Annual Report
2017–18

CONSUMER AFFAIRS VICTORIA

Letter to the Minister

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

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 2018.

Yours sincerely,

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

Director's foreword

The mission of Consumer Affairs Victoria is a clear one – to promote a fair and competitive Victorian marketplace.

Our approach to this mission is to ensure businesses comply with consumer laws, and empower consumers to exercise their rights.

This year, we have continued to make it easier for businesses that do the right thing, while zeroing in on those that deliberately disregard consumer laws.

We implemented a new case management system that has made it easier for estate agents to apply for a licence and keep up to date with their regulatory obligations. And we finalised new laws and administrative arrangements to end double-reporting for incorporated associations that are also registered charities.

We completed a number of important court matters, from civil cases focusing on product safety and estate agent underquoting, to criminal prosecutions of estate agents who misappropriate trust money. These cases demonstrate our increasing capability to identify, investigate and prosecute businesses that harm consumers.

We have increased our efforts to assist consumers, providing better digital information for all Victorians, while enhancing our services for those who are in vulnerable circumstances.

Our new website, responsive to all digital devices, was accessed more than 3.6 million times. And we delivered a diverse range of information campaigns targeting scammers – from raising awareness for senior Victorians through library education sessions across the state, to our Australian Tax Office scam warning, which reached an estimated audience of over 5 million people.

And we provided, through community-based service organisations, intensive assistance to over 40,500 vulnerable and disadvantaged

Victorians, with funding of our tenancy and consumer advocacy services increasing by more than $1 million this year.

We also have an important role in making the private rental sector safe and fair.

This year, we supported the Business Licensing Authority to implement new 'fit and proper person' laws requiring the licensing of all rooming house operators, with more than 860 licences approved.

We continued our review of the *Residential Tenancies Act 1997*, and supported the Government to introduce in the Parliament new long-term tenancy laws to increase security for both tenants and landlords.

And the Minister approved more than $27 million in grants from the Victorian Property Fund, administered by Consumer Affairs, for 9 community housing developments providing 229 additional houses and apartments for low-income and other vulnerable Victorians.

This annual report again reflects the commitment and passion of the Consumer Affairs team to deliver high-quality and relevant services to the community. I am indebted to them for their commitment and drive to keep things fair for every Victorian.

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

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About us

Consumer Affairs Victoria (CAV) is Victoria's consumer affairs regulator, operating within the national consumer protection framework. We are part of the Regulation Division of the Department of Justice and Regulation (DJR).

Our values

DJR 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 comply 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

We help Victorians be responsible and informed businesses and consumers.

To do this we:

- provide information and advice to consumers, renters, businesses and rental providers on their rights, responsibilities and changes to relevant laws
- register and license certain businesses and occupations
- enforce 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 regulatory approach is intelligence-led, risk-based and outcome-focused. It enables us to target the conduct which poses the highest risk to Victorians, making the best use of our available resources. Our compliance operating model ensures that the approach is embedded in our day-to-day work.

Intelligence-led

A core element of our regulatory approach is the effective use of intelligence to inform decision making.

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 organisations, industry stakeholders, online forums and social media. For example, information provided from auditors' reports on estate agent trust accounts alerts us to businesses that may have problematic practices, allowing us to prioritise inspection activity.

We also receive a large number of reports from consumers and their representatives 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. Risks can take many forms, including risks posed by:

- a particular product
- the conduct of an individual business
- a new or emerging business practice
- 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 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 approach we use. Where appropriate, we seek voluntary compliance.

Importantly, we have a full range of tools, including civil and criminal actions, infringements and public warnings to hold businesses to account for deliberately unlawful conduct, and to protect the Victorian community.

Our performance

This section provides a report of our performance against targets specified in the Budget Paper Number 3 2017–18.

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	2015–16 Actual	2016–17 Actual	2017–18 Target	2017–18 Actual
Quantity					
Information and advice provided to consumers, tenants and businesses: through telephone service[1]	number	349,985	325,773	325,800	304,048
Information and advice provided to consumers, tenants and businesses: through other services including written correspondence, face-to-face and dispute assistance	number	123,309	114,176	114,300	118,309
Compliance activities, from compliance assistance through to court actions	number	9,774	9,075	9,600	9,584
Transactions undertaken: registration and licensing transactions[2]	number	88,221	84,154	86,700	93,186
Transactions undertaken: Residential Tenancies Bond Authority (RTBA) transactions	number	447,934	454,238	469,000	461,137
Victims of family violence assisted with financial counselling[3]	number			2,250	2,421
Dispute resolution services provided by Domestic Building Dispute Resolution Victoria[4]	number			3,000	5,981
Quality					
Rate of compliance with key consumer laws	per cent	97.6	98.2	95	99.3
Timeliness					
Regulatory functions delivered within agreed time frames	per cent	95.7	93.8	93	97.7
Cost					
Total output cost	$ million	115.3	134.4	139.7	140.6

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 above target due to an increase in registration activity and estate agent transactions, in part as a result of making electronic transactions simpler through myCAV.

3 The actual is above target due to demand exceeding initial forecasts for this new service.

4 The actual is above target due to demand far exceeding initial estimates for this new service.

Our achievements

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

Goal 1: Businesses comply 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 relevant industry bodies and other partners. We continue to support businesses to be compliant and provide them with information and publications to help them meet their obligations. Under our integrated, risk-based approach to compliance, we aim to act quickly against businesses and organisations causing most harm, so as to protect Victorian consumers before there is significant detriment.

Highlights

In 2017–18, 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.

We integrated new underquoting laws brought about by the *Estate Agents Amendment (Underquoting) Act 2016* into our ongoing compliance program.

The Federal Court decision in our case against Fletcher and Parker (Balwyn) Pty Ltd was a strong endorsement of our approach and the $880,000 penalty was a state record for underquoting.

We made it easier for businesses to comply with their obligations, with our online licensing and registration system, myCAV, expanded to include estate agents. We also introduced new legislation enabling the Minister for Consumer Affairs 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 (such as the Australian Charities and Not-for-profits Commission).

We continued our work on our digital-first approach, implementing a responsive website to engage and enable Victorian businesses and consumers to access easy-to-understand information on a range of devices and platforms.

When products posed a risk to consumers and children, we responded quickly by inspecting or removing them. We conducted 1,117 inspections, leading to the removal of more than 60,000 unsafe items from sale.

Table 2: Compliance, registration and licensing activities undertaken[1]

	2015–16	2016–17	2017–18
Compliance			
Inspections	5,796	5,769	5,972
Investigations[2]	152	105	71
Market monitoring activity[3]	960	411	456
Businesses engaged through the Better Business Initiative	115	121	121
Parties to criminal proceedings, appeals and rehearings	18	18	6
Parties to civil proceedings	57	41	35
Parties signed to enforceable undertakings	11	22	8
Registration and licensing			
Annual returns, updates or cancellations processed for incorporated associations, fundraisers and co-operatives	55,826	51,157	55,217
Total registration and licensing transactions[4]	88,221	84,154	93,186

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 after 2015–16, largely influenced by underquoting matters, resulted in lower volumes.

3 Market monitoring activity reduced after 2015–16 as a result of sufficient information being obtained to assure major investigations.

4 Registration activity and estate agent transactions have increased, in part as a result of making electronic transactions simpler through myCAV.

Making it easier to comply

We are committed to making it easier for Victorian businesses to interact with us, comply with laws and not be burdened with unnecessary red tape.

Following the successful implementation of myCAV, which enables incorporated associations to manage their responsibilities online, we are creating a single, modern information technology system to support all of our regulatory functions and the function of the Business Licensing Authority. The rooming house operator licensing scheme commenced on myCAV in April 2017, and the system was further expanded this financial year for estate agents.

myCAV is being used extensively by incorporated associations: more than 6,500 new incorporated associations have registered since it launched in March 2015, and more than 290,000 transactions have been processed. Similarly, myCAV has been widely accepted by estate agents and rooming house operators, with more than 32,500 transactions processed since its launch to these groups.

The charitable and not-for-profit sector provides a vital social and economic contribution to Victoria. We are committed to identifying opportunities to reduce unnecessary red tape so that charities and not-for-profits can focus their time and resources on fulfilling their community and social purposes.

We introduced new legislation enabling the Minister for Consumer Affairs to exempt incorporated associations or a class of associations from annual financial reporting requirements if they are also registered with and reporting to another regulator. From 1 July 2018, we will use this new provision to remove separate reporting requirements where incorporated associations are registered with the Australian Charities and Not-for-profits Commission.

Our new responsive website

We launched our new responsive website in June 2017, enabling seamless access from any device.

Our website is now more accessible for consumers and businesses using mobile devices, resulting in significant behaviour change: mobile users are spending significantly longer on the website. Since its launch, content is easier to find, with improved search functions and metadata improvements.

The website provides education, advice and self-help information resources in a range of formats that are easy to find, understand and act on. In addition to text content, the use of video, icons and other visual tools help consumers understand their rights and responsibilities, and businesses to understand what they have to do to comply with the law.

Considering the breadth of our online visitors, the website provides assistance in 28 languages other than English, including translated video content and Readspeaker (text to speech software) for those with low literacy, learning disabilities or those who speak but may not necessarily read in English.

We seek to understand the customer experience, by listening to and acting on feedback. We have worked to implement a series of recommendations to improve customer satisfaction with the website and enable self-help where appropriate. Our improved online tool suite includes decision tree functionality and quizzes. Its new search capability has been tested with real users to support a digital-first approach.

Underquoting

We integrated into our ongoing compliance program the new underquoting laws in the *Estate Agents Amendment (Underquoting) Act 2016*.

We tested compliance with the new laws through our spring 2017 and autumn 2018 auction monitoring campaigns, during which we monitored the marketing of 100 properties. We also checked estate agents' compliance with the new requirements relating specifically to statements of information, with over 100 statements assessed for compliance this financial year.

We worked with the Real Estate Institute of Victoria to share the changes with their members, and connected with all licensed estate agents through direct mail, SMS, online newsletters and social media about the new laws. We partnered with Realestate.com.au (who are a part of REA Group), the leading real estate platform in Australia, to deliver original, bespoke content to first home buyers actively looking to purchase properties. REA Group created and promoted two videos and articles that shared the new underquoting laws through contextual case studies.

We took strong enforcement action when laws were not followed. The Federal Court of Australia found Fletcher and Parker (Balwyn) Pty Ltd engaged in misleading or deceptive conduct, and made false or misleading representations about the sale of land. Our investigation revealed the agency had marketed and negotiated the sale of 22 residential properties throughout 2015, knowing the vendors would not sell for a price within the listed range, or properties were unlikely to sell for the listed price.

The $880,000 penalty was a state record for underquoting. Fletcher and Parker was also ordered to undertake a compliance program, publish adverse publicity notices about its illegal conduct and pay our legal costs.

Misuse of real estate trust account money

Buying or selling a home is the biggest financial transaction many people undertake in their lifetime. When selling, most Victorians put their trust in an estate agent. One of many protections for buyers and sellers under the *Estate Agents Act 1980* is the requirement for 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 2017–18, CAV conducted 807 trust account inspections for compliance with laws and processed over 2,900 trust account audits. When discrepancies were identified, we acted quickly.

We issued criminal charges 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 breaches of the Act relating to misappropriation of trust money. JNT operated LJ Hooker franchises in Glen Waverley, Keysborough, Mount Waverley, Burwood, Doncaster and Box Hill.

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

Mr Ngo entered a guilty plea in July 2017 to various charges and on 15 March 2018, was found guilty and sentenced to five years' jail with a minimum term of three years. He must also repay the VPF the amount it paid out due to his offending. Ms Nguyen's trial is scheduled to begin in April 2019.

Dangerous products removed from shelves

We removed thousands of dangerous and unsafe products from Victorian shelves, following inspections in the lead-up to Christmas. Through November and December, we conducted more than 400 inspections, leading to the seizure of over 3,200 unsafe products.

This inspection program came a week after the Federal Court of Australia issued a $1 million penalty to retailer Daiso Industries (Australia) Pty Ltd, which was found to have supplied, offered to supply or possessed goods that did not comply with mandatory product safety and information standards, in contravention of the Australian Consumer Law. A cross-jurisdiction investigation, involving our counterparts in New South Wales and Queensland, led to the seizure of more than 6,500 non-compliant products from 15 Daiso stores, including seven stores in Victoria.

Compliance monitoring framework wins award

Our commitment to effective compliance monitoring through our Project Jupiter initiative was rewarded this year at the Department of Justice and Regulation's Risk and Resilience Awards.

The awards recognise projects that actively apply best practice to manage risk or increase resilience, and provide insights into practical ways of addressing these challenges. This project was chosen from a competitive field of nominees across the department, and is a great example of the drive and commitment of our staff to efficiency, innovation and collaboration.

Through Project Jupiter, we established a robust framework for monitoring and enforcing court orders against and undertakings by businesses who have breached consumer law. An enforceable undertaking is a written undertaking offered by a business that admits breaching a consumer protection law, confirming they have stopped and will not repeat the conduct. They are often more efficient and effective than a court proceeding. We have now embedded this project as business as usual and included voluntary undertakings in our monitoring framework.

Enforcement actions

We took a range of enforcement actions in 2017–18. Actions completed or in progress at 30 June 2018 are outlined in the table below.

Parties signed to enforceable undertakings

Legislation	Parties
Australian Consumer Law (Victoria)	Peleguy Distributions Pty Ltd Yaniv Peleg Australia Manolite Pty Ltd Zhenghong Mei Gemwide Trading Pty Ltd Wan Wing Mo JRW Property International Pty Ltd Dong Pei Ren Superior Realty Pty Ltd Evangelos Nestor Fadi Khoder MRK Distributor Pty Ltd Mounir Kassabian

Court and tribunal matters

Prosecutions finalised

Legislation	Parties
Estate Agents Act 1980	Melbourne Deluxe Real Estate Pty Ltd Paul Pfeiffer Ranelagh Realty Pty Ltd Helen Sly Tri Duc Ngo (also known as Joseph Ngo)
Motor Car Traders Act 1986	Nicholas Augerinos

Civil proceedings finalised (including disciplinary inquiry and appeals)

Legislation	Parties
Estate Agents Act 1980	Gull and Company Pty Ltd Peter Maxwell Simmons Danielle Talia Bonds Real Estate Sales Pty Ltd Manningham Property Group Pty Ltd Joseph Ko Peter Murray Daly Sedinsi Pty Ltd
Sex Work Act 1994	Josef Rutten Zhao Yuan Pan Joseph (Joe Paul) Molinari
Australian Consumer Law (Victoria)	Annabelle Natalie Gibson Inkerman Road Nominees Pty Ltd (in liquidation) Daiso Industries (Australia) Pty Ltd The Reject Shop Limited Fair Group Global Pty Ltd Fair Financial Pty Ltd Bluebell Conveyancing Australia Pty Ltd Fletcher & Parker (Balwyn) Pty Ltd Kenneth Chappell Anastasios Adgemis Manningham Property Group Pty Ltd (t/a Hocking Stuart Doncaster) Big Aussie Deals Pty Ltd Steven Petrovski
Rooming House Operators Act 2016	Muralietharan Varadharajah

Legislation	Parties
Domestic Building Contracts Act 1995 and Australian Consumer Law (Vic)	Tim Phan Walid El Haouli

Administrative/judicial review

Legislation	Parties
On behalf of the Business Licensing Authority	
Second-Hand Dealers and Pawnbrokers Act 1989	Sell Your Gold Pty Ltd Diamonds on Sale Pty Ltd The Gold Buying Company Pty Ltd
Estate Agents Act 1980	Minh Thai Jessica Muphy Khaled Khaled
On behalf of the Motor Car Traders Claims Committee	
Motor Car Traders Act 1986	James Galea Thannun Hussain

Ongoing court matters as at 30 June 2018

Criminal prosecution

Legislation	Parties
Estate Agents Act 1980	Realestate Property Pty Ltd Judy Nguyen DMSM Real Estate Pty Ltd (in liquidation)
Conveyancers Act 2006	Bonzi Group Pty Ltd Meganita Marranu
Domestic Building Contracts Act 1995	Cain Robert Padman
Motor Car Traders Act 1986	Gelzar Ali Aziz

Civil proceedings (including disciplinary inquiry)

Legislation	Parties
Estate Agents Act 1980	Century 21 Australia Pty Ltd Tsun Ngai Lee Robert Pedersen Real Estate Pty Ltd Robert Pedersen Bill Kaye & Co Pty Ltd Vassilios Kaimakamis Dean Anthony Johnson Darren James Dean Property Express Pty Ltd The Sarain Pty Ltd Surinder Surain
Australian Consumer Law (Victoria)	Melbourne South Eastern Real Estate Pty Ltd Domain Register Pty Ltd Origo & Co Pty Ltd Wens Bros Trading Pty Ltd Wen Hui Xu
Sex Work Act 1994	Lin Gao Xian Yan Meng
Motor Car Traders Act 1986	James Wapshott Wapshott Motors Pty Ltd

Administrative review on behalf of the Business Licensing Authority

Legislation	Parties
Estate Agents Act 1980	Khaled Khaled

Table 3: Registers administered by Consumer Affairs Victoria

	New applications lodged			Total on register		
	2015–16	2016–17	2017–18	2015–16	2016–17	2017–18
Estate agents	1,582	1,581	1,800	12,458	13,230	14,133
Motor car traders	154	158	143	2,111	2,056	2,008
Incorporated associations	2,126	1,837	2,006	40,577	41,212	41,296
Co-operatives	23	25	33	573	540	577
Fundraisers	980	631	778	2,091	2,029	1,953
Second-hand dealers and pawnbrokers	331	348	346	3,865	3,723	3,650
Patriotic funds	6	0	1	591	563	550
Limited partnerships	55	38	31	342	366	384
Conveyancers	99	92	136	820	877	961
Owners corporation managers	80	79	80	638	659	673
Retirement villages	14	13	14	439	447	453
Funeral service providers	10	14	8	434	448	453
Sex work service providers (licensees)	13	15	9	125	125	121
Sex work brothel managers	179	167	192	702	675	656

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 2017–18, we provided information and advice to over 304,000 callers to our telephone service and responded to more than 65,000 written and online queries. Our social media presence continues to grow with 42,600 Facebook likes and 10,175 Twitter followers.

We received 3.6 million visits to our website, which provides education, advice and self-help resources in a range of formats that are easy to find, understand and act on.

We continued to focus on promoting scams awareness, with targeted campaigns to the Victorian community to help reduce detriment and harm.

In response to the recommendations of the Family Violence Royal Commission we enabled family violence training to over 200 financial counsellors across Victoria. Almost 33,000 Victorians used our financial counselling service this year, including more than 2,400 victims of family violence through our specialist family violence financial counselling program.

Partnerships are important to us. We worked closely with the Dispute Settlement Centre of Victoria, transferring some of our relationship-based dispute resolution services to this team, and provided support to Domestic Building Dispute Resolution Victoria during a year of high demand for its services.

Table 4: Information, advice and assistance provided to consumers

	2015–16	2016–17	2017–18
Information and advice			
Calls answered[1]	349,985	325,773	304,048
Advice provided to resolve disputes			
Disputes finalised[2]	8,409	8,656	6,827
Digital			
Website visits[3]	2,920,107	3,425,370	3,603,610
Letters and email contacts	62,669	59,525	65,378
Twitter followers	8,120	9,487	10,175
Facebook page likes	28,548	36,555	42,600
YouTube video views[4]	52,526	72,488	371,759
Community information			
Information sessions	831	946	936
Face-to-face or intensive assistance (funded community services)			
Victorians assisted under the Consumer Assistance and Advocacy Program	429	430	618
Clients assisted with financial counselling	34,139	31,106	32,839

1 An increase in uptake of our digital services resulted in a reduced need for further telephone assistance.

2 A new model of dispute resolution focused on front-line compliance and resolution, together with the establishment of Domestic Building Dispute Resolution Victoria and website improvements, have resulted in a decrease in disputes finalised.

3 CAV website visits for 2015–16 and 2016–17 have been adjusted to remove previously reported sessions attributed to uptime monitoring.

4 The release of three scam videos in May 2018 largely influenced the increase in YouTube video views.

Family violence training to tackle economic abuse

To support victims of family violence, we arranged training to almost 200 financial counsellors across Victoria to respond to economic abuse. The training was delivered by Women's Legal Service Victoria, in partnership with Women's Information Referral Exchange, across 10 metropolitan and four regional locations.

Financial counsellors can assist vulnerable women who have experienced economic abuse to access financial hardship programs and negotiate with creditors and debt collectors to protect assets from repossession.

The Victorian Government provided $1.5 million for a specialist family violence financial counselling service this financial year, in response to the recommendations of the Family Violence Royal Commission. The funding provides for 10.6 full-time equivalent family violence financial counsellors across the state. These specialist staff have provided services to more than 4,100 clients since October 2016.

This specialist service is an extension of our existing Financial Counselling Program. The program provides free, independent and confidential telephone or face-to-face counselling sessions delivered by community agencies across Victoria. Almost 33,000 Victorians were assisted with financial counselling in 2017–18.

New campaign to stop Victorians getting scammed

Scams continue to pose a risk to our community, especially older Victorians. Awareness is the best protection.

The Australian Competition and Consumer Commissioner (ACCC) reported that in 2017 more than 33,000 scam reports were made by Victorians, accounting for $22.9 million in losses - an increase of more than $4 million on the previous year.

Scammers most commonly reach victims over the telephone and online: telephone, email, social networking and internet scams accounted for 85 per cent of losses across Australia, from more than 130,000 reports.

In May this year, we launched a new campaign, in partnership with Crime Stoppers Victoria, providing tips and advice to older Victorians, to help them avoid falling for scams. We are delivering education sessions at libraries across the state, providing increasingly tech-adopting older Victorians with tools to avoid scams while online.

Australians aged over 60 are the fastest-growing online user group in the country – so educating senior Victorians about how to protect online personal information from scammers is all the more important.

Tax scam warning

We warned Victorians about an Australian Tax Office (ATO) telephone scam which threatened arrest for unpaid taxes. Our video warning went viral, reaching an estimated audience of over five million people after being featured by numerous print, radio and TV media outlets.

Utilising recorded audio from the telephone scam, we created a short video warning the public to be aware, and explaining what to do if they suspect an ATO scam. We liaised with the ATO before sharing the video on our Facebook and Twitter channels in July 2017, which coincided with the new financial year.

Our social media posts about the scam received hundreds of engagements, and the story was organically picked up by news websites.

The ATO received more than 48,000 scam reports between July and October last year.

Our Grampians team takes a stand against travelling con men

Travelling con men often target elderly or isolated residents. They operate door-to-door, offering cheap deals on home maintenance jobs, from driveway resurfacing and roof repair to garden maintenance and odd jobs.

They ask for cash before starting work and frequently disappear as soon as they receive payment. If travelling con men 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 tracking them down is difficult.

In December 2017, our Grampians team worked with Crime Stoppers Victoria to warn Ballarat residents about travelling con men. Ballarat pensioner Robert Harper spoke about his experience losing hundreds of dollars to travelling con men, who promised to seal his driveway and clean the exterior of his house. To raise awareness among regional residents, the campaign featured in local newspapers, on radio and in television news coverage.

The initiative was part of our new state-wide campaign, launched in October 2017 by Minister for Consumer Affairs Marlene Kairouz, aimed at helping people identify and avoid travelling con men. The campaign, in partnership with Crime Stoppers Victoria, ran for 15 weeks across TV, radio, print, social media and in cinemas.

We work hard to educate Victorians to recognise and avoid travelling con men, and alert communities when they are in a particular area. Travelling con men often target vulnerable consumers and residents who speak little or no English, so the campaign media release was translated into six languages and promoted on SBS.

It's OK to walk away

As part of a national consumer rights campaign launched in July 2017, we are encouraging Koori consumers to walk away from high-pressure sales pitches. The It's OK to Walk Away campaign aims to help Koori consumers in urban, regional and rural areas of Victoria to identify high-pressure sales tactics and understand their consumer rights.

Organisations have previously used high-pressure sales tactics to sign up Aboriginal and Torres Strait Islander consumers to Vocational Education and Training (VET) courses, mobile telephone services and to sell electronics and photography packages.

It's OK to Walk Away featured presentations, social media posts and videos about the various tactics used by salespeople, providing Koori consumers with helpful tips.

We have a dedicated telephone service for Koori consumers, offering advice, information and support.

Partnering with the Dispute Settlement Centre of Victoria

In April 2018, we transferred some of our dispute resolution services to the Dispute Settlement Centre of Victoria (DSCV) as part of a commitment across the Department of Justice and Regulation to ensure Victorians have the right level of service at the right time.

DSCV is now responsible for assessing and managing internal dispute matters within retirement villages and owners corporations, leaving us to focus on our compliance functions as a regulator.

To support the dispute resolution service provided by DSCV, we continue to provide lot owners, residents and managers with information and advice on their rights and responsibilities, including the steps they can take if there is a dispute. We will also continue to educate lot owners, owners corporations, retirement village operators and managers about their legal obligations, and address any identified breaches of the law.

We worked closely with DSCV to plan, develop and test the new referral process, to ensure there was no disruption of service to the community, and that consistent and comprehensive information was provided to all stakeholders and impacted organisations.

Services to help builders and building owners

Building or renovating a home is one of the biggest financial decisions Victorians will make. It is important that the protections for consumers are strong and disputes are resolved quickly.

The Domestic Building Dispute Resolution Victoria (DBDRV) commenced operating on 26 April 2017. It was an outcome of significant reforms to strengthen the domestic building consumer protection framework. DBDRV offers a free service to help builders and home owners resolve their disputes without the cost and time often associated with courts and tribunals.

In its first year of operation, DBDRV received almost 6,500 applications, far exceeding initial expectations. In the same timeframe, we answered over 28,000 calls on the building information line, assisting callers with information about how to resolve a building matter, the DBDRV service and how to lodge applications.

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

Goal 3: A fair and safe rental market

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

Highlights

In the past year we responded to more than 67,800 calls about residential tenancies and more than 71,300 calls to the Residential Tenancies Bond Authority (RTBA). The renting section received over 2 million visits, and continues to be the most viewed on our website.

The number of bonds held in trust by the RTBA increased to 644,229, with a total value of $1.13 billion.

As funding of our advocacy services increased by over $1 million in 2017–18, we provided intensive assistance to over 6,800 vulnerable and disadvantaged Victorians through our Tenancy Advice and Assistance Program, up from 6,186 in 2016–17.

Table 5 provides more details about our activities related to residential tenancies in 2017–18.

Our comprehensive and evidence-based review of the *Residential Tenancies Act 1997* is progressing. The full reform package was introduced into Parliament in August 2018.

We continue our work toward introducing long-term tenancy agreements, part of the Victorian Government's Homes for Victorians housing strategy.

We monitored and supported over 860 licensees through the rooming house licensing scheme, which commenced in April 2017.

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

	2015–16	2016–17	2017–18
Information and advice			
Website page views - renting section	1,552,271	1,878,001	2,174,527
Calls answered – residential tenancies	69,365	69,472	67,813
Calls answered – RTBA	90,224	77,487	71,378
RentRight app downloads	6,567	7,780	6,917
Compliance			
Rooming house inspections (including repeat visits)	1,252	621	738
Rooming houses registered	1,157	1,184	1,256
Transactions			
Bonds lodged	236,971	241,489	241,534
Bond repayments	210,963	212,749	219,603
Bonds transferred	79,258	89,375	87,848
Bonds held	593,558	622,298	644,229
Value held	$951 million	$1.04 billion	$1.13 billion
Total transactions – RTBA	447,934	454,238	461,137
Face-to-face or intensive assistance			
Funded community services			
Tenants assisted under the Tenancy Assistance and Advocacy Program	5,758	6,186	6,893
Assessments			
Repair reports	916	948	1,050
Goods left behind	3,861	3,531	3,223
Rental reports	1,068	1,234	1,373

Residential Tenancies review

Since mid-2015, we have led a comprehensive and evidence-based review of the *Residential Tenancies Act 1997*. The review fulfils a commitment in the Victorian Government's *Fairer, Safer Housing* plan, and responds to substantial changes in market conditions since this Act was passed almost 20 years ago.

The reform package will promote a modern and dynamic rental market that meets the needs of the Victorian community now and into the future. The proposed new laws will also address recommendations from the Royal Commission into Family Violence to better protect family violence survivors in rental accommodation.

The Victorian Government has already approved a selection of reforms specifically focused on increasing the security and rights of Victorians who rent. The full reform package was introduced into Parliament in August 2018.

Long-term lease agreements

Many Victorians want the certainty and stability provided by a longer-term tenancy agreement. Families are the most common renters in Victoria and there are many who would benefit from a long-term lease arrangement to be able to lay down roots, including to find a local job, enrol their kids in school and establish themselves in a community.

The *Residential Tenancies Amendment (Long-term Tenancy Agreements) Act 2018* received the Royal Assent on 28 August 2018. A draft standard long-term tenancy agreement, to enable leases of five years or more, is being developed after consultation with key stakeholders. The agreement is expected to be available to landlords and tenants in early 2019.

Long-term leasing agreements are part of the Victorian Government's Homes for Victorians strategy and its *Fairer, Safer Housing* plan.

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

Implementation of new rooming house licensing scheme

We commenced a new licensing scheme after the *Rooming House Operators Act 2016* came into effect in April 2017. This scheme will foster professionalism and reduce exploitative and undesirable practices in the rooming house sector.

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

We monitored and supported licensees through the application process with the Business Licensing Authority approving over 860 rooming house operator licences.

Our compliance inspection program ensures operators are licensed and comply with minimum standards. We take a zero tolerance approach to safety and security breaches. All rooming houses are required to have current electrical and gas safety checks, which are monitored as part of our State Inspection Program.

More homes for family violence victims

The Victorian Government has delivered another 20 affordable homes in Melbourne's inner west for women and children escaping family violence.

In March 2018, Minister for Consumer Affairs Marlene Kairouz joined Williamstown MP Wade Noonan to officially open the new units, which will provide a safe haven for family violence victims and women aged over 55 who have had trouble finding a home.

Through the project, seven outdated units in Newport were demolished and replaced by nine one-bedroom and 11 two-bedroom homes. Funding was provided through a $5.6 million grant from the Victorian Property Fund (VPF) to Women's Housing Limited.

The units are close to health and community services, public transport, shops and schools, and have been designed to meet at least a 6-star energy efficiency rating. They have features to reduce energy and water consumption, helping to keep utility bills low.

The VPF invests in affordable accommodation and is used to finance community-led property projects across Victoria. For more information on the VPF see page 38.

Standing up for Victorian renters and consumers

Our advocacy services were remodelled after an extensive review involving consultation with service providers and other stakeholders. The integrated Tenancy and Consumer Program, 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 place-based Tenancy Assistance and Advocacy Program (TAAP)
- 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 focusing on systemic and emerging consumer issues impacting vulnerable Victorians, through the Consumer Assistance and Advocacy Program.

As funding of our advocacy services increased by more than $1 million in 2017–18, we supported over 7,800 vulnerable and disadvantaged Victorians through our tenancy and consumer advocacy services, up from 6,600 in 2016–17. This includes intensive assistance to over 6,800 tenants through TAAP.

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

The Victorian Government introduced new laws banning cash for scrap metal when reforms to the *Second Hand Dealers and Pawnbrokers Act 1989* and the Second Hand Dealers and Pawnbrokers Regulations 2018 came into effect in May 2018.

We completed our extensive review of a number of consumer property law Acts, which had been underway since 2015. In addition, a significant and ambitious forward program of research and policy work for consumer affairs agencies over the next four years was endorsed following the Australian Consumer Law review.

We continued our work to better protect residents in high-rise apartment buildings from unruly short-stay parties.

We are reviewing the recommendations of the Parliamentary inquiry into fuel prices in regional Victoria and undertook significant activity in reviewing the retirement housing sector.

The Victorian Government established the Consumer Policy Research Centre, dedicated to provide a compelling and expert consumer voice.

Cash for scrap ban comes into effect

Organised crime infiltration can cause significant harm to an occupation or industry, and to the broader community. We recognise that the scrap metal industry is one that is susceptible.

The Victorian Government introduced new laws banning cash for scrap metal when reforms to the *Second Hand Dealers and Pawnbrokers Act 1989* and the Second Hand Dealers and Pawnbrokers Regulations 2018 came into effect in May 2018.

We worked closely with key industry stakeholders, the Australian Metal Recycling Industry Association (AMRIA), the Victorian Automobile Chamber of Commerce (VACC), and Victoria Police, to develop the reforms.

Second-hand dealers are now banned from paying or receiving cash payments for scrap metal, or dealing in unidentified scrap motor vehicles without police authorisation, and must keep detailed records of all transactions involving scrap metal. Police have new search and entry powers that will allow them to enter business and storage premises without a warrant if they reasonably believe that dealing in scrap metal is taking place.

The new Regulations require second-hand dealers who deal in scrap metal to register as second-hand dealers through the Business Licensing Authority (BLA) by 1 September 2018. The BLA will assess registration applicants to determine whether they are suitable to be registered.

New offences have been introduced, with penalties of more than $30,000 for buying or selling scrap metal for cash. Police will be able to issue on-the-spot fines to scrap metal dealers not adhering to the new laws, with penalties of more than $1,900.

Fuel price inquiry

Fuel is an essential item for most families and businesses, and high prices cause significant pressure on already strained budgets. Regional Victorians feel the impact of high fuel prices even more because they travel long distances to access services and have fewer options to purchase fuel compared with Melbourne residents.

The final report of the Parliamentary inquiry into fuel prices in regional Victoria was tabled in February 2018. The committee focused on how to improve competition between fuel retailers in regional Victoria, such as the use of fuel price comparison apps and websites and the removal of barriers for businesses entering new markets. It made three recommendations to increase fuel price transparency in Victoria. These are that the Victorian Government:

- conduct a public awareness campaign in regional Victoria to encourage the use of fuel price apps
- support the Royal Automobile Club of Victoria to improve the coverage of its fuel price app
- review planning policies to encourage new service stations in regional markets with low competition.

The Government's response to the final report was tabled in Parliament on 20 August 2018 and supports each recommendation in full, as a means of enabling regional Victorian residents to make informed decisions about when and where to purchase fuel. A public awareness campaign is planned to commence in September 2018.

Work in this area follows the introduction of new Regulations in 2016 requiring Victorian service stations to only advertise the full price of petrol to motorists on price boards, and remove the advertisement of 'docket-discount' fuel prices. This improves transparency for Victorian motorists, ensuring they are confident that the price on the board is the most they will pay at the pump.

Unruly parties in short-stay accommodation

Victoria's tourism sector is worth more than $25 billion and employs over 200,000 people.

The sector is supported by an estimated 170,000 short-stay properties in Victoria. The vast majority of short-stay owners, and their guests, do the right thing. However, some short-stay guests have hosted unruly parties and damaged properties.

New laws have been developed to protect residents of high-rise apartments from unruly parties in short-stay accommodation. The new laws propose to address this problem by making short-stay providers in high-rise buildings responsible for the behaviour of their short-stay residents. Owners corporations and residents in high-rise buildings will be permitted to take action for repeated breaches of prescribed short-stay conduct rules.

The *Owners Corporations Amendment (Short-Stay Accommodation) Act 2018* received the Royal Assent on 14 August 2018 and will commence by 1 February 2019.

Review of the Australian Consumer Law

The Australian Consumer Law was reviewed in 2016–17 for the first time since it was introduced in 2011. The comprehensive and wide-ranging review was conducted by Consumer Affairs Australia and New Zealand, a forum of senior state and territory consumer affairs officials.

Commonwealth, state and territory consumer affairs ministers received the final report on 31 March 2017. It drew from more than 260 submissions and face-to-face meetings with over 130 stakeholders across Australia.

Ministers from across the country endorsed a package of 19 legislative proposals to strengthen and clarify the law. These range from increasing the maximum penalties available for breaching the law, to making it easier for consumers to get refunds for faulty products.

Ministers also endorsed a significant and ambitious forward program of research and policy work for consumer affairs agencies over the next four years, including examining how an unfair trading prohibition could be adopted in Australia.

The program will also include a project, commencing in 2018–19, to assess whether changes to the law are needed in relation to not-for-profit fundraising.

Consumer property law review

We completed our extensive review of a number of consumer property law Acts, underway since 2015. The laws under review were the *Sale of Land Act 1962*, *Estate Agents Act 1980*, *Conveyancers Act 2006* and the *Owners Corporations Act 2006*. Each affects the way people buy, sell and manage their property.

The review was a great opportunity for industry and consumers to participate in a wide-ranging examination of laws affecting the most significant lifetime transaction for many Victorians. It provided an avenue for Victorians to comment on how these laws are working and where improvements could be made.

Stakeholder feedback was very strong, with more than 200 submissions and comments received on the three issues papers released during the first stage of the review. The second stage involved the release of three options papers, with over 140 stakeholders providing comment.

We have carefully reviewed stakeholder feedback as we develop reform proposals for Government's consideration. Reforms to sale of land laws have been finalised, with the Sale of Land Amendment Bill 2018 introduced into Parliament and second read in the Legislative Assembly on 22 August 2018.

Retirement housing sector

The Victorian Government is committed to ensuring the regulatory framework in the *Retirement Villages Act 1986* strikes a balance between supporting growth and innovation in the sector and protecting the rights and interests of retirement village residents.

This year, we completed a review of the Retirement Villages (Contractual Arrangements) Regulations 2006, which resulted in the Minister remaking the Regulations as the Retirement Villages (Contractual Arrangements) Regulations 2017. We also undertook a review of internal dispute resolution procedures under the *Retirement Villages Act 1986* as well as completing a review of a number of key aspects of the Act as part of the consumer property law review.

The Standing Committee on Legal and Social Issues reported on its inquiry into the sector in March 2017 and made 15 recommendations. In tabling its response to the Inquiry's report in September 2017, the Victorian Government has supported, supported in principle or committed to further investigate 12 of the 13 recommendations directed to the Government.

We are leading much of the work required to implement these recommendations, a number of which will be considered as part of a review of the *Retirement Villages Act 1986*.

New regulations for conveyancers

The Victorian Government introduced the Conveyancer (Qualifications and Experience) Regulations 2018, as part of four new sets of regulations for conveyancers that came into effect on 26 May 2018.

These Regulations introduce a new qualification for eligibility for a conveyancer's licence, and expand the range of legal practitioner with whom a prospective conveyancer can gain their work experience. The new qualification is the Advanced Diploma of Conveyancing from the Business Services Training Package. The Advanced Diploma of Conveyancing comprises 18 units of competency and replaces the current qualification for a licence, which is eight units.

This new qualification provides further assurance to Victorians that conveyancing matters are handled appropriately.

The other three sets of regulations introduced were the Conveyancers (Fees) Regulations 2018, Conveyancers (Professional Conduct) Regulations 2018, and Conveyancers (Trust Account and General) Regulations 2018.

New consumer policy and research hub launched

The Victorian Government has established a new research centre, the Consumer Policy Research Centre (CPRC). CPRC was launched in August 2017 as an independent and not-for-profit centre to research issues important to Victorian consumers, and inform the development of policy and services.

The CPRC will investigate changes in the housing market, dispute resolution and breaches of consumer law, and place Victoria at the forefront of consumer research. It will deliver evidence-based policy research that focuses on:

- developing an annual consumer index
- exploring areas of concern around consumer property law, continuing the efforts of current reforms
- improving access to and effectiveness of the dispute resolution process for consumers
- improving consumer choice and aiding consumer decision-making
- the digital economy, including the online marketplace and consumer data collection, sharing and use.

To deliver this, in addition to its own research program, the CPRC launched its Research Pathways Program in February 2018. This program provides $220,000 in funding annually, to support collaborative consumer-focused research across government, industry, the community and academia. The program will develop the evidence base for policy and practice changes in the CPRC priority research areas.

CPRC also released its first research report in March 2018, *Five Preconditions of Effective Consumer Engagement* – a conceptual framework. The report provides guidance to policymakers and business on how to enact changes to enhance consumer choice and decision-making.

Regulations commenced or revoked

Table 6: Regulations commenced in 2017–18

Name	Date commenced
Conveyancers (Fees) Regulations 2018	26 May 2018
Conveyancers (Professional Conduct) Regulations 2018	26 May 2018
Conveyancers (Qualifications and Experience) Regulations 2018	26 May 2018
Conveyancers (Trust Account and General) Regulations 2018	26 May 2018
Domestic Building Contracts Regulations 2017	1 August 2017
Estate Agents (Professional Conduct) Regulations 2018	26 May 2018
Estate Agents (General, Accounts and Audit) Regulations 2018	20 May 2018
Retirement Villages (Contractual Arrangements) Regulations 2017	30 July 2017
Retirement Villages (Infringements) Regulations 2017	1 December 2017
Second-Hand Dealers and Pawnbrokers (General, Exemption and Record-Keeping) Regulations 2018	22 May 2018
Sex Work Amendment Regulations 2017	1 October 2017
Subordinate Legislation (Owners Corporation Regulations 2007) Extension Regulations 2017	4 December 2017
Subordinate Legislation (Residential Tenancies Regulations 2008) Extension Regulations 2018	10 June 2018
Veterans (Patriotic Funds) Regulations 2017	1 November 2017

Table 7: Regulations revoked in 2017–18

Name	Date revoked
Conveyancers (Professional Conduct and Trust Account and General) Regulations 2008	26 May 2018
Conveyancers (Professional Conduct and Trust Account and General) Amendment Regulations 2010	26 May 2018
Conveyancers (Professional Conduct and Trust Account and General) Amendment (Infringements) Regulations 2010	26 May 2018
Conveyancers (Professional Conduct and Trust Account and General) Amendment Regulations 2015	26 May 2018
Conveyancers (Qualifications, Experience and Fees) Regulations 2008	26 May 2018
Conveyancers (Qualifications, Experience and Fees) Amendment Regulations 2012	26 May 2018
Conveyancers (Qualifications, Experience and Fees) Amendment Regulations 2016	26 May 2018
Estate Agents (Professional Conduct) Regulations 2008	26 May 2018
Estate Agents (General, Accounts and Audit) Regulations 2008	20 May 2018
Second-Hand Dealers and Pawnbrokers (Exemption) Regulations 2008	22 May 2018
Second-Hand Dealers and Pawnbrokers Amendment Regulations 2009	22 May 2018
Second-Hand Dealers and Pawnbrokers (Exemption) Amendment Regulations 2011	22 May 2018
Second-Hand Dealers and Pawnbrokers Amendment (Infringements) Regulations 2012	22 May 2018
Second-Hand Dealers and Pawnbrokers (Exemption) Amendment Regulations 2016	22 May 2018
Veterans (Patriotic Funds) Regulations 2008	1 November 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 commenced a two-year program to reduce the cost of regulation for business, while maintaining appropriate consumer protections, outlined in our Statement of Expectations 2017–19.

We continued to develop mutually beneficial partnerships with key stakeholders and organisations through our Partnership Strategy.

We are supporting the establishment of a new GovHub office to be built in Ballarat, an investment in the future of regional Victoria.

We established a compliance operating model to ensure that risk is at the centre of compliance decision making. Our intelligence capabilities were recognised through a national award from the Australian Institute of Professional Intelligence Officers.

Through effective management of our trust accounts, in accordance with relevant legislation, the Victorian Government was able to allocate $29 million from the VPF to important affordable housing projects. We also launched the first VPF funding round to support registered housing agencies to improve the environmental sustainability of their social housing properties.

Extending our capabilities through partnerships

We continue to develop mutually beneficial partnerships with key stakeholders and organisations through our Partnership Strategy. This included holding a second consumer forum in November 2017, and convening meetings of our reference panels for real estate and funded services.

We developed *Partnership Protocols* to provide clarity on the nature of the support and engagement and information sharing with our partners, as well as individual partnership plans, tailored to specific partners.

Connecting with our partners and stakeholders enables us to better understand the Victorian consumer and residential tenancy marketplaces. We respect their knowledge and expertise, and value their input when establishing our priorities.

Ballarat GovHub

The Government is investing in the future of regional Victoria by creating hundreds of public sector jobs at a new GovHub office to be built in Ballarat. Our Information and Dispute Services Centre, which provides front-line service delivery to the Victorian community, will move to the Ballarat GovHub, with construction expected to be complete in late 2020.

The new office will be located at the Civic Hall site in Ballarat's central business district. The site is being redeveloped by Development Victoria in partnership with the City of Ballarat Council and will combine government offices with community services and local businesses. The GovHub design followed consultation with the local community and recognises the important cultural and community significance of the existing Civic Hall and library within the City of Ballarat, while also creating a modern and accessible workplace.

We are committed to ensuring no interruption to the delivery of quality services to the Victorian community during the transition to Ballarat GovHub and to supporting staff whose roles are affected by the move.

National award for regulatory intelligence

We were awarded the 2017 Organisation Award by the Australian Institute of Professional Intelligence Officers (AIPIO) for our "distinguished innovative contribution to the advancement of the intelligence profession in Australia". The award was presented on the opening night of the AIPIO conference in Hobart by President Dr Philip Kowalick. The award recognised our work to enhance our intelligence capabilities and embed our regulatory approach as intelligence-led, risk-based and outcome-focused.

We also shared our approach to capability development at the inaugural Regulatory Intelligence Conference, held in Sydney in September 2017.

Reducing red tape

In June 2017, the Minister for Consumer Affairs issued a reducing red tape Statement of Expectations to Consumer Affairs Victoria and the Business Licensing Authority for 2017–19. This Statement sets out the Minister's expectations of our continued contribution to the Government's Regulation Reform Program to reduce red tape affecting businesses, not-for-profit organisations, government service providers and households by promoting greater efficiency and effectiveness in the administration and enforcement of regulation. It also outlines the Minister's expectations for broader improvements to our performance.

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.

Improved timeliness

We made it easier for licensees and registrants to submit required data online, check their application status and remain compliant with their obligations through the expansion of myCAV for licensing and registration transactions. For more information, see page 10.

We identified opportunities to reduce the regulatory burden and reporting obligations of incorporated associations and fundraisers registered as charities with the Australian Charities and Not-for-profits Commission and implement actions to reduce red tape. For more information, see page 10.

We expanded the use of the Residential Tenancies Bond Authority's (RTBA) electronic transactions by property managers (both licensed estate agents and private landlords), to make it easier to submit forms. The new online service replaces five paper-based processes, and has been provided free of cost. Managers of rented properties are now able to register with the RTBA and have a seamless experience, including electronic transactions.

Risk-based strategies

We established a compliance operating model to ensure that risk is at the centre of compliance decision making. This involved strengthening the risk assessment process and enhancing compliance intelligence to inform inspection targeting.

Our regulatory approach enables us to target the conduct which poses the highest risk, making the best use of our resources. Our compliance operating model ensures that the approach is embedded in our day-to-day work. For more information, see page 6.

Compliance information and advice

Changes to the *Estate Agents Act 1980* came into effect on 1 May 2017, strengthening laws against underquoting in Victoria. We increased awareness and understanding of the new laws through a campaign to inform the real estate industry about the legislative changes, including educating agents about their obligations, with the aim of reducing industry non-compliance. We produced an underquoting communications campaign, targeting potential buyers, to increase their awareness of estate agent obligations and their rights under the new legislation.

We continued our work on our digital-first approach, designing and implementing a responsive website to engage and enable Victorian businesses and consumers to access easy-to-understand information on a range of devices and platforms. For more information, see page 11.

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 8.

Table 8: Trust funds administered by Consumer Affairs Victoria

Trust fund	Expenditure includes
Domestic Builders Fund	Administration of the *Domestic Building Contracts Act 1995*, costs relating to the VCAT Domestic Building List and Domestic Building Dispute Resolution Victoria.
Motor Car Traders Guarantee Fund	Administration of the *Motor Car Traders Act 1986*, 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 *Residential Tenancies Act 1997*, costs relating to the VCAT Residential Tenancies List.
Sex Work Regulation Fund	Administration of the *Sex Work Act 1994*.
Victorian Consumer Law Fund	Administration of the *Australian Consumer Law and Fair Trading Act 2012* Part 7, Division 2, s.102A to E, orders for payment to non-party consumers, special purpose grants.
Victorian Property Fund	Administration of the *Estate Agents Act 1980* 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 2017–18

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 CAV, the Estate Agents Council and any industry associations, government departments and other organisations, as appropriate.

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

A key priority for the VPF grants program is to assist community housing organisations and develop new social housing for low income and disadvantaged Victorians.

Under the 2017–18 VPF Housing Funding Round, Minister for Consumer Affairs Marlene Kairouz awarded nine new grants for community housing development projects to help accommodate Victorians in need. These projects, across metropolitan and regional locations, will provide housing for a range of low-income or disadvantaged groups, including victims of family violence, older women, singles at risk of homelessness, and people with a disability.

This year, the Minister awarded $1.3 million under the first VPF environmentally sustainable housing funding round. Five grants were awarded to help registered housing agencies improve the energy and thermal efficiency of existing social housing, reducing electricity bills and improving health outcomes for low income tenants.

In 2017–18, the Minister approved 17 grants from the fund, totalling over $29 million. These are outlined in Table 9. 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 2017–18 for grants approved in previous years.

Table 9: Grants made from the Victorian Property Fund in 2017–18

Recipient	Description of funded program	Value (ex GST)
Community Housing Federation of Victoria Inc	Community housing energy efficiency facilitation and support services	$100,000
Real Estate Institute of Victoria Ltd	Professional development 2017–18	$264,062
Australian Livestock and Property Agents Association Ltd	Professional development and education 2017–20	$174,340
Unison Housing Ltd	Environmentally sustainable housing project 2018–19	$230,000
Community Housing (Vic) Ltd	Environmentally sustainable housing project 2018–19	$256,000
Housing Choices Australia Ltd	Environmentally sustainable housing project 2018–19	$177,512
South Port Community Housing Group Inc	Environmentally sustainable housing project 2018–19	$95,000
SouthEast Housing Cooperative Ltd	Environmentally sustainable housing project 2018–19	$518,505
Unison Housing Ltd	Social housing development at 52 Napier Street, Footscray	$5,000,000
Community Housing (Vic) Ltd	Social housing development at 23 Cilento Crescent, Lynbrook	$2,800,000
Women's Housing Ltd	Social housing development at 658 Mountain Highway, Bayswater	$2,081,698
Victorian Women's Housing Association Ltd	Social housing development at 20 Storey Drive, Pakenham	$1,335,000
Housing Choices Australia Ltd	Social housing development at 9 Gertrude Street, St Albans	$1,561,070
Launch Housing Ltd	Transportable modular housing on VicRoads blocks	$3,000,000
Loddon Mallee Housing Services Ltd	Social housing developments at 17A Lobb Street and 57 Somerville Street, Bendigo	$2,780,000
Rural Housing Network Ltd	Five social housing developments in Mitchell Shire	$2,017,000
Port Phillip Housing Association Ltd	Redevelopment of the Regal, 5 Little Grey Street, St Kilda	$6,888,840
Total		**$29,279,027**

Financial information 2017–18

	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 2017–18	Appropriations 2017–18	Other and DJR Corporate Overhead	Consumer Affairs Victoria total output 2017–18
Consumer Affairs Victoria Revenue											
Revenue recognition, Estate Agent and Conveyancer trust accounts							25,793,620	25,793,620			25,793,620
Revenue recognition, Residential Tenancy Bonds				31,953,066				31,953,066			31,953,066
Appropriations: Consumer Affairs Victoria									31,348,183		31,348,183
Fees income		472,097	3,436,179		2,831,609	943,504	6,995,250	14,678,639		2,578,708	17,257,347
Interest income	47,678	378,051	69,529	733,545	2,034,758	18,253	12,190,427	15,472,241		113	15,472,354
Transferred from the Victorian Building Authority[1]		13,950,368						13,950,368			13,950,368
Other revenue	230,462	12,973		968		80	267,778	512,261		9,447	521,708
Penalty income	2,529,000		13,386		2,697	893	10,235	2,556,211			2,556,211
Transfers				(18,700,000)	32,200,000	350,000	(13,500,000)	350,000			350,000
Total CAV Revenue	**2,807,140**	**14,813,489**	**3,519,094**	**13,987,579**	**37,069,064**	**1,312,730**	**31,757,310**	**105,266,406**	**31,348,183**	**2,588,268**	**139,202,857**
Consumer Affairs Victoria Expenditure											
Audit services				14,700				14,700			14,700
Claims on consumer guarantee funds			382,613				738,677	1,121,290			1,121,290
Contractors, consultants and professional services		1,228,220	137,097	284,749	973,724	96,253	1,934,181	4,654,224	1,542,612	179,315	6,376,151
Departmental governance and support costs										4,843,027	4,843,027
Employee related costs		9,192,656	1,954,659	1,666,313	11,120,469	1,056,716	10,715,798	35,706,611	11,500,333		47,206,944
Grants paid	204,204	4,151,788			18,341,801	13,317	26,848,624	49,559,734	1,286,579	36,083	50,882,396
Information technology		262,305	59,703	48,495	335,826	36,453	321,448	1,064,230	641,278		1,705,508
Occupancy costs		158,302	51,475	46,389	186,130	18,089	248,776	709,161	4,291,842		5,001,003
Other operating costs		1,092,057	449,628	547,393	1,780,713	177,783	1,446,625	5,494,199	2,249,381	16,895	7,760,475
Outsourced contracted costs				5,840,677				5,840,677	9,882,609		15,723,286
Total CAV Expenditure	**204,204**	**16,085,328**	**3,035,175**	**8,448,716**	**32,738,663**	**1,398,611**	**42,254,129**	**104,164,826**	**31,394,634**	**5,075,320**	**140,634,780[2]**
Trust Funds, opening equity 1 July 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**			
Current year operating surplus/(deficit)[3]	2,602,936	(1,271,839)	483,919	5,538,863	4,330,401	(85,881)	(110,496,819)[3]	(98,898,420)			
Trust Funds, closing equity 30 June 2018	**4,298,908**	**21,160,067**	**4,525,883**	**23,825,386**	**40,566,451**	**1,235,448**	**200,860,190**	**296,472,333**			

1 Domestic Building Dispute Levy and Registration Fees

2 CAV Total Output for 2017–18 was $140,634,780 (the CAV 2016–17 Output was $134,467,748)

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 2018:

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

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 23A–25, 27, 32, 33, 45–48, 74–77, 82, 90, 91, 91A, 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–5I0C and 511
- Section 66(1) jointly administered with Minister for Housing, Disability and Ageing
- The RTA is otherwise administered by the Attorney General, Minister for Housing, Disability and Ageing 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.

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