



# NSW Fair Trading Year in review 2016-2017

## **NSW Fair Trading**

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# Commissioner's foreword



NSW Fair Trading balances consumer education with a regulatory approach to protect consumers and keep the NSW marketplace safe and fair.

This year we introduced major reforms to modernise

strata scheme laws in NSW and educated tenants, industry and strata owners through a comprehensive education campaign.

Innovations in our intelligence capabilities enabled significant results from a targeted approach including prosecutions of serious offenders who had been feeding off unsuspecting consumers.

We are proud of our community education and engagement programs and our important commitment to the most vulnerable in our community through our Informed Choices and My Place programs. We also launched a strategy for 2016-17, working with our Think Smart partners.

We combined policy and technology to develop innovative tools for both consumers and industry with Fuel Check, a Retirement

Village Calculator and an e10 vehicle compatibility check.

NSW Fair Trading continued to play a major role in consumer protection nationally, this year with a button battery strategy, training provider joint investigation and an important review of the Australian Consumer Law (ACL).

During the year business innovations resulted in our business licence work being integrated into a coordinated licensing system for property, motor vehicle and other business licences. The integration of the NSW Building Professionals Board (BPB) into NSW Fair Trading and business service improvements enabled the commencement of a range of major certifier reforms in the building and construction industry.

I thank all staff for their dedicated efforts in working towards NSW Fair Trading's goals and acknowledge their outstanding work in achieving a safer and fairer marketplace in NSW.

**Andrew Gavrielatos**

Acting Commissioner, NSW Fair Trading

Acting Deputy Secretary, Better Regulation Division

# Table of contents



<b>Our focus</b>	<b>3</b>
<b>Our performance at a glance</b>	<b>4</b>
<b>2016-17 highlights</b>	<b>5</b>
<b>Market sector: real estate</b>	<b>7</b>
<b>Market sector: building and construction</b>	<b>9</b>
<b>Easier to do business</b>	<b>11</b>
<b>National leadership</b>	<b>13</b>
<b>Loose-fill asbestos insulation voluntary purchase and demolition program</b>	<b>14</b>
<b>Engaging and educating our community</b>	<b>15</b>
<b>Dispute resolution</b>	<b>18</b>
<b>Investigations</b>	<b>19</b>
<b>NSW Fair Trading - What we do</b>	<b>21</b>

# Our focus



NSW Fair Trading is the NSW Government's consumer protection agency. 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. We are also responsible for the regulation and supervision in NSW of incorporated associations, co-operatives, charitable fundraising and contributory and prepaid funeral funds.

As at 30 June 2017, NSW Fair Trading administered 43 Acts and 33 regulations. We jointly administer the Australian Consumer Law (ACL) with other Commonwealth, State and Territory agencies.

## 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 2016-17 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 performance **at a glance**



# 2016 - 2017 highlights



In 2016-17 we continued our important role of implementing legislative reform for the 43 laws we administer, educating the NSW community on their rights and responsibilities under these laws and undertaking compliance inspection and investigations programs to ensure a safe and fair marketplace.

Our work on reforms to strata scheme laws came to fruition after a comprehensive review process over a number of years. We implemented an education campaign to reach the 1.2 million people living in more than 76,000 strata schemes across NSW so they could understand the changes in their schemes.

We worked closely with the real estate industry on reforms. Our *Real Estate and Property Industry Reform Paper* was released with over 40 proposed reforms.

We continued to focus on making it easier to carry out business in NSW through removing unnecessary laws and embracing technology to reduce red tape. Our fuel check (real time fuel prices website), and Retirement Village Calculator (to help consumers understand financial costs) are just some of the examples.

Through improved data analytics initiatives we were able to support risk-based projects, investigations and outcome-focussed regulation. One complex investigation, including strong collaborative effort between law enforcement agencies, led to the successful criminal prosecution of Sydney-based lawyer Edward Kang in a major immigration fraud case.

We continued to strengthen our role in national consumer protection, leading and contributing to national projects through Consumer Affairs Australia and New Zealand (CAANZ). Through CAANZ we participated in the significant and broad-ranging review of the Australian Consumer Law (ACL).

Under the Loose-fill Asbestos Insulation Voluntary Purchase and Demolition Program we purchased 81 properties and successfully demolished and remediated 14 of these. This was after processing more than 70,000 property registrations and inspecting over 38,000 properties.

# Our key achievements by goal

## Goal

Help consumers and traders to understand their marketplace rights and obligations

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## Key achievements

- Community education reaches 63,499
- Think Smart partnership program for CALD communities
- Building business expo program

## Goal

Provide a safe and fair marketplace

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## Key achievements

- Modernisation of strata scheme laws
- Loose-fill Asbestos Insulation Voluntary Purchase and Demolition Program
- Complaints register

## Goal

Enhance compliance in the marketplace

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## Key achievements

- Training providers joint investigation
- Button batteries national strategy
- Prosecution of Edward Kang (immigration fraud)

## Goal

Be an effective, integrated and innovative agency

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## Key achievements

- Building certifier reform
- Fuel Check – real time fuel prices
- Intelligence innovations

# Market sector: **real estate**



A key priority for the year was to work closely with the real estate and property industry to improve the conduct of agents and the experience of consumers. An industry reform paper, new requirements related to pre-purchase property inspection reports, modernised strata laws and a targeted inspection and compliance program were key achievements for the year.

## **Reforming the property industry**

We worked closely with the real estate and property industry on proposed reforms to improve the qualifications of industry professionals and to better protect consumers. In November 2016 our *Real Estate and Property Industry Reform Paper* was released. The paper proposed over 40 reforms.

## **Pre-purchase property inspection reports**

In August 2016, we introduced new record keeping and disclosure requirements for real estate agents related to pre-purchase property inspections reports. Agents must now provide prospective buyers with details of what reports exist and who prepared them when a contract for sale is issued. These requirements make it easier, and potentially cheaper, for a prospective home buyer to obtain pre-purchase building and pest inspection reports, and strata or community scheme reports.

## **Real estate and property compliance program**

We conducted targeted inspection programs, resulting in the detection of a number of non-compliant individuals and businesses. The programs aimed at improving and ensuring compliance within the property industry and this year targeted underquoting, licensing, supervision and compliance with the Continuing Professional Development program.

We investigated more than 20 agents for serious breaches of the *Property Stock & Business Agents Act 2002* (PSBA) and several licence/certificate holders were convicted of serious offences against the PSBA and the *Crimes Act 1901*.

## **Retirement village calculator**

We initiated development of a calculator to help prospective retirement village residents and their families better understand the financial cost of living in a village and to make it easier to compare villages. Phase one of the project saw the finalisation of the complex calculations that form part of the calculator. In phase two the Calculator will be developed into a free web-based tool, to be launched in September 2017. It will be available on the Fair Trading website at [www.rvcalculator.fairtrading.nsw.gov.au](http://www.rvcalculator.fairtrading.nsw.gov.au)

## Modernisation of strata scheme laws

Following a comprehensive review process conducted over a number of years, new strata scheme laws were introduced on 30 November, 2016. These new laws affect 1.2 million people living in more than 76,000 strata schemes across NSW.

Key changes include making it easier for owners to complete cosmetic and minor renovations; modernising rules to help prevent proxy farming; modernising meeting and voting procedures; new options to deal with issues relating to parking, pets and smoke drift; introducing a defects bond scheme (effective January 2018) to fix building defects early in new developments; and providing a fair mechanism for collective sale and renewal of strata schemes.



### Educating NSW strata owners, tenants and industry

We developed and implemented a comprehensive education campaign to raise awareness among strata owners, tenants and professionals of the most significant changes to NSW strata laws in decades. The campaign evaluation showed that:

- we increased overall awareness by more than 50% among all target audience segments (exceeding 20% target for owners and 10% target for tenants and Culturally and Linguistically Diverse (CALD) audiences)
- we achieved 100% awareness among NSW strata managing agents (exceeding the target of 95%)
- 204,249 visits were made to the dedicated campaign website ([stratalaws.nsw.gov.au](http://stratalaws.nsw.gov.au)), well exceeding the campaign target of 45,000.

We also delivered and participated in seminars with industry associations to outline the new laws. These seminars were attended by more than 4,500 participants across NSW.

# Market sector: building and construction



A key priority for the year was to ensure marketplace confidence that building and construction work in NSW is undertaken by competent and reputable builders and tradespeople, work is compliant, and all parties are promptly paid for the work they perform. Integration of the Building Professionals Board (BPB) into the agency, certifier reforms, strengthening fire safety and educating the industry on their responsibilities were key achievements for the year.

## Building Professionals Board - on board

The NSW Building Professionals Board (BPB) was integrated into NSW Fair Trading this year. Established under the *Building Professionals (BP) Act 2005*, it accredits certifiers of building and subdivision, investigates their conduct and provides for the promotion and maintenance of building and subdivision certification.

Alongside the integration, improvements were made to business processes and a faster review and finalisation of applications and complaints was achieved. Accreditation applications and complaints were processed 33% and 38% faster respectively in 2016-17, compared with 2015-16. A record 387 complaints and investigations were determined this year compared with 226 in 2015-16. The BPB also introduced more effective disciplinary processes and decisions, resulting in \$411,750 in fines for unsatisfactory professional conduct in the last two years.

Significant business service improvements have enabled the Government to act on a range of major certifier reforms.

## Certifier data

We took steps to improve regulation of the building and construction industry through the certifier data project. This innovative combination of policy and technology will significantly improve the way that Government collects, uses and shares building and planning information, leading to more informed and efficient regulation of the sector.

On 8 October 2016, the *Building Professionals Act 2005* was amended to allow the capture and sharing of real-time data from building sites across the state. A suite of digital products has subsequently been developed, including an iOS and Android smartphone app, which will provide a range of reporting options for building certifiers and councils.

## Strengthening fire safety in NSW

We worked with the Department of Planning and Environment to take immediate action to strengthen fire safety certification for new and existing buildings. This was in response to the final report of the statutory review of the Building Professionals Act.

Key amendments to the Environmental Planning and Assessment Regulation 2000 were passed to introduce a range of measures that will improve building safety throughout the building lifecycle. This includes a new co-regulatory model between Government and private organisations to accredit competent fire safety practitioners.

## Building Business Expo Program

We undertook our annual Building Business Expo Program between July and November 2016, with eight evening Continuing Professional Development (CPD) seminars in NSW held at Condell Park, Hornsby, Kempsey, Newcastle, Wollongong, Parramatta, Gosford and Dee Why, with a total attendance of 971 people.

Since the program was launched in 2009, we have held 87 building expos, attended by approximately 13,000 people. The Expos provide up-to-date information for builders, tradespeople and their business partners to help them understand their rights and responsibilities in the NSW residential building industry.

## Standards and tolerances guide

We produced a new edition of the *NSW Guide to Standards and Tolerances* (the Guide) in March 2017. The Guide helps builders and homeowners if building work is in dispute. It deals with such topics as shrinkage around timber window frames, door frames, nail popping in timber floors, paving through to footings and foundations.

The Guide provides an understanding of the tolerances that are considered when determining whether a building element has been installed/constructed to an acceptable standard. It can be downloaded from our website.

## Home Building Compensation Fund reform

In November 2016, the NSW Government announced an overhaul of the Home Building Compensation Fund (HBCF), a mandatory insurance product which builders are required to take out for residential building work over \$20,000. The reforms enable private insurers to enter the market, improve protections for consumers against incomplete and defective building work, and return the scheme to financial sustainability.

During the year, the State Insurance Regulatory Authority (SIRA) took over the regulation of the fund from NSW Fair Trading. Another organisation, icare hbcf (Insurance and Care NSW – Home Building Compensation Fund) manages the insurance policies and has introduced a digital portal.

## Gas and electricity consumer safety

Electricity and gas laws provide for their safe use and prescribe and enforce minimum safety standards for equipment and installations. In order to enhance and update the consumer safety framework the laws are being consolidated. This will provide a more streamlined and consistent approach to regulation, and will address current weaknesses in gas consumer safety regulation. It will also reduce compliance burdens for the industry and retailers.

The Gas and Electricity (Consumer Safety) Bill 2017 was passed by Parliament in May 2017. The *Gas and Electricity (Consumer Safety) Act 2017* repeals the separate Acts and regulations and consolidates their provisions into one piece of legislation.

Work is now underway on drafting supporting regulations which will be subject to public consultation.

# Easier to do business



We continued to focus on making it easier to carry out business in NSW through embracing technology and initiatives to reduce red tape and remove unnecessary laws. During the year our business licence work was integrated into a coordinated licensing system for property, motor vehicle and other business licences and we participated in across-government initiatives to facilitate faster processing of applications in NSW.

We undertook a national survey to create a baseline measure for the state priority 'Make NSW the easiest state to start a business'. Results from the survey revealed that, by a small margin, NSW is currently ranked as the easiest state to start a business.

## Rental Bonds Online

Rental Bonds Online helps tenants, agents and self-managing landlords lodge and refund bond money securely and easily. Each day, approximately 50% of residential rental bonds are lodged using the online service. New enhancements are being scheduled to make transacting a rental bond in NSW even easier.

## Regulatory Sandbox initiative

As part of the NSW Government's innovation strategy, we supported the first phase of the Regulatory Sandbox pilot program which provides businesses with the opportunity to identify regulations that are preventing them from innovating. We developed a guideline document for use by regulators when assessing the design of a Sandbox and assisted in the assessment of the first 14 applications from businesses. Businesses that participate in the Sandbox are allowed to operate in a controlled environment where innovative products, services, business models and delivery mechanisms can be tested and trialled.

## Commercial agents

We paved the way for the transfer of the administration of licences for commercial agents from NSW Police to NSW Fair Trading and a partial de-regulation of the industry. The *Fair Trading Amendment (Commercial Agents) Act 2016* repeals the *Commercial Agents and Private Inquiry Agents Act 2004* and amends the *Fair Trading Act 1987* with respect to the regulation of persons carrying out debt collection, repossessions and process serving.

Only commercial agents operating in the field will be required to hold a licence, while non-field agents will be subject to a negative licensing regime. The Act is yet to commence.

## 'Spring Clean' Bill

Our 'Spring Clean' Bill 2016 helps reduce red tape and ensure regulation remains fit for purpose. The Bill comprises regulatory repeals and reforms to facilitate the Government's priorities of making NSW the easiest state to start a business and increase digital transactions.

Key elements included amendments to: the *Property, Stock and Business Agents Act 2002* to clarify that real estate and property industry licensees in charge are responsible for certain actions of their employees; the *Conveyancers Licensing Act 2003*; the *Pawnbrokers and Second-hand Dealers Act 1996* to increase licence duration from one to up to three years; and making it mandatory for real estate agents and landlords to register with the online Rental Bonds service and offer it to all new tenants as the first option for paying their bond.

## Fuel Check

### Real-time fuel price website

We launched the Fuel Check website in August 2016 supporting price transparency in the petrol market by providing reliable, real-time data about fuel prices at every service station in NSW.

Under the *Fair Trading Act 1987* and Regulation, service stations were already required to display certain fuel prices on their sign boards. Amendments to the Act in April 2016 required service stations to simultaneously report and update their petrol prices online.

Fuel Check is accessible on any device connected to the internet. By mid-June 2017, there had been over 2 million hits on the Fuel Check website.



# FUEL CHECK

# National leadership



NSW Fair Trading continued to lead and collaborate on national projects through our participation in Consumer Affairs Australia and New Zealand (CAANZ). Through CAANZ, Commonwealth, State and Territory consumer agencies provide a coordinated and consistent approach to consumer issues, in particular the administration of the Australian Consumer Law (ACL).

In 2016-17 projects included the following.

## Review of the Australian Consumer Law

The Australian Consumer Law (ACL) was introduced in 2011 and is the national law for fair trading and consumer protection. It is administered and enforced jointly by the Australian Competition and Consumer Commission (ACCC) and the State and Territory consumer protection agencies, with the involvement of the Australian Securities and Investments Commission (ASIC) on relevant matters.

On 31 March 2016, NSW Fair Trading along with other Commonwealth, State and Territory regulators commenced a significant and broad-ranging review of the ACL through CAANZ. We met with a number of stakeholders to gather views about how the ACL is working and how it could be improved. The final Review report was publicly released in April 2017. Ministers will consider the report's recommendations in August 2017.

## Training providers

A joint investigation taskforce was established between NSW Fair Trading and the Australian Competition and Consumer Commission (ACCC) to investigate training providers misleading consumers into signing up for courses funded by loans through the Commonwealth Government VET FEE-HELP scheme. As a result, the ACCC commenced four Federal Court actions. On 30 June 2017, the Federal Court found Unique International College Pty Ltd made misleading representations and engaged in unconscionable conduct relating to the marketing of vocational courses and VET FEE-HELP loans to vulnerable consumers. The other three matters are ongoing.

## Button batteries

Button batteries are found in common household products and can cause significant harm if swallowed, with small children being the most vulnerable. It is estimated twenty children per week present to an Australian emergency department relating to the ingesting of a button battery.

Under the coordination of the ACCC, NSW Fair Trading and other regulators are contributing to a national strategy with a focus on products in the marketplace that have accessible button batteries. We are conducting surveillance against a voluntary industry standard and taking action to remove high-risk products from the marketplace, asking suppliers to recall products where necessary.

# Loose-fill asbestos insulation voluntary purchase and demolition program



The Voluntary Purchase and Demolition Program and its associated assistance package provides safety, certainty and support for NSW residents by locating and remediating properties affected by loose-fill asbestos insulation. This included the introduction of new laws to identify properties affected by loose-fill asbestos insulation and to protect residents, workers and communities.

In 2016-17, we processed over 70,000 registrations of properties, inspected over 38,000 properties, provided financial assistance to 139 affected homeowners, purchased 81 properties and successfully demolished and remediated 14 of these properties. Those that were remediated were removed from the Loose-fill Asbestos Insulation Public Register.

Through working with partners such as SafeWork NSW, Public Works Advisory and Property NSW, we ensured that rigorous work, health and safety standards were followed throughout the program, especially in asbestos removal and demolition activities. We implemented extensive engagement, education and communication efforts to manage the expectations of stakeholders and affected communities.



**Last chance  for free testing**

**Find out more:**  
[loosefillasbestos.nsw.gov.au](http://loosefillasbestos.nsw.gov.au)



*Promoting the free testing as part of the Program.*

# Engaging and educating our community



Our engagement programs with NSW consumers and traders are delivered through regional community education, digital engagement, events and a mature grants program. We have targeted initiatives to engage with vulnerable consumers and those who represent their interests.

## Community education

We delivered 2,792 community education information sessions and activities in 2016-2017 to raise awareness of consumer and trader rights and responsibilities. Combined, the program reached 63,499 consumers and traders, including vulnerable groups such as youth, people with a disability, seniors, indigenous Australians and people from culturally and linguistically diverse (CALD) communities.

## Aboriginal communities

A partnership with Murdi Paaki Regional Aboriginal Housing Corporation continued in 2016-17 through a Plumbing Health Check Program for remote Aboriginal communities. The Program was held in the North West region, including the towns of Collarenebri, Coonamble and Gulargambone. We provided assistance to communities with limited access to tradespeople and helped them gain a better understanding of the use and operation of plumbing and drainage systems in their homes. We carried out 52 checks, which included rectification being carried out with the assistance of the Master Plumbers Association of NSW.

## Seniors

We provided 347 information sessions to a variety of seniors groups throughout 2016-17. The engagement opportunities for seniors are wide and varied with scams and shopping rights talks always well received.

## Youth

In 2016-17 we delivered 147 events with over 3,719 participants through the Youth Informed Choices program. 102 information sessions were delivered to 73 high schools, with the remaining sessions delivered to disengaged youth, juvenile justice centres, PCYCs, TAFEs and primary schools. To deliver this program, we developed partnerships with high schools, TAFE colleges as well as non-government agencies such as Mission Australia, LiveBetter, and Barnardos who run programs for disengaged youth.

The program focusses on situations where young people are most vulnerable and includes delivery of *Revved up* talks on buying a first car.

## Consumers with disability

We delivered information sessions to more than 9,500 of the most vulnerable consumers in our society, and the people that support them. This represents an increase of 226.74% sessions from the previous year.

As the National Disability Insurance Scheme (NDIS) is being implemented we are engaging with people with disabilities, their families and carers, and the wider disability sector, to build their knowledge and the confidence to exercise their rights under the Australian Consumer Law (ACL). The Department of Family and Community Services provided an additional \$1 million in funding to support our community education of this sector.

## CALD audiences

In 2016-17 we participated in 444 activities, reaching over 8,800 multicultural consumers through our Informed Choices program, an increase of 45.56% on the previous year. We engaged with CALD communities through ongoing partnerships with the Adult Migrant English Program service providers, Navitas, City East Community College, Macquarie Community College and Migrant Resource Centres.

## Think Smart program

Our Think Smart program for culturally and linguistically diverse (CALD) communities has been in place since 2002. The program delivers information and education directly to CALD groups through partnerships with community organisations and multi-lingual media. There are currently 39 Think Smart partners - 30 community organisations and 9 multilingual media outlets.

We launched our *Think Smart Multicultural Education Strategy 2016-19* to meet the needs of CALD communities over the next three years, especially the most vulnerable consumers including humanitarian entrants and refugees.

Through our website we provided information for consumers and traders in 33 community languages. In 2016-17 we leveraged the Think Smart Program to ensure important information reached CALD audiences, translating and distributing information about changes to strata laws, association laws and to the Home Building Compensation Fund reform.

We participated in multicultural community festivals and monthly Fair Trading talk back programs with SBS Mandarin and Cantonese Radio, featuring our own bilingual staff.

## Community grants

Through our grants program we provided community grants 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 2016-17, we administered five programs with over \$20.4 million provided in funding.

### Funding allocations in 2016-17

Program/Service	Amount
Tenants Advice and Advocacy Program	\$10,372,852
Financial Counselling Services Program	\$6,850,086
No Interest Loans Scheme	\$2,476,500
Aged Care Supported Accommodation Service	\$497,189
Home Building Advocacy Service	\$259,407
<b>TOTAL</b>	<b>\$20,456,034</b>

## Annual Fair Trading Week

Our 16th annual Fair Trading Week was held from 24 to 28 October 2016. The Week is an annual event to raise awareness about the rights and responsibilities of consumers and traders in the marketplace. Under the theme "Our focus is YOU" we held Shred and Protect events to raise awareness of identity theft, providing shredding trucks at five locations and inviting the public to have their outdated personal documents securely destroyed free-of-charge.

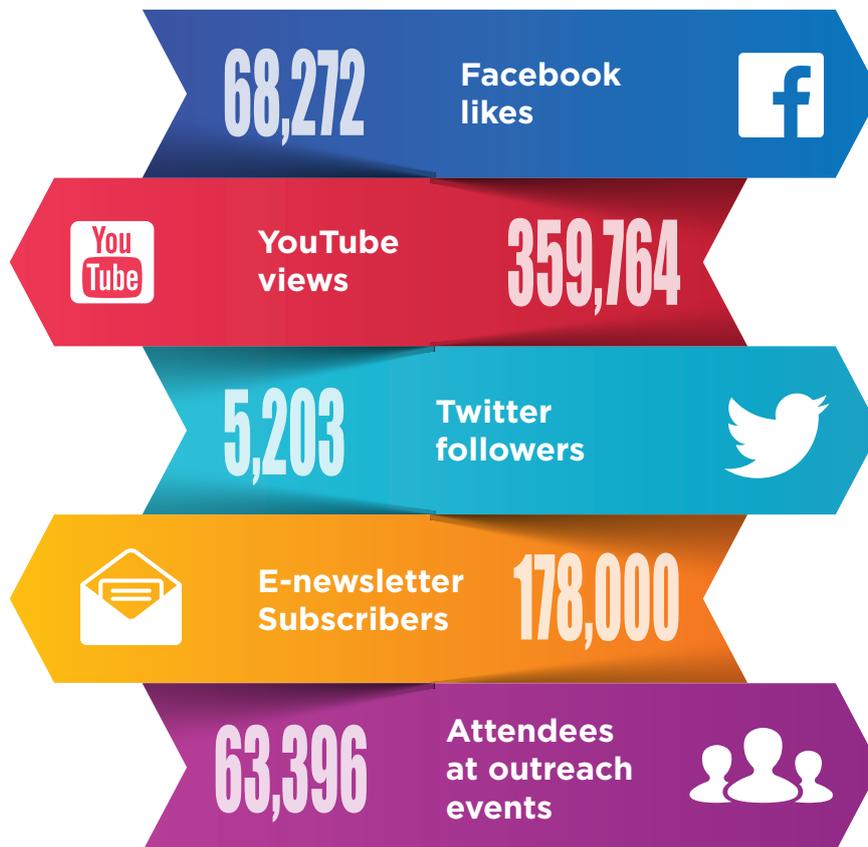
The Week included a call to action to redeem gift cards and to share the story on our survey, which resulted in more than 200 responses. Our annual Think Smart Multicultural Media Conference was held during the Week, hosted by Minister Dominello and attended by more than 60 CALD media and community representatives.

## Digital engagement

Our digital engagement platforms continued to gain reach into the community in 2016-17. We ended the year with 68,272 likes on Facebook (20.3% increase on the previous year) and 5,203 followers on Twitter (12.8% increase on the previous year). Our YouTube channel saw the largest annual increase with 359,764 views, up 384% from the previous year.

Visitors seeking website information increasingly used mobile devices, with 1,834,037 mobile visitor sessions to the NSW Fair Trading site (10% increase on the previous year).

Our targeted suite of e-newsletters had a combined total of more than 178,000 subscribers at 30 June 2017. Open rates are consistently higher than industry standards, with our *Strata Reforms Update* achieving an open rate of 49%.



# Dispute resolution



We handled 45,279 consumer and trader complaints about marketplace transactions during 2016-17. These fell into one of three categories: property, tenancy and strata (4,121), home building (9,049) and general fair trading/other (32,109). 90% of complaints were resolved, savings consumers and traders the higher costs associated with courts and tribunals.

This is in addition to responding to 786,607 phone and 30,602 electronic enquiries from the NSW public. By providing early advice to consumers and traders, we empower individuals and businesses to resolve marketplace disputes without the need for formal mediation or intervention.

## Most common complaint categories in 2016-2017

Complaint Category	Number
House construction	2,665
Tenancy	2,651
Used cars	2,576
Clothing & accessories	2,168
Furniture & furnishings	1,973
Whitegoods and appliances	1,931

We continued to incorporate the Better Trader Program into our complaints handling process. 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, 984 traders were being actively case managed.

## Complaints register reduces complaints

In August 2016, the NSW Fair Trading Complaints Register was publicly launched. It is the first of its kind in Australia.

The Register is published monthly and lists businesses that are the subject of 10 or more complaints to NSW Fair Trading in a calendar month.

The register enables consumers to make more informed purchasing decisions and provides an incentive for businesses to improve their customer service standards, including how they handle complaints. It is supported by key consumer advocates CHOICE, the NSW Customer Service Commissioner and the Consumer Action Law Centre, as well as the NSW Small Business Commissioner.

In the first nine months after collection of data for the register commenced on 1 July 2016, the number of complaints received by NSW Fair Trading fell by 15 per cent.



# Investigations



We implemented advanced data analytics initiatives during the year to support risk-based projects, investigations, outcome-focussed regulation and consumer protection projects. We undertook 1,822 investigations which resulted in the disqualification and/or cancellation of licences as part of disciplinary action and the issuing of Show Cause notices.

## Intelligence innovations

We have significantly improved our operational intelligence capabilities using Sentinel Field, a workforce mobile platform (Phone, Tablet, Web) that enables communication and management of staff in the field. This tool has connectivity to government and private sector data, facilitating the connecting of previously disparate and siloed information and supporting internal tactical, operational and strategic intelligence processes. It enables multijurisdictional operations to be run with management control and instantaneous multiple line of reporting with no impact on field based staff.

Together with the technical innovation of Sentinel Field, we have developed our people capabilities and analytical practices and methodology to become a lead agency in NSW marketplace regulation and intelligence.

Our inspection programs determine the level of compliance within key industries and professions. Using complaint data and marketplace intelligence, we identified those industries that have the greatest propensity to cause consumer detriment if left unchecked. This resulted in some successful outcomes for NSW consumers in 2016-17.

## Case 1: Protecting people from immigration fraud

A complex investigation, including strong collaborative effort between law enforcement agencies, led to the successful criminal prosecution of Sydney-based lawyer Edward Kang in a major immigration fraud case. As part of the fraudulent activities, Mr Kang was accused of operating a dodgy visa program which involved advertising sponsorship deals for permanent residency in Australia and charging international students tens of thousands of dollars for visas that never came to fruition.

Mr Kang was the sole director of companies used as part of the scam and sole director of the company consumers came to see about obtaining visas.

The case involved collaborative work between NSW Police, immigration officials, Australian Border Force and our agency including a simultaneous execution of search warrants at Mr Kang's home and workplace.

As investigators delved deeper into the matter and further evidence came to light, they uncovered hundreds of victims of the scam. Serious offences had occurred, including the fraudulent transfer of money between accounts and individuals signing contracts with a range of deceptive conditions. Through a diligent and persistent investigative approach, NSW Fair Trading became the last stop for some victims who became disillusioned after seeking help from other agencies. Mr Kang was charged and will serve 12 months in custody with a non-parole period of nine months to be served. Compensation totalling \$143,970 was paid to 11 consumers who were affected by the scam.

## Case 2: Tampering with vehicle odometers

The case of Vikram Lanka (trading as VL Autos) and Fadi Ahmad El Osman involved using the motor dealer licence belonging to another to purchase second hand vehicles. Mr El Osman then tampered with the vehicles' odometers and sold those vehicles to unsuspecting consumers for a substantial profit. The offences were investigated and El Osman was prosecuted for 31 Crimes Act offences, including fraud. Mr El Osman was sentenced to serve three years in full time custody, with a non-parole period of 12 months.

## Case 3: Impersonation of a NSW Fair Trading officer

In March 2016, a 74-year-old old Woodville pensioner was contacted by a person who identified himself as a NSW Fair Trading officer and providing a fictitious contact number. The caller claimed NSW Fair Trading won a court case against the Commonwealth Bank and as a result of court findings the victim was entitled to a refund/rebate of overpaid interest and fees. The caller indicated the victim was entitled to a rebate of \$11,600. Over the next seven days, the caller coerced the victim to deposit \$19,400 into NAB and Westpac accounts in the belief that he would receive a refund/rebate payment of \$31,000 by cheque personally delivered to his address. No payment has been received by the victim.

Investigators identified the victim's funds were transferred to Mumbai and shortly thereafter to a family residing in Victoria. The investigators travelled to Victoria and interviewed the recipients of the funds, who conceded they were not lawfully entitled to the money. Consequently, \$19,400 was refunded to the victim.

## Biofuels

On 1 January 2017, amendments to the *Biofuels Act 2007*, a new Biofuels Regulation (No.2) 2016 and changes to the Fair Trading Regulation 2012 commenced. The new laws were part of a package of NSW Government reforms to improve compliance with the 6% ethanol and 2% biodiesel mandate.

### E10 Fuel for Thought

To support achieving the mandate we developed a public education campaign which commenced on 29 May 2017. The campaign includes advertising across television, radio, billboard, online video, petrol pump and social media channels. The advertising directs consumers to the campaign website ([www.e10fuelforthought.nsw.gov.au](http://www.e10fuelforthought.nsw.gov.au)), the central information hub for the campaign.

At the centre of the campaign website is our E10 compatibility check - a quick, mobile-friendly and free online tool to search a cars' compatibility with E10 petrol.

# 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.com.au](http://www.fairtrading.com.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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**NSW Fair Trading**  
**13 32 20**  
**[fairtrading.nsw.gov.au](http://fairtrading.nsw.gov.au)**

**Language assistance (*ask for an interpreter in your language*)**

13 14 50

**TTY for hearing impaired**

1300 723 404

A stylized graphic in the bottom right corner, consisting of overlapping, rounded shapes that resemble a gear or a fan of leaves. The graphic is rendered in a lighter shade of blue than the background.