduct is significantly under-reported to regulators given it is difficult for consumers to discern the accuracy of their claims.

Over 290 traders were reviewed across 20 market sectors. As a result, substantiation notices were issued to 38 traders.

Traders were either able to substantiate the testimonials or agreed to remove testimonials from their website that were unable to be substantiated.

A number of key indicators were developed which now assist regulators when monitoring testimonials.

Property spruikers / Rent to buy schemes

This current project is examining education, compliance and regulatory strategies aimed at preventing consumer and investor detriment resulting from property spruikers targeting prospective investors with promises of easy and quick wealth creation through property investment and other techniques such as rent-to-buy schemes.

Cash back schemes

This current project involves the identification of cash back offers in the marketplace and a review of representations made to consumers about these offers.

The project also includes education of consumers and businesses about their rights and responsibilities under the Australian Consumer Law.

Was / Now pricing

This current compliance project involves the identification of retailers using discounted sale prices, particularly 'was' versus 'now' pricing as a promotional tool.

In addition, the project is obliged to educate consumers about pricing representations and encouraging compliance within various industry sectors.

Extended warranties

This project targeted the conduct of extended warranty providers and retailers offering extended warranties to consumers.

The project focused on retailers of whitegoods, computers and cars as a result of complaint data.

Regulators were concerned that retailers were seeking to avoid their consumer guarantee obligations by representing extended warranties as the only way of receiving remedies in the event of a problem.

Regulators were also concerned that high pressure sales tactics were being used, terms and conditions were not properly disclosed and traders were unclear about their obligations under the Australian Consumer Law.

Over 141 traders were reviewed. As a result 43 traders were compliant, 85 traders received educational letters, three traders received warning letters and 10 traders were referred for investigation.

2013 Annual Christmas toy survey

In 2013 NSW carried out its annual toy survey inspections visiting 788 retail outlets throughout NSW to identify and remove dangerous toys from sale in the lead up to Christmas.

Following the inspections, 52 varieties of toys and 11 other general products were uncovered and removed from sale including eight baby gift sets and rattle toys, five squeaky toys, five plastic toys, 15 battery operated toys, two musical toys, four wooden toys, 13 projectile toys, seven aquatic toys, one toy-like novelty cigarette lighter, two toys containing magnets and one baby walker.

Easter show bag inspections

In 2014 Fair Trading carried out safety checks on 346 show bags prior to the opening of the Sydney Royal Easter Show. No toys or novelty items required removal.

Portable pools

In February 2014, Fair Trading visited 287 retailers as part of the first education phase prior to the mandatory standard commencing on 30 March 2014. (The ACCC visited some additional NSW retailers).

During May 2014, 103 retailers were revisited as part of the second phase of the project, to ensure they were only selling stock that complied with labelling requirements in the safety standard.

Nine additional retailers and importers/distributors were inspected for the first time.

Penalty notices are being considered for five retailers who continued to offer non-compliant stock for sale, warning letters are being considered for a further 22 traders, and two traders have been referred for investigation.

To date, a total of 296 retailers and distributors were visited across the first two phases of the project, including eight importers/distributors and 288 retailers. Fair Trading will continue to inspect the marketplace in the lead-up to the 2014-15 swimming season and beyond.

Sunglasses and fashion spectacles

NSW participated in this ACCC-led national project, inspecting 257 retailers in two phases of the project, with some retailers being inspected more than once.

In Phase 1, 236 traders across the state were inspected, with 107 or just over 45% having some type of non-compliant sunglasses on sale, resulting in warnings to the retailers.

In Phase 2, 11 traders received penalty notices for offering sunglasses for sale without the correct warning labels and another 12 traders were warned.

Egg labelling

On 29 August 2013, CHOICE submitted its second Super Complaint: Free-range egg claims in NSW, alleging that eggs misleadingly labelled as 'free range' are produced on farms where the outdoor stocking density is greater than the 1500 birds per hectare outlined in the *Model Code for the Welfare of Animals: Domestic Poultry - 4th Edition*.

CHOICE found eggs labelled 'free range' were more expensive than cage eggs but in some instances, eggs produced at higher stocking densities unexpectedly cost consumers more than eggs produced at lower stocking densities.

NSW Fair Trading liaised with other regulators and undertook market research including a sample survey in Western Sydney.

Fair Trading's response noted some products have labels that are inconsistent with the production system and recommended that the Commonwealth, States and Territories work together to develop a national information standard under the Australian Consumer Law, which would include a definition of 'free-range' and minimum labelling requirements for product packaging.

Joint operations

Fair Trading has this year dramatically improved its co-operation with many external stakeholders. The enhanced interface with those agencies has resulted in tactical and strategic improvements to the way Fair Trading investigates serious matters under the legislation it administers.

Fair Trading has conducted joint operations, in partnership with:

- NSW Police (property squad, gangs squad, pawn broking squad, drug squad and numerous Local Area Commands);
- Roads & Maritime Services (RMS);
- Australian Federal Police (AFP);
- Australian Tax Office (ATO);
- Department of Immigration; and
- Australian Competition and Consumer Commission (ACCC).

Fair Trading has worked collaboratively with the above agencies on issues such as:

- Synthetic drugs;
- Motor vehicle dealers and repairers;
- Counterfeit items;
- Outlaw motor cycle gangs (OMCG);
- Intelligence sharing;
- Travelling Conmen (TCM);
- Graffiti ;
- Pawnbrokers.

Motor vehicles

Fair Trading actively engaged the agencies listed above and proposed an ongoing program of intelligence driven operations targeting traders that had been identified as of interest to the various stakeholders.

An analysis of the compliance history of the regulated motor industry identified a number of problematic traders.

After liaising with external agencies it became apparent that many of the traders identified by Fair Trading were also known to those agencies.

Consequently, the multi-agency joint operation model was initiated (Operation Volga and Operation Danube) with the objective of combining the regulatory enforcement options available to respective agencies in conjunction with NSW Police instituting criminal proceedings.

Operations Volga and Danube resulted in NSW Police commencing a number of criminal prosecutions and Fair Trading undertaking numerous enforcement actions.

In particular, Operation Volga identified a major motor vehicle theft syndicate which was subsequently prosecuted by the NSW Police Property Crime Squad.

This approach has proven to be extremely effective and the motor vehicle industry in particular understands that government agencies have the capability and willingness to work together to ensure the industry complies within the rules.

Travelling Con Men (TCM)

There has been a dramatic decline in the reported incidents of Travelling Conmen activities following a TCM operation in Cessnock in November 2013.

TCM reports declined from 104 to 76 based on a comparison to the preceding eight month period.

However, Fair Trading has remained vigilant against the ongoing threat of consumer detriment posed by travelling con men.

The Commissioner continues to issue public warnings to consumers in targeted regions of NSW in response to intelligence reports throughout the year.

Our improved relationships resulted in a number of joint operations across many industries including real estate, motor dealer, motor vehicle dismantlers and others.

The methods of operating by Travelling Conmen caused Fair Trading to initiate several strategies to target these groups.

They included joint operations with NSW Police, RMS, and the Department of Immigration that targeted a large gathering of Travelling Conmen and their associates in the Hunter Region.

Fair Trading also implemented a formalised 'Intelligence Alert' process that ensures NSW Police Local Area Commands and Regions are notified when Travelling Conmen are active in their area.

This process has proved successful, with police intercepting active Travelling Conmen who otherwise would have relocated before Fair Trading could respond due to them operating in remote areas of the State.

This approach will lead to an enhanced ability to protect and/or recover revenue that is owed to the state of NSW and also allows for never seen before intelligence and information sharing capacity with the listed agencies.

Counterfeit goods

In 2013-14, Fair Trading undertook several joint operations with the NSW Police Force in relation to the supply of counterfeit goods, primarily sports clothing.

The trade in counterfeit designer label goods includes market sellers, internet and web based sellers, street sellers, wholesalers and retail stores.

Counterfeit goods are generally of poor quality and consumers can be misled into paying market price for items they believe are genuine.

In July 2013, Fair Trading undertook a joint operation with the NSW Police Force in which investigators targeted the sale of counterfeit Manchester United sports clothing.

The operations coincided with the football team's visit to Sydney.

At the time, a number of traders took advantage of consumers and marketed poor quality clothing which they depicted as sponsored apparel.

A search warrant was executed at Paddy's Markets and a large quantity of counterfeit clothing seized.

An organised group of street sellers was also identified selling counterfeit products outside venues hosting the visiting team.

A joint operation involving NSW police and led by Fair Trading targeted these traders and a large quantity of counterfeit clothing was seized.

There have been several other joint operations with NSW Police which have resulted in the seizure of counterfeit items.

Fair Trading has also undertaken operations without Police assistance. Initially, proceedings were commenced under the Commonwealth Trade Marks Act.

However, Fair Trading has recently commenced proceedings under misrepresentation provisions of the Australian Consumer Law.

Fair Trading is continuing to work closely with law enforcement agencies and the manufacturers of genuine branded goods to identify, investigate, detect and seize counterfeit goods and prosecute suppliers.

Intelligence

Fair Trading's Intelligence Unit has developed a number of strategic documents which resulted in Federal agencies coordinating investigations into major retailers and suppliers.

Coordination with the ACCC led to complaint information on solar installers being consolidated for the Clean Energy Regulator.

Business improvement action against NSW furniture retailer Nick Scali resulted from sharing of complaints and historical mediation information between Consumer Affairs Victoria, NSW Fair Trading and the ACCC.

Strategic analysis and planning of compliance operations was introduced for the Synthetic Drugs actions and developed and refined in support of operations through the year especially Petrol Price Boards and My Place operations.

New analysis methods were also developed to highlight unlicensed motor dealers and odometer fraud.

The Consumer Protection Unit proposed the surveillance of recently cancelled or expired licences and the Intelligence Unit developed processes to support this new program.

The Intelligence Unit has developed numerous target packs of information for major operations.

Targets were identified by operationally relevant criteria including information from other agencies, complaints received by Fair Trading and regulatory licence systems.

Identified targets became the subject of interagency joint operations, Fair Trading industry-targeted operations, My Place operations and other Fair Trading compliance activities.

A major project has commenced to develop an integrated intelligence and information management system for Fair Trading.

Several initiatives have also commenced including ICT improvements, security improvements and proposals to greatly increase the analytical capability of the Intelligence Unit.

Home building services

The *Home Building Act 1989* protects consumers by requiring builders and tradespeople to be licensed for the residential building work that they do. The licensing regime establishes standards in relation to competence, probity, contracts, statutory warranties and home warranty insurance to protect consumers against faulty or incomplete work.

Fair Trading targeted offences under the *Home Building Act 1989* through compliance programs that are conducted by carrying out unannounced visits to construction sites targeting building and specialist work (electrical, plumbing and gas, air conditioning and refrigeration work).

During 2013-14 Fair Trading conducted the following operations:

Operation Terrace, 2-6 September 2013

Officers carried out unannounced site visits in the older established suburbs of the Sydney Metro area across the Sydney City, Ashfield, Leichhardt and Canada Bay areas. 198 sites were visited during the operation, which targeted renovation works, and 489 people were spoken to, including bricklayers, carpenters, plasterers, tilers, concreters and painters. 12 penalty notices were issued totalling \$8,000.

Operation Tweed Coast, 14-17 October 2013

Unannounced site visits were undertaken in the Tweed, Byron and Ballina areas targeting unlicensed work, contracts, deposits and home warranty insurance. 59 sites were visited with 98 people being spoken to. The area showed a high compliance rate with no penalties being issued.

My Place Orange, 4-8 November 2013

As part of the Fair Trading My Place program, unannounced visits to building sites were undertaken and specific people were targeted as a result of intelligence gathering prior to the operation. 75 sites were visited over the duration of the operation, with 156 people being spoken to. Two penalty notices were issued, totalling \$1,000.

Operation Bondi, 25-29 November 2013

Officers undertook unannounced site visits in the older established suburbs of Waverley, Woollahra and Randwick areas. 140 sites were visited during the operation, which targeted renovation works, and 457 tradespeople were spoken to, including bricklayers, carpenters, plasterers, tilers, concreters and painters. 12 penalty notices were issued totalling \$8,250.

Operation Central Coast, 17-21 February 2014

Unannounced site visits were undertaken by officers who checked residential building work and specialist work including plumbing work, gas appliances and installations and electrical products for sale. A desk audit of advertisements in newspapers and the internet was also undertaken. Unlicensed work, contracts, deposits and home warranty insurance were targeted.

During this operation, officers visited 382 residential building sites, reviewed 105 ads, inspected 64 gas installations, and one electrical store. 750 people were spoken to in the course of the week and six penalty notices were issued totalling \$2,750.

Operation Nepean, 24-28 March 2014

Officers carried out unannounced site visits from Penrith to Blacktown checking residential building work. Unlicensed work, contracts, deposits and home warranty insurance were targeted.

121 building sites were visited with 270 people being spoken to. Five penalty notices were issued, totalling \$4,500.

Operation Wollongong, 12-14 May 2014

Unannounced site visits were undertaken in Wollongong and surrounding suburbs including Berry, Gerringong and Nowra. Unlicensed work, contracts, deposits and home warranty insurance were targeted.

86 people were spoken to across 83 building sites and six penalty notices were issued totalling \$3,250.

Plumbing

Fair Trading's Plumbing Inspections and Assurance Service (PIAS) aims to ensure that on-site plumbing and drainage work complies with relevant legislation, Codes and Standards. This is performed in a number of ways:

- Conducting field audits on licensed plumbers and drainers;
- Conducting desk top audits.

PIAS also provide other services to the industry such as:

- Industry development;
- Liaising with industry stakeholders;
- Trade seminars;
- TAFE information nights;
- Regional council information / technical support;
- Assisting customers and industry with technical support and complaints;
- Technical assistance to regional councils.

In 2013-14 Fair Trading:

- booked 63,348 inspection audits;
- conducted 30,567 field inspection audits;
- conducted 32,781 desk inspection audits;
- identified 22% instances of non-compliance during field audits;
- identified 7% instances of non-compliance during desk top audits;
- answered 11,618 technical enquiries.

PIAS has been proactive in establishing a plumbing health check pilot program, designed to improve health and wellbeing in remote Aboriginal communities.

The initial program was completed in the Lightning Ridge and Walgett areas, with the co-operation of local housing providers Barriekneal Community and Housing Ltd and Murdi Paaki Regional Housing Corporation Ltd.

A new online software package has been developed and implemented by PIAS. The MyInspections Gateway is an easy way for registered users to make payments and submit applications and documents for inspection services offered in Fair Trading's area of operations including Sydney, the Illawarra, Blue Mountains and Newcastle regions.

Once fees have been paid through MyInspections, the licensee can use the website to complete and submit the required Notice of Work (NoW), Sewer Service Diagrams (SSD) and Certificate of Compliance (CoC).

PIAS has developed a training package for regional local government inspectors to aid in a consistent state-wide approach to the regulation of onsite plumbing and drainage work as well as continue to assist and support other Home Building Service business units with:

- identifying non-compliant work carried out by unlicensed/rogue traders; and
- provide technical knowledge in both plumbing and gas installations when undertaking compliance checks at major public events such as the Sydney Royal Easter Show and various Caravan Camping and Recreation Shows.

Energy and utilities

NSW Fair Trading has regulator responsibility for electrical products declared under the *Electricity (Consumer Safety) Act 2004* as electrical items that need to be certified prior to being sold in NSW.

There are 56 categories of equipment that are declared articles, which include televisions, refrigerators, room heaters and solar panels. In 2013-14 Fair Trading processed 1,844 applications for certification of new, modified or renewed articles.

Fair Trading is also the regulator for all natural gas, LPG, autogas and most domestic and commercial gas installations and appliances throughout NSW.

Gas appliances must also be approved for sale under the Gas Supply (Consumer Safety) Regulation 2012, which came into effect in September 2012.

During 2013-14 Fair Trading conducted the following operations:

- Prohibition of LPG cabinet heaters during winter 2013. Cabinet heaters are extremely dangerous to operate and will not be certified for sale.
- Mandatory recall of large quantities of 2.5mm TPS and Orange Round Cable supplied to various retailers by Infinity Cable Co Pty Ltd. The cable was found through testing to be unsafe and may breakdown and result in electrical shock.
- Prohibition notice issued in relation to electric hot water bottles as the article uses live electrodes to heat the contained water. Fair Trading has requested stringent testing and design changes to ensure article is safe for use.
- Issue of recall to Advancetech Pty Ltd re Avanco branded DC solar isolators switches following reports of fire in the switches in both NSW and QLD.
- Continued marketplace inspections of both electrical articles and gas appliances to ensure safety in the marketplace.
- Certification of electrical equipment - NSW provides 80% of electrical approvals in Australia.
- Maintaining a continual presence in the development and improvement of Australian and New Zealand Standards for both electrical and gas.

Enforcement actions

Property, Stock and Business Agents Act 2002

Fraudulent behaviour within the real estate industry has been targeted by Fair Trading, particularly the inappropriate use of trust monies. Individuals may face custodial penalties for interfering with trust accounts.

The following are two matters where Fair Trading was successful in securing convictions against real estate agents in relation to the misappropriation of trust funds.

Patrick Scott – LJ Hooker Surry Hills

In November 2011, Patrick Scott, sole Director of CBD Commercial Pty Ltd, trading as L J Hooker Surry Hills, attended the Parramatta offices of Fair Trading, accompanied by his legal representative.

Mr Scott made admissions that during the prior 12 to 18 months he had fraudulently misappropriated trust monies, totalling \$813,936, to fund his personal gambling addiction.

Shortly after this visit, Mr Scott voluntarily surrendered his real estate licence and investigators attended the agency office to carry out an inspection of the trust account records.

Deficiencies in both the sales trust account and rental trust accounts were detected. A compulsory manager was appointed.

In August 2013, Mr Scott pleaded guilty in Parramatta Local Court to misappropriating funds from the trust accounts and was sentenced to 16 months imprisonment.

The NSW Property Services Compensation Fund will be seeking to recoup compensation paid to consumers as well as Fair Trading's professional costs of \$3,500 and court costs of \$162.

Following this decision, Fair Trading commenced disciplinary action against Mr Scott. It was determined that due to his unlawful conduct and the serious nature of the offences Mr Scott be disqualified from holding a licence and from being involved in the direction, management or conduct of the business of a licensee until August 2023.

David Johnson – LJ Hooker Pymble

During September 2011 Fair Trading conducted an investigation into Johnson Prestige Realty Pty Ltd trading as L J Hooker Pymble. The investigation was commenced following a telephone call from Mr David Johnson, the then sole director, owner and licensee.

Mr Johnson reported a trust deficiency of about \$350,000 and offered to co-operate with Fair Trading and also put the company into voluntary administration.

Fair Trading investigators conducted a formal interview with Mr Johnson at the offices of LJ Hooker Pymble. During the interview Mr Johnson admitted misappropriating trust funds and explained the funds were used to pay for illegal drugs used by his wife to alleviate pain from failed surgery.

Mr Johnson confirmed that he had misappropriated \$480,000 from the sales deposits of one property and in an attempt to cover the

shortfall he then fraudulently misappropriated a further \$500,000 from the sales deposit on another property.

The matter was heard in Parramatta Local Court in February 2014. Mr Johnson received a suspended sentence of 14 months imprisonment for the charges of fraudulently converting trust account money and was placed on a 12 month good behaviour bond.

He was also ordered to pay \$118,180 for the convictions, \$2,180 costs and \$100,000 compensation to the Property Services Compensation Fund.

Following the convictions, Fair Trading also took disciplinary action against Mr Johnson. His licence was cancelled; he was disqualified from holding a licence for eight years; as well as disqualified from being involved in the direction, management or conduct of the business of a licensee for the same period.

Motor Dealers Act 1974

The regulatory framework for the retail motor industry is obliged to protect consumers from unfair business practices. Dealers who disregard the law may be subject to prosecution and disciplinary action and may be removed from the industry.

Michael Saba – A1 Auto Trader Pty Ltd

In October 2013, Fair Trading disqualified Mr Michael Saba from holding a motor dealer licence as well as restricting him from being involved in the direction, management or conduct business of a licensee under the *Motor Dealers Act* for a period of five years.

Mr Saba was also directed to resign as a shareholder and have no involvement with the dealership for the same period.

This action resulted from a joint compliance inspection that was conducted in November 2012 by Fair Trading Consumer Protection officers and Roads and Maritime Service inspectors at the company premises at Minchinbury.

The inspection identified a number of breaches of the Motor Dealers Act and Regulation, including carrying on a business at a location that was not registered on the company's licence; failure to record required particulars of vehicles in the appropriate manner and falsification of documents and vehicle details.

In September 2013, A1 Auto Trader Pty Ltd was prosecuted for operating unlicensed premises and ordered to pay \$1,335 in fines and costs in the Mt Drui Local Court.

Mr Saba's wife, Ms Souhad Sukkar was listed as the sole director of the company. Mr Saba had previously been the director however Fair Trading had taken similar disciplinary against him in May 2011, where he was disqualified for a period of one year from involvement in the industry.

Following further investigation, it became evident that Ms Sukkar was employed full time elsewhere and allowed Mr Saba to continue to have a pivotal role in the licensed business which he used to continue to operate in the industry.

In addition to the action taken against Mr Saba, conditions were imposed on the company's licence, prohibiting its employment of Mr Saba in any capacity.

Fines were also issued to the dealership and Mr Saba personally totalling \$11,000.

The company has also been required to employ a manager acceptable to Fair Trading at all times. Ms Sukkar was reprimanded for her conduct.

Home Building Act 1989

Cristian Roberto Martinez

On 20 September 2013, Downing Centre Local Court issued a fine of \$50,740 to Cristian Martinez who contracted for, and carried out unlicensed electrical work.

SolarEco Pty Ltd

On 27 September 2013 Parramatta Local Court fined SolarEco \$15,020 for contracting to carry out unlicensed electrical work and demanding and receiving excessive deposits from consumers.

Adam Mallas aka Michael Malas and Mohammed Malas

On 1 November 2013 Parramatta Local Court issued a fine of \$16,675 to Adam Mallas who contracted with consumers to do structural landscaping work while unlicensed. He accepted payment for the work but failed to complete it.

Steven Miller aka Mustafa Malas and Steve Malas trading as Australian Premier Landscaping

On 7 February 2014 Parramatta Local Court fined Steven Miller \$67,310 for accepting payment for work but failing to complete it within a reasonable time.

He contracted to, and carried out unlicensed residential building work, and also contracted to carry out residential building work without a certificate of insurance.

Craig John Winters

On 20 March 2014 Newcastle Local Court fined Craig Winters \$20,645 for operating without a licence. He accepted payment for work but failed to complete it and received payment for work before it had commenced.

Matthew Geoffrey Rixon

On 18 March 2013 Newcastle Local Court issued \$72,500 in fines and \$6,400 in compensation against Matthew Rixon who carried out unlicensed, substandard and incomplete work while an undischarged bankrupt.

On 17 April 2013, the NSW Supreme Court banned Matthew Rixon from undertaking any residential building or landscaping work in NSW.

Fair Trading has issued three public warnings regarding Mr Rixon on 23 July 2012, 19 October 2012 and 13 April 2013.

On 9 May 2014, Mr Rixon was found by the Supreme Court to be in contempt of its orders of 17 April 2013. The matter is listed for a sentencing hearing on 29 August 2014.

Buddy Charbel Challita

On 2 May 2014 Buddy Charbel Challita was fined \$44,095 in the Parramatta Local Court for contracting to carry out unlicensed specialist work.

Switchworx/Charbel Khoury

On 14 November 2012, Parramatta Local Court issued \$31,162 in costs and \$50,000 in compensation against Charbel Khoury who targeted the elderly and vulnerable and falsely represented the need for goods and services, using coercion in connection with the payment for goods or services, performing deficient electrical work and failing to comply with required electrical safety standards.

He is disqualified from working in the industry for three years and disqualified for a further three years from holding a licence in his own right.

Recently, he was found to be involved a new company called Switchiton. This company's licence was cancelled on 14 May 2014 and a public warning was issued on 19 June 2014.

Konstandinos Kougias

On 30 May 2014 Parramatta Local Court issued a fine of \$12,785 against Konstandinos Kougias who accepted payment from consumers without supplying the goods and services.

Public Warnings

Public warnings issued under section 86A of the *Fair Trading Act 1987* are an important tool for consumer protection.

The Minister or the Commissioner will issue a public warning when it is considered to be in the public interest.

The warnings are issued with regard to circumstances of the case, the stage of the investigation and the parties involved in the matter, and in compliance with privacy law.

In addition, Fair Trading issues public safety warnings when an issue of consumer safety becomes apparent.

In the 2013-14 financial year, Fair Trading's Home Building Service issued the following warnings:

Michael Zhang, Jason Zhang and B & G Material Supply Pty Ltd

Despite fines and prosecution action, the Zhangs continue to target unsuspecting consumers, particularly in the Australian Chinese community.

Infinity Cable Co Pty Ltd

Mandatory recall of Infinity branded TPS or "orange round" cable.

Recall of Samsung washing machines

Models SW75V9WIP, SW65V9WIP, SW70SPWIP, SW80SPWIP, WA85GWGIP and WA85GWWIP were recalled as it was found that moisture was able to penetrate the electrical connectors and cause a fire hazard.

Charbel Khoury and Switchiton Electrical Services Pty Ltd

Despite being disqualified from the industry for three years, Charbel Khoury was discovered continuing to operate under a new company name.

Unapproved USB chargers

A warning was issued to consumers not to buy unapproved USB chargers after the tragic death of a young woman in the Gosford area.

Selling unapproved electrical articles that have been declared under the *Electricity (Consumer Safety) Act 2004* is an offence and shops found selling any unapproved items may be prosecuted.

Civil litigation

Court / Tribunal	Act / legislation	No. of matters
Supreme Court - Injunction	Australian Consumer Law (NSW)	-
- Other	Other	4
- Contempt	Supreme Court Rules	1
District Court	-	1
Administrative Appeals Tribunal	Mutual Recognition Act	1
Administrative Decisions Appeals Tribunal	Administrative Decisions Tribunal Act	1
Administrative Decisions Tribunal	Administrative Decisions Tribunal Act	2
	Government Information (Public Access) Act	2
	Home Building Act	10
	Motor Dealers Act	1
	Motor Vehicle Repairs Act	1
	Privacy and Personal Information Protection Act	1
	Property, Stock and Business Agents Act	5
	Other	2
NSW Civil and Administrative Tribunal	Administrative Decisions Tribunal Act	2
	Conveyancers Licensing Act	1
	Home Building Act	15
	Motor Dealers Act	4
	Motor Vehicle Repairs Act	1
	Privacy and Personal Information Protection Act	1
	Property, Stock and Business Agents Act	6
Total civil proceedings		62

Penalty notices and disciplinary actions

Act / Regulation*	Penalty Notices			Disciplinary actions	
	Defendants	Offences	Penalties	Licence suspensions	Licence disqualifications & cancellations
Australian Consumer Law (NSW)	52	61	\$33,550		
Electricity (Consumer Safety) Act	3	8	\$4,000		
Fair Trading Act	102	111	\$61,050		
Graffiti Control Act	5	5	\$2,750		
Home Building Act	224	377	\$365,000		7
Motor Dealers Act	154	331	\$207,570	1	20
Motor Vehicle Repairs Act	32	34	\$83,600		19
Pawnbrokers and Second-hand Dealers Act	7	42	\$18,040		13
Plumbing and Drainage Act	6	6	\$6,600		
Property, Stock and Business Agents Act	83	108	\$118,800	6	61
Residential Tenancies Act	4	8	\$4,290		
TOTAL	672	1,091	\$905,250	7	120

* Offences under an Act include offences under a regulation made pursuant to that Act.

Prosecution results

Act / Regulation*	Defendants	Offences	Penalties
Australian Consumer Law (NSW)	28	152	\$254,727.65
Business Names Act	1	2	\$570
Consumer, Trader and Tenancy Tribunal Act	1	1	\$500
Crimes Act	6	11	\$117,187
Electricity (Consumer Safety) Act	1	1	\$1,085
Fair Trading Act	3	9	\$14,015
Graffiti Control Act	1	1	\$0
Home Building Act	22	130	\$296,850
Motor Dealers Act	10	38	\$25,850
Motor Vehicle Repairs Act	1	12	\$13,920
Pawnbrokers and Second-hand Dealers Act	1	1	\$1,000
Property, Stock and Business Agents Act	7	23	\$1,322,398.60
Trade Marks Act	2	9	\$17,265
TOTAL	84	390	\$2,065,368.25
Total prosecutions**		410	
Total successful prosecutions***		390	
% successful		95%	

* Offences under an Act include offences under a regulation made pursuant to that Act.

** Total Prosecutions refers to offences subject of prosecutions commenced by Fair Trading.

*** Successful prosecutions means prosecutions resulting in conviction as well as prosecutions where the offence is proven but a conviction not recorded.

View from the inside

Our workforce

NSW Fair Trading has a workforce full-time equivalent (FTE) of 779. 60% of our workforce is female. The average age of our workforce is 47 and as a group we have an average of 14 years' experience working at Fair Trading. A little over three percent of our employees identify as Aboriginal or Torres Strait Islander.

Diversity and inclusion

In August 2013 a large proportion of employees participated in a Diversity and Inclusion Survey. The survey identifies perceptions of, and the relationship between, diversity, inclusion and business performance.

85% of those surveyed reported having a clear understanding of the value that diversity brings to Fair Trading.

Fair Trading is committed to maintaining and developing a diverse and inclusive workforce that is reflective of the community we serve.

To support this initiative in part, 89% of our executive team have undertaken a two day face to face Aboriginal Cultural Education Program.

In addition, our parent agency, the Office of Finance and Services (OFS) has mandated cultural education programs for all members of staff. The Online Aboriginal Cultural Education Program (OCEP) has been developed by the Centre for Cultural Competence Australia.

The program is competency-based and participants receive a statement of attainment from TAFE NSW on completion. All staff will complete this training by June 2015.

Government sector employment reforms

In February, the government implemented the most significant legislative reform in public sector employment arrangements in over forty years, the *Government Sector Employment Act 2013*.

A significant aspect of this reform aims to create a single, leaner, flatter, and more mobile executive structure.

Fair Trading is well positioned to implement these reforms and in the coming year work will be undertaken to align our executive structure with these design principles.

Employee engagement

Performance development planning

Fair Trading has a strong tradition of engaging staff and participating in performance and development planning. This year 80% of staff completed performance development plans and met at least once with their manager to review the plan.

Our individual performance development plans support our divisional and organisation goals.

Experience Fair Trading program

Based on the concept behind the Young Professionals Network 'Day in the Life' program, *Experience Fair Trading* aims to give staff an idea of how different business units operate and the functions that they perform by spending time in that area.

The program, which is expected to start in the coming year, aims to build better relationships between staff and create valuable networks across the agency.

Some of the activities nominated to date have included accompanying staff on trader visits, while presenting a seminar, sitting in with the Licensing branch, joining a building or motor vehicle inspector as they do their inspections, and observing staff taking calls in the Fair Trading Contact Centre.

People matter employee survey

For the second time all public sector employees were given the opportunity to take part in a sector wide survey.

The People Matter Employee Survey 2014 presented an opportunity for employees to provide feedback on working in Fair Trading, the parent agency Office of Finance and Services, and the overall NSW Public Sector.

All Fair Trading staff were encouraged to participate in the survey which was conducted during May 2014. Over 62% of staff completed the survey, significantly higher than the NSW Public Sector response rate of just below 20%.

The results show that Fair Trading staff are most positive about having the right skills for the job with 97% reporting that they have the skills to work in other agencies in the NSW Public Sector.

Pleasingly, for an organisation with a strong focus on delivering high standards of customer service, 97% of staff believe that their workgroup strives to achieve customer and client satisfaction, with 95% treating customers and clients with respect.

Staff have a good understanding of how their work contributes to the organisation's objectives as a whole with a rating of 95%. Another pleasing result was that 70% of staff indicated they are proud to tell others that they work for Fair Trading.

On most measures of staff engagement and satisfaction, Fair Trading again rated above the average for the NSW Public Sector, with 66% of Fair Trading staff indicating that they felt proud, attached, motivated, inspired and would be willing to recommend Fair Trading as a great place to work.

This information will continue to contribute to ways of improving the Fair Trading workplace.

Relocations

Fair Trading made a significant contribution to the NSW Government's "Decade of Decentralisation" through the relocation of 40% of Fair Trading's Sydney CBD-based workforce to Parramatta in November 2013.

Further support for the initiative was achieved in June 2014 when Fair Trading's Rental Bonds Branch, comprising 25 positions, relocated to Grafton.

Our contact details

Fair Trading Centres

As Service NSW service centres have rolled out across the state, Fair Trading has transferred a number of its counter services to those new Centres.

Fair Trading continues to retain its regional focus and presence delivering complaint handling, community engagement and compliance programs through its regionally based Consumer Protection Officers.

While our counter services are progressively closing, we are ensuring that local consumers and businesses are aware of the ongoing Fair Trading services available in their communities through an extensive community engagement program, My Place Programs and local networks.

Fair Trading Contact Centre

Telephone services continue to be available by calling 13 32 20 Monday to Friday between 8.30am and 5.00pm.

Postal address

NSW Fair Trading
PO Box 972,
Parramatta NSW 2124

Switch: (02) 9895 0111
General Enquiries: 13 32 20
TTY: 1300 723 404

NSW Fair Trading

PO Box 972, Parramatta NSW 2124

(02) 9895 0111

TTY: 1300 723 404

General enquiries 13 32 20
www.fairtrading.nsw.gov.au

A division of the Office of Finance & Services

© State of New South Wales through NSW Fair Trading.

Copyright policy: www.fairtrading.nsw.gov.au/ftw/Copyright.page



Like us on Facebook

facebook.com/FairTradingNSW



Follow us on Twitter

twitter.com/NSW_FairTrading



View our videos on YouTube

youtube.com/NSWOFT



Subscribe to our news feeds

www.fairtrading.nsw.gov.au