



Year in review 2015–2016



Fair
Trading

NSW Fair Trading

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Commissioner's **foreward**



I am very pleased to present NSW Fair Trading's *Year in review* for 2015-16.

NSW Fair Trading is part of a network of consumer protection agencies that ensures consumers worldwide have the rights to safety, to be informed, to

choose, and to be heard. As you read through our Year in Review for 2015-16 you will see how we are making a difference on those fronts.

Our key achievements include legislative changes in preparation for the Complaints Register - an Australian first. The Register will allow us to publicly list traders who have had 10 or more complaints made against them to Fair Trading in a calendar month.

We worked with the real estate industry to introduce key reforms including a new Rental Bonds Online system and underquoting reform. We realigned our people and structure to effectively meet these and other priorities in the real estate marketplace.

Our contact centre reached a significant milestone in the life of this agency by servicing its 10 millionth customer since opening.

We took a national leadership role in consumer protection projects such as motor vehicle compliance, training providers and in the 'sharing' economy.

We continued with preparatory work for some of the biggest reforms to strata law since the 1970s. We assumed new responsibility for regulating NSW's building certifiers and we took oversight of the regulation for installation of 'smart meters' ahead of the July 2016 rollout.

I have always maintained that a savvy consumer is an assertive consumer. I am very proud of the work that our talented and dedicated staff perform in both implementing the government's priorities to make it easier to do business in NSW and in helping to make its consumers both more knowledgeable and assertive in the marketplace.

I take this opportunity to thank staff for their efforts and to acknowledge their excellent work in achieving a safer and fairer marketplace in NSW.

Rod Stowe

Commissioner for Fair Trading

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Our focus



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

We safeguard consumer rights, regulate specific industries and occupations, and advise traders on fair and ethical business practices. 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.

Our goals

We have a set of robust goals backed by legislation in our role as both a market regulator and a consumer protection agency. Our goals are to:

- provide for a safe and fair marketplace
- enhance compliance in the marketplace
- help consumers and traders understand their marketplace rights and obligations
- be an effective, integrated and innovative agency.

Our priorities

Our priorities for 2015-16 were to:

- implement the Government's better regulation initiatives and law reform priorities
- focus our compliance and regulatory resources on the areas of greatest risk of consumer detriment in the market and intervene as efficiently and effectively as possible
- support consumers and traders to understand their marketplace rights and to meet their obligations
- become a more effective regulator by improving our planning processes, finding innovative ways of doing business and increasing staff capability.

Our people

In June 2016, we had a full-time equivalent (FTE) workforce of 522 staff. Women comprised 55% of our workforce and 39% of our senior executives. The average age was 48 years with the average length of service being 7.7 years.

We have a diverse and inclusive workforce that is reflective of the community we serve with 12.8% of staff from a non-English speaking background.

Our performance **at a glance**



2015 - 2016 highlights



NSW Fair Trading continued to hold its place as a leader in consumer protection in both the state and national arenas.

Our research-backed exploration of the 'sharing economy' (platforms like Uber and Airbnb), initiatives for the automobile industry (the Sentinel program), real estate (rental bonds online, underquoting, strata reform), and the Complaints Register - an Australian first business 'scorecard' - demonstrate our agility in responding to the marketplace.

We focussed our priorities and repositioned our people to better serve consumers and traders. We created a new Real Estate and Property Division to respond to increasing complaints in the real estate sector. We established new data analysis capacity which helps identify trends in industries as well as problems with individual traders. We engaged with more than 55,000 consumers including vulnerable groups through our outreach events and reached the milestone of our 10 millionth customer call.

Corporate goal	Key achievements
Provide a safe and fair marketplace	<ul style="list-style-type: none"> ● Loose-fill asbestos voluntary purchase and demolition program ● Australian-first public Complaints Register developed ● Led national consumer protection initiatives including: motor vehicle compliance, real estate reform and the sharing economy
Enhance compliance in the marketplace	<ul style="list-style-type: none"> ● Underquoting real estate reform introduced ● Sentinel national pilot program (auto industry) ● Commenced interjurisdictional review of Australian Consumer Law introducing far-reaching national reforms in consumer protection
Help consumers and traders to understand their marketplace rights and obligations	<ul style="list-style-type: none"> ● 10 millionth contact centre customer serviced ● Reached 55,000 consumers through My Place events ● Prepared for major reforms to strata law ● Received 5.1 million visits to our website
Be an effective, integrated and innovative agency	<ul style="list-style-type: none"> ● Established Real Estate and Property to deliver better regulation and increased collaboration with industry ● Rental Bonds Online launched ● Assumed new responsibility for regulating NSW's building certifiers ● Assumed oversight for 'smart meter' installers reform

Market sector: **real estate**



A key priority for the year was to focus on the real estate industry.

Real estate complaints to NSW Fair Trading increased by more than 500% from 2012-13 (1,444) to 2015-16 (7,341). This was partly facilitated by the introduction of our tenancy complaint handling service which made it easier for tenants to raise their issues. Other real estate industry complaints related to the sale and purchase of property, residential park and retirement village disputes and strata issues.

To enable this priority we established Real Estate and Property, dedicated to focussing on increasing industry standards and improved consumer protection in the real estate, strata, tenancy, residential land lease community and retirement village sectors. Real Estate and Property provides regulation of property transactions and living arrangements. It assists industry to improve its standards through consultation and education, and provides specialist dispute resolution, complaint handling and mediation services to help customers resolve issues without the need for formal determination, such as through a tribunal. Real Estate and Property will coordinate reviews of real estate and property laws and manage the implementation of reforms.

We committed to working more closely with industry and established the Real Estate Reference Group to enhance the professional standard of real estate practitioners. Members of the group include the Real Estate Institute of NSW, Estate Agents Co-operative, Australian Livestock and Property Association and Strata Communities Australia.

Ongoing reform

We worked on the final stages of a long development and consultation phase for some of the biggest reforms to NSW strata laws since the early 1970s. More than 90 reforms to the current strata schemes are scheduled to begin in November 2016 and a significant amount of preparatory work was undertaken including direct consultation and engagement with real estate agents, owners, landlords, strata management and tenants. We look forward to reporting on the successful implementation of these major reforms in the 2016-17 report.

On 1 November 2015, reforms affecting residential land lease communities (formerly known as residential parks like caravan parks) were released. A series of talks and comprehensive website information about the reforms were released for operators and residents about their new rights and responsibilities.

Underquoting

One of our first real estate initiatives was the implementation of new underquoting laws.

Real estate agents are now required to include their estimated selling price in vendor agreements and not to understate the selling price in advertisements or statements about a property for sale. Agents must provide evidence of how they arrived at the estimated selling price, ensure that a price estimate remains current and maintain accurate records of price information that they provide to prospective home buyers.

The new laws also stop misleading price statements such as 'offers over' and 'offers above', and limit any price range quoted to no more than 10% of the lower price.

The penalties for underquoting were increased to include possible forfeiture of fees and commissions from the sale of a property. The requirements commenced on 1 January 2016 under the *Property Stock and Business Agents Act 2002*.

We also produced a new publication, *Underquoting guidelines for residential property*, to support agents to understand and comply with the new laws. We produced translated information in Arabic, Chinese, Korean and Vietnamese, which included a list of 'Do's and Don'ts' before you buy property.



Market sector: building and construction



We broadened our scope in oversighting a fair building marketplace by taking responsibility for the Building Professionals Board (BPB) from the Department of Planning and Environment from 1 July 2015. This transfer was in response to the Lambert Review's recommendation for enhanced coordination of service delivery and regulatory functions for the NSW construction industry. The BPB's staff transferred to Fair Trading's Home Building Service at Parramatta. It was the preliminary step to significant reform in the building and construction industry over the next few years.

Home building dispute resolution

Checking compliance with building, electricity and gas supply ensures consumers are protected and traders better understand their obligations under the law. We investigated complaints to check compliance with the *Home Building Act 1989* along with investigations into breaches of the *Electricity (Consumer Safety) Act 2004* and *Gas Supply (Consumer Safety) Regulation 2012*. Two hundred and seventy-two home building, 1,150 electrical and 239 gas field audit inspections were undertaken on a random basis during compliance campaigns. More than 2,300 mediations and onsite inspections were conducted to assist in home building dispute resolution.

Forty-six Notices To Show Cause were issued resulting in a total value of \$237,000 in fines and seven licences being cancelled and/or the licensee disqualified from holding a licence. Three hundred and sixty-six penalty notices were issued for offences totalling \$404,500 in fines. Successful prosecutions were undertaken for 261 offences totalling \$727,545 in penalties.

Additionally, 1,765 building and specialist trade licences were upgraded by variation requests with 940 licences cancelled or suspended.

Smart meters real-time notification

Smart meters (also known as advanced meters) offer consumers a range of services and capabilities, including tracking energy use more accurately in real-time, switching between retailers more easily, and helping reduce electricity bills. In March 2016, changes were made to the framework which supports the market-led rollout of smart meters in NSW. Smart meters can now be installed by a broader pool of appropriately qualified electricians. Consumer protections will be maintained, however, including safety standards and privacy. Legislation will also support new national metering arrangements and National Electricity Rules that will come into effect on 1 December 2017.

NSW Fair Trading assumed responsibility for regulating the safe installation of smart electricity meters. To meet these new responsibilities, we designed an assurance and inspection program that allows real time notification of installation information and for the low cost submission of compliance certificates. The program uses risk-based auditing and inspections to ensure safety.



An example of a smart meter real-time notification system.

Making **business easier**



NSW Fair Trading focussed efforts on making it easier to carry out business in NSW through embracing technology and initiatives to reduce red tape.

We launched a new Rental Bonds Online service to provide tenants, landlords and agents with a more accessible, efficient, and secure way to lodge bonds and make claims. The Rental Bonds Online service allows the secure lodgement of bonds directly to NSW Fair Trading and enables users to monitor their history, request bond refunds or dispute the payment of a bond refund online. The service cuts red tape for businesses, reducing the time and effort required when dealing with tenants' bond monies, as well as providing greater visibility of bond details and access to reports.

Other new online services developed and launched during the year included:

- an online lodgement facility for property and conveyancer licence applications
- the sending of email renewal notices and SMS reminders for property and business licence holders
- commencement of the digitisation of home building licences using the Service NSW portal
- introduction of a real-time inspection program for the installation of smart electricity meters and the submission of compliance certificates.

We participated in across-government initiatives to facilitate faster processing of applications in NSW. Under a new Better Regulation Division, our business licence work was integrated into a coordinated licensing system for property, motor vehicle and other business licences.

Other initiatives during 2015-16 to reduce red tape included:

- repealing the *Valuers Act 2003* on 1 March 2016, removing licensing obligations in the sector as recommended by the *Reforming licensing in NSW* report of the Independent Pricing and Regulatory Tribunal
- enacting the Conveyancers Licensing Regulation on 1 September 2015 to allow non-practising licence holders to retain their licence without the financial burden of arranging and paying for mandatory insurance.

Complaints Register

We developed an Australian first public Complaints Register. Once launched in August 2016 the Register will list details about businesses subject to 10 or more complaints in a calendar month. Complaints information will help consumers make more informed purchasing decisions and provide businesses with an incentive to provide better customer service.

The Complaints Register forms part of our complaints handling process and will be incorporated into the Better Trader Program. This program identifies poor trader conduct and breaches early, and allows a case manager to be appointed to a potential problem trader. The case manager monitors the trader and provides assistance to improve the trader's behaviour with the goal of reducing future problems. During the year, 975 traders were being actively case managed.



National leadership



NSW Fair Trading continued to lead and collaborate on national projects through our participation in Consumer Affairs Australia and New Zealand (CAANZ). In 2015-16 projects included the following.

Training providers

Through our education, enforcement and compliance activities, we identified that some training providers were misleading consumers into signing up for diploma courses funded by loans through the Commonwealth Government's VET FEE-HELP scheme. As a result of a joint investigation taskforce between NSW Fair Trading and the ACCC, the ACCC took Federal Court action against a number of training providers, brokers and marketers.

Careers Australia admitted its agents made false and misleading representations and engaged in unconscionable conduct to sign consumers up to courses and VET FEE-HELP debts. It repaid \$44.3 million to the Commonwealth and cancelled 12,130 enrolments. Future Commonwealth Government contracts were cancelled saving around \$160m.

Real estate agent compliance

We are leading a national initiative, the Real Estate Regulators group, to better understand the key regulator issues for real estate nationally. The group will be established in February, 2017 and assists with the development of national educational initiatives, the recommendation of any policy changes and the development of compliance projects and initiatives to increase compliance within the industry.

Review of the Australian Consumer Law

The Australian Consumer Law (ACL) was introduced in 2011 and is the single generic consumer protection law that applies across Australia. On 31 March 2016, NSW Fair Trading along with other federal, state and territory regulators commenced a significant and broad-ranging review of the ACL through CAANZ. NSW Fair Trading also met with a number of stakeholders to gather views about how the ACL is working and how it could be improved. The review is due for completion in 2017.

Most complained about businesses nationally

Australian Consumer Law regulators collaborated to identify the most complained about businesses across the country. As a result, coordinated action was taken to improve business compliance and reduce the risk of consumer detriment. Subsequently, regulators are engaging with a number of businesses.

Sharing economy

This NSW-led project initiated an examination of possible consumer protection issues relating to the procurement of goods and services from the peer to peer (P2P) or sharing economy, such as Uber and Airbnb. The main objective of subsequent activities will be to inform consumers and traders using sharing platforms of their rights and obligations under the Australian Consumer Law.



Sentinel national pilot program - automotive industry

Project Sentinel is a NSW initiative that integrated multiple sources of data and used analytical tools to assess non-compliance in the automotive industry across Australia. The pilot project has improved ACL regulators' ability to share information nationally. As a result of the pilot an operational taskforce has been established to address conduct identified during the pilot.

Music festivals

Through this project we engaged with music festival organisers, ticketing agencies and other relevant bodies to increase awareness and compliance with the Australian Consumer Law. Work on an agreed national response to the collapse of a music festival was initiated.

Credit card chargebacks

This project involved developing a toolkit to support the Australian Consumer Law regulators and ultimately assist consumers to understand and use chargebacks as a means to address disputes.

Loose-fill asbestos voluntary purchase and demolition program

On 29 June 2015, the NSW Government announced the Voluntary Purchase and Demolition Program for NSW residential premises affected by loose-fill asbestos insulation. NSW Fair Trading was given responsibility for implementation of the Program.

Under the Program, owners of residential properties affected by loose-fill asbestos insulation were eligible for financial assistance and support. The support included free technical asbestos testing, offers to value properties, purchasing affected homes, organising the demolition of affected properties and undertaking site remediation.

Under the Voluntary Purchase and Demolition Program, 23,588 property owners registered for testing during the financial year 2015-16 in response to a public awareness campaign.

The campaign was designed to build community awareness of loose-fill asbestos, promote the benefits and assistance available and drive homeowner registrations for the free sample testing.

We targeted communities at higher risk by hosting 20 community forums attended by over 1,000 people in areas identified as having high numbers of pre-1980 homes likely to be affected by loose-fill asbestos insulation.

We also sent 124,000 letters to homeowners in the identified Local Government Areas (LGAs) to raise awareness of the Voluntary Purchase and Demolition program which resulted in homeowner registrations increasing significantly.

Owners of properties confirmed to contain loose-fill asbestos insulation can either:

- sell both their home and land to the NSW Government
- or
- sell just their home to the Government for demolition and have the land remediated.

During 2015/16, we exchanged contracts for 13 loose-fill asbestos affected properties, completed 79 valuations and made 44 financial assistance payments to affected homeowners.



Preparation for demolition

Engaging and educating our community



NSW Fair Trading has an extensive community engagement program providing free information seminars to consumers and businesses throughout NSW. In 2015-16, we ran more than 2,200 community engagement activities in metropolitan and regional NSW. The activities reached over 55,000 consumers and traders. The community engagement program was delivered through:

- Informed Choices program targeting vulnerable consumers
- My Place program - a location-based outreach program targeting licensed traders, association members and private landlords.

We also provided state-wide education to consumers and traders through both ongoing and targeted programs and initiatives. The key programs were:

- Think Smart partnership program for Culturally and Linguistically Diverse (CALD) communities
- digital engagement
- annual Fair Trading Week.

Informed Choices

Our Informed Choices program aims to educate and empower vulnerable consumers by increasing their knowledge and understanding of the marketplace, so they can make informed choices when buying goods and services and entering contracts.

The program delivers free face-to-face activities and targets the following vulnerable consumers: CALD consumers, young people, people with disabilities, Aboriginal communities and seniors. Last year, 56 per cent of all Fair Trading's community engagement activities were aimed at raising consumer awareness among these vulnerable groups.

CALD audiences

Through the CALD Informed Choices program, we participated in 305 activities and reached over 6,500 multicultural consumers. The program focusses on topics relevant to new migrants and refugees, such as their rights when renting a home, shopping, entering contracts and buying their first car. For more established migrants the program includes legislative requirements for setting up an association.

We engaged with the CALD community through ongoing partnerships with the Adult Migrant English Program service providers. These included Navitas, City East Community College, Macquarie Community College, Migrant Resource Centres, Think Smart partners and through multicultural inter-agencies. We delivered information on topical issues to the Chinese community through working with SBS community radio.

Young people

During 2015-2016, we delivered 151 events for young people with over 5,700 participants. Some 137 information sessions were delivered to 63 high schools, with the remaining sessions delivered to disengaged youth, juvenile justice centres, PCYCs, TAFEs and primary schools. The program also delivered *Revved up* talks on buying a first car. To deliver this program, we developed partnerships with high schools, TAFE colleges as well as non-government agencies such as Mission Australia, Carewest and Barnardos Australia who run programs for disengaged youth.

People with disabilities

This year brought a focus on the needs of consumers with disabilities in NSW as the disability sector prepared to transition to the National Disability Insurance Scheme (NDIS). We engaged with people with disabilities, services and advocates to develop a strategy to help consumers and services understand their rights and responsibilities under the Australian Consumer Law. NSW Department of Family and Community Services (FACS) provided a grant based upon the research conducted to deliver a targeted engagement strategy for 2016 – 18. Throughout the year, we participated in 86 activities which reached 1,249 people with disabilities.

Aboriginal communities

We regularly conduct programs designed to encourage the Aboriginal community to become well informed consumers and access the agency's free complaint handling service.

During 2015-16, we delivered 170 information sessions to 2,422 Aboriginal consumers, and participated in 78 networking activities with community workers and agencies who deliver services to Aboriginal people. We had contact with a further 3,119 Aboriginal people through 79 information stands at community events.

We sponsored consumer rights radio segments, with staff participating in regular radio interviews on a variety of Aboriginal and community radio stations.

Seniors

During 2015-2016, we delivered 371 community engagement events reaching 12,564 seniors through our Seniors Informed Choices program. Events included seniors' expos, presentations to Probus, Rotary, Lions clubs and Men's sheds. The program focused on particular vulnerable seniors: low income seniors, elderly carers, elderly CALD seniors, Aboriginal elders and those that are socially isolated.

International students

In February 2016 we distributed approximately 34,000 copies of the *Consumer guide for international students* to language, tertiary, high school and technical educational organisations across NSW. In addition, information for international students was also distributed at our information stall at the City of Sydney Mayor's International Student Welcome event at the Town Hall, and at the international Education Providers forum held at the Customs House – both annual events.

My Place Programs

Our flagship My Place Program is a location-based initiative which delivers information, education and compliance activities in a regional town or metropolitan suburb over a week. We ran 20 My Place Programs across NSW in 2015-16.

The Program primarily targets businesses, licensees, association members, private landlords and people living in strata schemes, although many regional My Place Programs also target vulnerable consumer groups and community workers.

The My Place seminars included joint presentations with other relevant government agencies, such as SafeWork, the Office of Small Business Commissioner, Anti-Discrimination Board, as well as industry groups, including the Motor Traders Association, the Caravan and Camping Industry Association and the Institute of Automotive Mechanical Engineers.

We also completed another round of Building Business Expos in 2015-16, with eight evening seminars at various locations across regional NSW and the Sydney metropolitan area. Three of these building expos were held as part of Fair Trading's My Place Programs. The expos provided a one-stop shop for builders, tradespeople and their business partners to receive relevant information and support – essential for operating in the NSW residential building industry.

Plumbing Health Check Program

A partnership, developed in 2014, with Murdi Paaki Regional Housing Corporation continued in 2015-16 through a Plumbing Health Check Program for remote Aboriginal communities. The Program was held in the Wentworth district of NSW where we aimed to provide assistance to communities who have limited access to tradespeople. We provided them with a better understanding of the use and operation of plumbing and drainage systems in their homes. We carried out 107 checks, which included rectification with the assistance of the Master Plumbers Association of NSW.

Note: the term Aboriginal used in this document refers to Aboriginal and Torres Strait Islander people.



Charlie Gauci inspecting a leaking pipe during the Plumbing Health Check Program in Bourke.

Community grants

Community grants were 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 2015-16, we administered five programs with over \$19.9 million in funding.

Funded organisation	Amount
Tenants Advice and Advocacy Program	\$10,087,827
Financial Counselling Services Program	\$6,683,011
No Interest Loans Scheme	\$2,416,098
Aged Care Supported Accommodation Service	\$485,062
Home Building Advocacy Service	\$253,080
TOTAL	\$19,925,078

Think Smart program

Our Think Smart education program for CALD communities has been in place since 2002. The program delivers information and education directly to CALD groups through partnerships with community organisations and multilingual media. The program raises awareness of fair trading issues and services using a variety of information resources, public relations events and grassroots community activities.

We provided information for traders and consumers in 33 languages, including those of new and emerging communities. There are 39 Think Smart partners - 30 community organisations and 9 multilingual media outlets.

CALD Community Consultation

In late-2015 we conducted a face-to-face consultation with our Think Smart community partners and other CALD service providers in Newcastle, Wollongong, Auburn and Parramatta - in collaboration with Northern Settlement Services, Illawarra Migrant Resource Centre and Auburn Diversity Services and Community Migrant Resource Centre. In response to this we developed a Think Smart Multicultural Education Strategy for the next three years which focusses strongly on consumer rights and tenancy issues. The Strategy aims to raise awareness of consumer and renting rights, and help increase understanding of NSW Fair Trading's role and services. The Strategy also outlines the ways in which we will provide tailored services to meet the needs of people from CALD backgrounds, especially refugees and humanitarian entrants.

Annual Fair Trading Week

Our 15th annual Fair Trading Week showcased our work in the community with a week-long celebration held from 2 to 6 November. We focussed celebrations on reaching the milestone of the 10 millionth call to our contact centre.

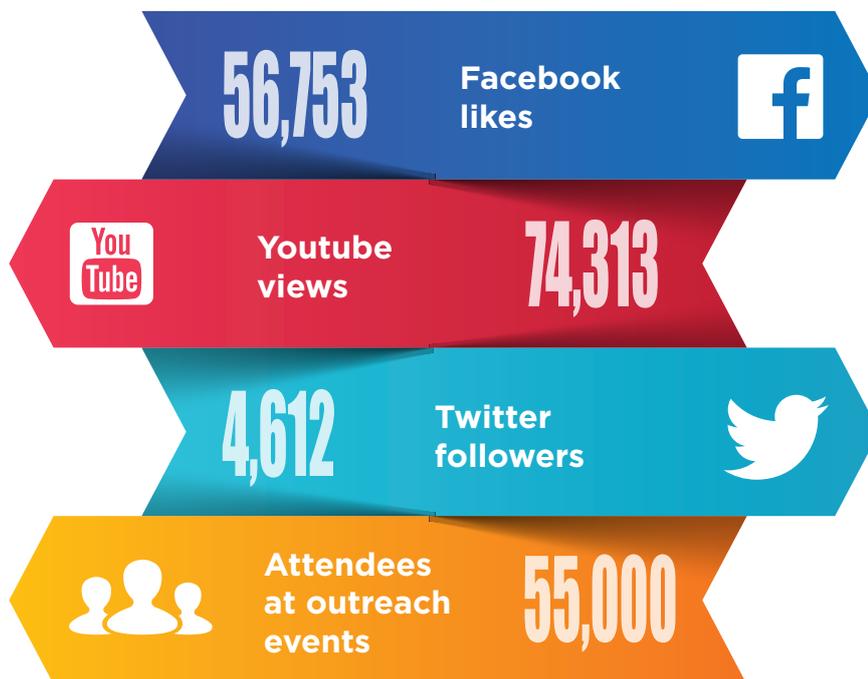
During the Week over 40 outreach activities were held across the State, including events and seminars targeting consumers, visiting traders and bringing the message directly to the people of NSW. New resources were launched, including an expanded range of multi-lingual publications and videos.

Digital engagement

Our now mature engagement with the community through social media continued throughout the year. Educational campaigns, videos and content were provided through social media portals as key communication channels. Our Facebook page had 56,753 likes by year-end and high engagement communications included public warnings, posts on scam SES collectors targeting the Hunter Region and advice for people who purchased tickets to attend the Soundwave concert in Sydney.

Our targeted suite of newsletters provided important information to more than 130,000 subscribers in 2015-2016 with an open rate that was consistently higher than industry standards.

Visitors seeking website information increasingly used mobile devices, accessing our mobile site 1,667,001 times (an increase of 384.6% on 343,993 in 2014-15). Our Read Speaker accessibility function was available on more than 300 pages across the site.



Dispute resolution



The total number of complaints handled during 2015-2016 was 51,221. These consumer and trader complaints about marketplace transactions fell into one of three categories. They were Property, Tenancy and Strata (7,341),

Home building (5,404 complaints) and General Fair trading and Other (34,414).

The most common complaint categories are shown below.



Inspections and investigations



During the year we re-organised the way we work to be more effective and responsive to a changing marketplace.

We implemented an Investigation Management System (IMS) which includes sophisticated data and information analytics capabilities. The IMS provides a robust and flexible case management solution to enable the effective management of investigations. It has a secure environment, enables teams to work together and share case information, discover new lines of enquiry, and ultimately finalise cases and investigations within shorter timeframes.

We developed a range of compliance, information sharing and advance data analytics initiatives to support risk-based projects, investigations, outcome focussed regulation and consumer protection projects.

Meanwhile, we continued servicing enquiries, including:

- more than 185,000 internal and external information and data requests
- assessing the suitability of 40,000 businesses for the 2016 Seniors Discount Directory
- probity assessment of 440 registered training organisations using network analysis and data matching techniques to identify instances of non-compliance and possible collusion
- a national compliance assessment of the licensed motor vehicle sales industry which involved analysing \$6 billion in transactional records, and complaint and licensing data from eight state and territory regulators.

Our inspection program covered motor dealers and motor dealer auctions, christmas toys, the Sydney Royal Easter Show, and pawnbroker compliance with changes to legislation. We tested E10 to determine octane rating and negotiated with all major petrol suppliers to rebadge E10 petrol from a 91 to 94 octane rating.

There were 794 investigations which resulted in the disqualification and/or cancellation of 41 licences as part of disciplinary action and the issuing of 119 Show Cause notices.

Some 13,000 counterfeit items ranging from clothing, mobile phone and USB chargers and counterfeit mobile communications accessories were seized as part of search warrants.

Inspection + Investigation Activity	Number
Inspections	6,110
Investigations	794
Disqualified or cancelled licences	41
Counterfeit items seized	13,000
Compliance letters issued	10,000

Intelligence focus to compliance

We developed proactive inspection programs to determine the level of compliance within key industries and professions regulated by NSW Fair Trading. Using complaint data and marketplace intelligence, we could identify those industries that have the greatest propensity to cause consumer detriment if left unchecked.

Ten day toy safety blitz

From 6 to 16 October 2015, Consumer Protection Officers from across NSW Fair Trading inspected 773 retail stores. The officers removed 83 non-compliant toys from shelves and issued 29 penalty infringement notices under section 194(1) of the Australian Consumer Law over the supply of unsafe goods.

Motor dealers and auction houses

Our officers inspected 142 vehicles in ten Motor Auction houses over a four-day period in July 2015. Follow-up inspections were conducted on four traders to check ongoing compliance issues.

Operation Don involved the inspection of new and used car motor dealers in southern areas of Sydney. It was conducted between 30 July and 13 August 2015. Some 369 traders were inspected during the operation, with 76 found to be non-compliant. Between 7 September and 23 September 2015, follow-up inspections were conducted and the rate of compliance upon re-inspection was extremely high.

Search warrant operations

Fair Trading officers executed several search warrant operations resolving investigations into breaches of the ACL and *Motor Dealers and Repairers Act 2013*. The operations of note were as follows.

A multi-agency success story

We received information several motor dealerships selling second hand vehicles imported from Japan were interfering with odometers, resulting in consumers paying inflated prices and suffering substantial financial detriment. Investigators identified four primary targets and in February 2016, we led a multi-agency search warrant. It resulted in 72 officers executing four search warrants across Sydney - four motor dealers were suspended and Notice To Show Cause action followed. Our investigators prepared an extraterritorial search warrant application to have a search warrant executed by Japanese authorities. The criminal investigation is expected to be resolved in 2016-2017.

Keeping consumers safe

We worked with the Australian Border Force to conduct investigations that led to a search warrant operation. This resulted in the seizure of a large quantity of unsafe mobile telephone charges, batteries and related items. We subsequently issued several penalty infringement notices and entered an enforceable undertaking resulting in an agreement to forfeit \$30,000 to NSW Fair Trading.

Real estate prosecutions

Several real estate investigations were finalised during the year resulting in the offenders receiving a term of imprisonment, intensive correctional order, or suspended sentence. These included cases involving the fraudulent conversion of funds from trust accounts, misappropriation of monies and dishonestly obtaining financial advantage by deception.

Compensation funds - a position of trust



We continued to act as the trustee for the Property Services Compensation Fund. The fund compensates people who suffer financial loss due to the misappropriation of funds held in trust by licensed property agents and conveyancers. In 2015-16, the fund paid \$2.4 million to cover 255 claims. A portion of property agents and conveyancers' annual licensing fees contribute towards the fund.

The Motor Dealers and Repairers Compensation Fund compensates people for losses where a motor vehicle repairer fails to carry out repairs competently or a motor dealer fails to comply with legislation. In 2015-16, the fund paid \$237,343 to cover 21 claims. A portion of motor vehicle repairers and motor dealers' licensing fees goes towards funding the scheme. All claims are strictly assessed in accordance with legislation.

Legislation



Legislation administered by Fair Trading

As at 30 June 2016, NSW Fair Trading administered 43 pieces of legislation and 33 regulations. See our website for a current list: www.fairtrading.nsw.gov.au

Bills assented to in 2015-16

- Fair Trading Amendment (Information About Complaints) Bill 2015 (Property, Stock and Business Agents Amendment (Underquoting Prohibition) Bill 2015
- Home Building and Duties Amendment (Loose-fill Asbestos Insulation Affected Premises) Bill 2015
- Regulatory Reform and Other Legislative Repeals Bill 2015
- Occupational Licensing National Law Repeal Bill 2015
- Strata Schemes Management Bill 2015
- Conveyancing Amendment (Sunset Clauses) Bill 2015
- Associations Incorporation Amendment (Review) Bill 2016
- Fair Trading Amendment (Fuel Price Transparency) Bill 2016
- Biofuels Amendment Bill 2016

Acts repealed in 2015-16

- *Consumer Claims Act 1998*
- *Fitness Services (Pre-paid) Fees Act 2000*
- *Valuers Act 2003*
- *HomeFund Restructuring Act 1993*
- *Occupational Licensing (Adoption of National Law) Act 2010*
- *Occupational Licensing National Law (NSW)*

Regulations repealed in 2015-16

- Valuers Regulation 2010

NSW Fair Trading - What we do

NSW Fair Trading is the state government agency responsible for protecting consumers' rights. We provide free assistance and information on shopping and renting rights. We can provide information to consumers about options to resolve disputes with traders and in some cases our staff can attempt to negotiate a settlement.

Visit the Fair Trading website at www.fairtrading.nsw.gov.au for more information on these topics in English and other community languages or to lodge an enquiry or complaint.

Our services cover:

- Shopping and consumer guarantees
- Renting, buying, selling a home
- Home building and renovating
- Strata and community living
- Co-operatives and associations
- Product safety
- Resolving disputes
- Charitable fundraising
- Retirement villages
- Residential parks



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For information and help on fair trading issues

Enquiries

13 32 20

Language assistance

13 14 50

TTY for hearing impaired

1300 723 404

Aboriginal enquiry officer

1800 500 330

Visit our website for details

www.fairtrading.nsw.gov.au



**Fair
Trading**

NSW Fair Trading

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