



VICTORIA

ANNUAL REPORT

1984

MINISTRY

OF

CONSUMER AFFAIRS

Anne Healy

VICTORIA

Report

of the

MINISTRY OF CONSUMER AFFAIRS

for the

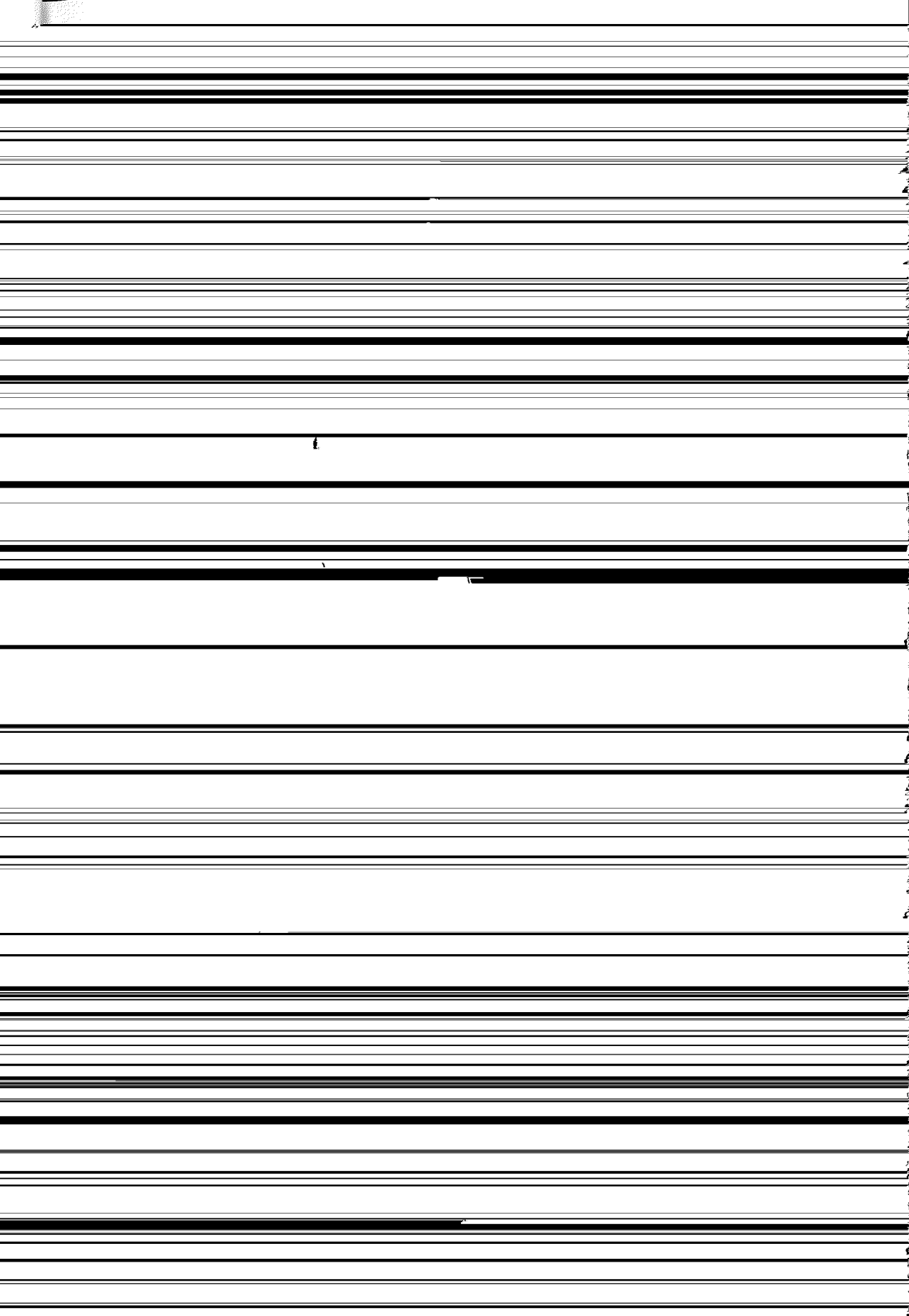
Year ended 30 June 1984

*Presented to both Houses of Parliament pursuant to the provisions of
Section 8 of the Annual Reporting Act 1983*

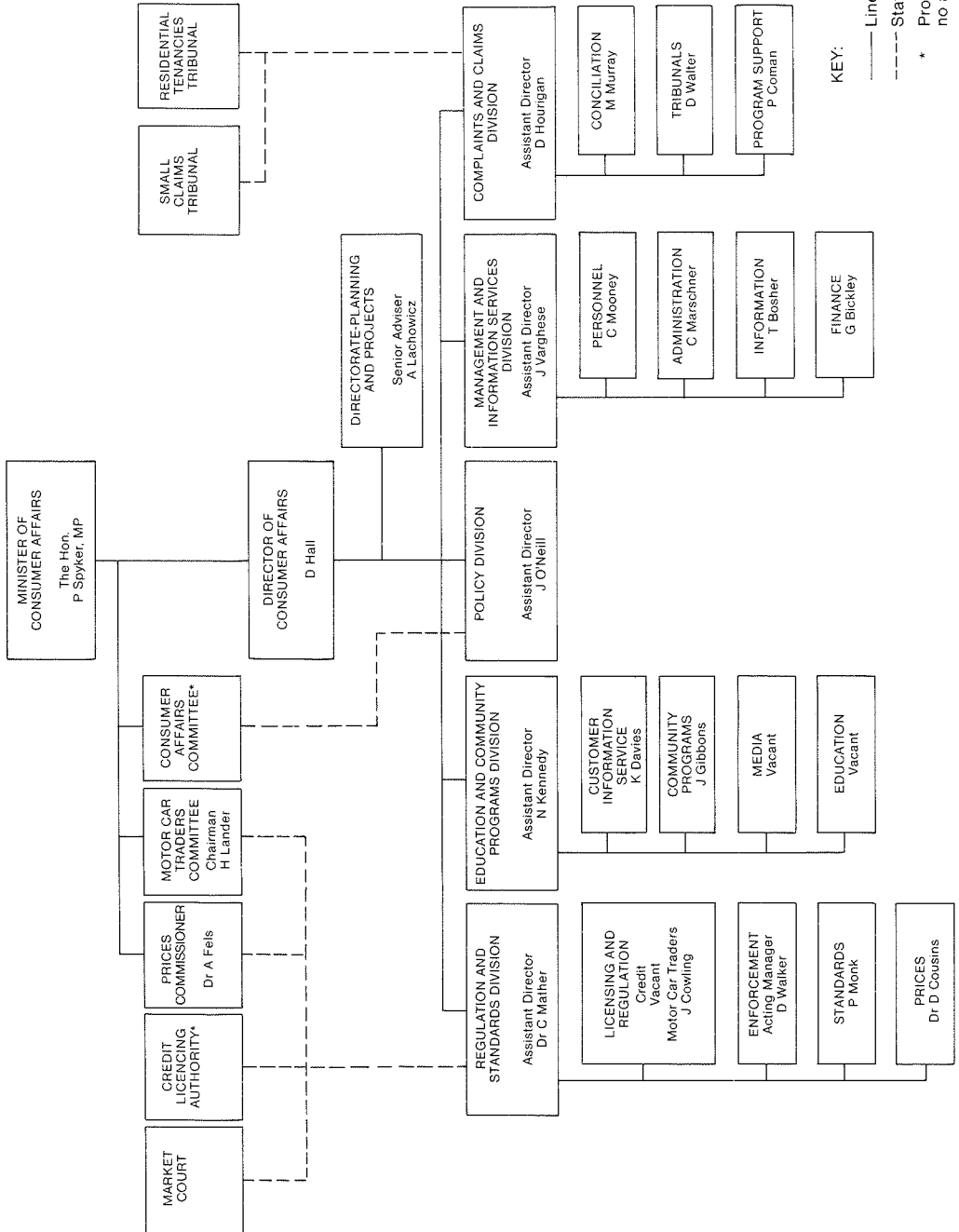
MELBOURNE
F D ATKINSON GOVERNMENT PRINTER
1982-84

No. 172

83824/84



ORGANISATION CHART MINISTRY OF CONSUMER AFFAIRS



KEY:
 ——— Line Relationships
 - - - - Staffing Relationships
 * Provided by legislation but no appointments made.

C O N T E N T S

INTRODUCTION

1

PART I

CORPORATE SERVICES PROGRAM

4

A. Management

4

B. Policy

5

1. Description

5

2. Objectives

6

3. Legislative Review and Amendment

6

4. Legislation Assigned to the Ministry

7

5. Legislation Introduced in Parliament During 1983/84

10

6. Interstate Uniformity of Legislation

15

7. Research and Forward Planning

15

8. Changes in the Environment of the Ministry

16

C. Administration

17

1. Overview

17

2. Personnel

17

3. Information Services

19

4. Information Systems

21

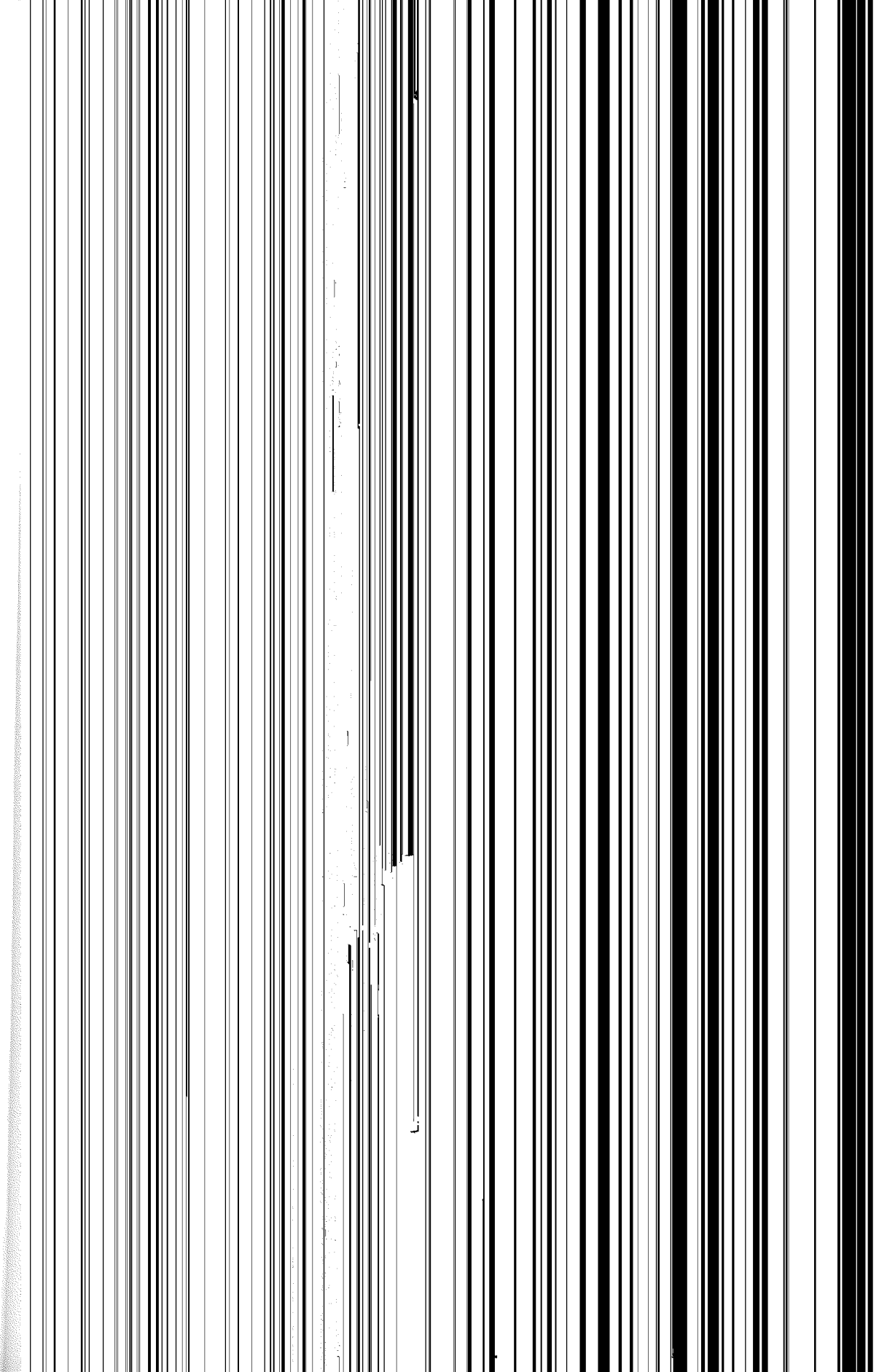
5. Finance

22

6. General Administration	23
7. Efficiency and Effectiveness	24

PART II

<u>MARKET REGULATION AND ENFORCEMENT PROGRAM</u>	26
A. <u>Regulation of Business Conduct</u>	27
1. Description	27
2. Objectives	27
3. Activities	27
4. Assessment	29
5. Forward Look	30
B. <u>Establishment of Product Standards</u>	31
1. Description	31
2. Objectives	32
3. Activities	32
4. Assessment	37
5. Forward Look	38
C. <u>Enforcement of Legislation</u>	38
1. Description	38
2. Objectives	38
3. Activities	39
4. Assessment	39
5. Forward Look	41



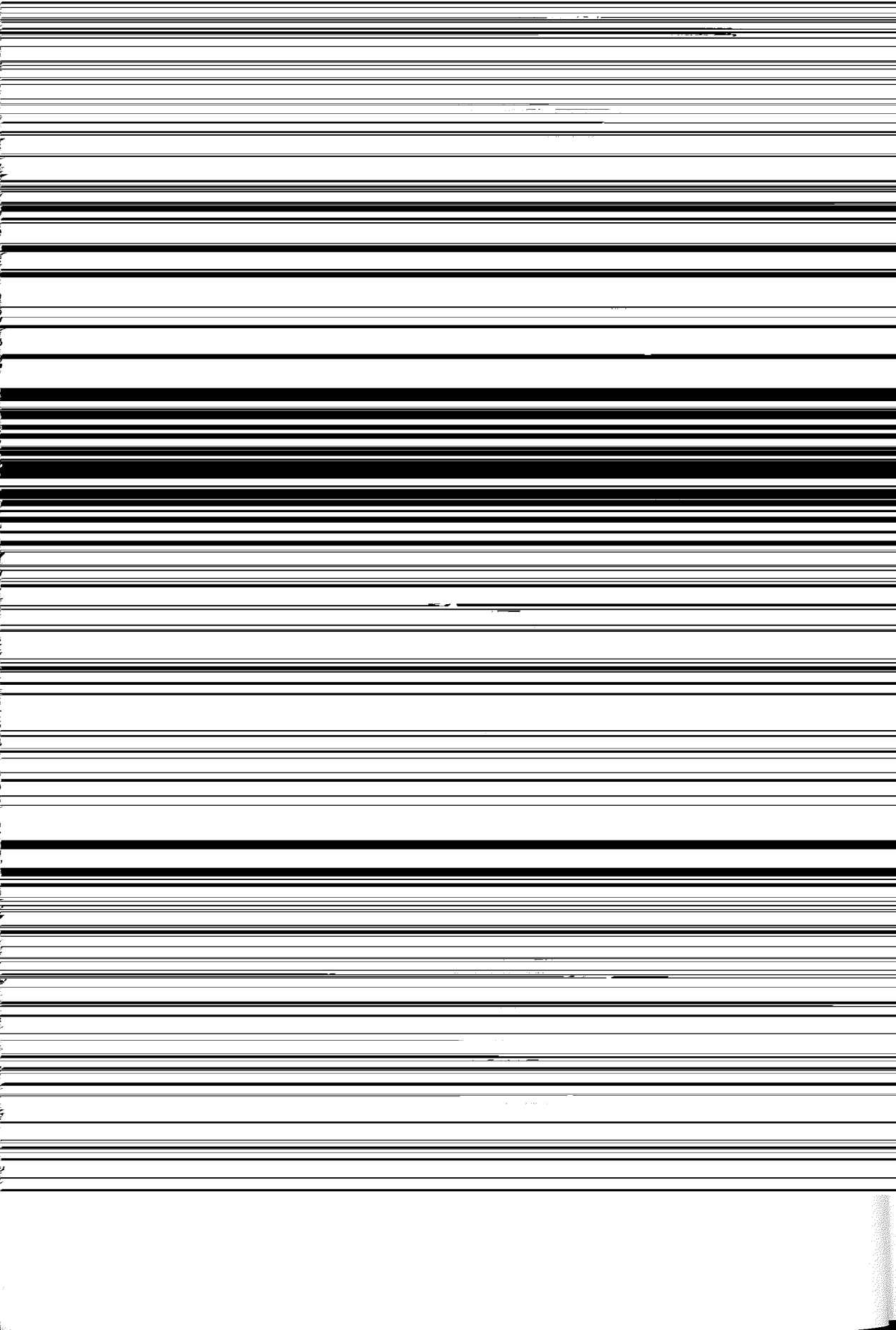


Table 2	- Analysis of Consumer Complaints Practice Classification	91
Table 3	- Small Claims Tribunals, Analysis of Claims Determined - Product/Service Classification	95
Table 4	- Small Claims Tribunals, Analysis of Claims Determined - Practice Classification	100
Table 5	- Analysis of Residential Tenancies Disputes Handled	103
Table 6	- Residential Tenancies Complaints, Interviews and Telephone Enquiries	104
Table 7	- Customer Information Services Branch, Telephone Enquiry Handling	105
Table 8	- Customer Information Services Branch, Analysis of Telephone Enquiries	106
Table 9	- Regional Services	107
Table 10	- Western Suburbs Regional Office, Footscray	108
Table 11	- Printed Information Material Available from the Ministry of Consumer Affairs	109
Table 12	- List of Public Office Holders Who Declared Their Pecuniary Interests to the Minister	111
Table 13	- Persons Employed as at 30 June 1984 and Staff Gains and Losses During the Year Under Review	113

PART VII

1.	Final Report of the Implementation Committee of the 1982 Review by the Public Service Board.	114
2.	Freedom of Information Arrangements.	124

INTRODUCTION

Efficiency and effectiveness, though linked, are not the same thing. The Ministry has had to concentrate its efforts over the last year, to a considerable degree, on making its own operations efficient. There was an onus on the Ministry to implement as quickly and as thoroughly as possible the major recommendations of the Public Service Board Review.

In its efforts to achieve fairer markets, the Ministry seeks to liaise with all relevant bodies, governmental and non-governmental, so as to work in a co-ordinated way, to conserve resources and to ensure that they are directed most effectively.

Following the report to him of the Public Service Board Management Review Committee, the Minister of Consumer Affairs set up an Implementation Committee, to oversight the process of major change in the Ministry recommended by the Review. The Implementation Committee reported to the Minister in June. Its report is reproduced in Part VII, Section 1.

It will be seen that the Committee concluded that the major objectives of the Review had been fulfilled. In particular, a new top structure had been put in place and a management information system was being developed; operation independence had been achieved; priorities had been reassessed with emphasis now being given to prevention and early intervention activities through consumer awareness, education and information programs; an enforcement program had been initiated; there was improved access to Ministry services through a Customer Information Service, and a systematic program of regional visits; and a program of policy development and review was underway. Fulfilment of these fundamental reforms has significantly improved the efficiency of the Ministry.

The challenge now is to look more specifically to effectiveness, in the sense of ensuring that the Ministry targets its services for the greatest benefit. This poses something of a paradox. Everyone is a consumer, but to differing extent and in varying circumstances. It is essential that the Ministry is not seduced into thinking that everyone therefore has equal need of, or right to, its services.

The taxpayer can rightly be concerned if those who can well care for themselves in the market place divert the energies of agencies that were patently established to assist the relatively powerless. At the same time, it would be inappropriate to allow the Ministry to become a residual welfare organisation, serving only the financially and socially disadvantaged.

So balances have to be struck. And these carry with them compromises and

... particularly those dangerous products but there is little pressure for their removal from the market place).

- . act speedily to bring to account traders who deliberately disadvantage consumers or are acting illegally,
- . assess complaints for their importance and urgency and act wherever possible to achieve agreement among parties in conflict,
- . provide appropriate adjudicative mechanisms to finally determine unresolved disputes,
- . develop legislative and administrative proposals to meet emerging needs, and review the efficiency and effectiveness of programs in tackling issues of priority concern, and
- . maintain surveillance over prices and price setting mechanisms to promote efficiency and equity in resource use.

It is a truism that we live in an age of rapid change. The drama of change is readily apparent when one observes the technological advances that abound. Indeed, many people seem to associate change almost exclusively with what is happening in the field of technology.

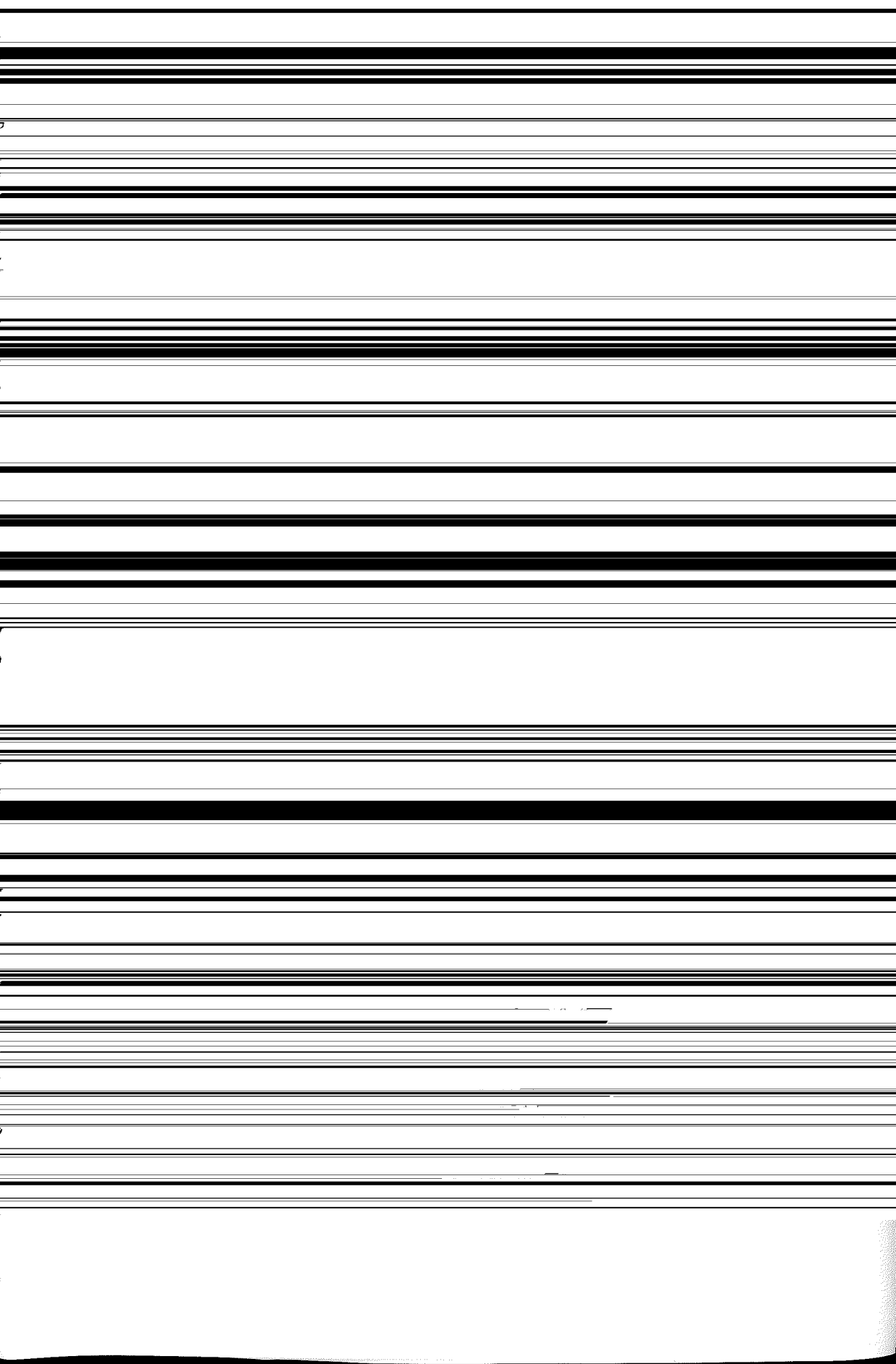
In many ways, however, change is even more significant - if not as noticeable - in the field of attitudes and expectations. Despite the frustration of many key players at the seeming slowness of change in areas such as equal employment opportunity, recognition of the rights of minority groups and adequate social security for those unable to make provision for themselves, history will undoubtedly show a sudden frenzy of activity and achievement in all of these matters in a very short period.

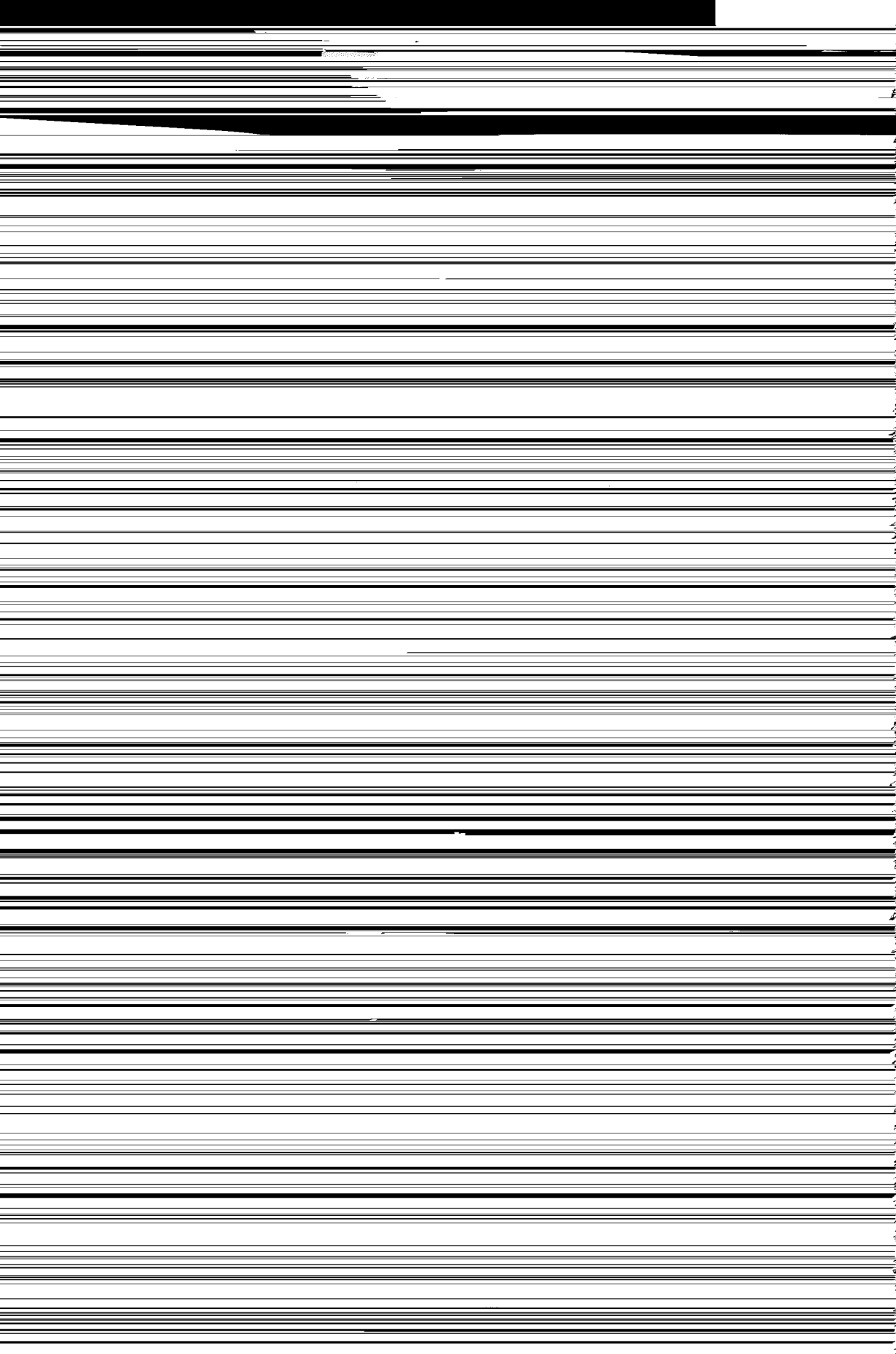
The Ministry has a special interest in aspects of technological change, such as electronic processes for the transfer of funds, for the scanning and pricing of goods, and computerisation generally. But it is equally as important for the Ministry to know and understand the forces that are influencing attitudes of consumers and traders. And having understood, to be able to respond effectively.

If it is to be relevant to its ever changing environment, consumer policy must take into account all aspects of consumer life styles as they are

reflected in the economic, social and political spheres.

The interrelationship between enforcement and penal sanctions based on a
regulatory provisions such as licensing, registration,







A program of long term review of the legislation administered by the Ministry is also being developed so that major pieces of legislation administered by the Ministry can be amended to meet changes in the Ministry's internal and external environment. A major review of the Residential Tenancies Act is well advanced, and insofar as the introduction of uniform "Fair Trading" legislation will require a substantial revision of the Consumer Affairs Act, the purposes and provisions of that Act are being assessed.

The development of uniform "Fair Trading" legislation and legislation to regulate travel agents has some way to go; however the successful introduction of the Credit legislation stands as a landmark of what can be achieved through this process.

In addition, the Policy Division has been represented on and made input to the following working parties which have substantial policy/legislative implications:

- . Interdepartmental Committee on Long Term Residency in Caravan Parks;
- . Residential Tenancies - review of the legislation;
- . Review of classification of National Computer Complaints Statistics;
- . Working Party on the Uniform Regulation of Travel Agents;
- . Working Party on Uniformity of Legislation;
- . Working Party on Self-Regulation. Further details on this project are included in the Section on research and forward planning;
- . Ministry officers were represented on a Local Government Working Party to Review the House Builders' Liability Act.

4. LEGISLATION ASSIGNED TO THE MINISTRY OF CONSUMER AFFAIRS

The Ministry of Consumer Affairs has been assigned administration of the following Acts:

administration of a Guarantee Fund.

The Act stipulates that contracts of sale for motor vehicles be in writing, and prescribes statutory warranties for used cars. It also prohibits the selling of used cars, unless a notice of

prescribed particulars is attached to the car, and provides that second-hand motor vehicles sold by licensed traders have (depending upon the cash price of the vehicle) a statutory warranty.

Market Court Act 1978

The Market Court is constituted of a President and two advisory members.

The Market Court provides the Director of Consumer Affairs with two avenues to restrain persons who repeatedly engage in conduct which is unfair to consumers.

Firstly, the Director can enter into a Deed of Assurance with a trader, which has the same effect as an order of the Market Court but is less costly and time consuming than an action before the Court.

Secondly, the Director can bring an action against a trader to the Court. The Court can, by order, restrain a trader from engaging in unfair conduct.

Credit Reporting Act 1978

Under an agreement reached between the Attorney-General and the Credit Reporting Bureaux under Section 14 of the Act, certain rights are bestowed on credit users if they want to verify the information kept by the Credit Bureaux on their file. The Director of Consumer Affairs also assumes responsibilities under the agreement empowering him to investigate any file allegedly containing wrong information.

Residential Tenancies Act 1980

This Act sets out the rights and responsibilities of both the tenant and landlord in relation to residential tenancies.

The Act also establishes the Residential Tenancies Tribunal to resolve disputes between tenants and landlords. Decisions by the Tribunal are final and binding on the parties.

Credit Act 1981

Motor Car Traders (Amendment No.2) Regulations 1983

The amending Act provides for the licensing of wholesalers and auctioneers. In addition, the monetary limits on the statutory warranty have been amended and removed from the Act to be included

in the Regulations. This amending legislation came into operation

the purpose of the amendments was to overcome certain deficiencies in the Market Court Act 1978. The amending Act provides for:

- . The Director of Consumer Affairs to join in a Deed of Assurance a person other than a trader who has contributed to or instigated unfair conduct;
- . The Director to apply to the Market Court for an Order against a person who contributes to or instigates unfair behaviour;
- . The joining of a person who is involved in the management of a company which has engaged in unfair conduct;
- . The removal of a requirement that the Director must apply to the Market Court for permission to prosecute in the Magistrate's Court a trader who has breached a Deed of Assurance.

The amending Act has yet to be proclaimed.

Credit Act 1984

Credit (Administration) Act 1984

In the Autumn Session of 1984, the Victorian Parliament passed the Credit Act 1984 and Credit (Administration) Act 1984.

These Acts represent a redraft of the Credit Act 1981 to overcome significant deficiencies in that legislation, and as such are the culmination of a lengthy process of reform of consumer credit law which commenced with the Molomby Inquiry into Consumer Credit in 1970.

The Credit Acts sweep away the existing situation whereby credit may be taken in many different forms. The rights of a consumer in relation to a credit contract have depended upon which form of contract he/she has entered into rather than the substance of the transaction. Under the Credit Act 1984, only three forms of contract are recognised.

- . A credit sale contract which is a sale of goods or services where, in respect of the payment for the goods and services, credit is provided to the buyer.

- A loan contract which is where a person in the course of a business carried on by him/her agrees to provide credit to another person by paying an amount, to that person or in accordance with that person's instructions.
- A continuing credit contract which is a revolving credit arrangement where credit is provided from time to time, as with Bankcard.

The Credit Act 1984 regulates consumer credit and so applies to non-corporate borrowers where the amount financed is no more than \$20,000, or the credit contract relates to a commercial vehicle or farm machinery. It has been developed in consultation with the NSW Government and is uniform with the Credit Act 1984 (NSW) and so represents a major advance in uniform consumer laws.

The Credit (Administration) Act 1984 provides the administrative framework for implementing the Credit Act.

The Acts will come into operation in February 1985.

Some of the benefits of the Credit Act include:

- Pre-Contractual Disclosure - Under the legislation, a consumer must be given a statement containing certain details of his/her obligations under the credit contract. This is to allow the consumer to consider whether he/she can afford the cost of the credit and to allow "shopping around" for the "best price".

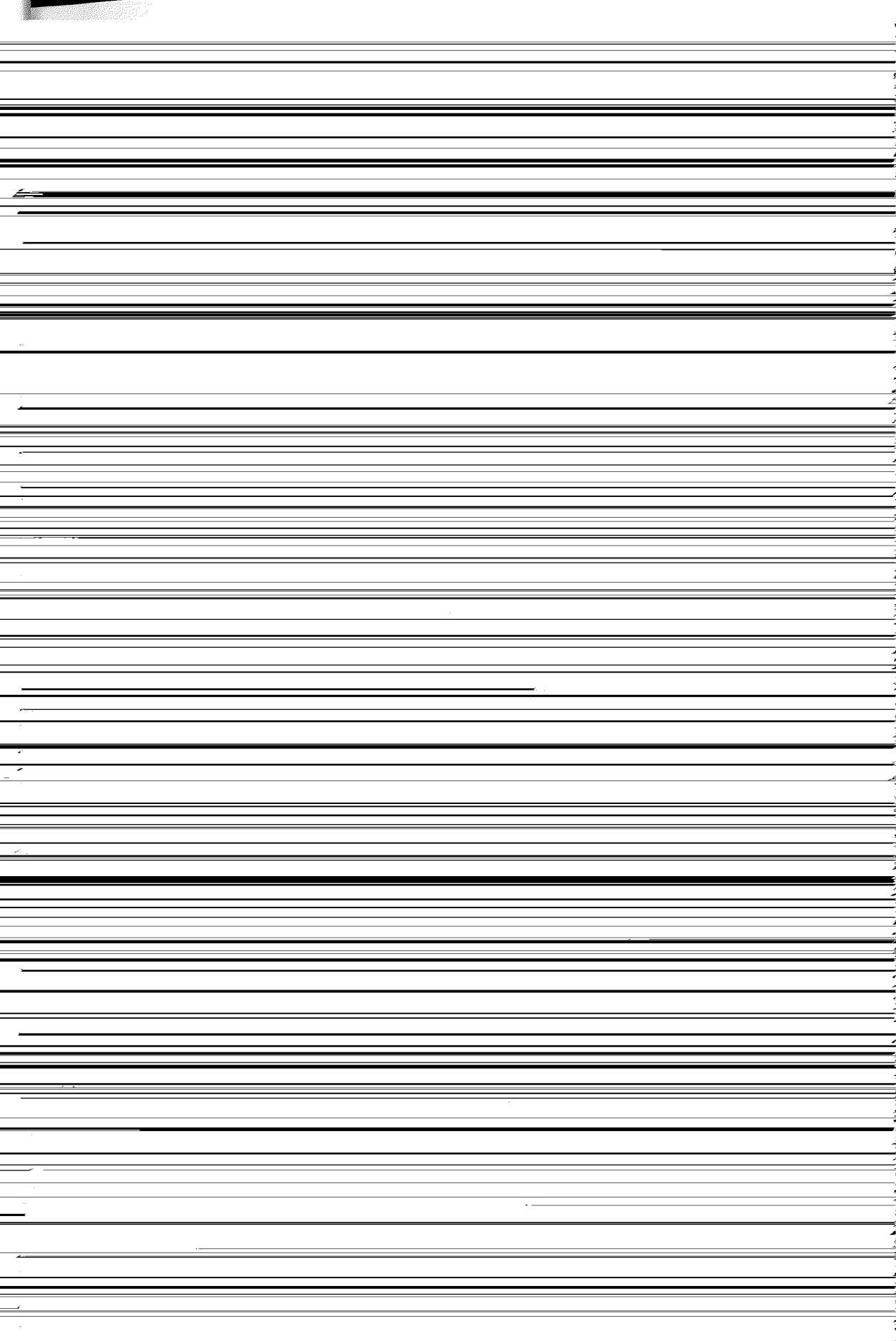
The consumer must also receive a statement of rights and obligations upon entering a credit contract.

- Limitations on Enforcement of Credit Contracts - Before a credit provider can institute proceedings or enforce the security interest after default by the consumer, a notice must be served on the consumer specifying the default and stating the credit provider's intention to exercise any rights and remedies unless the default is remedied and enforcement expenses paid within one month.

Also under the Act, a credit provider is prevented from entering premises to repossess goods without the permission of a court or the consent of the consumer. Also, the credit provider cannot, except with the consent of a court, repossess goods where 75% of the total amount financed has been repaid.

If the credit provider does repossess goods, he/she must sell them for the best price reasonably obtainable and account for the proceeds of the sale in accordance with the Act.

Part 3 of the Act, which provides for the establishment of a registration system of security interests in motor vehicles, is administered by the Road Traffic Authority, and came into operation on 28 March 1984.



and that they do not unnecessarily inhibit the economic and social development of the State.

In response to Government policy and recommendations of the Public Service Board Review, the Ministry of Consumer Affairs is currently reforming its approach to consumer protection in the market-place. The Ministry is moving away from piecemeal regulation towards self and co-regulation strategies, comprehensive and effective trading practices legislation, as well as an improved Ministry capacity to monitor practices and trends in the market environment.

ADMINISTRATTON



careers in a systematic way.

Orientation/Induction courses were initiated as of necessity with the relatively heavy intake of staff and have proved successful. With the recruitment of six Customer Information Officers, an intensive eight-week training program was conducted providing orientation and on the job training for these officers.

The Ministry has made use of the Public Service Board's Central Training





6. GENERAL ADMINISTRATION

Accommodation

Early in 1984, renovations were effected to create an office for the Director which would be proximate to the Minister and the public access areas of the Ministry.

Improvements were made to existing Residential Tenancies Tribunal

information for the Ministry in terms of program indicators, staffing levels, Freedom of Information requests and performance measurement. These statistics have also been useful for the corporate planning process.

Standards have been established for effective and efficient administration. For example, Procedure Statements are regularly issued and systematised in indexed manuals. Timely assistance and monitoring is provided to all programs in meeting standards established by Central Co-ordinating Agencies, particularly in such areas as the management of external consultancies. Regular audits are planned for the monitoring of standards and procedures for flexi-time, overtime and travelling expenses during 1984/85.

In keeping with the responsibilities for program review, the General Administration Program component was reviewed by the Assistant Director, Management and Information Services during the first half of the 1983/84 financial year and restructured to link registry, secretarial and typing services under the Information Manager in the Information Services Program Component. The functions of the General Administration Program Component were restricted to accommodation, security, transport, Freedom of Information processing, support services, office services, telephones and

special projects. The position of Assistant Information Manager in the Information Services component was created to ensure the efficient and effective delivery of registry, typing, word-processing and secretarial services in the context of integrated information technology.

On a Ministry-wide level all programs were assessed in terms of utilisation of staffing resources and valuable input was provided to the Corporate Management Group, the Minister and the Policy and Bills Committee to facilitate reallocation of resources from low priority programs to high priority programs. Valuable linkages have been developed with the Policy Division in order to enhance program review throughout the Ministry.

During 1984/85 systematised program review is anticipated with priority being given to reviewing programs that have been phased down.



The Division responsible for the Market Regulation and Enforcement Program is the Regulation and Standards Division, headed by an Assistant Director reporting directly to the Director of Consumer Affairs.

The operations of the Market Regulation and Enforcement Program are divided between three Sub Programs: Regulation of Business Conduct, Establishment of Product Standards and Enforcement of Legislation.

South Wales of motor vehicles written off for insurance purposes.

Other matters being investigated by the Sectionalised Repairs Task Force are:

- . The effect, if any, of the NSW licensing system on the number and standard of sectionalised repairs carried out in that State;



major change in direction of the regulation of business conduct sub program.



resources, (until June 1984 the Standards Branch consisted of only one officer), it achieved some significant steps in product safety and has incorporated packaged goods matters following the transfer of that function from the Department of Local Government.

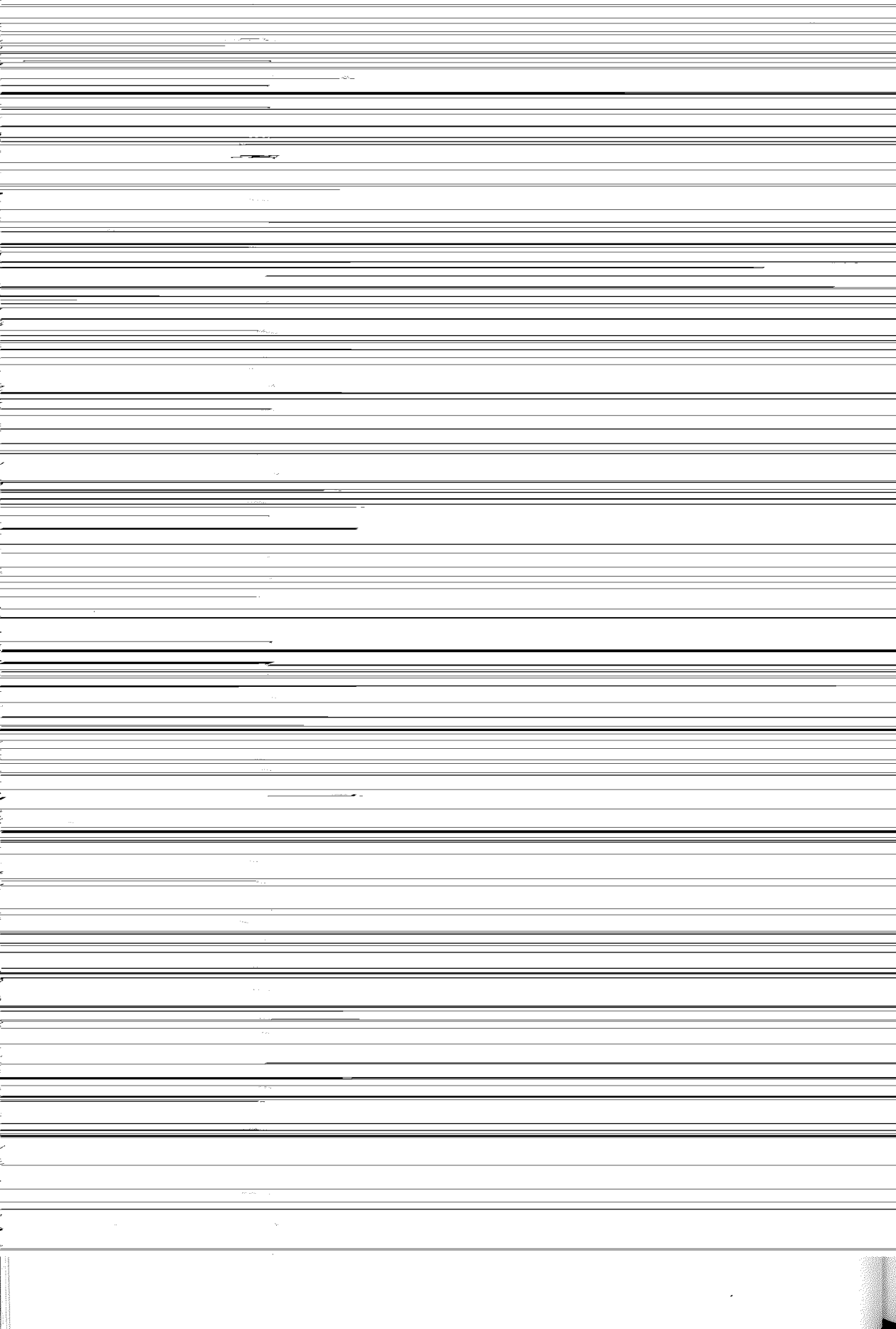
The most important occurrences in the period of this report were the proclamation of the Consumer Affairs (Product Safety) Act 1983 and the transfer of the administration of the packaged goods provisions of the Weights and Measures Act to the Ministry of Consumer Affairs.

Product Safety

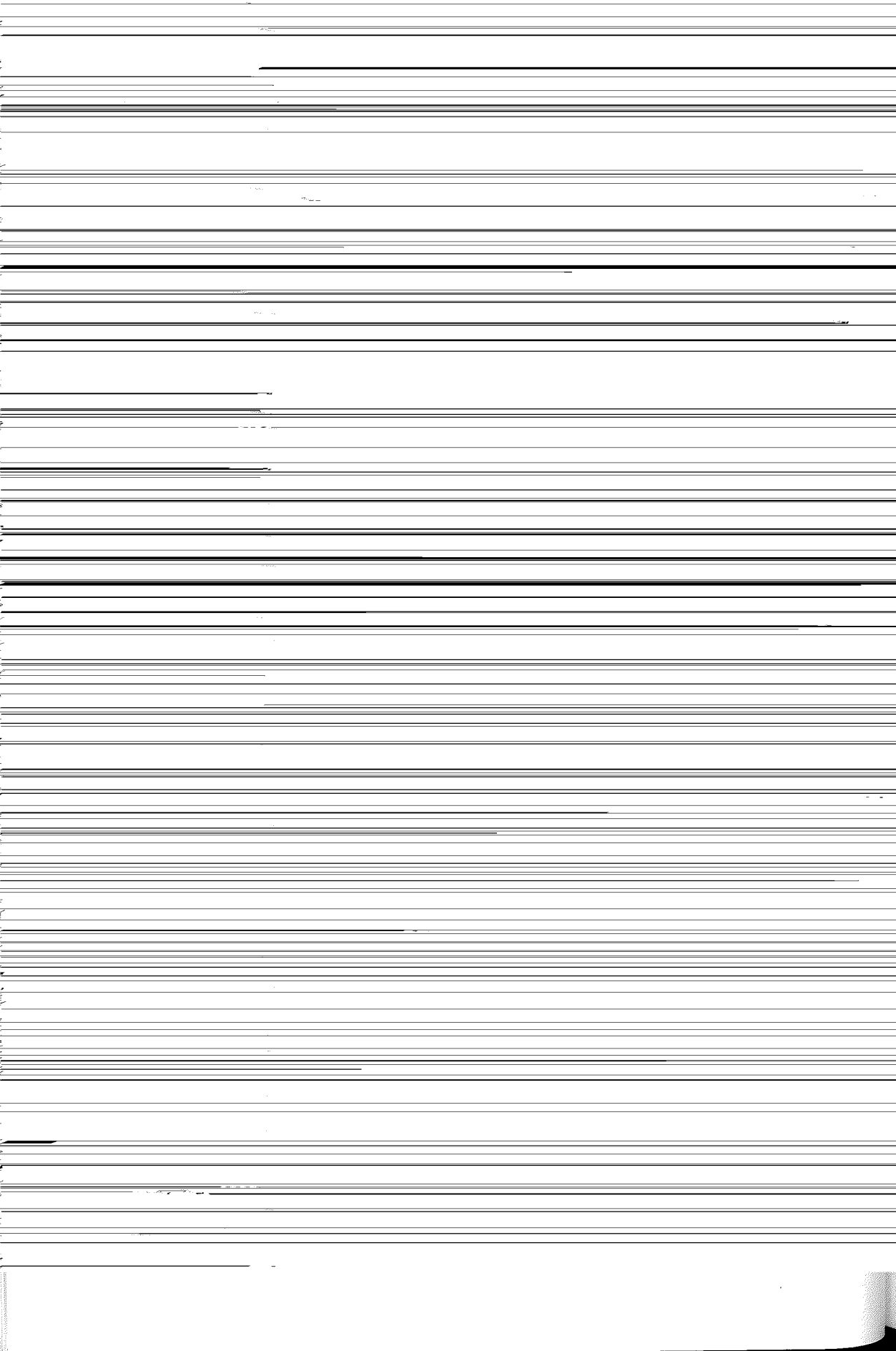
Since the commencement of the Consumer Affairs (Product Safety) Act, the Minister has made three orders for temporary bans and seven orders for permanent bans. These are:

Product

<u>Temporary Bans</u>	<u>Reason for Banning</u>	<u>Date Banned</u>
Magic Egg and	expanding plastic novelties	28.3.84
Wonder Growing Pet	which may cause serious internal blockages or choking if swallowed.	28.3.84
Wonder Growing Pet - Extended		18.4.84
Snap-Lock Beads (Taiwan - Hosan Toys)	small interlocking pieces break off very easily, presenting a potential choking hazard.	18.4.84



In addition to company notifications and industry submissions, essential market information was obtained from regular petrol price surveys. Approximately 115 retail sites were surveyed in the Melbourne metropolitan area. In country areas information was obtained with the assistance of Local Authorities and the Department of Labour and Industry's inspectors. The Ministry expresses its sincere thanks to the people providing this assistance. A total of 40 metropolitan and 41 country surveys were conducted during the year.

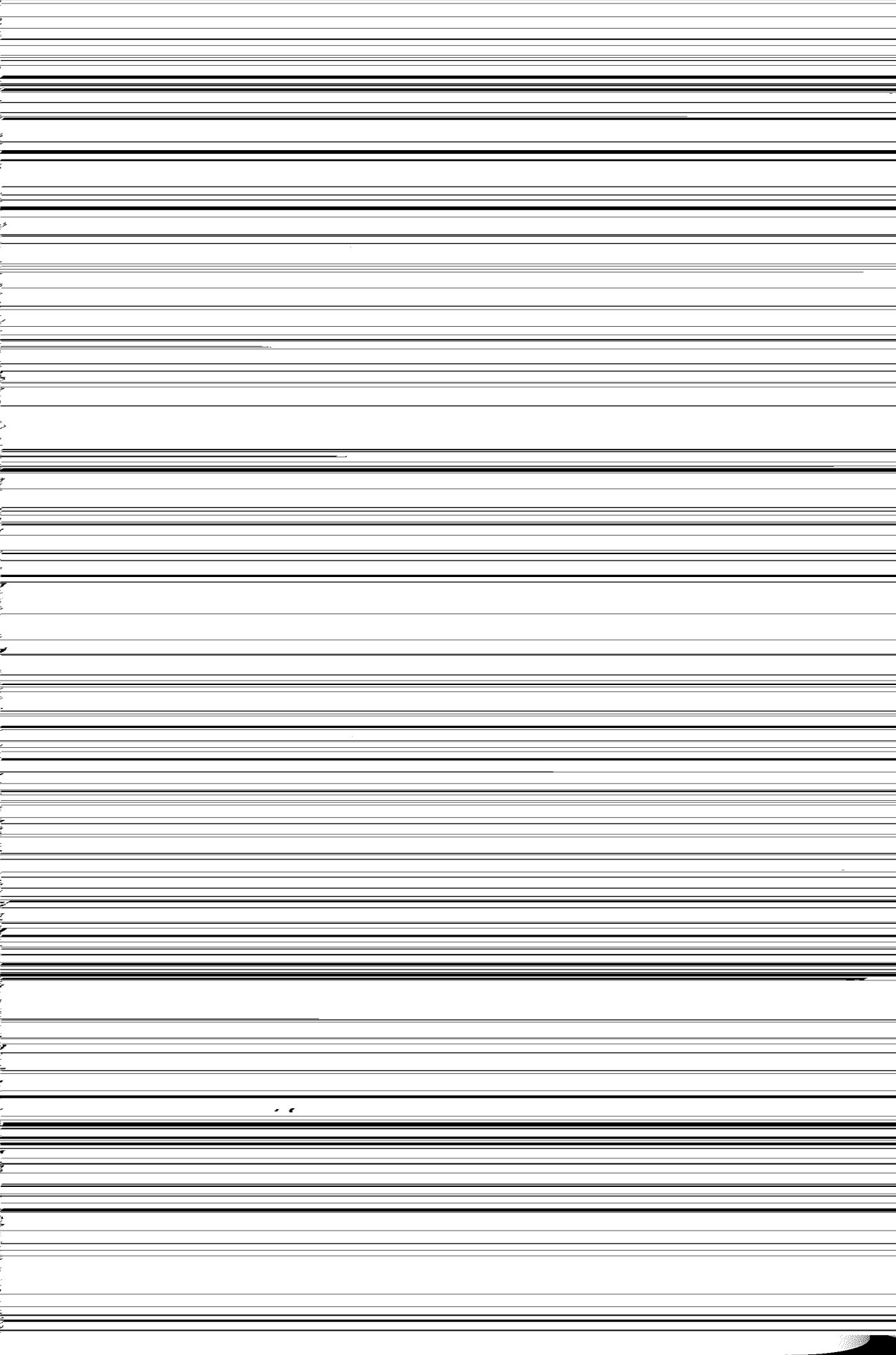


The objectives of the Sub Program are:

- . To maintain a visible presence in the market place by checking on business conduct and services by detecting incidents of

non-compliance with the law.





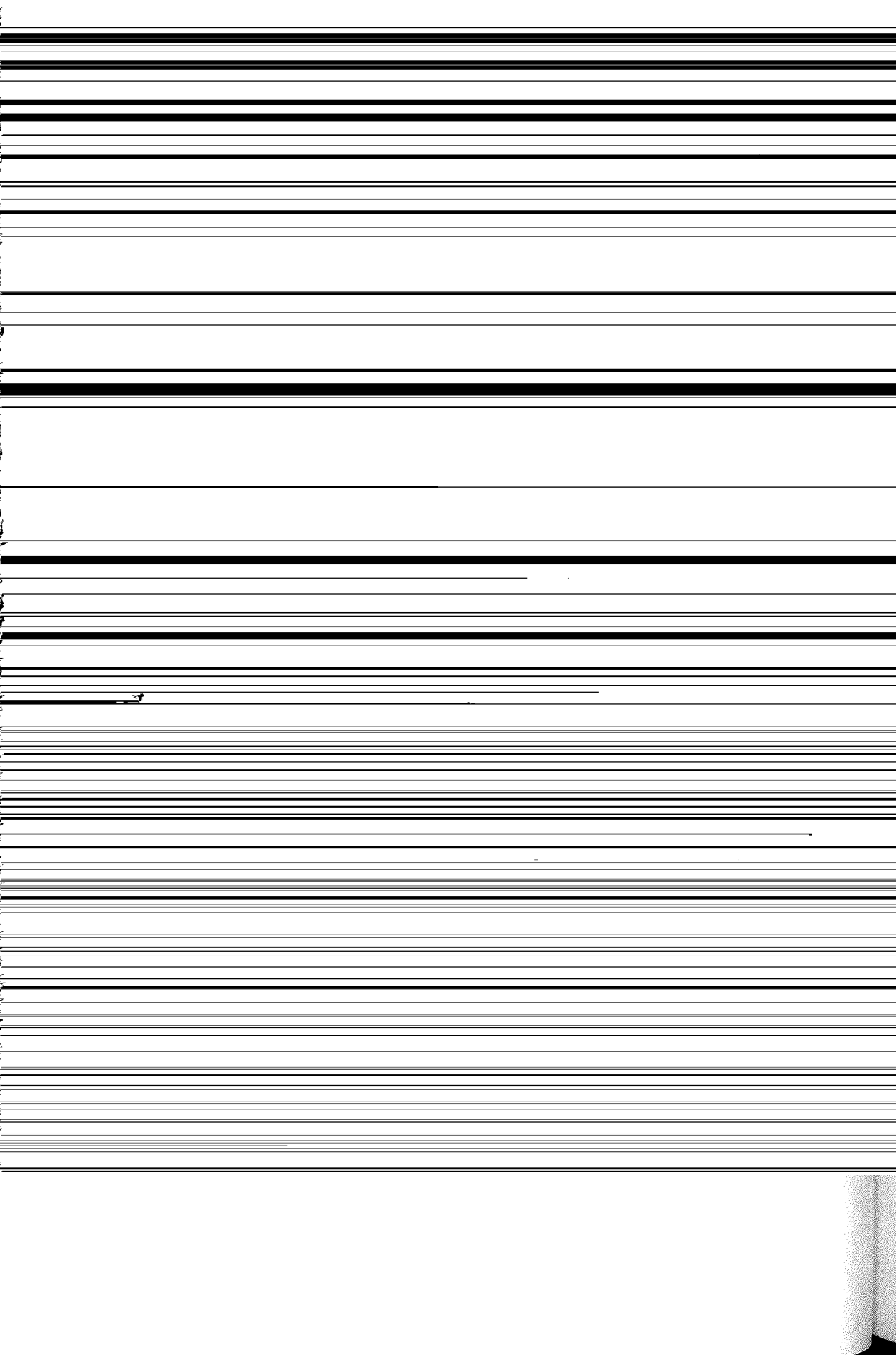
Note 1:

Up to the end of June, 1984, the prosecutions of 14 defendants for some 90 separate offences had been adjourned by the Courts in circumstances beyond the Ministry's control.



PART III

COMMUNITY AWARENESS AND CONSULTATION PROGRAM



Secondly, a proposal for the structure, composition and operation of the Victorian Consumer Affairs Committee has been developed and is being

CONSUMER SERVICES TO CITIZENS OF VICTORIA.

To this end, four key factors were identified as crucial to the Ministry's provision of regional services during the year. These were:

- (i) an approach to regional activity which is based on clear goals and achievable outcomes, rather than seeking to maintain an

consumer issues and problems of the Western Suburbs. It has done this by contact and discussion with local government authorities, consumer and community groups, traders, Government Departments and educational organisations.

Particular attention has been paid to the ethnic population of the Western Suburbs. Staff at Footscray have been recruited for their multi-lingual ability, and between them, cover English, Arabic, Greek, Italian, Spanish, Portuguese, Polish and Ukrainian. Specific consumer awareness campaigns aimed at ethnic communities are planned for 1984/85.

Throughout the year, demand for all services at the Footscray office has steadily increased. Table 10 in Part VI summarises the nature and extent of services provided for the Western Suburbs during 1983/84.

In short, there has been considerable activity in 1983/84 to improve the public's access to Ministry services by reducing spatial, language and information barriers and by managing scarce resources more effectively and efficiently.

C. COMMUNITY EDUCATION

The Community Education Sub Program aims to educate consumers, traders, and the public as to their rights and obligations in the marketplace and to ensure that knowledge of market practices is available to allow qualitative judgements and freedom of choice by consumers.

The work of the Education Branch in 1983/84 was particularly constrained by the vacancy in the Education Officer's position for approximately half the year. The vacancy was caused by the promotion of the previous incumbent, and the delay in recruiting a replacement as a result of the successful attempt to reclassify the position to better reflect its managerial and community liaison duties.

Notwithstanding this delay, basic education functions were performed during 1983/84. The Ministry filled 591 separate requests for consumer education brochures, pamphlets and other documentation. The sources of these requests were as follows:

Business and Traders	36
Community Groups and Information Agencies	104
Teachers	110
Students	148
Government Departments	18
Individuals (often tenants or landlords)	175

Total	591

A list of publications available from the Ministry is set out on Part VI Table 11. Fifty nine requests for speaking engagements on consumer affairs were also met during the year. These included schools, service clubs, community welfare organisations and consumer groups. In addition, addresses on consumer affairs were also undertaken as part of the community consultation activities described earlier. Procedures were developed to assist in establishing priorities among requests for speakers, and guidelines were produced to assist Ministry staff when undertaking speaking engagements

of high priority to the Ministry's legislative program;

- . The introduction of policies and procedures for the effective and efficient administration of a Consumer Affairs Grants Scheme for recognised non-profit consumer and community groups;
- . The establishment of an adequate staffing infrastructure for the Community Programs Branch to integrate and develop the Ministry's community links and to improve the Ministry's accessibility and responsiveness;
- . Continued improvement of the capacity and response times of the Customer Information Services Branch to telephone, personal and written enquiries on consumer and tenancy matters;
- . The consolidation and extension of the Ministry's regional services in order to increase both the access and distribution of consumer services across Victoria;
- . Exploration and piloting of options for a partnership between the Ministry and community-based groups in the delivery of consumer services;
- . Improvement of the range and targetting of consumer and trader education programs and
- . Introduction of a more anticipatory media, communications, and publicity capacity within the Ministry to enhance consumer awareness of market practices and of consumer rights and obligations.

PART IVREDRESS AND ADJUDICATION PROGRAMA. DESCRIPTION

The Redress and Adjudication Program consists of three sub-programs, Conciliation, Adjudication and Program Support. Responsibility for delivery of the program lies with the Complaints and Claims Division, headed by an Assistant Director, reporting directly to the Director of Consumer Affairs.

To satisfy widely held community expectations of assistance in the resolution of consumer disputes, the remedial process approved by the Government is two-fold:

- (i) Conciliation of complaints which enables skilled staff to apply conciliation techniques in a consistent, systematic and

- . To provide an accessible, informal and cost effective adjudication system to hear and finally determine unresolved disputes where conciliation has failed or the parties have made direct application for adjudication.
- . To investigate complaints and examine claims to identify trends emerging in the marketplace.

- . To evaluate novel and complex consumer issues arising from redress and adjudication activities.
- . To link with other programs of the Ministry so as to provide advice of new issues and patterns of consumer disputation emerging in the marketplace.
- . To liaise with consumer, trader, industry and advocacy organisations concerning issues involved in resolution of consumer disputes.
- . To provide information to corporate management on undesirable practices which may emerge during the processing of complaints and the hearing of claims and which may require remedial action.

C. CONCILIATION

1. ACTIVITIES

Figures for the Conciliation Sub-Program for the year in review were :

	<u>1983/84</u>
Number of official complaints lodged at Ministry	13,516
Number of personal interviews conducted regarding complaints	12,534
Number of complaints handled/resolved	13,297

The above figures include complaints lodged concerning Residential Tenancies matters. In the year in review, the total number of complaints continued at about the same level as the previous year (approx. 13,500). Of the total, the proportion of Residential Tenancies complaints has increased to 3395 from 2571 in 1982/83.

Also included in the figure of 13,516 are complaints lodged with the office of the Motor Car Traders Committee in respect of disputes between consumers and licensed motor car traders.

The role of the Conciliation Branch in dispute resolution is to provide a conciliator whose task is to assist the parties in the attempted settlement of disputes which arise between consumers and traders, tenants and landlords without these parties having to seek some other mechanism to finally resolve the dispute.

Where the Conciliation Branch becomes aware of significant increases in complaints against an individual trader or of the emergence of a new practice detrimental to the interests of consumers, officers of the branch will initially pursue the matters of concern with the trader. Where it is considered that the trader has not been responsive to correspondence or telephone conversations regarding ways and means of resolving complaints and averting future problems, arrangements are made to interview the trader,

task is to ascertain the real or underlying source of the problem so complaint resolution can be effectively addressed.

There is some evidence from complaints processed during the year that consumers who have applied for credit cards or 'revolving credit' are often confused about the conditions associated with the provision of this kind of credit. In some cases consumers believed that they were entering into a

hire purchase agreement when, in reality, they applied for a credit card. In other cases consumers were confused about the amount they actually owed because of inadequate information given to them at the time when they applied for the credit.

The implementation of the Credit Act 1984 should remedy this situation to a very large degree. (For more detailed discussion of the provisions of the Credit Act see Part I Section B5).

Promissory Notes

A further disturbing element of complaints received involving home improvements such as house cladding, kitchen renovation, home extensions, provision of patios and carports and concreting is the associated use of promissory notes. These are written promises to pay an amount or amounts of money. The promissory note is negotiable. It can be sold or discounted to a third party who then collects the amount promised as a debt.

The trader obtains a promissory note and the consumer is lead to believe that the trader is financing the deal himself. The trader, however, discounts or sells the note to a third party which might be a finance company or a bank. The effect is that the trader is paid in full for work which may or may not be satisfactorily carried out. When this occurs the consumer has lost his major bargaining power of being able to withhold payment until work is completed satisfactorily.

In these circumstances, where the purchaser of the promissory note was not a party to the original contract and would not be aware of the progress and quality of the work, the Ministry found successful conciliation to be most difficult.

Door to Door Sales

In the year under review there were 41 complaints about door to door selling.

In the resolution of these complaints it often appeared that the provisions of Division 3 of the Consumer Affairs Act were avoided. This Division provides that the purchaser has a 10 day 'cooling off' period in which a contract can be cancelled where it was signed as a result of an UNSOLICITED door to door sale. This 'cooling off' period DOES NOT APPLY where the purchaser has invited the trader to call at his or her home and then signed a contract.

Such a sale may be typically initiated via television and newspaper advertisements where the trader holds out the promise of a "marvellous" deal and invites consumers to telephone and ask a salesman to call. An example, drawn from the video library field is a package deal which offered the consumer a video recorder, a specified number of film swaps plus various other items such as a colour television set, microwave oven and free petrol.



Swimming Pool Covers

There were 35 complaints about swimming pool covers. All these complaints were about solar pool covers supplied by one company. The problem was that the covers deteriorated rapidly, and consumers had difficulty in having them replaced. As the price was less than that for comparable products, it seems yet again that a price bargain may bring costs in terms of quality.

Ten of the complaints remained unresolved when the particular company ceased trading in June 1984.

This also highlights the occasional misuse of the limited liability company device whereby the liabilities of an enterprise can be tied to a legal entity which is separate and distinct from its shareholders and directors. When it becomes obvious that the company is no longer viable it is simply wound up leaving the creditors lamenting.

Pre-Payment

In a number of different areas, complaints were received in which the key issue of the dispute revolved around the requirement of the trader that the consumer pay for the goods and/or services in advance (i.e. payment of money "up-front"). In some cases, in order to make such a pre-payment, the consumer took out a personal loan or entered into some form of credit contract. The trader may have facilitated these credit arrangements so that he/she receives immediate full payment for the goods and/or services which are to be provided over an extended period. This payment to the trader by the credit provider may occur prior to the consumer receiving any benefit from or use of the contracted goods and/or services. Consumer complaints

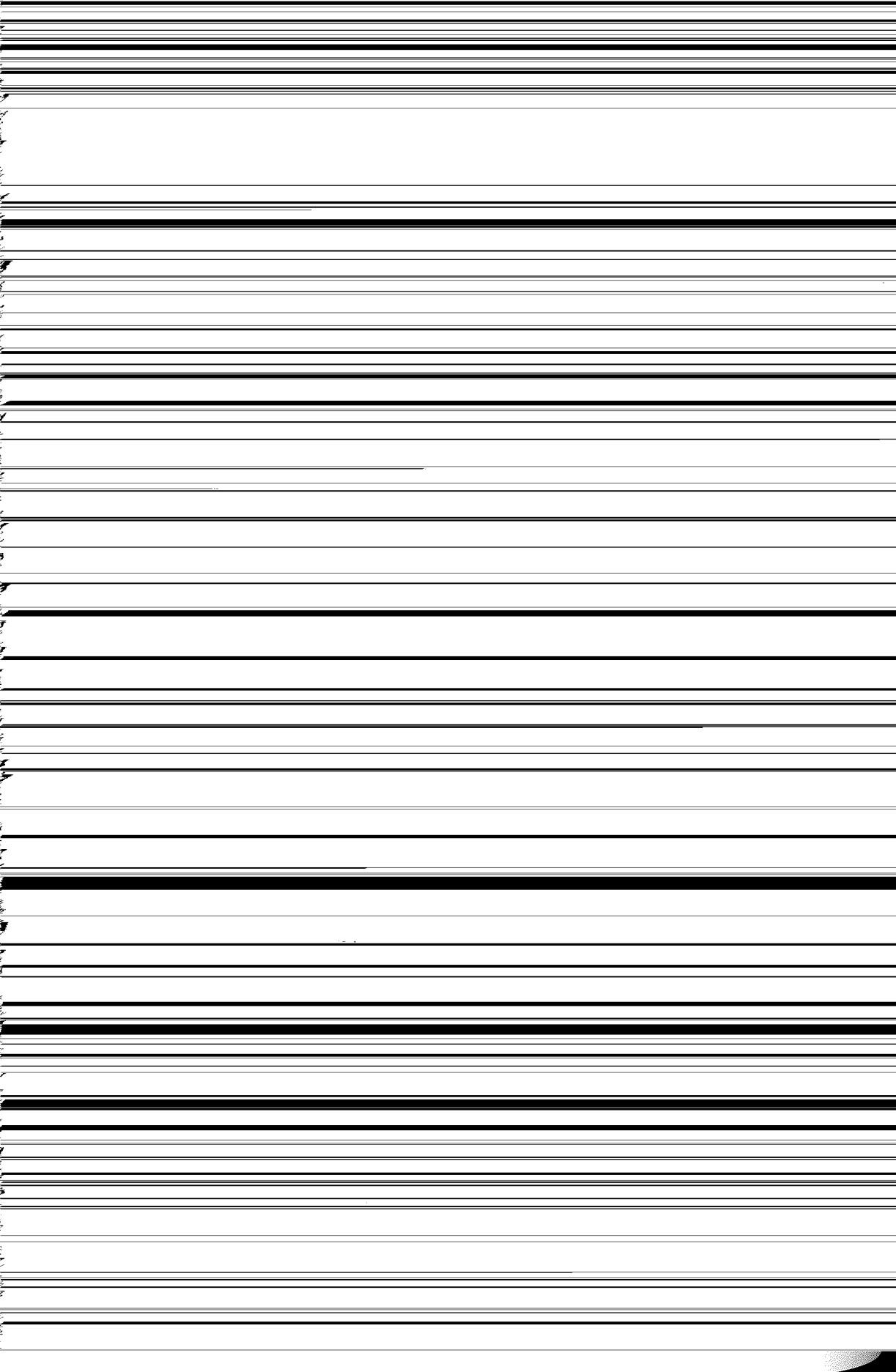
and Claims, the Manager/Conciliation Branch and a staff representative together with the Staff Development Officer was established during the year and has been developing a strategy for ongoing staff development within the Branch.

At the time of writing this report staff within the Conciliation Sub Program have already attended a number of staff development programs ranging from a Writing Skills Course to a Working With Legislation Course, the latter developed to ensure a basic understanding of the development and interpretation of legislation administered by the Ministry and by other jurisdictions. Further courses will be held in the coming year. Emphasis will be given to enable staff to develop a better understanding of legislation affecting the rights and obligations of consumers and traders in the market place, with particular attention to the detection of probable breaches of legislation administered by the Ministry.

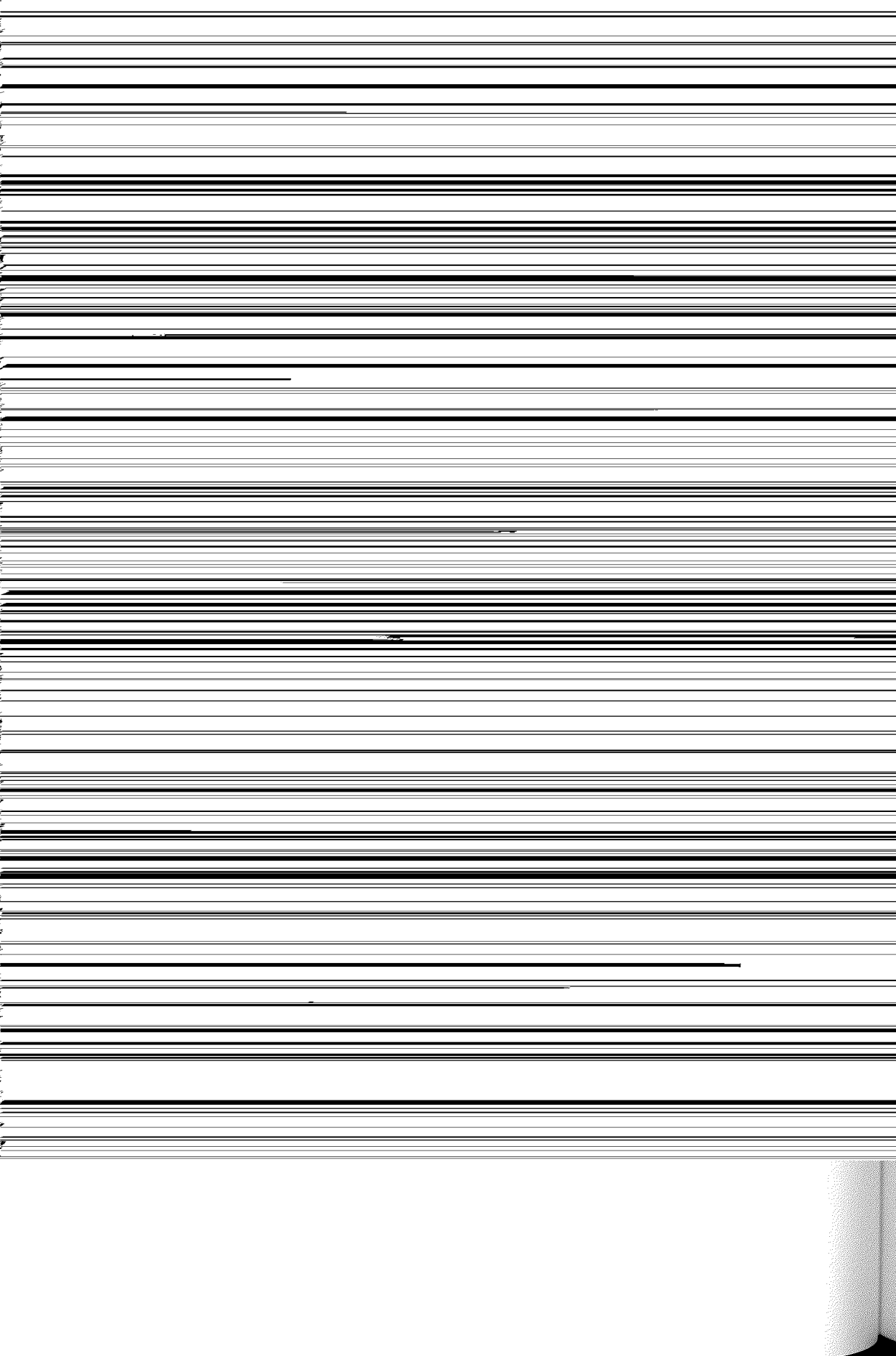
Although most of the complaints received are in writing, many consumers come personally to the Ministry. To improve service delivery to these clients, an appointment system was tested and subsequently adopted in conjunction with the Customer Information Service section of the Education and Community Program Division. It is now possible to schedule mutually convenient times for complainants to meet with a conciliator.

An analysis of consumer complaints for the period 1980/81 to 1983/84 is shown in Tables 1 and 2 in Part VI of this report.

In the course of attempting to resolve consumer disputes, conciliation officers detected a number of practices which may have breached aspects of consumer legislation. In the year in review there were 71 such referrals made to the Enforcement Branch of the Regulations and Standards Division for







The Ministry has been concerned in view of this dramatic and continuing growth in demand to negotiate the allocation of an additional three typing and clerical staff to ensure timely services continue to be provided to Ministry clients. Even with these additional resources, given the continuing growth, there will be further pressure on waiting time for hearings. During the year, these have fluctuated and drifted out to 10 weeks when peaks were reached in the number of applications received but have been brought back to eight weeks at the time of preparing this report.

In the year under review, of the applications to the Residential Tenancies Tribunal approximately 87% or 10,063 were received from Landlords and 13% or 1,502 from Tenants. This compares with 82.7% from Landlords and 17.3% from Tenants in the previous year.

The high proportion of applications lodged by landlords as opposed to tenants must be related to the requirement placed on landlords to apply to the Tribunal whenever they seek possession of premises outside the terms of the tenancy agreement or seek to reimburse costs from the security deposit. On the other hand, many tenants' complaints may be resolved by conciliation, thus obviating in many cases the need to lodge formal claims with the Tribunal.

Tenants' applications showed that the most common dispute involved non-return of bond monies, essential repairs to premises and reduction of fixed-term tenancy agreements.

The following statistics show the movement in workload and measure

As indicated in the above chart, the increasing demand for adjudication services to finally determine unresolved consumer disputes continued unabated during 1983/84.

In response to this increased demand, additional resources were provided with the appointment of four part-time referees and two typing staff and another hearing room.

Concurrent with these initiatives there was a review and assessment of the administrative and operating procedures of the Small Claims Tribunals. As a result computer based word processing facilities were acquired and introduced late in 1983. This enabled the waiting time between lodgement and hearing of a claim to be reduced and more timely preparation and despatch to the parties of notices of hearing and of Tribunals' determinations.

As reported earlier, one of the legislative changes opened the proceedings of the Small Claims Tribunals to the public. Within the Ministry's accommodation constraints, attempts were made to provide pleasant, secure and functional public reception, waiting and hearing rooms.

Residential Tenancies Tribunal

Since its inception there has been a significant and continuing increase in applications to the Residential Tenancies Tribunal.

RESIDENTIAL TENANCIES TRIBUNAL

1300
1250
1200
1150

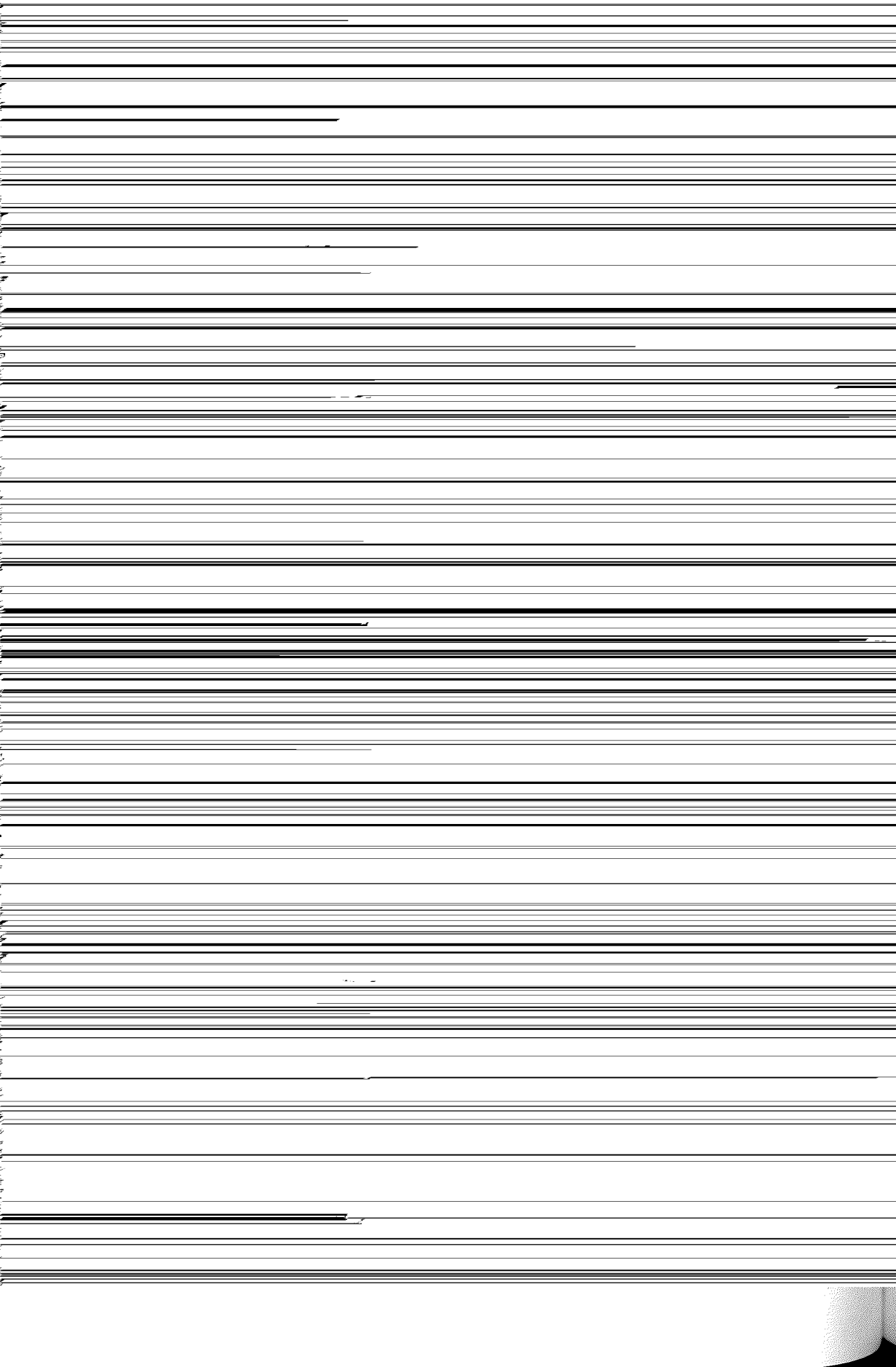
1205



The Credit Act 1984 and the Credit (Administration) Act 1984 will come into operation in the coming year.

Part V of the Credit (Administration) Act 1984 provides for the establishment of a Credit arm to the Small Claims Tribunals. The Tribunals will adjudicate disputes which arise out of credit transactions in Victoria.

The Tribunals are currently planning a research project to investigate the feasibility of extending services into Metropolitan and additional Country regions.







Salaries and payments in the nature of Salary (See Section H.2)	928,500	1,062,289	704,000
General Expenses	194,100	190,889	183,190
Other Services - Victorian Consumer Affairs Committee (See Section H.3)	30,000	4,366	-
Non-recurring: Consumer Affairs Council (See Section G(d))			30,348
TOTAL	1,152,600	1,257,544	917,538

WORKS AND SERVICES

PWD Payments (See Section H.4)	12,000	15,884	-
TOTAL CORPORATE SERVICES PROGRAM	1,164,600	1,273,428	917,538

MARKET REGULATION AND ENFORCEMENT

ANNUAL APPROPRIATIONS

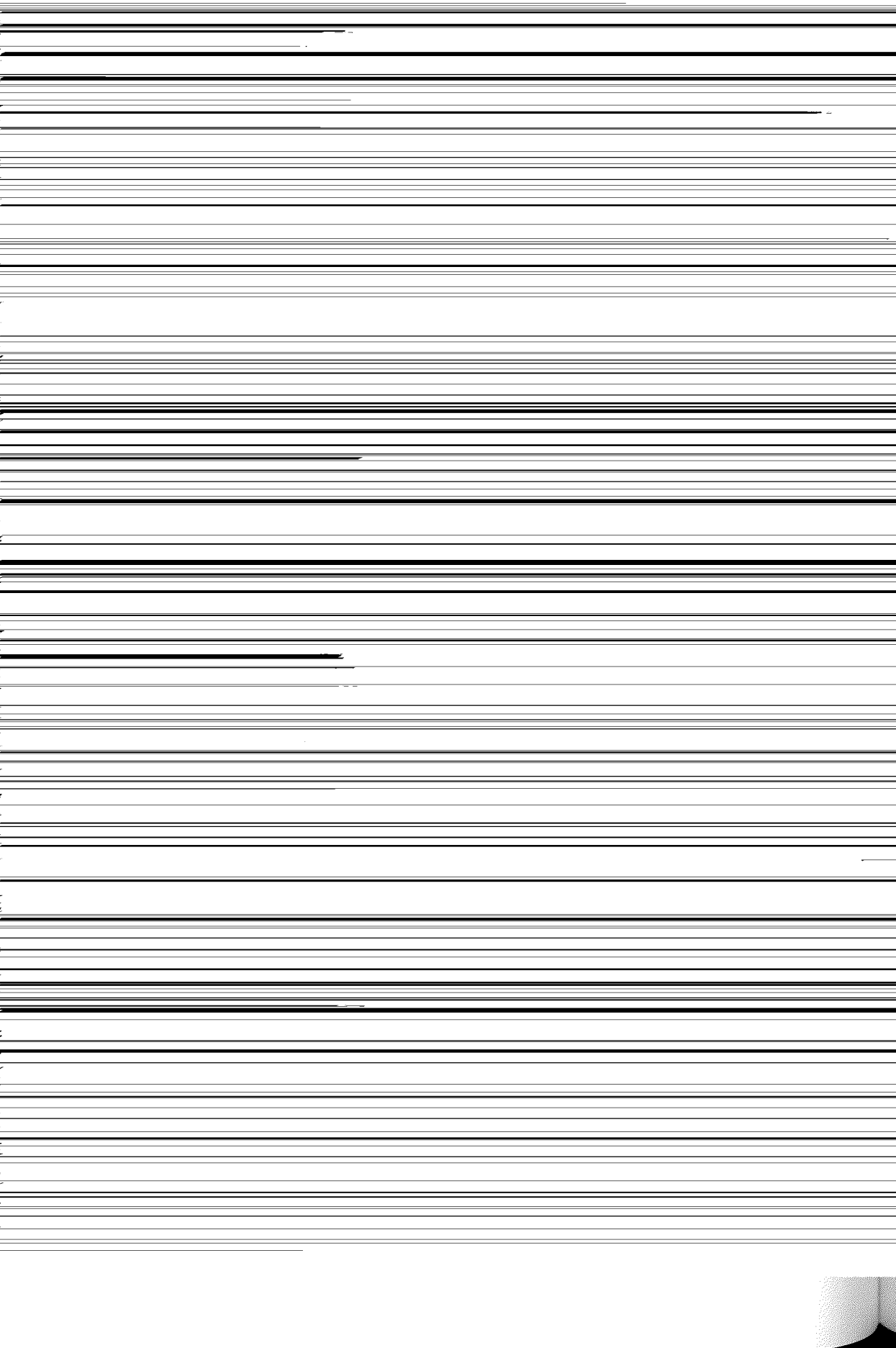
OTHER SERVICES

Salaries and Payments in the Nature of Salary (See Section H.5)	278,600	316,240	297,300
General Expenses (See Section H.6)	105,200	93,682	154,500
Other Services - Market Court - Fees and Expenses (See Section H.7)	8,000	79	2,528
	391,800	410,001	454,328
Recouped to Revenue from Motor Car Traders Guarantee Fund	24,700	22,702	22,200
TOTAL MARKET REGULATION AND ENFORCEMENT	416,500	432,703	476,528

PAYMENTS FOR THE YEAR ENDED 30 JUNE 1984 (Contd.)

	<u>Budget</u> <u>1983-84</u>	<u>Actual</u> <u>1983-84</u>	<u>Actual</u> <u>1982-83</u>
	\$	\$	\$
<u>COMMUNITY AWARENESS AND CONSULTATION</u>			
<u>ANNUAL APPROPRIATIONS</u>			
<u>OTHER SERVICES</u>			

Column and Payments in the Nature of



F. APPENDICES TO FINANCIAL STATEMENTS

APPENDIX A - ADDITIONAL TRUST FUND INFORMATION
STATEMENT OF TRUST ACCOUNT BALANCES AS AT 30 JUNE 1984

Col. 1 Trusts Total

APPENDIX A (Cont'd.)

	<u>1983-84</u>	<u>1982-83</u>
	\$	\$
<u>MOTOR CAR TRADERS GUARANTEE FUND</u>		
Receipts		
Licence Fees (See Section G (j))	630,029	376,556
Fines (See Section G (j))	12,707	33,757
Total Receipts	642,736	410,313
Payments		
Salaries and Allowances	177,999	149,992
General Expenses	58,173	50,695
Word Processing	12,437	-
Committee Fees	79,963	74,277
Claims Against Guarantee Fund (Net) (See Section G (k))	20,634	97,108
Total Payments	349,206	372,072
Cash Surplus (Deficit) for the Year	293,530	38,241
Balance Brought Forward	319,250	281,009
Balance Carried Forward	612,780	319,250

APPENDIX B - ADDITIONAL FINANCIAL INFORMATION AS AT 30 JUNE 1984

(See Section G (1))

Cash and Investments

At 30 June 1984, the Ministry had the following cash and investment balances held in accounts outside the Public Account which are administered, held or transacted by the Ministry.

	<u>Cash</u>	<u>Investments</u>	<u>Total</u>	<u>Interest</u>
	\$	\$	\$	<u>Earned</u>
				<u>For Year</u>
				\$
Trust Accounts	33,457	-	33,457	-
Suspense Accounts	731	-	731	-
Advance Account	3,949	-	3,949	-
Collections Account	945	-	945	-

Debtors

As at 30 June 1984 the following amounts were outstanding:

- <u>Debtors of the Department</u>	\$	\$
Reimbursement of expenditure incurred on behalf of other departments	653	
Reimbursement for non-attendance at a training course	<u>200</u>	853

Under the provisions of Section 14 of the Motor Car Traders Act 1973, a person who is a motor car trader shall hold a licence. Licence renewals are issued each year, however, it is not possible to certify an amount outstanding at any particular time. There is a frequent turnover of traders, and renewals outstanding for ceased traders are not applicable.

- <u>Amounts Collected but not Paid to the Public Account</u>		
Residential Tenancies Fund	70	
Motor Car Traders Guarantee Fund	<u>875</u>	<u>945</u>
		<u>1,798</u>

As at 30 June 1984, the outstanding loan balances on loans made by the Ministry, including accrued interest, were as follows:

Loans under Residential Tenancies Act

652

G. NOTES TO DEPARTMENTAL FINANCIAL STATEMENTS

1983/84. Receipts also include \$37,304 which was directly credited to the Fund by the Department of Management and Budget.

- (j) The Ministry also has overall responsibility for the Motor Car Traders Guarantee Fund and so total receipts and payments have again been included. The amount shown in Receipts for Fines represents amounts paid into the Fund by the Law Department.
- (k) In 1983/84, a total amount of \$64,687 was paid out as Claims against the Guarantee Fund. Offset against this figure was an amount of \$44,053 recovered under Section 50 of the Motor Car Traders Act 1973.
- (l) The financial details provided in Appendix B to the financial statements relate to transactions outside the Public Account.

H. EXPLANATORY STATEMENT

1. Prior to May 1984, all revenue relating to the Ministry was collected by the Department of Labour and Industry. With the establishment of an independent Finance Branch, however, in 1983/84, the Ministry is now collecting its own revenue.
2. Additional funds were provided by the Treasurer for the following reasons:
 - . Temporary increase of two staff in connection with proposed Credit legislation 17,000

These amounts are held in trust and may be required at any time.

15. Expenditure for 1983/84 from Community Employment Program Treasury Trust occurred during the last two months of the financial year. Overall policy responsibility for this program belongs to the Ministry of Employment and Training.

I. CERTIFICATIONStatement by the Principal Accounting Officer

I certify that the above financial statements for the Ministry of Consumer Affairs have been prepared in accordance with Section 11 of the Annual Reporting Act 1983 and the Annual Reporting (Departments) Regulations 1984, and the information set out in the above financial statements is an accurate record of the receipts and payments made by, on behalf of, or falling within the policy responsibility of the Ministry for the year ended 30 June 1984 and of the cash and investment balances, debtors, prepayments, general stores, creditors,

B.J. WALDRON
Auditor-General

MELBOURNE

DATE 26 SEP 1984

PART VI

APPENDICES

Furniture	373	3.08	383	3.48	298	3.14
Furnishings:						
Carpets and Other Floor Coverings	293	2.42	182	1.65	150	1.58
Curtains and Blinds	98	.81	86	.78	91	.96
Hard Floor Coverings	57	.47	79	.71	52	.54
Other	13	.11	49	.44	49	.52
Hardware and Kitchenware	130	1.07	70	.63	84	.88
Other	16	.13	14	.12	21	.22
SUB TOTAL	1996	16.24	1856	16.09	1577	16.58

Repair of Electrical Goods, etc.

Washing Machines, Dishwashers, Drying Cabinets	91	.75	100	.91	77	.82
Stoves	11	.09	8	.07	7	.07
Refrigerators and Freezers	67	.55	62	.56	54	.56
Television	90	.74	91	.82	72	.75
Air Conditioners	10	.08	15	.13	13	.14
Heaters	10	.08	11	.10	25	.26
Small Appliances	16	.13	10	.09	10	.11
Radio, Hi-Fi, etc.	45	.37	84	.76	63	.66
Other	30	.25	23	.20	13	.14
SUB TOTAL	370	3.06	404	3.68	334	3.51

	<u>1981/82</u>		<u>1982/83</u>		<u>1983/84</u>	
	No.	%	No.	%	No.	%
<u>Motor Vehicles and Other Transport Equipment</u>						
New Motor Vehicles	503	4.15	475	4.32	395	4.15
Used Motor Vehicles	1030	8.51	873	7.94	723	7.60
Parts and Accessories	186	1.54	203	1.84	163	1.72
Motor Bikes and Trail Bikes	93	.77	106	.96	74	.77
Other Transport Equipment:						
Caravans	83	.69	72	.65	64	.67
Boats and Outboard Motors	60	.50	49	.44	25	.26
Trucks	36	.30	29	.26	15	.16
Other	70	.58	66	.60	16	.17
Other	13	.11	18	.16	12	.13
SUB TOTAL	2074	17.13	1891	17.21	1487	15.63
<u>Repair and Servicing of Motor Vehicles</u>						
Mechanical	411	3.39	397	3.61	289	3.04
Electrical	11	.09	16	.14	8	.08
Panel Beating	87	.72	87	.79	67	.71
Exchange Engines	67	.55	62	.56	54	.56
Towing Storage	15	.12	27	.24	2	.02
Other	36	.30	33	.33	13	.14
SUB TOTAL	627	5.18	622	5.66	433	4.55
<u>Building and Construction</u>						
New Home Construction	290	2.40	154	1.40	142	1.49
Extensions and Renovations:						
Concreting, Blockwork, Brickwork, etc.	239	1.97	242	2.20	199	2.09
Fences and Walls	68	.56	68	.61	42	.44
Carpentry	15	.12	40	.36	119	1.25
Painting and Decorating	77	.64	70	.63	72	.76
Plumbing	87	.72	84	.76	81	.85

(Cont'd.)





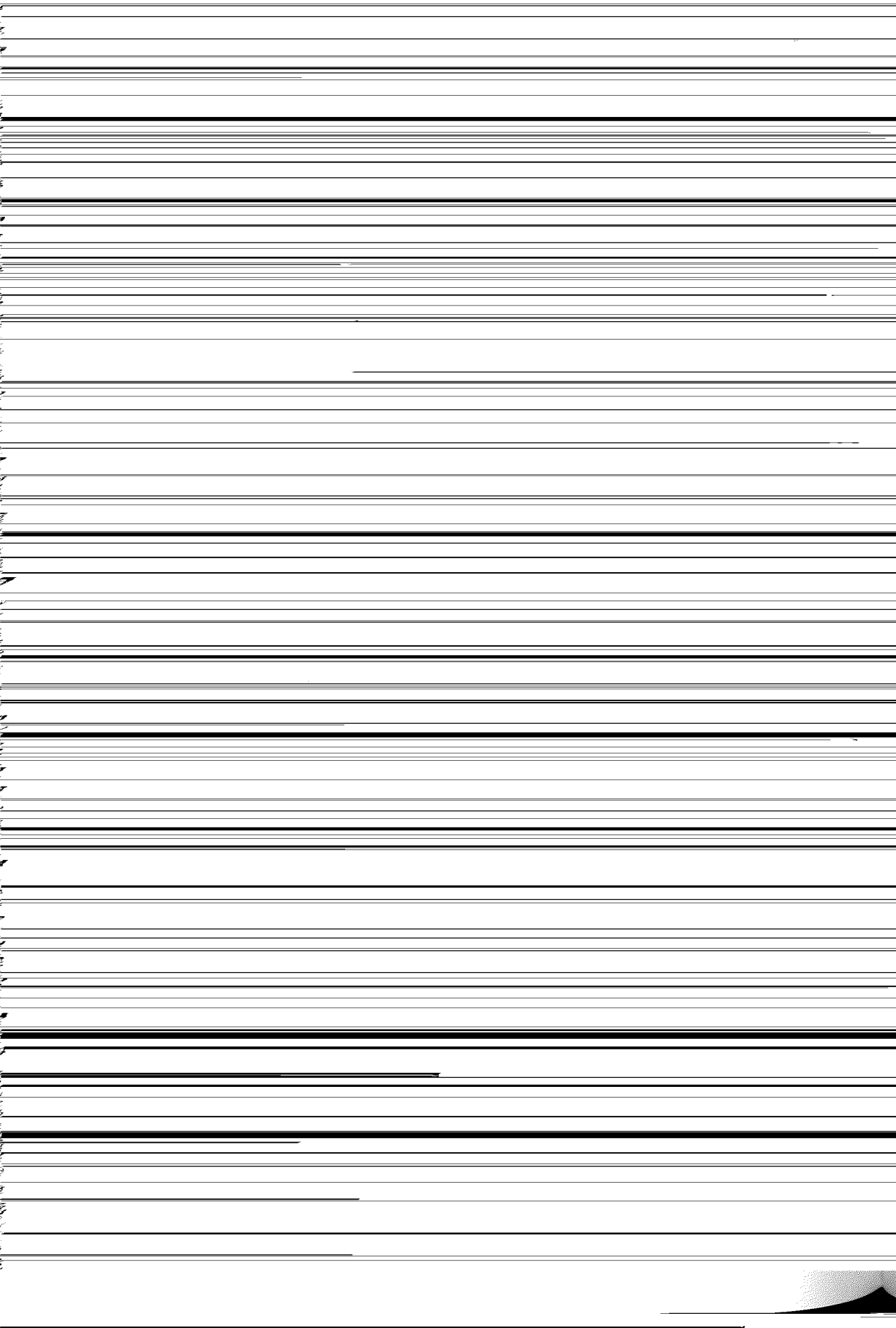
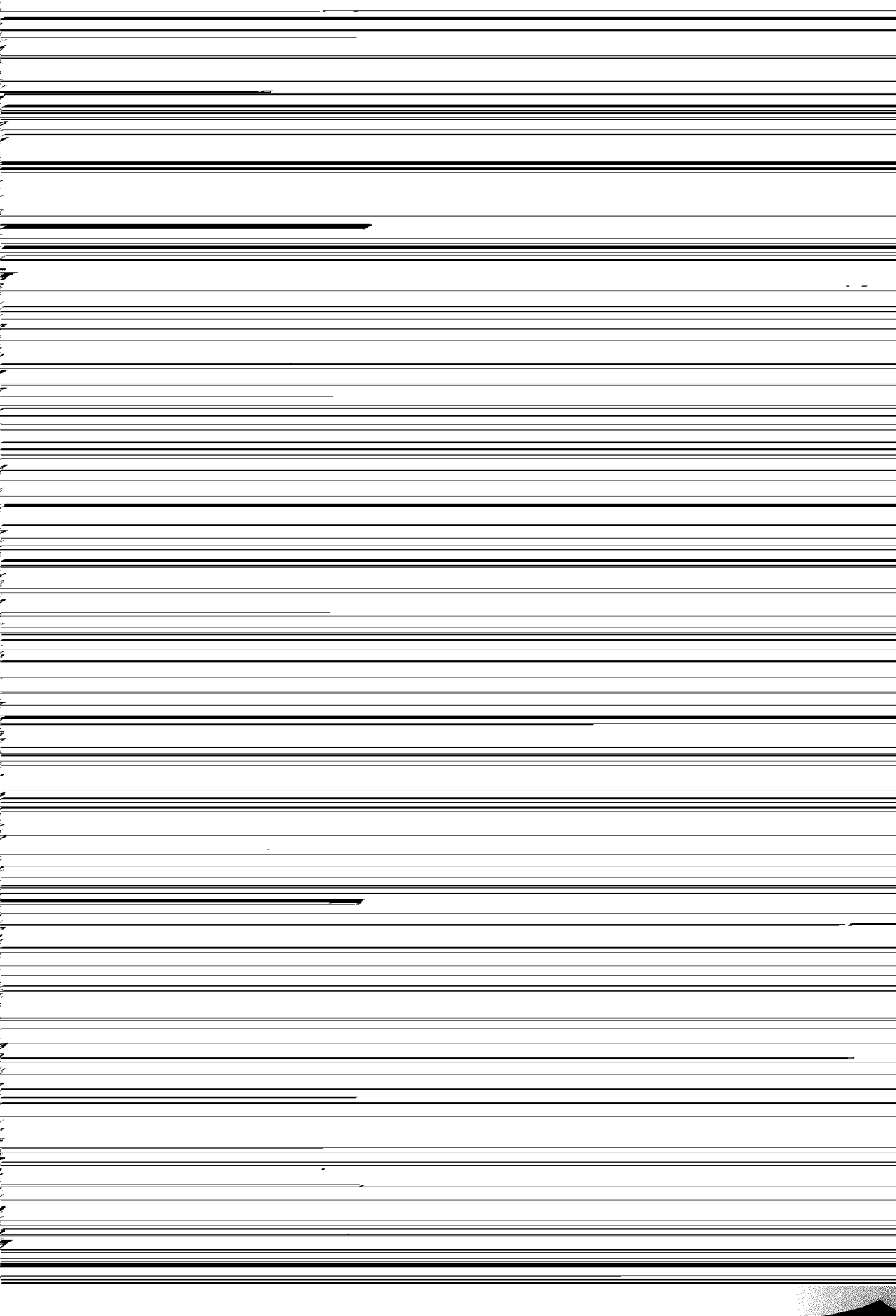


TABLE 2

Analysis of Consumer Complaints
Practice Classification - 1981/82 to 1983/84

	<u>1981/82</u>		<u>1982/83</u>		<u>1983/84</u>	
	No.	%	No.	%	No.	%
<u>Advertising</u>						
Health and Safety	6	.04	1	.00	2	.02
Price	90	.58	32	.26	29	.26
Quantity	1	.01	1	.00	7	.06
Sponsorship, Approval	6	.04	1	.00	1	.01
Specification, Goods	139	.89	105	.87	48	.42
Nature of Services	9	.06	2	.01	1	.01
Free Gifts/Special	58	.37	41	.34	52	.46
Availability	16	.10	4	.03	19	.16
Conditions of Sale	29	.19	1	.00	10	.09
Other	11	.07	5	.04	15	.13
<u>Representations</u>						
Health and Safety	4	.03	-	-	5	.05
Price	23	.15	17	.14	2	.02
Quantity	-	-	2	.01	-	-
Sponsorship, Approval	1	.01	-	-	-	-
Specification, Goods	120	.77	33	.27	50	.44



Quality of Product or Service (Cont'd.)	1981/82		1982/83		1983/84	
	No.	%	No.	%	No.	%
Unauthorised Repairs	59	.38	36	.29	33	.29
Defective at Purchase	2713	17.42	3831	31.83	3660	32.02
Defective after Purchase	1320	8.48	156	1.29	52	.46
Damage to Consumer	530	3.40	381	3.16	358	3.13
Weight/Measure to Unpacked Goods	4	.03	-	-	1	.01

NOTE. Percentage sub-totals may not total exactly because of rounding of decimal places.



1981/82
No. %1982/83
No. %1983/84
No. %

Motor Vehicles and Other Transport

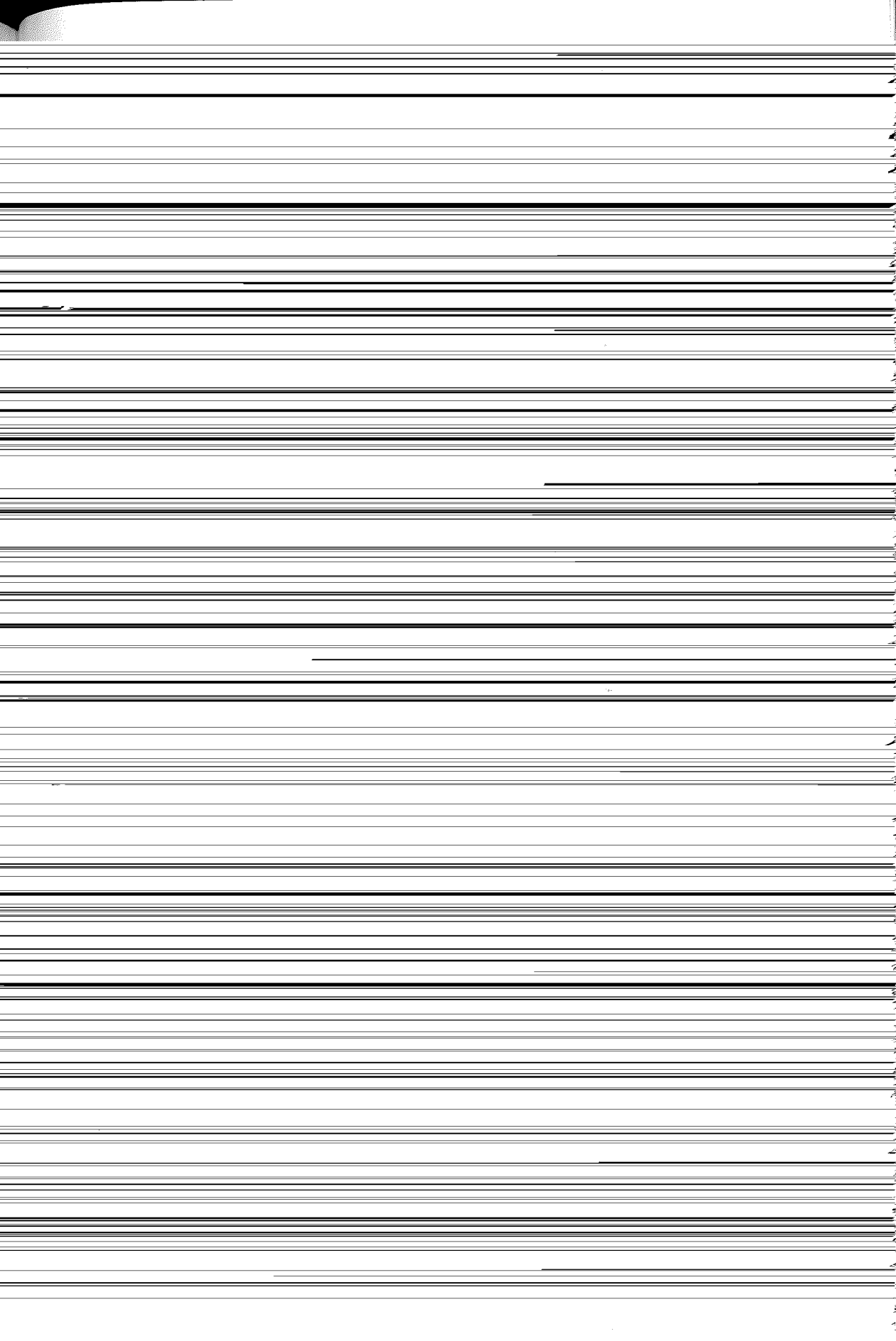


	<u>1981/82</u>		<u>1982/83</u>		<u>1983/84</u>	
	No.	%	No.	%	No.	%
<u>Real Estate and Accommodation</u>						
Investment	-	-	-	-	-	-
Purchase	1	.04	-	-	1	.03
Lease and Rental	-	-	2	.06	2	.06
Short Term Accommodation	8	.33	17	.48	17	.46
Other	5	.21	3	.08	8	.21
SUB TOTAL	14	.58	22	.62	141	3.73
<u>Miscellaneous Services</u>						
Professional Services	48	1.98	105	2.96	87	2.31
Semi-Professional Services	70	2.89	195	5.50	120	3.19
Laundry and Dry Cleaning	74	3.05	109	3.07	190	5.04
Other Household Services	68	2.81	45	1.27	57	1.52
Educational	5	.21	50	1.41	16	.43
Entertainment, Restaurant, Catering	13	.54	19	.54	19	.52
Other	41	1.69	14	.39	11	.30
SUB TOTAL	319	13.17	537	15.14	500	13.31
<u>TOTAL</u>	2423	100%	3548	100%	3765	100%

NOTE: Percentage sub-totals may not total exactly because of rounding of decimal places.

In addition to the total of 3,765 determinations, there were a further 790 cases registered with the Tribunals which were settled by the parties prior to the hearings.

			2	.06	1	.03
<u>Sales Methods</u>	2	.08	2	.06	3	.09
<u>Prices or Charges</u>						
Charge Above Quote	62	2.43	101	2.85	18	.46
Overcharging	96	3.76	199	5.61	164	4.15
Other	23	.90	10	.28	3	.09
SUB TOTAL	181	7.08	364	10.26	191	4.88
<u>Quality of Product or Service</u>						
Installation	22	.86	5	.14	7	.17
Service or Repair	1281	50.12	1124	31.56	1435	36.21
Unavailability of Product Component or Service	192	7.51	87	2.45	38	.96
Unsafe or Hazardous Product or Service	5	.12	12	.34	7	.17
Unauthorized Repairs	14	.55	15	.42	5	.12
Defective at Purchase	111	4.34	174	4.90	31	.78
Defective After Purchase	213	8.33	597	16.83	1281	32.32
Damage to Consumer's Property	131	5.13	344	9.70	398	10.04
Weight or Measure of Unpacked Goods	-	-	5	.14	2	.06
Other	121	4.73	40	1.13	15	.38
SUB TOTAL	2090	81.77	2403	67.73	3219	81.21





Telephone Enquiries	<u>15,629</u>	<u>23,803</u>	<u>39,432</u>
	<u>17,167</u>	<u>26,095</u>	<u>43,262</u>

* From January 1984, the functions of answering telephone enquiries and attending to personal interviews have been transferred to the newly established Customer Information Service Section of the Ministry.

TABLE 8
CUSTOMER INFORMATION SERVICES BRANCH
ANALYSIS OF TELEPHONE ENQUIRIES

(Statistics expressed as a percentage of total number of enquiries received for the March-June 1984 quarter. Total telephone enquiries for Consumer Affairs for this period were 13,466; for Residential Tenancies 7,533; and for counter enquiries 547.)

CONSUMER AFFAIRS

	General Advice	Trader Contact	Written Complaint	Appointment Made	Referred to Tribunals	Pamphlets Given	TOTAL*
Vehicle - Purchase	9.12	0.47	0.29	0.45	0.10	0.04	11.98
- Repairs	10.23	0.13	0.68	0.44	0.75	0.01	12.23
Building & Allied Trades	12.35	0.15	1.05	0.76	0.47	0.08	15.50
Appliances	10.72	0.44	0.96	0.34	0.45	0.06	13.91
Clothing & Footwear	7.28	0.35	0.53	0.17	0.33	0.02	8.34
Furniture Carpet & Drapes	6.54	0.09	0.55	0.11	0.30	0.02	8.08
Professional Services	2.74	0.02	0.18	0.01	0.05	-	3.23
Product of Trader Reputation	5.98	-	0.08	-	-	0.01	6.26
Credit	1.95	-	0.09	0.07	-	-	2.11
Travel	1.23	0.01	0.06	0.01	0.03	0.01	1.46
Insurance	2.45	0.02	0.25	0.06	0.01	-	2.50
Personal Services	3.94	0.02	0.27	0.04	0.10	0.01	4.49
Other	9.01						9.01

100 %

RESIDENTIAL TENANCIES

Documentation	10.24	-	0.15	-	0.58	2.29	13.3
Bonds	16.66	-	0.10	-	0.20	0.31	17.2
Repairs	13.57	-	0.26	-	-	1.59	15.4
Rent	13.29	-	0.10	-	0.26	0.10	13.75
Quiet Enjoyment	4.65	-	0.05	-	0.05	0.05	4.8
Termination	24.3	-	-	-	0.74	1.33	26.3
Other	9.25						9.25

100 %

* Includes % total of referrals to other organisations.

TABLE 10WESTERN SUBURBS REGIONAL OFFICE-FOOTSCRAY

	<u>1983/84</u>
Telephone Enquiries	1,891
Interviews	566
Complaints Lodged (Including 12 by Mail)	299
Pamphlets - Kits Distributed	79
Visitors to Office	160
Visits to Community Groups	47
Visits to Traders	85
Inspections	10
Breach Investigations	2
Media	2
Speaking Engagements	<u>7</u>
TOTAL OCCASIONS OF SERVICE	<u>3,148</u>

TABLE 11



TABLE 12

LIST OF PUBLIC OFFICE HOLDERS WHO DECLARED THEIR PECUNIARY INTERESTS TO
THE MINISTER

In accordance with instructions issued by the Honourable John Cain, Premier of Victoria, the following Senior Officers and Crown Appointees declared their pecuniary interests to the Minister during the year under review.

Mr J D Hall	- Director of Consumer Affairs
Ms J O'Neill	- Assistant Director Policy
Mr D J Hourigan	- Assistant Director Complaints and Claims
Ms N A Kennedy	- Assistant Director Education and Community Programs
Dr C E Mather	- Assistant Director Regulation and Standards
Mr J Varghese	- Assistant Director Management and Information Services
Mr A Lachowicz	- Senior Adviser (Directorate)
Mr M Levine	- Senior Referee SCT(1) and Chairman RTT(2)
Mr K H Bell	- Referee SCT and Member RTT
Mr A J Bradbrook	- Referee " " " "
Mr R L Crisp	- Referee " " " "
Ms K Dimtscheff	- Referee " " " "
Mr A J Duggan	- Referee " " " "
Ms D A Fitzgerald	- Referee " " " "
Mr G D Johnstone	- Referee " " " "
Mr G J Z Levine	- Referee " " " "
Mr L W Maher	- Referee " " " "
Ms R Musolino	- Referee " " " "
Mr F A Plata	- Referee " " " "
Mr M J Redfern	- Referee " " " "

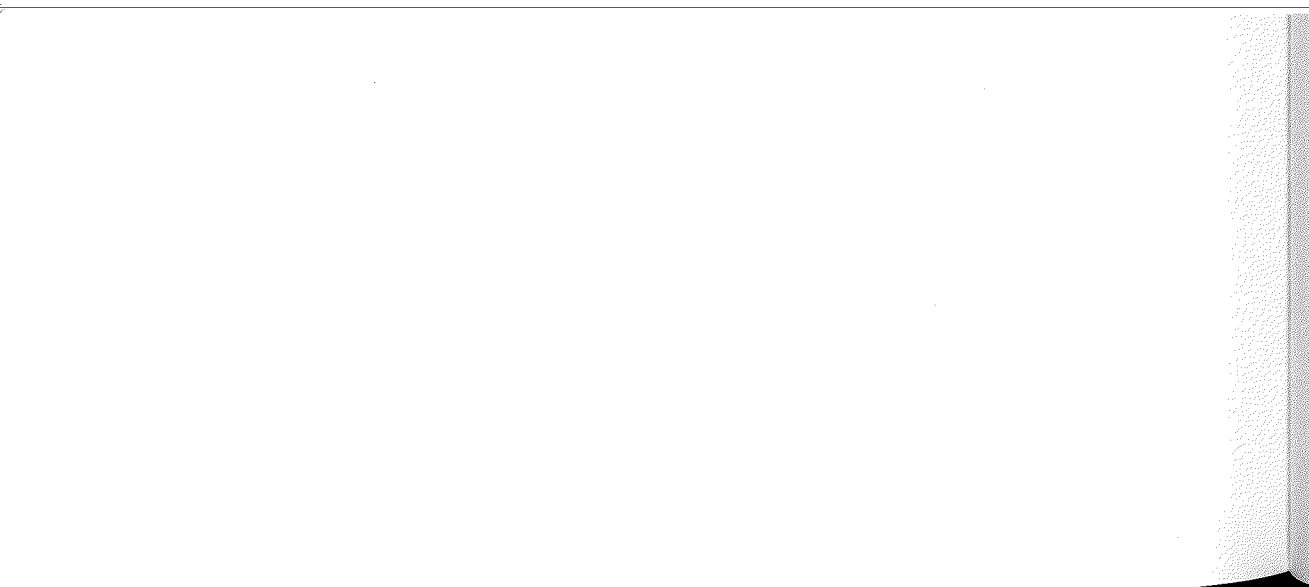


TABLE 13Persons Employed as at 30 June 1984 and Staff Gains and Losses
During the Year Under ReviewA. Persons Employed as Reported to the Department of Management
and Budget in the June 1984 Return

	<u>Males</u>	<u>Females</u>	<u>Total</u>
Full Time	90	69	159
Part Time	<u>11</u>	<u>10</u>	<u>21</u>
Total	<u>101</u>	<u>79</u>	<u>180</u>

B. Appointments, Transfers and Promotions of Senior Officers:

- (i) Director of Consumer Affairs - Appointment to the
Ministry of Consumer Affairs
- (ii) Assistant Director Complaints and Claims - Transfer to the
Ministry of Consumer Affairs
- (iii) Acting Director of Consumer Affairs - Transfer to Law
Department
- (iv) Principal Consultant SES4 - Transfer to Ministry of
Housing

C. Gains and Losses of Staff by Occupational Category:

	<u>Gains</u>	<u>Losses</u>
Administrative	14	8
Clerical	19½	5
Keyboard	10	4
Technical	<u>2</u>	<u>-</u>
Total	<u>45½*</u>	<u>17</u>

* ½ Denotes the equivalent of one part time officer.

PART VIIREPORTS1. FINAL REPORT OF THE IMPLEMENTATION COMMITTEE OF THE 1982 REVIEW BY THE PUBLIC SERVICE BOARDBACKGROUND

In September 1982, the Minister of Consumer Affairs requested a review of the organisation and operations of the Ministry and an evaluation of the quality of service provided to the public. Special attention was to be paid to the implementation of Government objectives and programs.

The Review Team, led by Mike Heppel of the Public Service Board, was drawn both from within and outside the Public Service.

The Review Report was made available to the Minister and Government in December 1982. Following consideration of the report, the Minister indicated the Government's general acceptance of the report's findings and its 64 recommendations when he released it publicly in February 1983.

MAJOR THEMES OF THE REVIEW REPORT

To provide the Ministry with the means to become a more effective force in consumer affairs, the Review Report suggested a changed role for the Ministry.

It was proposed the Ministry should move away from a concentration on protection to embrace as its primary objective the creation of fair market-places for goods and services.

It suggested this new focus could be achieved by the pursuit of the following operational strategies:

- . Regulatory activity to ensure that codes of conduct are established, observed and modified to reflect the changing environment; and, where appropriate, to implement positive regulation through legislation;
- . Remedial activity to ensure that consumers have appropriate avenues for redress and obtain it;
- . Educational activity to ensure that the operations of markets and the ethical standards consistent with fair markets are understood by the participants in the markets;

Information-giving activity to ensure that consumers have

its management processes. This has been possible largely through a determined re-direction of priorities and the creative use of opportunities for additional resources, including through the Community Employment Program.

It was essential to establish in conjunction with the Minister, specific priorities for the change program, especially in respect to resource requirements.

As a first step in establishing priorities, a series of internal working parties and task forces were set up to examine each of the specific recommendations of the Review Report. Staff were drawn from all levels within the Ministry, and as a result, roughly two-thirds of the Ministry participated.

A Management Committee with elected staff representatives was established and met weekly to advise the Acting Director. A Staff Committee with one elected representative (below supervisor level) from each Branch of the Ministry provided grass roots feedback to the Acting Director and Implementation Co-ordinator on the implementation of the change program. In addition, regular meetings were held with the representative of the Victorian Public Service Association.

These consultative and participative initiatives were crucial steps to ensure the success of the implementation program.

PRIORITIES

It was agreed that the first priority should be to establish and set in place the new senior management and to translate the existing staff into the re-organised structure recommended by the Review Report. This would assist the Ministry's new management to move more quickly beyond the implementation phase and to assume full responsibility for its management and operations.

The second major organisational priority was accorded to the development within the Ministry of its own management services functions. Particular emphasis was given to the erection of the Ministry's own personnel and staff development, finance, budgetary and management information systems. The nomination of these areas was due to the fact that at that time expenditure was significantly exceeding the 1982/83

budget allocation, which led to a lack of appropriate information on which to base decisions, plus a concern for the then low level of staff morale and the personal uncertainty which staff felt as a result of the criticisms of the Ministry contained in the Review Report.

The third area given priority was policy. The initial focus was directed to the development of Cabinet Submissions and Bills. This required dedication of scarce resources to these activities with a view to implementing the Government's legislative program.

Given these priorities, the primary emphasis of the change program was necessarily internal. The view was adopted that until the resources of the Ministry could be effectively translated into the new organisational structure supported by a new management capacity free and independent of the Department of Labour and Industry, it would be inappropriate to undertake the systematic development of community linkages and consultation which represented the new, external objective of the change program.

CONSULTATION

Concurrently with these developments, the Ministry undertook some key initiatives to clarify its goal. It commissioned the development of two discussion papers dealing respectively with the aims and objectives of the Ministry and its consultative processes. These papers were combined in a single document, "The Donovan Report" (named after the author, Frances Donovan).

Ninety separate organisations and individuals responded to the consultation in respect of the Donovan Report which was undertaken between September 1983 and January 1984. The consultation sought views about how the Ministry should operate in the future and how relationships should develop with interest groups and the community in general.

In the context of Government policy and the recent review of the Ministry, this consultation sought to specify future directions rather than specific programs or proposals. It was intended that the results of the consultation should influence the variety of decisions being made in the Ministry. These include the specific roles to be played in consumer complaint resolution, the degree of Ministry involvement in industry regulation, the gaps in legislation, the details of Ministry activities in consumer and trader education, appropriate circumstances and mechanisms for decentralising Ministry services, and methods for ongoing community involvement in consumer issues.

findings.

CORPORATE MANAGEMENT GROUP

The Director and Assistant Directors form a Corporate Management Group responsible for the overall direction and priorities of the Ministry. The Group is working with a private consultant (Eryl Morgan) to develop and implement a corporate plan for the Ministry. This plan will draw on the framework established by the Review, developing this in the light of the consultations held and being held with community and other interested groups.

Already a Corporate Development Workshop has been held, as a result of which key issues for the Ministry have been identified, revolving around its external relationships, clarification of its role and image, enhancing of its policy development capacity and the fostering of improved understanding of the full implications of the consumer perspective in the market-place and in economic considerations generally.

As part of the process of extended community consultation, the Minister and senior officers of the Ministry met under the auspices of the Victorian Council of Social Service with representatives of thirteen community/consumer groups. Further meetings are being held to pursue some of the issues raised, which centre on the community's expectations of the key areas of performance by which the Ministry may be judged.

SUMMARY OF PROGRESS

Until quite recently, much of the change program necessarily had to be concentrated on internal developments designed to underpin the more broadly based role the Ministry was expected to develop and pursue.

Action has been initiated in respect of over 90 per cent of the recommendations contained in the Review Report, resulting in realisation of many of the immediate goals and priorities the Ministry established at the beginning of the change program. Of those recommendations where action is still proceeding, many (e.g. 'The Ministry monitor its policy environment on a systematic basis within a comprehensive policy framework') are by nature ongoing rather than single static achievable goals. In that sense, therefore, there will be a continuing, rather than a concluding, interest in them.

Significant policy initiatives have been undertaken, culminating in a body of legislative reform designed to give effect to the Government's consumer affairs policies.

During 1983 alone, the following legislative program in the consumer affairs area was implemented:

- . Consumer Affairs Committee Act 1983 - To replace the Consumer Affairs Council with a new body, the Victorian Consumer Affairs Committee;
- . Beer Prices Regulation (Temporary Provisions) Act 1983 - To give the Prices Commissioner temporary power to control the minimum price of beer sold by breweries;
- . Small Claims Tribunals (Amendment) Act 1983 - To increase the jurisdictional limit from \$1,500 to \$3,000; to provide for hearings to be open to the public; to extend the definition of consumer to include residential bodies corporate; and the Tribunal to have power to amend an Order if a mistake or error has occurred;
- . Motor Car Traders (Amendment) Act 1983 and Regulations - To provide for licensing of wholesalers and auctioneers and to limit any claim against the Motor Car Traders Guarantee Fund to \$20,000;
- . Consumer Affairs (Product Safety) Act 1983 - To allow the Minister to prohibit the sale and distribution of dangerous consumer goods;
- . Employment Agents Act 1983 - To provide for licensing of employment agents and set regulations in respect of fees; to provide for redress for complainants and penalties for misleading advertising;
- . Consumer Affairs (Item Pricing) Bill 1983 - To retain item pricing in the larger type of self-service supermarkets as a means of safe-guarding consumer awareness of prices.

- develop and pursue the more steady state role than expected of it.
- . The Ministry is now virtually independent of the Department of Labour and Industry (with the major exception of legal services).
 - . The Ministry has its own personnel services, within which it has initiated a comprehensive staff development program designed to meet the needs of staff members and of the organisation.
 - . The Ministry has erected its own finance and budgetary services. This has enabled management to take firm control of expenditure, a key measure of which was the speedy adoption of program budgeting. An indication of its success in this area is the acceptance by the Department of Management and Budget for it to act as a pilot for this development.
 - . Computer based word processing has been introduced and planning for the computerisation of registry, file management, statistical and information data base functions is well advanced.
 - . Other technological change has been introduced into the Ministry via a computer-based telephone system to significantly enhance the Ministry's inquiry and customer information service.

The Implementation Committee recognises that other key policy initiatives which cut across the Ministry's regulation, enforcement, adjudication, redress, conciliation, education and information functions will be pursued and further developed in 1984/85.

FUTURE DIRECTIONS

The Implementation Committee is pleased to acknowledge and report the above progress; it is confident to leave the remainder of the unfinished business of the Review for the Ministry to pursue in the context of its ongoing operations.

In so doing, however, it proposes that the Ministry's work programs be developed so that due attention may be accorded the following matters which were deferred in 1983, or are, as yet, incomplete.

(i) Consultation/Community Liaison

With the abolition in 1983 of the Consumer Affairs Council the preparatory work undertaken to clarify the role and function of the proposed Consumer Affairs Committee is noted. The Implementation Committee sees the new Committee as offering a significant opportunity to establish an effective mechanism for major community consultation, complementing other consultation and liaison processes.

It recommends, therefore, that appropriate action be taken so that this Committee may come into operation as soon as practicable.

The Implementation Committee also recommends the Ministry continues to develop and build on the education and consultative activities already undertaken. This should provide for ongoing community consultation in the form of regular formal contact with particular interest groups and meetings of individual parties as the need arises. This is additional to the many informal contacts the Ministry has in the community, which should also be fostered.

(ii) Accountability of Statutory Authorities

It is recommended that the Ministry resume its deferred consideration of the recommendation to establish a Licensing and Tribunal Review Board to review the operations of the Licensing Authority and Tribunals to ensure their accountability.

In addition, the action begun to review and reassess complaint, claims and enforcement processing procedures should be continued and finalised. This will not only permit the full integration of all complaint handling activities as was recommended and remove this responsibility from the Motor Car Traders Committee, but also facilitate moves to establish a single jurisdiction Tribunal covering the full range of disputes arising from transactions in the market-place.

Given the greater emphasis much of the change program to date has placed on attaining internal developments ('inputs'), the Implementation Committee strongly recommends that the Ministry now build on these achievements. It, of course, recognises that the pace of these developments will be affected to a large extent by the resources able to be gained, or re-directed, as a result of changed emphasis. It is important that the Ministry be enabled to introduce new skills required for these activities, as well as facilitating the gradual redeployment of existing staff in those new directions. The Ministry must shift its focus more towards these external developments ('outcomes') which have a greater direct benefit to the community. In the longer term, the Ministry will stand or fall on its performance in this area. This represents the ultimate test of how well the overall program of change has been implemented.

CONCLUSION

Despite the further work to be done, the Implementation Committee believes the Ministry has now successfully moved through the immediate and critical post review phase of implementation. It can report that a fundamental change to many of the Ministry's functions has been initiated. There is now a sound organisational framework on which to build and develop the notion of a 'fair market'. More importantly, the Implementation Committee believes the Ministry has the management commitment to do so. It recognises the need for staff with new skills (e.g. legal, education and enforcement) to be introduced into the Ministry, while at the same time existing staff must be given every opportunity and encouragement to apply their knowledge and experience to the continuing process of change, so that the Ministry is fully responsive to Government policy and consumer needs.

The Implementation Committee endorses the intention to develop and negotiate 1984/85 policy initiatives and proposed extension of existing services around the following three focal points:

Departmental measures aimed at strengthening the concept of a fair market-place, the major goal of the Ministry;



Procedures have been instituted in the Department's Central Registry to ensure that FOI requests are extracted from the bulk of correspondence, registered, acknowledged and passed to the appropriate authorised officer within one working day.

All responses to applicants are monitored by the Information Manager to ensure that the requirements of the legislation are fully observed.

FOI Staff Training and Development

Appropriate Ministry staff have attended a total of 7 training courses conducted both by the Law Department and by external agencies.

Internal training sessions are planned in order to make all Ministry staff more aware of the implications of FOI legislation.

FOI Part II Statement

As required by Part II of the FOI Act, a detailed statement has been prepared on the following aspects of each Prescribed Authority:

- Organisation and Functions
- Categories of Documents
- FOI Arrangements
- Publicity Services
- Procedures And Guidelines Used In Decisions-Making
- Report Literature

Copies of the Part II Statement are available for inspection in the Ministry's Library or for purchase from the Information Manager.