

Annual Report

2016–17



Letter to the Minister

Dear Minister,

In accordance with the *Australian Consumer Law and Fair Trading Act 2012*, the *Credit (Administration) Act 1984* and the *Veterans Act 2005*, I am pleased to present the Consumer Affairs Victoria Annual Report for the year ending 30 June 2017.

Yours sincerely,



Simon Cohen
Director, Consumer Affairs Victoria
Deputy Secretary, Regulation,
Department of Justice and Regulation



The Hon. Marlene Kairouz MP
Minister for Consumer Affairs,
Gaming and Liquor Regulation

Ordered to be published

Victorian Government Printer

October 2017

PP No 315, Session 2014-2017

Director's foreword

Consumer Affairs Victoria's Annual Report demonstrates our achievements in promoting a fair and competitive marketplace in Victoria during 2016–17.

This year, we have focused on ensuring businesses comply with consumer laws through an increasingly intelligence-led, risk-based and outcome-focused approach to our compliance work.

We have made stopping underquoting by real estate agents a high compliance priority, with a multi-faceted approach including market monitoring, inspections, investigations, enforcement action, new legislation and information dissemination. There are positive signs of a cultural change in the industry, and an increasing recognition of the harm of this practice.

We have taken significant steps in our pursuit of a digital first approach to delivering information to empower consumers and renters, and to provide our licensing and registration services.

For example, we launched our new responsive website in June 2017 with increased accessibility for consumers and businesses, in particular for those with vision impairments or language barriers. We also launched a new online tool to assist Victorians who are planning to build to find the right assistance. In addition, we continued the reform of our information technology systems, with the second phase of the myCAV project providing a contemporary platform for the new rooming house operator licensing scheme, and an easy online licence application process.

While our website and telephone information services meet the needs of most, it is increasingly important to make sure the most vulnerable Victorians can access information and advice to exercise their consumer rights. This year, we completed a review of our Tenancy and Consumer Program, resulting in a 30 per cent increase in funding and supporting 22 full-time equivalent tenancy workers across Victoria. We also commenced 10 additional full-time equivalent family violence financial counsellors as part of the Government's response to the recommendations of the Royal Commission into Family Violence. And we have funded Justice Connect to provide a new legal service to assist building owners who cannot resolve their disputes.



We launched a number of important new services to assist Victorians. Domestic Building Dispute Resolution Victoria was established in April 2017 to assist builders and home owners to resolve their disputes, without the cost and time often associated with courts and tribunals. To foster professionalism in the rooming house sector, we also commenced a new licensing scheme for rooming house operators, requiring anyone who owns, leases or manages a rooming house to pass a 'fit and proper person test'.

We have continued our substantial program of legislation reviews, including an examination of the *Residential Tenancies Act 1997*, consumer property laws and national consumer protection laws. We are indebted to the thousands of Victorians who have contributed to these reviews, which will inform the Government's preferred reform options.

The reason we have realised these and other achievements is that every officer at Consumer Affairs Victoria has a strong belief in the value of our work in protecting Victorian consumers and renters. Their work ethic and enthusiasm for continuous improvement have enabled us to deliver a significant and important program of reform. I am indebted to my colleagues for this commitment.

A handwritten signature in black ink, appearing to read 'S. Cohen'.

Simon Cohen
Director, Consumer Affairs Victoria
Deputy Secretary, Regulation,
Department of Justice and Regulation

Contents

Letter to the Minister	2
Director's foreword	3
About us	6
Our values	6
Our vision	6
Our goals	6
Our functions	6
Our regulatory approach	6
Our performance	8
Our achievements	9
Goal 1: Businesses are compliant with consumer laws	9
Goal 2: Victorians exercise their consumer rights	18
Goal 3: A fair and safe rental market	22
Goal 4: A modern and effective consumer law framework	26
Goal 5: A sustainable and innovative regulator	30
Financial information 2016–17	36
Appendix	38



Consumer Affairs Victoria is the state's consumer affairs regulator, operating within the national consumer protection framework. We are part of the Regulation Division of the Victorian Government Department of Justice and Regulation.

Our values

Department of Justice and Regulation promotes and embraces the values of:

- working together
- making it happen
- respecting other people
- serving the community
- acting with integrity.

These values are the basis for the way we do business and are demonstrated every day through the actions of our staff.

Our vision

A fair and competitive marketplace in Victoria.

Our goals

- Businesses are compliant with consumer laws
- Victorians exercise their consumer rights
- A fair and safe rental market for Victorians
- A modern and effective consumer law framework
- A sustainable and innovative regulator

Our functions

Our purpose is to help Victorians be responsible and informed businesses and consumers.

To do this we:

- provide information and advice to consumers, tenants, businesses and landlords on their rights, responsibilities and changes to relevant laws
- register and license certain businesses and occupations
- enforce and ensure compliance with consumer laws
- review and advise the Victorian Government on the consumer protection framework.

We provide administrative support to several statutory offices and bodies including the Business Licensing Authority, the Estate Agents Council, the Motor Car Traders Claims Committee and the Residential Tenancies Bond Authority.

Our regulatory approach

Our approach to regulation includes implementing and enforcing laws in order to steer the behaviour of regulated entities, with the objective of ensuring a safe and competitive Victorian marketplace, where businesses comply with laws and consumers exercise their rights.

Our regulatory approach is intelligence-led, risk-based and outcome-focused.

Our regulatory approach enables us to target the conduct which poses the highest risk to Victorians, while making the best use of our available resources.

Intelligence-led

A core element of our regulatory approach is the effective use of intelligence to inform decision making about how to manage key compliance laws.

Intelligence gathered in the course of our regulatory operations is supplemented by other sources, including national information shared among Australian Consumer Law (ACL) regulators, and from local councils, state regulators, law enforcement, and industry stakeholders, online forums and social media. For example, information provided from auditors' reports on estate agents trust accounts alerts us to businesses who may have problematic practices, so we can prioritise inspection activity.

We also receive a large number of reports from consumers about business conduct or potential breaches of the law. While we do not pursue all of these individually, we use them as an important source of intelligence that helps us assess risks and take action as appropriate.

Risk-based

Where possible, we aim to identify and treat risks before they lead to actual consumer harm.

Regulatory risks are market behaviours that:

- represent non-compliance with the laws we administer
- present potential or realised consumer harm
- have an impact on our ability to be an effective regulator
- require a regulatory response due to public concern.

We put our effort where it counts and target the areas of greatest risk and harm.

We monitor markets and use evidence to shape a targeted compliance program, focusing on those issues that pose the highest risk to Victorians. Levels of risk are determined according to evidence or likelihood of consumer harm. Risks can take many forms – for example, risks posed by:

- a particular product
- the conduct of an individual business
- a new or emerging business practice, or
- the conduct or business model of an entire industry.

Outcome-focused

We use a range of compliance tools, underpinned by a compliance strategy that ultimately seeks to affect market outcomes. We make decisions on compliance actions in order to achieve outcomes that deter unlawful conduct, and promote future compliance.

We take enforcement action to serve the public interest. We exercise discretion, focusing on actions that can bring beneficial outcomes to all consumers. We do not take action on behalf of individuals to obtain redress.

The nature of the problem and the desired outcome determine which compliance and enforcement tools we use. Our key objective is voluntary compliance, so whenever possible, our engagements with business will be for the purposes of compliance assistance and education.

However, when the issue is high-risk or requires urgent action to stop conduct, we may move straight to court action. For systemic issues, we may adopt a multi-faceted compliance strategy using several tools in combination, to target an entire industry.

Our performance



This section provides a report of our performance against targets specified in the Budget Paper Number 3 2016–17.

For budget purposes, outputs are defined as those goods and services provided to government by departments, agencies, statutory bodies and through funding provided to others, such as community agencies.

Table 1: Performance against targets for output measures

	Unit of measure	2014–15 Actual	2015–16 Actual	2016–17 Target	2016–17 Actual
Quantity					
Information and advice provided to consumers, tenants and businesses: through telephone service ¹	number	352,369	349,985	354,500	325,773
Information and advice provided to consumers, tenants and businesses: through other services including written correspondence, face-to-face and dispute assistance ²	number	129,430	123,309	124,300	114,176
Compliance activities, from compliance assistance through to court actions ³	number	11,344	9,774	9,600	9,075
Transactions undertaken: registration and licensing transactions	number	70,679	88,221	84,000	84,154
Transactions undertaken: Residential Tenancies Bonds Authority (RTBA) transactions	number	432,569	447,934	457,000	454,238
Quality					
Rate of compliance with key consumer laws	per cent		97.6	95	98.2
Timeliness					
Regulatory functions delivered within agreed time frames	per cent	90.5	95.7	93	93.8
Cost					
Total output cost ⁴	\$ million	119.1	115.3	126.3	134.4

1 The actual is lower than target due to a reduction in call volumes. This is in line with CAV's strategic intent to increase uptake of its digital services, thereby reducing the need for further telephone assistance.

2 The actual is lower than target due to increased complexity of financial counselling cases limiting the number of clients assisted by funded agencies, as well as decreases in written correspondence received by CAV.

3 The actual is lower than target as planned market monitoring activity was not required as a result of sufficient information being obtained to assure major investigations.

4 The actual is higher than target due to costs involved in the establishment of Domestic Building Dispute Resolution Victoria and higher than expected claims arising from the defalcation of estate agent trust funds.

Our achievements



Our achievements are presented under each of our corporate goals, providing data on our outputs and case studies highlighting our work.

Goal 1: Businesses are compliant with consumer laws

The key to achieving a fair and competitive marketplace is ensuring that businesses comply with consumer laws. We focus on achieving high levels of business compliance by working with industry and our partners. We continue to support businesses to be compliant and provide them with tools that support them to meet their obligations. Under our integrated, risk-based approach to compliance, we act quickly against those causing most harm, protecting consumers earlier, more efficiently and more effectively.

Highlights

In 2016–17 we used a range of regulatory tools to address poor conduct by businesses and significant breaches of consumer protection laws. Table 2 provides an overview of our actions in meeting this goal.

As part of our state-wide inspection program, we inspected more than 5,700 Victorian businesses across a range of industries, to promote and test compliance with key consumer protection laws.

We undertook a range of enforcement actions against businesses for unfair and illegal practices, achieving significant outcomes to better protect Victorians.

We responded quickly to emerging product safety issues, seizing more than 65,000 non-compliant products. Over 6,000 were destroyed including children's toys, household cots, portable swimming pools and monkey bikes.

Table 2: Compliance, registrations and licensing activities undertaken in 2016–17¹

	2014–15	2015–16	2016–17
Compliance			
Inspections	3,470	5,796	5,769
Investigations ²	161	152	105
Market monitoring activity ³	802	960	411
Businesses engaged through the Better Business Initiative	80	68	121
Parties to criminal proceedings, appeals and rehearings	21	18	18
Parties to civil proceedings	66	57	41
Parties signed to enforceable undertakings	17	11	22
Registrations and licensing⁴			
Annual returns, updates or cancellations processed for incorporated associations, fundraisers and co-operatives	36,243	55,826	51,157
Total registration and licensing transactions	70,679	88,221	84,154

- 1 Data in Table 2 varies between years based on our regulatory risk priorities, government policy, the nature of our compliance program and the cyclical nature of our integrated compliance approach.
- 2 The increased complexity of investigations in 2016–17, largely influenced by underquoting matters, resulted in lower volumes.
- 3 Market monitoring activity reduced in 2016–17 as a result of sufficient information being obtained to assure major investigations.
- 4 Registration transactions have increased since 2014–15 due to the introduction of the online portal myCAV, making it easier for incorporated associations to maintain their details.

Ethanol burners

In December 2016, Consumer Affairs Minister Marlene Kairouz and other state and territory consumer affairs ministers imposed an interim ban on the use of portable decorative ethanol burners in Victoria, after serious injuries were reported throughout Australia raising concerns about their safety. The ban applied to all tabletop devices and to certain freestanding devices that did not have specified safety features and warnings.

In response to this issue, our inspectors visited over 300 retailers, further promoting the important safety message, with retailers responding by voluntarily removing more than 1,000 decorative burners from sale.

The interim ban was critical in ensuring consumers' safety while a Commonwealth response was developed, resulting in a new national mandatory standard, which was introduced in July 2017.

Underquoting

Underquoting causes significant frustration and disappointment for potential buyers, and costs in time and money spent undertaking pre-purchase inspections for properties that they could never realistically afford.

Our inspection program continued to focus on estate agents' compliance with laws. We conducted 227 auction and underquoting inspections.

We took strong enforcement action when laws were not followed. The Federal Court of Australia found that estate agency, Hocking Stuart (Richmond) Pty Ltd ACN 080 596 603 had engaged in misleading and deceptive conduct, and made false and misleading representations in contravention of the Australian Consumer Law and Australian Consumer Law (Victoria). Our investigation revealed the agency had advertised price ranges lower than the expected selling price in the marketing of 11 properties in Richmond and Kew. The agency was penalised \$330,000 and agreed to pay costs of \$80,000.

Misuse of real estate trust account money

Buying or selling a home is the biggest financial transaction many people undertake in their lifetime, and most Victorians put their trust in an estate agent to sell their home. One of many protections for buyers and sellers under the *Estate Agents Act 1980* is the requirement for estate agents to keep money they receive on behalf of any other person in a separate trust account. Failing to handle trust account money appropriately may result in property owners being adversely affected and property purchases being delayed or failing, causing emotional and financial stress for those involved.

During 2016–17, we conducted 810 trust account inspections for compliance with laws and processed over 2,400 trust account audits.

In January 2017, we commenced criminal proceedings against Judy Nguyen, the sole director of JNT Law Investments Pty Ltd (in Liq) ACN 161 495 905 and an employee agent, Joseph Ngo, for alleged breaches of the *Estate Agents Act 1980* relating to trust account defalcations of over \$2 million.

JNT operated LJ Hooker franchises in Glen Waverley, Keysborough, Mount Waverley, Burwood, Doncaster and Box Hill.

We paid claims totalling more than \$2 million to property owners or purchasers who suffered loss as a result of these former LJ Hooker franchises. The Victorian Property Fund was established under the *Estate Agents Act 1980* to provide protections to consumers who suffer financial loss due to actions of an estate agent.

Upholding rooming house standards

Rooming house tenants are some of our community's most vulnerable people and rooming house minimum standards are in place to help protect them. These standards relate to privacy, security, safety and amenity in rooming houses.

This year we inspected 621 rooming houses across Victoria, to ensure they complied with rooming house minimum standards.

We took action against SLM Housing Pty Ltd ACN 155 513 992, formerly one of Victoria's largest rooming house operators, for offences primarily relating to rooming houses that failed to comply with minimum standards in residents' rooms, common areas and facilities. SLM Housing also failed to display signs advising residents of their rights.

In December 2016, SLM Housing was found guilty of 126 charges for failing to comply with requirements under the *Residential Tenancies Act 1997*, relating to a number of breaches of the minimum standards at 25 rooming houses it operated.

SLM Housing was convicted in the Broadmeadows Magistrates' Court and ordered to pay an \$80,000 fine, as well as legal costs totalling more than \$16,000.

Table 3: Registers administered by Consumer Affairs Victoria

	New applications lodged			Total on register		
	2014–15	2015–16	2016–17	2014–15	2015–16	2016–17
Estate agents	1,216	1,582	1,581	11,679	12,458	13,230
Motor car traders	149	154	158	2,127	2,111	2,056
Incorporated associations	1,980	2,126	1,837	39,665	40,577	41,212
Co-operatives	25	23	25	602	573	540
Fundraisers	938	980	631	2,265	2,091	2,029
Second-hand dealers and pawnbrokers	350	331	348	4,120	3,865	3,723
Patriotic funds	6	6	0	600	591	563
Limited partnerships	16	55	38	286	342	366
Conveyancers	92	99	92	768	820	877
Owners corporation managers	74	80	79	621	638	659
Retirement villages	12	14	13	426	439	447
Funeral service providers	10	10	14	424	434	448
Sex work service providers (licensees)	10	13	15	133	125	125
Sex work brothel managers	178	179	167	710	702	675

Enforcement actions

We took a range of enforcement actions in 2016–17. Actions completed or in progress at 30 June 2017 are outlined in the tables below.

Parties signed to enforceable undertakings

Legislation	Parties
Australian Consumer Law (Victoria)	Xi Lian Kaing CTM Australia Pty Ltd Michael Sklovsky Pty Ltd Michael Gregory Weigall Sklovsky Toby Lepoer Darvall
Australian Consumer Law (Victoria) and <i>Estate Agents Act 1980</i>	Hussein Saad Village Real Estate (Newport) Pty Ltd Martin John Rankin Jerry Caleca L & L Dardha Real Estate Pty Ltd O'Brien Real Estate Croydon Pty Ltd Next Gen Real Estate Pty Ltd Achilles Mantsos Superior Realty Pty Ltd Fadi Khoder Evangelos Nestor
Australian Consumer Law (Victoria) and <i>Estate Agents Act 1980</i> and <i>Residential Tenancies Act 1997</i>	Unilodge Australia Pty Ltd College House Management Pty Ltd
<i>Estate Agents Act 1980</i>	746 Student Services Pty Ltd

Court and tribunal matters

Prosecutions finalised

Legislation	Parties
Australian Consumer Law (Victoria)	Daniel Chung Keat Long Adnan Dennaoui Ezy Lite Pty Ltd Local Blue Pages Pty Ltd Les Papaioannou
<i>Australian Consumer Law and Fair Trading Act 2012</i>	Brendan Lansley
<i>Domestic Building Contracts Act 1995</i>	Lauren Kate Smith LKS Lifestyle Solutions Pty Ltd Andrew Michael Renn
<i>Estate Agents Act 1980</i>	Robert Eirweis Aldergate Nominees Pty Ltd Tracey Anne Smith
<i>Motor Car Traders Act 1986</i>	Mithila Domingo Melbourne Prestige Cars Pty Ltd Saleh Ibrahim
<i>Residential Tenancies Act 1997</i>	SLM Housing Pty Ltd

Civil proceedings (including disciplinary inquiry and appeals)

Legislation	Parties
Australian Consumer Law (Victoria)	John Stanley Heath ADG Windows Pty Ltd Illawong Retirement Group Pty Ltd Illawong Lakeside Retirement Pty Ltd Vladymir Martyniuk David James Donald Hocking Stuart (Richmond) Pty Ltd
<i>Conveyancers Act 2006</i>	Bonzi Group Pty Ltd Meganita Marranu
<i>Estate Agents Act 1980</i>	Michael Andrew John Hoban Joel Phillip Murray John Talia Secretary to the Department of Justice and Regulation v Century 21 Australia Pty Ltd LMG Commercial Property Services Pty Ltd Leo Mark Grogan
<i>Residential Tenancies Act 1997</i>	Ben Alexander Strachan HouseShare Melbourne Pty Ltd Strachan Research Pty Ltd

Administrative review

Legislation	Parties
On behalf of the Business Licensing Authority	
<i>Estate Agents Act 1980</i>	Colin Dixon Lawfords Real Estate Pty Ltd William Lawford Robert Wilkinson
<i>Second-Hand Dealers and Pawnbrokers Act 1989</i>	Aaron Ladner v Business Licensing Authority
<i>Sex Work Act 1994</i>	Anthony Booth v Business Licensing Authority
On behalf of the Motor Car Traders Claims Committee	
<i>Motor Car Traders Act 1986</i>	Lawpoint Mortgages Pty Ltd

Ongoing court matters as at 30 June 2017

Criminal prosecution

Legislation	Parties
<i>Conveyancers Act 2006</i>	Bonzi Group Pty Ltd Meganita Marranu
<i>Domestic Building Contracts Act 1995</i>	Cain Robert Padman
<i>Estate Agents Act 1980</i>	Ranelagh Realty Pty Ltd Helen Sly Melbourne Deluxe Real Estate Pty Ltd Paul Pfeiffer Judy Nguyen Joseph Ngo

Civil proceedings (including disciplinary inquiry)

Legislation	Parties
Australian Consumer Law (Victoria)	Fair Group Global Pty Ltd Fair Financial Pty Ltd Bluebell Conveyancing Australia Pty Ltd Anthony Lee Melbourne South Eastern Real Estate Pty Ltd Domain Register Pty Ltd The Reject Shop Ltd Annabelle Natalie Gibson Daiso Industries (Australia) Pty Ltd Origo & Co Pty Ltd Fletcher & Parker (Balwyn) Pty Ltd Manningham Property Group Pty Ltd Kenneth Chappell Anastasios Adgemis Big Aussie Deals Pty Ltd Steven Petkovski Tim Phan Inkerman Road Nominees Pty Ltd

Legislation	Parties
<i>Estate Agents Act 1980</i>	Bill Kaye & Co Pty Ltd Vassilios Kaimakamis Gull and Company Pty Ltd Dean Anthony Johnson Darren James Dean Property Express Pty Ltd Secretary to the Department of Justice & Regulation v Century 21 Australia Pty Ltd Peter Maxwell Simmons Bonds Real Estate Sales Pty Ltd Danielle Talia Sedinsi Pty Ltd Peter Daly The Sarain Pty Ltd Surinder Surain Peter Giannakidis Aaron McDonald
<i>Motor Car Traders Act 1986</i>	Wapshott Motors Pty Ltd
<i>Sex Work Act 1994</i>	Zhao Pan Lin Gao Joseph Molinari Josef Rutten

Administrative review

Legislation	Parties
<i>Estate Agents Act 1980</i>	Minh Thai
<i>Motor Car Traders Act 1986</i>	Hussain v Business Licensing Authority Andrew Blige v Business Licensing Authority

Goal 2: Victorians exercise their consumer rights

We empower Victorians to exercise their consumer rights by providing them with information and support. We continue to work with partner organisations to improve the information we provide, and to target groups with specialised information needs.

Highlights

In 2016–17, we provided information and advice to over 325,000 callers to our telephone service and responded to almost 60,000 written and online queries. Our social media presence continues to grow with over 36,500 Facebook likes and 9,487 Twitter followers.

In June 2017, we launched a new responsive website providing significant enhancements to usability and accessibility, and enabling seamless access from any device or platform.

Our digital first approach provides comprehensive web information that consumers, tenants and businesses can access about issues that affect them. In 2016–17, the CAV website received almost four million visits, an increase of about 500,000 on the previous year. This channel continues to be the most frequented by those accessing our services.

Our myCAV registration system allows over 41,000 registered incorporated associations to access and update their information online. This year incorporated associations made more than 52,000 online transactions.

While we provide the necessary information for consumers to resolve issues themselves, we recognise the importance of providing specialised services to Victorians in need of more intensive support. In 2016–17, over 400 consumers were assisted by the Consumer Advice and Assistance Program, our state-wide advocacy service, and over 31,000 were supported by our financial counselling service.

Table 4: Information, advice and assistance provided to consumers

	2014–15	2015–16	2016–17
Information and advice			
Calls answered	352,369	349,985	325,773 ¹
Advice provided to resolve disputes			
Disputes finalised	8,975	8,409	8,626
Digital			
Website visits	2,942,816	3,456,755	3,956,932
Letters and email contacts	59,432	62,669	59,525
Twitter followers	6,832	8,120	9,487
Facebook page likes	23,628	28,548	36,555
YouTube video views	411,456	52,526	72,488 ²
Community information			
Information sessions	931	831	946
Face-to-face or intensive assistance (funded community services)			
Victorians assisted under the Consumer Advice and Assistance Program	446	429	430
Clients assisted with financial counselling	34,453	34,139	31,106
MoneyHelp website visits ³	878,029	640,020	565,214

1 An increase in uptake of our digital services, with 500,000 more website visits in 2016–17, resulted in a reduced need for further telephone assistance.

2 YouTube views in 2015–16 and 2016–17 were largely organic; in previous years, views were increased through paid promotion when YouTube videos were promoted as a key part of campaigns, such as 'Stevie's Scam School.'

3 MoneyHelp is the website for the Victorian arm of the National Debt Helpline.

Show travelling con men the door

Travelling con men are dodgy tradesmen who knock on doors of homes and small businesses, offering to do maintenance work. They appear more frequently during warmer weather and after natural disasters such as floods, fires and storms, when vulnerable people are cleaning up or repairing their properties.

Travelling con men ask for cash before starting work and frequently disappear as soon as you pay them. If they do any work, it is often unfinished or of a poor standard. They move quickly and usually only give a first name and mobile number – so contacting them afterwards is difficult.

In October 2016, Consumer Affairs Minister Marlene Kairouz launched a campaign aimed at helping people identify and turn down travelling con men. The campaign, in partnership with Crime Stoppers Victoria, ran until March 2017 across TV, radio, print and social media. The message was simple: if you suspect a travelling con man is at your door, ask them to leave. If they refuse, they are breaking the law.

We work hard to educate Victorians to recognise and avoid travelling con men, and alert communities when travelling con men are in a particular area. Travelling con men often target vulnerable consumers and residents who speak little or no English, so key messages of the campaign were translated into eight languages.

David James Donald – a door-to-door salesman targeting elderly Victorians

We took successful court action against David Donald, the operator of a door-to-door Reservoir cleaning business. As a result of our action, he was restrained by the Supreme Court of Victoria from entering into unsolicited consumer agreements (including

door-to-door sales) in consumers' homes for a period of five years. He was ordered to pay \$10,000 in legal costs, \$1,950 in refunds to elderly consumers and \$1,512 in damages to one consumer. The court also ordered Mr Donald to pay a \$3,900 pecuniary penalty.

These consumers were among many elderly Victorians and their family members who contacted us about Mr Donald's high-pressure sales tactics and disregard for consumer protection laws relating to agreements made in consumers' homes.

New online tool – understanding the building process

Building or renovating your home can be complex. Victorians planning to build or renovate now have a handy addition to their tool kits.

In October 2016, we launched a new self-service online domestic building tool which streamlines access to building and renovating information to help people make informed decisions, understand their legal rights and obligations, and resolve issues such as defects or delays. The tool helps reduce the complexity in the building area, so that consumers can access clear, comprehensive and timely information in one place, enabling them to understand and assert their rights.

Users can find answers about their building needs, with the tool directing them to appropriate information on the Consumer Affairs Victoria, Victoria Building Authority, Victorian Managed Insurance Authority and Domestic Building Dispute Resolution Victoria websites.

Developed jointly by these agencies, the online tool helps consumers navigate insurance, consumer information, dispute resolution and the regulatory framework.

Topics include builder registration, contracts, insurance, plans and permits, information for owner-builders and advice on resolving problems.

Since its launch, over 20,000 people have utilised the tool.

Financial counsellors supporting family violence victims

In June 2017, Minister Kairouz visited Good Shepherd Youth and Family Service in St Albans, where family violence financial counsellors have so far supported 65 women living in Brimbank and Melton. Good Shepherd clients are dealing with a range of issues including abusive partners incurring fines and utility debts in their name.

Good Shepherd is funded as part of our new specialist family violence financial counselling service, which has helped almost 1,700 victims across Victoria since its launch in October 2016. This service is an extension of our existing Financial Counselling Program, which provided over 31,000 free, independent and confidential phone or face-to-face counselling sessions in 2016–17, delivered by community agencies across Victoria.

Family violence perpetrators can trap their victims in violent relationships by taking control of their finances, making them financially dependent on the abuser. The financial counsellors help vulnerable women access financial hardship programs and negotiate with creditors and debt collectors to protect assets from repossession.

Victoria is the first state government in Australia to fund financial counsellors specifically for family violence victims, an initiative that is already improving the lives of those who need it most.

Scam Savvy – if you have any doubt, don't

Unfortunately, scams continue to pose a risk to our community, especially to older Victorians.

We released a survey in June 2017 which showed nearly one in five older Victorians has fallen for a cyber scam. The survey found that 92 per cent of respondents received a scam invitation, with email the most common method of delivery. The Australian Competition and Consumer Commission (ACCC) also reported that people aged 55 and over made 45 per cent of all scam reports across Australia last year, losing almost \$26 million.

Scams cause both financial and emotional distress. To give older Victorians the tools to avoid online scams, we launched a new awareness campaign, in partnership with Crime Stoppers Victoria, the Council on the Ageing Victoria, and the Public Libraries Victoria Network. To get the message out, we advertised on Facebook, relevant websites, The Senior magazine, and culturally and linguistically diverse publications.

Older Victorians attended education sessions at their local public library and put their scam knowledge to the test through our Scams Quiz. More than 4,400 consumers completed the quiz this financial year, helping build awareness of how to be scam savvy.

Goal 3: A fair and safe rental market

As the Victorian regulator of residential tenancies, we work to achieve fair and safe rental housing in Victoria. Our priority is to ensure that the residential tenancy framework in Victoria is reflective of the modern marketplace to deliver best results for all in the accommodation sector. This includes increased collaboration with partners so that we can continue to improve our understanding of the needs of a modern market, and make positive changes across the sector more broadly.

Highlights

Residential tenancies continue to be one of the main reasons Victorians contact us. In 2016–17 we assisted 69,472 callers with residential tenancy matters and 77,847 callers to the Residential Tenancies Bond Authority (RTBA). The most viewed section of our website was renting, with 1.8 million visits, an increase of more than 300,000 visits compared to last year.

The number of bonds held in trust by the RTBA increased by almost 29,000 in 2016–17 to a total of over 622,000, and their total value exceeded \$1 billion for the first time. While bonds held continue to increase, telephone enquiries to the RTBA are decreasing, mostly due to tenants and landlords using our digital services to obtain information regarding their rights and responsibilities.

Table 5 provides more details about our activities related to residential tenancies in 2016–17.

Our review of the *Residential Tenancies Act 1997* continued and in April this year we launched a new licensing scheme for rooming house operators to better protect residents.

Table 5: Information, advice and service delivery to tenants, landlords and agents

	2014–15	2015–16	2016–17
Information and advice			
Website sessions – renting section	1,236,289	1,552,271	1,878,001
Calls answered – residential tenancies	73,791	69,365	69,472
Calls answered – RTBA	99,325	90,224	77,847
RentRight app downloads	16,591	6,567	7,780
Compliance			
Rooming house inspections (including repeat visits)	679	1,252	621
Rooming houses registered	1,129	1,157	1,184
Transactions			
Bonds lodged	228,955	236,971	241,489
Bond repayments	203,614	210,963	212,749
Bonds transferred	73,639	79,258	89,375
Bonds held	567,550	593,558	622,298
Value held	\$874 million	\$951 million	\$1.04 billion
Total transactions – RTBA	432,569	447,934	454,238
Face-to-face or intensive assistance			
<i>Funded community services</i>			
Tenants assisted under the Tenancy Advice and Assistance Program	6,267	5,758	6,186
Assessments			
Repair reports	936	916	948
Goods left behind	3,885	3,861	3,531
Rental reports	1,115	1,068	1,234

Residential Tenancies review

In 2015 we began a major review of the *Residential Tenancies Act 1997* to examine how well Victoria's rental laws work in the modern market. The review is examining issues across a broad range of areas including security of tenure, landlord and tenant rights and responsibilities, rent and bonds, property conditions, alternate tenures and dispute resolution.

The review aims to strike a balance between the rights and responsibilities of tenants and landlords to meet both their needs.

It will also support the improvement of housing outcomes for victims of family violence by implementing recommendation 116 of the Royal Commission with the Government's Family Violence Implementation Taskforce. A lack of financial security can jeopardise a victim's ability to maintain a safe and secure tenancy, and implementation of this recommendation – part of a suite aimed at promoting financial recovery for family violence victims – will help address this.

Consultation for the review involved comprehensive stakeholder engagement, including the release of discussion papers for public comment via a website <www.engage.vic.gov.au/fairersaferhousing> dedicated to engaging the public and enabling their input into the review. The main phase of consultation has now concluded. More than 4,800 public comments were received, including 508 written submissions. This input will inform the development of the government's reforms. The review is scheduled to conclude in 2018.

Long-term lease agreements

Families are the most common renters in Victoria and there are many who would benefit from a long-term lease arrangement in order to be able to lay down roots – to find a local job, enrol their kids in school and establish themselves in a community.

Many Victorians want the certainty and stability provided by a longer term tenancy agreement. Changes will be made to the *Residential Tenancies Act 1997* to cover leases for longer than five years with a new, optional long-term tenancy agreement to be developed in 2017.

Long-term leasing agreements are part of the Victorian Government's Homes for Victorians housing strategy and support the government's Plan for *Fairer, Safer Housing*, which committed to support longer-term leases between interested parties.

To support this, an online matching service is being developed to connect tenants and landlords who are interested in long-term leases.

New standards for rooming house operators

We commenced a new licensing scheme, with the *Rooming House Operators Act 2016* coming into effect in April 2017. This scheme will foster professionalism in the rooming house sector.

Rooming houses often attract the most vulnerable Victorians who are unable to obtain any other form of accommodation, including the long-term homeless and people in need of crisis housing. Residents often include single people on low incomes and a growing number of older women, international students and recently arrived migrants.

Anyone who owns, leases or manages a rooming house now has to be licensed and pass a ‘fit and proper person’ test. Significant penalties apply for anyone found guilty of operating without a licence, including jail terms of up to two years or a maximum fine of more than \$38,000 for individuals or \$190,000 for a body corporate.

Prior to the implementation of this new scheme, we engaged extensively with stakeholders and wrote to all registered rooming houses on a number of occasions. Information sessions for rooming house operators were also held.

We monitored and supported licensees through the application process with 99 licences approved by 30 June 2017.

Making renting simpler for our newest Victorians

In May 2017 we launched a new suite of online resources for culturally and linguistically diverse (CALD) communities, to increase awareness of their rental rights. First released in Dari, the animated videos have now been dubbed in Karen, Arabic and Swahili for the benefit of Victoria’s growing Iraqi, Syrian, Myanmar and Congolese communities, and are available on our website. The videos cover a range of important topics such as starting and ending a lease, bonds, repairs and condition reports.

To promote awareness of these new online tools, we worked with refugee and migrant settlement agency AMES Australia to share the videos with their clients.

This partnership – along with our presence at Refugee Week – helped us reach stakeholders and promote the translated videos to the right audiences. So far these videos have received over 900 views.

Standing up for Victorian renters and consumers

Our advocacy services were remodelled after an extensive review, which involved consultation with service providers and other stakeholders. The Tenancy and Consumer Program, which was launched in July 2017, targets financially disadvantaged Victorians and those experiencing family violence. The new program has four distinct components, providing:

- support to private tenants who are financially disadvantaged or victims of family violence, through the Tenancy Assistance and Advocacy Program
- expert tenancy legal advice and professional development for tenancy workers assisting private tenants, through the Tenancy Central Service
- assistance to vulnerable older Victorians living in retirement housing, through the Retirement Housing Assistance and Advocacy Program
- a consumer service that focuses on systemic and emerging consumer issues impacting vulnerable Victorians, through the Consumer Assistance and Advocacy Program.

In 2016–17 we supported over 6,600 vulnerable and disadvantaged Victorians through our tenancy and consumer advocacy services. With funding of these services increasing by over \$1 million in 2017–18, we aim to support more than 8,000 clients in the coming year.

Goal 4: A modern and effective consumer law framework

To be an effective regulator, our consumer law framework must continue to evolve with the changing market. We lead and participate in policy and legislative reviews, and work in partnership with other regulators and organisations, to ensure our consumer law framework supports a fair and competitive marketplace.

Highlights

We implemented new laws to address underquoting on properties for sale, with the implementation of the *Estate Agents Amendment (Underquoting) Act 2016* in May 2017.

The *Consumer Acts Amendment Act 2017* received royal assent in May 2017. This legislation will amend the *Associations Incorporation Reform Act 2012*, enabling the Consumer Affairs Minister to exempt an incorporated association or class of associations from annual financial reporting requirements if they are also registered with and reporting to another regulator. We intend to use this new provision to remove separate reporting requirements where incorporated associations are registered with the Australian Charities and Not-for-profits Commission.

Significant reforms to strengthen the domestic building consumer protection framework were introduced, with Domestic Building Dispute Resolution Victoria (DBDRV) commencing in April 2017.

We are currently considering stakeholder feedback in developing policy proposals arising from the Consumer Property Law Review to reform the *Owners Corporation Act 2006*, *Sale of Land Act 1962*, *Estate Agents Act 1980* and *Conveyancers Act 2006*.

Significant activity was undertaken in the review of the Australian Consumer Law and the *Residential Tenancies Act 1997*, which will continue in 2017–18.

We launched the Consumer Policy Research Centre, an independent and not-for-profit centre to research issues important to Victorian consumers and inform the development of policy and services.

Simplifying house prices for buyers

The *Estate Agents Amendment (Underquoting) Act 2016* took effect in May 2017, delivering on a government commitment to improve estate agents' practices.

The new laws include requirements for how estate agents estimate and advertise selling prices, ensuring prospective buyers are given clear information about comparable and recent property sales in the same area.

Under these changes, estate agents are now required to provide an information statement to prospective buyers, setting out the details of the three most comparable properties, the agent's estimated sale price and the median price for the suburb. Fines of more than \$30,000 and loss of sales commissions are among enforcement options intended to deter estate agents from the dodgy practice of underquoting.

We worked with industry stakeholders and the broader community to ensure the new laws were understood, including holding information sessions in consultation with the Real Estate Industry of Victoria, across the state, for real estate agents and their sales staff.

New services to help builders and building owners

For many home owners, building a house is the biggest project they will undertake; and for builders, these projects are their livelihood.

In April 2016, the *Building Legislation Amendment (Consumer Protection) Act 2016* was passed to strengthen the domestic building consumer protection framework. One of the key reforms was the establishment of Domestic Building Dispute Resolution Victoria (DBDRV). This free service has been established to help builders and home owners resolve their disputes, without the cost and time often associated with courts and tribunals.

DBDRV is an independent agency that conciliates disputes between builders and homeowners. Replacing Building Advice and Conciliation Victoria, DBDRV operates under a new legislative scheme, with expanded powers and a broader scope, including the authority to issue binding orders. These include orders to compel builders to fix or finish work, or force owners to pay their bills.

Under this new service, accredited and trained dispute resolution officers are assisted by independent building experts to help parties reach an agreed resolution. As a mandatory conciliation service, DBDRV aims to significantly reduce the number of claims submitted to other agencies, such as the Victorian Civil and Administrative Tribunal (VCAT).

Over 1,500 applications for DBDRV's dispute resolution service were received by 30 June 2017.

The Victorian Government also established the Domestic Building Legal Service (DBLS), a no-cost legal advice service for eligible Victorian domestic building consumers in need of special assistance. DBLS, which commenced in July 2017, is delivered by not-for-profit community legal centre Justice Connect, with the assistance of pro bono legal practitioners.

Driving evidence-based policy development for a fair marketplace

The Consumer Policy Research Centre launched in 2017 as an independent and not-for-profit centre. It will undertake research and policy development on consumer protection issues for the public benefit, and monitor grassroots consumer issues, focusing on disadvantaged consumers and regional and rural Victorians.

The Victorian Government has committed \$4.95 million of funding over four and a half years to the Centre, to research issues important to Victorian consumers and inform the development of policy and services. The Centre has engaged widely to formulate its research agenda and will shortly commence its research program.

Review of the Australian Consumer Law

In March 2017, Consumer Affairs Australia and New Zealand (CAANZ), a body of senior officials from consumer protection agencies, including Consumer Affairs Victoria, delivered its final report on the Australian Consumer Law review to consumer affairs ministers. This followed a year-long public review process drawing on feedback from consumers, businesses, advocacy groups, lawyers and other stakeholders.

The final report sets out a package of 19 proposed legislative reforms to strengthen and clarify the law to improve consumer wellbeing. These range from increasing the maximum penalties available for breaching the law, to making it easier for consumers to get refunds for faulty products. The report also sets out a forward program of research and policy work for consumer affairs agencies over the next four years.

Consumer affairs ministers around the country will respond to the report after considering it at the Legislative and Governance Forum on Consumer Affairs, held in August 2017.

Consumer Property Law Review

A sweeping review of consumer property laws has been underway since August 2015. The laws under review include the *Sale of Land Act 1962*, *Estate Agents Act 1980*, *Conveyancers Act 2006* and the *Owners Corporation Act 2006*. Each of these Acts affects the way people buy, sell and manage their property.

The review provided an avenue for Victorians to comment on how legislation governing these activities is working and where improvements could be made.

The first stage of the review was completed in 2016 and involved public consultation on three issues papers, with over 200 submissions and comments received. These covered matters relating to:

- the conduct of licensed estate agents, conveyancers and owners corporation managers
- the management of owners corporations
- the sale of land process.

The second stage of the review was completed in May this year and involved the release of three options papers, to which over 140 stakeholders responded. Feedback received on the options papers will assist government to determine what changes to consumer property laws should be pursued.

Table 6: Acts passed in 2016–17

Name	Date of royal assent
<i>Estate Agents Amendment (Underquoting) Act 2016</i>	2 November 2016
<i>Consumer Acts Amendment Act 2017</i>	10 May 2017

Table 7: Regulations commenced in 2016–17

Name	Date commenced
Retirement Villages (Contractual Arrangements) Amendment Regulations 2016	1 July 2016
Conveyancers (Qualifications, Experience and Fees) Amendment Regulations 2016	19 July 2016
Subordinate Legislation (Retirement Villages (Contractual Arrangements) Regulations 2006) Extension Regulations 2016	26 July 2016
Estate Agents (Retirement Villages) Regulations 2016	31 July 2016
Residential Tenancies Amendment Regulations 2016	30 September 2016
Residential Tenancies Further Amendment Regulations 2016	30 September 2016
Australian Consumer Law and Fair Trading (Code of Practice for Fuel Price Boards) Regulations 2016	30 November 2016
Motor Car Trader Amendment Regulations 2017	3 April 2017
Domestic Building Contracts Regulations 2017	22 April 2017 Reg 14: 26 April 2017 Reg 6: 1 August 2017
Rooming House Operators Regulations 2017	26 April 2017
Residential Tenancies Amendment (Notices to Vacate for Rooming Houses) Regulations 2017	26 April 2017

Table 8: Regulations revoked in 2016–17

Name	Date revoked
Estate Agents (Retirement Villages) Regulations 2006	31 July 2016
Domestic Building Contracts Regulations 2007	22 April 2017

Goal 5: A sustainable and innovative regulator

Efficient and effective internal operations are critical to our ability to be a modern and effective regulator. We continue working on new ways to develop our capability, technology and approach to collaborating with our partner agencies.

Highlights

We continued to implement a digital first approach with the launch of our new website in June 2017, adding new features and content which provides greater access for Victorians. We are also in the process of making significant enhancements to myCAV, the online portal for businesses who transact with us, which will be delivered later this year.

We continued our contribution to the Government's Regulation Reform Program to reduce red tape and improve regulatory practices.

Through effective management of our trust accounts, in accordance with relevant legislation, we allocated over \$26 million from the Victorian Property Fund to important affordable housing projects.

We enhanced our approach to collaboration with our regulatory stakeholders through the launch of a new partnership strategy.

Extending our capabilities through partnerships

We delivered on a commitment to develop mutually beneficial partnerships with organisations that extend our capabilities and embed partnerships as a core organisational tool.

Our new partnership strategy incorporates an annual Consumer Forum, a series of industry-specific reference panels, the development of stakeholder relationship plans and improved information management with our stakeholders.

The Consumer Forum brings together a number of organisations representing the interests of consumers, to develop a set of recommendations for us to consider when developing our annual priorities for the coming year. To ensure that consumer organisations are properly represented, an independent consumer industry representative was appointed to co-chair the forum. This was further supported by a working group to assist in the development of an agenda and key issues to be discussed at the Forum. Work is currently underway on the second Consumer Forum, to take place in late 2017.

In 2016–17, the first two of the reference panels were piloted, covering real estate and funded services. These reference panels brought together key industry participants in the areas of the sale of land and funded service delivery.

In the coming year we will continue work on the development of further reference panels, stakeholder relationship plans and better management of stakeholder information and engagement.

myCAV

We are committed to delivering a digital first approach to the way we transact and interact with Victorian businesses and consumers. In 2015 we launched myCAV, our web-based, online transaction portal for incorporated associations to manage their obligations, such as updating contact details and lodging annual statements.

During 2016–17 significant development activity was undertaken on myCAV to expand it to other schemes we regulate. In 2017 we launched myCAV for the new rooming house operators licensing scheme, and progressed further expansion of myCAV for estate agents. When launched in late 2017, it will provide access to over 13,000 licensed estate agents, enabling them to instantly transact with us.

Our new website

We launched our new responsive website in June 2017, enabling seamless access from any device or platform. The website is now more accessible for consumers and businesses, but in particular people with vulnerabilities such as vision impairment or language barriers.

The major advantages of the new design include:

- a new 'Listen' button on most pages which allows users to hear the text from the page being read to them, assisting readers with low vision, literacy or cognition
- an updated and simplified home page, highlighting our most commonly used links
- a responsive design and improved navigation, search features and streamlined menus

- the ability for us to post alerts across the top of pages for important information
- new 'What the law says' modules highlighting a short piece of text from a relevant Act. This allows web users to quote the Act to another party without searching through pages of legislation.

New online resources for international students

To help international students access the information they need, we created an international students landing page on our website, providing comprehensive accommodation advice, from prior to arrival in Australia through to renting, condition reports, bonds and notices to vacate. Promoted through regular appearances on our home page, the new landing page includes information and links to our award winning RentRight app, and is translated into 22 languages.

We worked in partnership with the City of Melbourne, who promoted the landing page to international students through their accommodation brochure, available in hard copy and on their website. The City of Melbourne distributed the brochure to over 15,000 international students via welcome kits provided at the Melbourne Airport welcome desk and throughout their networks.

We organised for other education providers to post information about our new landing page on their websites, including private colleges, which international students are more likely to attend. This landing page has had more than 5,400 views since its launch in December 2016.

Reducing red tape

In June 2016 the Minister for Consumer Affairs issued a reducing red tape Statement of Expectations to Consumer Affairs Victoria and the Business Licensing Authority for 2016–17, which is an extension of the Statement that was in place for the previous two financial years. This Statement sets out the Minister’s expectations of our continued contribution to the Government’s Regulation Reform Program to reduce red tape and improve regulatory practices.

The Statement encouraged us to continue with our risk-based approach to regulation and to identify key areas of governance and operational performance where there are opportunities to make improvements that reduce the cost of regulation for business, not-for-profit organisations, government service providers and households.

The projects identified as part of the Statement fall under three broad objectives:

Increased accountability and transparency

To better inform business and consumers about our regulatory approach to risk, enforcement and regulatory action, we released our new Regulatory Approach and Compliance Policy in July 2017. This policy sets out how we ensure compliance with consumer laws and make regulatory decisions. It provides the public with clear information on the objectives and decision-making principles that guide our compliance and enforcement activity.

Improved timeliness

We developed an online tool to assist consumers who are building or renovating to find the information they need quickly and easily. The tool takes consumers through a question tree to ascertain which stage they are at in the building process, and direct them to the information that they require. See page 20 to read more about this tool.

We made it simpler for private landlords to submit residential tenancy bonds to the Residential Tenancies Bond Authority (RTBA). Enhancements to the RTBA Online transactional website have enabled private landlords to access this system to submit bonds via electronic funds transfer.

Reducing the cost of compliance for small business

Domestic Building Dispute Resolution Victoria (DBDRV) commenced in April 2017, delivering on the commitment to reduce the delays and costs for builders and consumers in relation to resolving disputes. DBDRV can issue binding orders when conciliation does not resolve the matters in dispute. Mandatory dispute resolution and binding dispute resolution orders will help to resolve building disputes faster and more affordably. The new service should significantly reduce the delays, costs and stresses typically associated with formal tribunal or court legal proceedings. See page 27 for more about DBDRV.

Trust funds managed by Consumer Affairs Victoria

We manage eight funds established by Acts of Parliament. The funds, and their expenditure purpose are reflected in Table 9.

Table 9: Trust funds administered by Consumer Affairs Victoria

Trust fund	Expenditure purpose
Domestic Builders Fund	Administration of the <i>Domestic Building Contracts Act 1995</i> , costs relating to the VCAT Domestic Building List and Domestic Building Dispute Resolution Victoria.
Motor Car Traders Guarantee Fund	Administration of the <i>Motor Car Traders Act 1986</i> , guarantee fund claims.
Residential Bonds Investment Income Account	Administration of the Residential Tenancies Bond Authority.
Residential Bonds Account	Bonds held on trust, repayment of bonds.
Residential Tenancies Fund	Administration of the <i>Residential Tenancies Act 1997</i> , costs relating to the VCAT Residential Tenancies List.
Sex Work Regulation Fund	Administration of the <i>Sex Work Act 1994</i> .
Victorian Consumer Law Fund	Administration of the <i>Australian Consumer Law and Fair Trading Act 2012</i> Part 7, Division 2, s.102A to E, orders for payment to non-party consumers, special purpose grants.
Victorian Property Fund	Administration of the <i>Estate Agents Act 1980</i> and other real estate related legislation as permitted by s.75 of the Act, grants relating to property and housing as permitted by s.76(3) of the Act, operation of the Estate Agents Council, trust fund claims, costs relating to the VCAT Owners Corporation List.

Grants from the Victorian Property Fund in 2016–17

The *Estate Agents Act 1980* allows the Minister for Consumer Affairs to make grants from the Victorian Property Fund (VPF) for the purposes specified in section 76(3) of the Act.

The Minister makes her decision on grants after consultation with the Estate Agents Council, Consumer Affairs Victoria and any industry associations, government departments and other organisations as appropriate.

We are responsible for administering the VPF grants program, which includes evaluating grant applications, making recommendations regarding proposals to the Minister, and administering the grants awarded.

To improve sector awareness of VPF housing funding opportunities, this year the Minister authorised the introduction of annual grant funding rounds for housing development projects, with the first round held in 2016–17. The funding rounds make VPF housing grant opportunities more transparent and open

to competition, enabling project proposals to be assessed together on the basis of competing merit. The funding rounds also allow better targeting of VPF housing funding to government housing priorities.

Each funding round consists of two stages, involving an initial expression of interest process followed by invitations for formal applications. The first round targeted community housing organisations who develop and manage long-term community housing in Victoria. Four new housing grants were awarded totalling \$14.9 million. The grants will fund six development projects that are expected to add 84 housing units.

In 2016–17, the Minister approved a total of six grants from the fund, totalling over \$26.4 million. These are outlined in Table 10.

Value is reported exclusive of GST, representing the net cost to the fund.

Expenditure shown in the financial information section of this report reflects part payment of these grants plus payments made in 2016–17 for grants approved in previous years.

Table 10: Grants made from the Victorian Property Fund in 2016–17

Recipient	Description of funded program	Value (ex GST)
Rural Housing Network	Affordable Housing Developments at Wodonga and Shepparton	\$1,173,900
Wintringham Housing	Affordable Housing Development at Heathcote	\$795,000
Port Phillip Housing Association	Affordable Housing Redevelopment at City Gate Apartments St Kilda	\$8,000,000
Housing Choices Australia	Affordable Housing Developments at Newport and Dandenong	\$4,952,100
Heritage Victoria	Boost to Living Heritage Grants Program 2016–19	\$1,500,000
Director of Housing	Rooming House Upgrades 2016–19	\$10,000,000
Total		\$26,421,000



	Victorian Consumer Law Fund	Domestic Builders Fund	Motor Car Traders' Guarantee Fund	Residential Bonds Investment Income Account	Residential Tenancies Fund	Sex Work Regulation Fund	Victorian Property Fund	Trust Funds total 2016–17	Consumer Affairs Victoria appropriations & other 2016–17	Consumer Affairs Victoria total output 2016–17
Consumer Affairs Victoria Revenue										
Revenue recognition, Estate Agent and Conveyancer trust accounts							23,839,207	23,839,207		23,839,207
Revenue recognition, Residential Tenancy Bonds				25,905,955				25,905,955		25,905,955
Appropriations : Consumer Affairs Victoria									27,536,032	27,536,032
Fees income		449,618	3,507,090		2,951,103	911,528	6,302,995	14,122,334	2,580,926	16,703,260
Interest income	23,956	390,017	51,310	2,499,003	1,878,665	13,739	17,605,121	22,461,811		22,461,811
Transferred from the Victorian Building Authority ¹		12,354,206						12,354,206		12,354,206
Grants received and other revenue	30,000	5,380	5,512	1,075	2,031	939	417,854	462,791	2,279,572	2,742,363
Recoveries related to claims previously paid			33,093					33,093		33,093
Penalty income	351,500		37,233		6,766	34,150	43,413	473,062		473,062
Transfers				(10,500,000)	24,200,000	700,000	(13,700,000)	700,000	(700,000)	–
Total CAV Revenue	405,456	13,199,221	3,634,238	17,906,033	29,038,565	1,660,356	34,508,590	100,352,459	31,696,530	132,048,989
Consumer Affairs Victoria Expenditure										
Audit services				19,000				19,000		19,000
Claims on consumer guarantee funds			294,720				3,114,611	3,409,331		3,409,331
Contractors, consultants and professional services		1,167,255	72,104	442,121	932,492	31,376	2,380,433	5,025,781	1,107,823	6,133,604
Departmental governance and support costs									4,972,241	4,972,241
Employee related costs		6,980,481	1,681,975	1,872,014	9,695,976	1,120,399	9,687,837	31,038,682	9,461,610	40,500,292
Grants paid	100,000	3,441,118			16,333,354	13,056	28,702,190	48,589,718	1,477,132	50,066,850
Information technology		319,585	53,432	54,035	318,440	34,047	281,145	1,060,684	815,240	1,875,924
Occupancy costs		346,519	64,667	55,664	193,360	21,104	184,702	866,016	3,800,495	4,666,511
Other operating costs		1,334,893	355,116	558,665	2,177,914	123,629	1,257,782	5,807,999	2,046,573	7,854,572
Outsourced contracted costs				6,188,152				6,188,152	8,781,271	14,969,423
Total CAV Expenditure	100,000	13,589,851	2,522,014	9,189,651	29,651,536	1,343,611	45,608,700	102,005,363	32,462,385	134,467,748²
Trust Funds, opening equity 1 July 2016	1,390,516	22,822,536	2,929,740	9,570,141	36,849,021	1,004,584	422,457,119	497,023,657		
Current year operating surplus /(deficit)	305,456	(390,630)	1,112,224	8,716,382	(612,971)	316,745	(111,100,110) ³	(101,652,904)		
Trust Funds, closing equity 30 June 2017	1,695,972	22,431,906	4,041,964	18,286,523	36,236,050	1,321,329	311,357,009	395,370,753		

¹ Domestic Building Dispute Levy and Registration Fees

² CAV Total Output for 2016–17 was \$134,467,748 (the CAV 2015–16 Output was \$115,257,567)

³ Victorian Property Fund operating surplus /(deficit) includes \$100 million paid to DTF as part of the VPF \$200 million contribution to its housing initiatives

Appendix

The list below details the legislation administered by Consumer Affairs Victoria as at 30 June 2017:

Associations Incorporation Reform Act 2012

Australian Consumer Law and Fair Trading Act 2012

Business Licensing Authority Act 1998

Business Names (Commonwealth Powers) Act 2011

Chattel Securities Act 1987 except Part 3 (administered by the Minister for Roads)

Company Titles (Home Units) Act 2013

Consumer Credit (Victoria) Act 1995

Conveyancers Act 2006

Co-operatives National Law Application Act 2013

Credit Act 1984

Credit (Administration) Act 1984

Credit (Commonwealth Powers) Act 2010

Domestic Building Contracts Act 1995 – except Part 5 (administered by the Attorney General)

Estate Agents Act 1980

Fundraising Act 1998

Funerals Act 2006

Goods Act 1958

Motor Car Traders Act 1986

Owners Corporations Act 2006

Partnership Act 1958

Residential Tenancies Act 1997:

- Sections ss.23A–25, 27, 32, 33, 45–48, 74–77, 82, 90, 91, 91 A, 102, 102A, 103, 104(1), 104(4), 104(5), 104(6), 105(2), 105(2A), 105(3), 124, 128, 130–134, 141–142B, 142D–212, 213AA–215, 230, 232–234, 241, 277, 289A, 291–327, 329–333, 335–339, 341, 343–366, 373–376, 385, 388, 388A, 390, 390A, 395–398, 399A–439M, 480, 486–499, 501–504, 505A–510C and 511;
- Section 66(1) jointly administered with the Minister for Housing
- The RTA is otherwise administered by the Attorney General, Minister for Housing and the Minister for Planning.

Retirement Villages Act 1986

Rooming House Operators Act 2016

Sale of Land Act 1962

Second-Hand Dealers and Pawnbrokers Act 1989

Sex Work Act 1994

Subdivision Act 1988:

- Part 5
- Section 43 (insofar as it relates to part 5)
- The Act is otherwise administered by the Minister for Planning

Travel Agents Repeal Act 2014

Veterans Act 2005:

- Part 4 (the Act is otherwise administered by the Minister for Veterans)

Warehousemen's Liens Act 1958

Consumer Affairs Victoria acknowledges the Aboriginal and Torres Strait Islander people as the Traditional Custodians of the land. The department also acknowledges and pays respect to their Elders, past and present.

Authorised and published by the Victorian Government, 1 Treasury Place, Melbourne.

October 2017

ISBN: 978 1 921079 83 2

Unless indicated otherwise, this work is made available under the terms of the Creative Commons Attribution 4.0 International licence. To view a copy of this licence, visit creativecommons.org/licenses/by/4.0. It is a condition of this Creative Commons Attribution 4.0 Licence that you give credit to the original author, who is the State of Victoria.

Accessibility

If you would like to receive this publication in an accessible format, please visit consumer.vic.gov.au or call 1300 55 81 81.

Printed by Doculink, Port Melbourne
on 100% recycled paper.

October 2017

