

# Consumer Affairs Victoria

Annual Report 2012–13  
Regulating for consumer confidence

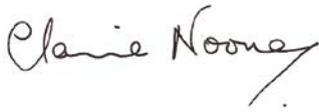


## Director's Foreword

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 have pleasure in submitting the Consumer Affairs Victoria Annual Report for the year ended 30 June 2013, for you to present to the Houses of Parliament.

Yours sincerely



Dr Claire Noone  
Executive Director  
Consumer Affairs Victoria



The Hon. Heidi Victoria MP  
Minister for Consumer Affairs



Greg Wilson  
Secretary  
Department of Justice

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It gives me great pleasure to outline the activities and achievements of Consumer Affairs Victoria in 2012-13.

Our focus this past year has been on ensuring consumers and businesses have the confidence and tools they need to protect and help themselves, whilst ensuring regulatory efficiency and reduced red tape for business.

To help achieve this, we expanded the information and services we provide online. Our mobile website now provides a better user experience and more information for people accessing the site via mobile devices. We also added new online transaction services for business.

We took tough, strategic and risk-based court action against traders that were doing the wrong thing. Our focus was on civil proceedings, rather than prosecutions, as a more effective tool for stopping misconduct quickly. In May, we achieved a landmark outcome in the case of Hair Science International Pty Ltd, which was ordered to pay \$100,000 for making false claims. In another case, we became the first state ACL regulator to have a company director disqualified from managing a corporation.

We continued to lead and contribute to national projects that addressed issues of concern across Australia, including

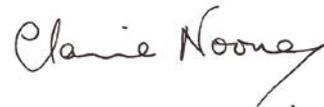
travelling con men and consumer guarantee provisions. Many may not realise that Australia now has a multi-regulator environment for consumer protection. Our work is now planned and considered within this national context.

Vulnerable and disadvantaged consumers continued to be a focus for us. We recently reviewed our financial counselling program to ensure our services were accessible to the people who needed help the most.

We also continued to expand our use of frontline resolution, which is now our primary approach to resolving disputes.

Meanwhile new minimum standards for rooming houses came into effect in March, improving safety and living conditions for residents. By that stage, we had already completed 877 compliance assistance visits to help operators prepare. Once the standards took effect, we followed up with 499 inspections.

Within this busy year, we have restructured our organisation to streamline operations and improve efficiency. It is a testament to the calibre of our staff that we have continued to deliver high-quality services throughout this significant period of change. I would like to thank our staff for their continued professionalism and dedication. In particular, I would like to thank Phil D'Adamo who very capably steered the ship for most of 2012-13 while I was Acting Secretary of the Department of Justice.



Dr Claire Noone  
Director  
Consumer Affairs Victoria

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## About Us

### Our vision

Responsible, confident and informed businesses and consumers

### Our goals

- Empower consumers and businesses to know their rights and responsibilities
- Promote a well-functioning market economy
- Support vulnerable and disadvantaged consumers
- Reinvigorate the organisation

### Our functions

Consumer Affairs Victoria is the state's consumer affairs regulator. At 30 June 2013, we were responsible for administering 30 Acts of Parliament. Our role is to:

- Provide information and advice to consumers and businesses online, by phone and face-to-face

- Promote business compliance through education, compliance assistance activities and appropriate enforcement of the law
- Register and license businesses and occupations
- Provide an effective and timely dispute resolution service for consumers, businesses, tenants and landlords
- Ensure the consumer protection framework is modern and effective.

In 2012-13, we supported the Ministerial advisory roles in the Consumer Affairs portfolio, including the Estate Agents Council and the Sex Work Ministerial Advisory Committee. We also provided administrative support to several statutory offices and bodies including the Business Licensing Authority, Motor Car Traders Claims Committee, Residential Tenancies Bond Authority and the Office of the Fire Services Levy Monitor.

## Glossary

ACCC	Australian Competition & Consumer Commission	DBCA	<i>Domestic Building Contracts Act 1995</i>	PRAC	Policy and Research Advisory Committee
ACL	Australian Consumer Law	EIAC	Education and Information Advisory Committee	PSCC	Product Safety Consultative Committee
CAANZ	Consumer Affairs Australia and New Zealand	FTA	<i>Fair Trading Act 1999</i>	RTA	<i>Residential Tenancies Act 1997</i>
CAF	Forum on Consumer Affairs	IDSC	Information and Dispute Services Centre	RTBA	Residential Tenancies Bond Authority
CAV	Consumer Affairs Victoria	LMCT	Licensed Motor Car Trader	RTC	Regulatory Transaction Centre
CDRAC	Compliance and Dispute Resolution Advisory Committee	MCTA	<i>Motor Car Traders Act 1986</i>	TUV	Tenants Union of Victoria
COAG	Council of Australian Governments	MOU	Memorandum of Understanding	VCAT	Victorian Civil and Administrative Tribunal
				VCBC	Victorian Consumer & Business Centre

## 2012-13 Year in Review – Activities

Performance against targets						
Performance measure	2010-11 TARGET	2010-11 ACTUAL	2011-12 TARGET	2011-12 ACTUAL	2012-13 TARGET	2012-13 ACTUAL
Information and advice provided to consumers and traders	668,000	596,160	606,350	590,449	560,000	494,595
Inspections, compliance monitoring and enforcement activities	10,000*	9,873	9,075	9,417	9,200	9,749
Registration and licensing transactions	664,000	675,682	600,000	650,002	450,000**	467,913
Customer satisfaction with services provided	90%	90.3%	90%	95%	90%	94%
Services provided within agreed timeframes	90%	94.5%	90%	87.7%	90%	90.1%

\* Target excludes 15,000 Responsible Alcohol Victoria outputs

\*\* Reduced target due to transfer of business names to the Commonwealth in May 2012

Web-based information and advice	
Mobile website visits	96,109
Total website visits	1,654,784
Twitter followers	3,300
Facebook friends	6,354
News alerts posted on website	127
Stevie's Scam School views	38,433
Total YouTube video views	199,487
SoundCloud audio downloads	1,695
MyShopRights app downloads	4,774

Calls answered for information and advice	
General consumer	108,643
Renting	93,127
Building	25,169
Estate agents	9,609
RTBA	95,120
Registrations	25,241
Occupational licensing	28,051
Small business hotline	6,948
Other calls	13,505
Calls to regional offices	4,523
Total calls answered	409,936

Community information and advice	
Small business and trader education presentations	247
Total presentations to business and community	1,225

Face-to-face assistance	
Advocacy services – clients assisted in going to VCAT	1,579
Advocacy services – clients assisted with information, advice or dispute resolution only	3,697
Counter enquiries – VCBC	16,153
Disputes finalised – domestic building	1,932
Disputes finalised – frontline resolution	6,145
Total disputes finalised	15,676

Publications provided	
Total brochures/guides/factsheets provided	411,614

Registration and licensing	
New licence, registration and permission applications processed	2,014
Total registration and licensing transactions	467,913

Compliance	
Compliance assistance visits	4,434
Rooming house inspections	499
Total inspections and investigations	3,275

Enforcement outcomes	
Prosecutions finalised	33
Civil actions finalised	61
Parties signed to enforceable undertakings	30
Fines and consent orders	\$281,828
Court Fund/VCAT penalties	\$11,300

## 2012-13 Year in Review – Highlights

### Chapter 1: Services for consumers and tenants

- Made more information available on our mobile site and improved its look and functionality, contributing to a 13 per cent increase in web traffic and more than 1.65 million visits to our website for information and advice
- Launched a new series of our highly-successful Stevie's Scam School online videos, to educate consumers about scams, with the previous series topping 210,000 views
- Held 257 information sessions to educate community groups about important changes to the law for incorporated associations
- Ensured financial counselling services were accessible and that the most vulnerable Victorians were prioritised for face-to-face help
- Fifteen new minimum standards for rooming houses and other reforms introduced, increasing protections for vulnerable rooming house residents

### Chapter 2: Services for business and the community

- Launched new online service enabling online licence renewal for some licensed industries
- Enforced minimum standards for rooming houses, including completing 877 compliance assistance visits and 499 inspections when the standards took effect
- Expanded our trader education program and almost doubled presentations to the business community, including peak bodies, delivering 247 presentations
- Became the first state ACL regulator to disqualify a company director from managing a corporation

### Chapter 3: Dispute resolution and reduction

- Expanded our innovative frontline resolution service, making it our primary service for resolving disputes and resolving almost 6,200 disputes this way
- Achieved about a 20 per cent drop in complaints against traders we actively engaged with in our targeted Trader Improvement Program
- Released checklists for consumers and builders to help them achieve a successful building project without disputes
- Published a model domestic building contract for new homes to reduce disputes caused by misunderstandings over contracts

### Chapter 4: Our consumer protection framework

- Commenced a package of reforms that will lead to better information for prospective retirement village residents, helping them compare contracts, facilities and costs
- Better protections for tenants and owners of movable dwellings and other changes to tenancy laws that reduce red tape and clarify when a notice to vacate can be issued
- Continued to take a leadership role in national legislative reform, including travel agent regulation reform and co-operatives national law
- New laws for incorporated associations commenced, reducing red tape for more than 38,000 Victorian community organisations and making it easier for members to understand their obligations
- Updated regulation for uncollected goods, resulting in clearer processes and minimising the risk of disputes

### Chapter 5: Driving a sustainable organisation

- Completed a major restructure of our organisation and embedded new systems and procedures to streamline operations and improve efficiency
- Improved our internal Wiki to make information more complete and easier to find and share, promoting collaboration and supporting staff in their roles
- Introduced an online learning management system, giving us a sophisticated way to track and record staff training and enrolments

# 1 Services for consumers and tenants

## Highlights

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## Introduction

Consumer Affairs Victoria has an important role in the lives of Victorian consumers and tenants. Our services help Victorians handle the numerous situations that arise in daily life – shopping, taking out a tenancy, negotiating with traders over faulty goods, getting a landlord to fix the heating. These are all situations where a consumer or tenant who knows their rights and obligations can get better outcomes.

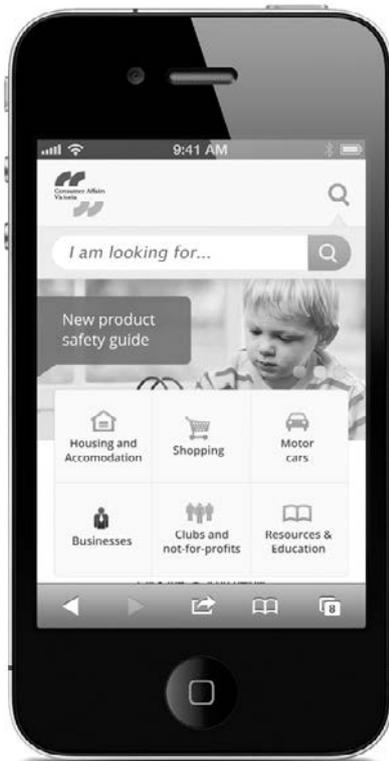
As the state's consumer affairs regulator, we have a responsibility to empower Victorians with the knowledge to resolve their own problems, avoid detriment, disputes and scams, manage a tenancy and get help when they are unable to help themselves.

We are forward-thinking in our approach. We were early to respond to the changed way in which people want to interact with government, via technology, and we've tailored our services to make this easier. The web and digital channels are now our primary source of information, and we are continuing to respond with more and better online services.

Services for vulnerable and disadvantaged Victorians continue to be a priority through our funded advocacy and financial counselling programs. These services ensure all Victorians can get appropriate help when they need it.

### Information online and on the go

Consumer Affairs Victoria is constantly improving its online presence to give Victorians information in the way they want to receive it – online 24/7 and on the go. Our education strategies drive traffic to our website first, rather than to phone lines. This strategy is having an effect. In 2012-13, web traffic was up 13 per cent compared to last year.



We constantly monitor the marketplace to ensure our information is up-to-date and relevant to the needs of Victorians. For example, this year we updated our web content on incorporated associations, movable dwellings and rooming houses, to reflect changes to the law. We published court outcomes and news alerts to warn Victorians of traders to avoid, scams currently circulating, and travelling con men activity in their region.

The [Consumer Affairs Victoria website](http://consumer.vic.gov.au), consumer.vic.gov.au, received more than 1.65 million visits in 2012-13. We improved the site to enable greater accessibility for people with a disability. We introduced a function that personalises banners and certain links based on the user's previous visits, and added a knowledgebase function that allows users to 'ask a question' and receive standard answers online. We also updated content in response to user feedback.

We completely remodelled our mobile site this year and optimised it for mobile devices. It now includes virtually all the information on our desktop site, improving on an earlier version that gave basic information on popular topics.

More than 96,000 people visited our mobile website from smartphones. A total of more than 270,000 people visited our website from mobile devices, including smartphones and tablets, up 16 per cent compared to last year. The upward trend is expected to continue, with global growth in sales of smartphones and tablets corresponding with a decline in personal computer sales.

In June, we launched a second series of Stevie's Scam School online videos, educating consumers about common scams (see [Helping consumers avoid scams](#), p.13). The first series, aimed at small businesses, has had more than 210,000 YouTube views since its launch in March 2012. Our online scams quiz has been completed more than 7,000 times since it launched in March 2011.

We are developing an innovative online tool that targets consumers aged 16-24. A 2011 national consumer survey found this demographic had limited understanding of their consumer rights. The interactive tool uses game-like experiences to deliver a unique and memorable learning experience about using consumer rights in real-life situations. It will be released later in 2013.

Our 2012 Consumer Stuff Film Fest is a school-based competition that challenges Victorian secondary students to create a video about a consumer issue, to engage younger consumers. A team of students from four Geelong schools won the scams category and Wellington Secondary College won the shopping rights award. Winning videos were published on our website.

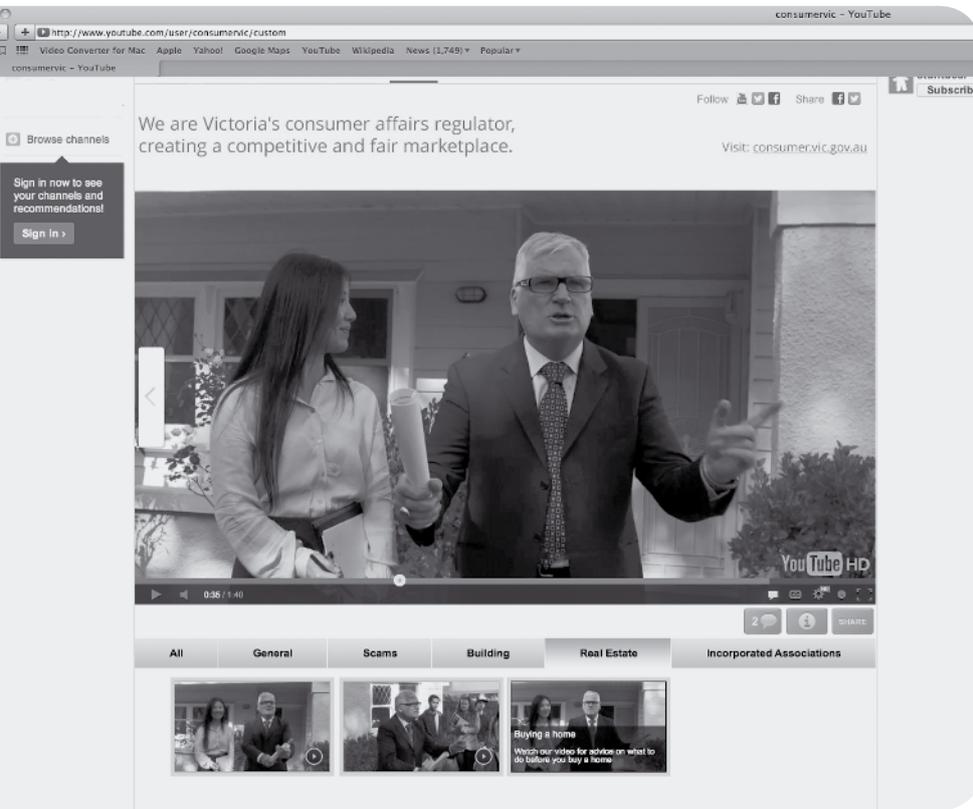
We received almost 9,600 responses, overwhelmingly positive, to the 'Was this page helpful?' function on most pages of our website. The responses also helped us identify where to improve navigation, quality and quantity of content. Comments included:

*"Excellent points to consider. Gives you the important questions to ask when the hard sales pitch starts."*

*"Not sure which way to go for registration, and this helped answer where and what I need to do...very helpful thank you."*

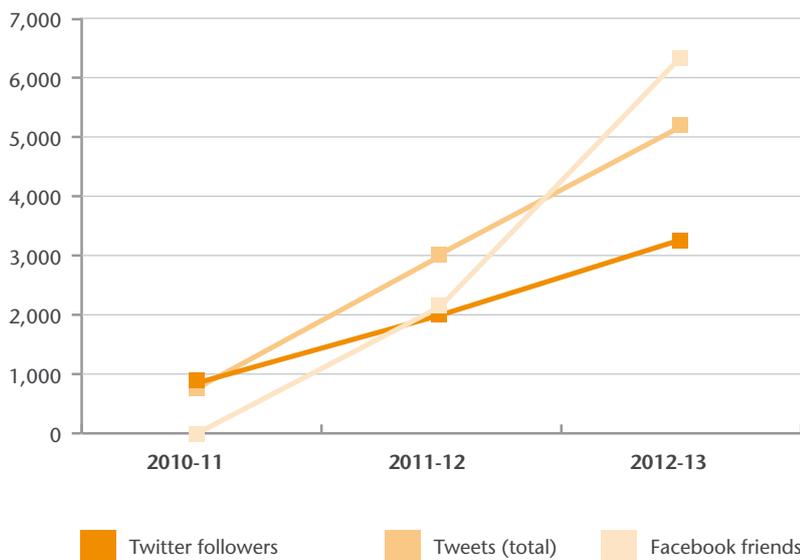
*"Good clear info and all the paperwork that I need as a landlord. Very good work - thank you."*

*"The links on this page were a thoughtful and intelligent inclusion. They save the consumer's time and link to other specific sections providing more detailed information on that particular aspect."*



Our YouTube videos were viewed almost 200,000 times this year.

### Increased use of social media



### Engaging with social media and apps

Increasingly, consumers and tenants are turning to social media for answers to their questions and problems. Social media gives us new opportunities to engage with younger consumers, who have traditionally been hard to reach. We use it to communicate alerts, warnings, information about events, updates and to point to new content on our website. Our YouTube videos have been viewed more than 408,000 times since our channel launched in December 2010.

Our Facebook and Twitter accounts are constantly monitored, so we provide fast answers to questions, with one response informing many consumers and tenants. This year, we upgraded our YouTube channel and consolidated Facebook, Twitter and YouTube communications on the same page to encourage users to share content via their favoured social media channel.

We published online checklists and YouTube videos to help consumers and builders achieve a successful building project, and two real estate videos that covered the main issues for Victorians buying or selling a home.

Our MyShopRights smartphone app, which helps people know their rights when shopping, has been downloaded more than 21,000 times since it launched in December 2010. In 2012-13, we updated the app to improve speed and performance. We are currently developing another app that will enable tenants, agents and landlords to access information and interactive tools around renting.

### Providing free telephone and email advice

We make it easy for people to access the information they need via our website, but for people who cannot access the web, or who have more complicated needs, we provide a free telephone enquiry and email response service.

We estimate half the calls we receive are from consumers seeking advice and assistance, 42 per cent are a combination of consumers and traders seeking to resolve disputes, and about nine per cent are traders seeking advice and assistance.

In 2012-13, we answered 409,936 calls, down 18 per cent compared to last year and highlighting the impact of our changed focus to online services. Calls to our Registrations line dropped substantially, down 68 per cent compared to last year. This drop was expected as our business names registration function transferred to the Commonwealth in May 2012. Some new call types were added to our service, including 1,497 calls answered for the Office of the Fire Services Levy Monitor.

In addition, we answered 31,042 email and online enquiries and responded to more than 6,500 email enquiries to the Business Licensing Authority.

In February, we introduced *Consumer Classroom*, our bi-monthly e-newsletter for teachers, to provide them with ideas, news and resources for engaging students on consumer and financial literacy issues.

Calls answered for information and advice	
General consumer	108,643
Renting	93,127
Building	25,169
Estate agents	9,609
Residential Tenancies Bond Authority	95,120
Registrations	25,241
Occupational licensing	28,051
Small business hotline	6,948
Other calls	13,505
Calls to regional offices	4,523
<b>Total calls answered</b>	<b>409,936</b>

### Top 5 issues generating telephone enquiries

- 1 Rights and responsibilities (refund and return rights, contract cancellation and warranty rights)
- 2 Quality (defective goods, unsatisfactory services)
- 3 Charges, fees and pricing (disputed and unreasonable charges, billing problems)
- 4 Supply issues (non or partial supply, or delay in supply of goods and services)
- 5 Conduct (misleading and deceptive conduct)

### Top 5 products generating telephone enquiries

- 1 Household goods (eg. furniture, electrical appliances and whitegoods)
- 2 Personal goods and services (eg. clothing, jewellery, hair and beauty services)
- 3 Electronics (eg. computer hardware, audiovisual equipment)
- 4 Automotive (eg. servicing, maintenance, repairs and restoration)
- 5 Recreational goods and services (eg. gyms, sports and leisure goods)



At the Victorian Applied Learning Association conference in May, we gave workshops and provided information on our free teacher resources.

### Information and advice in the community

We engage with the community at conferences, information sessions and other forums where one staff member can deliver messages to many Victorians at once, answering questions and providing advice specific to the needs of the group. This work in the community is important, as different communities have different local needs.

In 2012-13, we held 1,225 presentations across the state. For example, we held 257 information sessions on the new incorporated associations law, ensuring relevant groups knew what to do when the changes took effect. Almost 7,000 people attended the sessions – one of our biggest community education efforts in recent years. Other popular topics for presentations were fair trading, door-to-door sales, scams and renting.

In October, we presented at the Victorian Seniors Festival, talking to retirees about new laws for retirement villages and providing advice on issues such as scams and energy marketing. We also had an interactive display at events in Melbourne, Ballarat and Bendigo.

More than 200 teachers attended the Victorian Applied Learning Association conference in May, where we gave workshops on the free resources we provide to help teachers incorporate consumer education into the curriculum.

In a new initiative, we gave two talks at the Bank of Melbourne's interactive investment branch Investore, on topics such as renting and managing investment properties. As part of our partnership with the bank, we provided property information at Investore and at other Bank of Melbourne branches, to reach consumers at the key point in their property buying or selling transaction.

We also reached more than 540,000 people via regular radio spots on community radio, 3KND (Indigenous radio) and Vision Australia radio, talking about issues such as scams, travelling con men, general consumer issues and renting. These sessions enabled us to provide information and answer questions on issues that directly affected the station's listeners.

For example, we reached 30,000 Eastern FM listeners with information on dodgy carpet-cleaning services targeting retirement villages in the area and expensive educational software that was being marketed door-to-door and by phone.

### One-to-one help and advice

As part of our comprehensive range of information and advice services, we provided about 100 opportunities for consumers and tenants to interact with us one-to-one at expos, stalls and conferences where we exhibited, reaching an estimated 12,200 Victorians. Audiences included seniors, Kooris and the general public. The largest groups we reached this way were tertiary and international students at student open days.

Our regional offices helped 5,465 Victorians with over-the-counter enquiries, including those helped by our outreach services. Our Melbourne CBD office, the Victorian Consumer & Business Centre, served an average of 311 Victorians a week.

We exhibited at consumer and trade shows to provide personalised advice to the target audience, including attending three home shows to help people who were building or renovating. We also exhibited at the Home Buyer and Property Investor Show, to reach buyers and sellers, and the Victorian Seniors Festival.

We funded community agencies to provide intensive one-to-one support to Victoria's most vulnerable consumers and tenants. The agencies gave advocacy help, for example to help tenants prepare for a VCAT hearing, and our funded financial counsellors provided free counselling sessions to Victorians in financial hardship (see [Helping vulnerable Victorians](#), p.14).



In February, Consumer Affairs Victoria answered questions at the Chinese Lunar New Year festival in Melbourne's CBD.



We updated guides for rooming house residents and operators, including important information about new minimum standards.

## Publications

Though decreasing our reliance on print publications, we continue to provide printed materials as appropriate for select audiences.

The renting Red Book, for example, which landlords are required by law to give tenants when they start a tenancy, is provided in hard copy. This is to meet the needs of vulnerable and disadvantaged tenants who may not have access to electronic means of reading the document.

This year we added a model domestic building contract for new homes to our suite of publications. The model contract makes it easier to understand the building and contractual process, and incorporates all legal requirements. Work progressed on other model contracts in the series (see [A model contract to reduce disputes](#), p.39).

We also released a series of checklists, in printed booklets, to help consumers and builders achieve a successful building or renovating project (see [Consumer and trader education](#), p.36).

We updated guides for rooming house residents and operators, including important information about new minimum standards. We updated our guide for retirement village residents, and our *Renting a Home* and *Movable Dwellings* guides to reflect changes to the *Residential Tenancies Act 1997* (RTA).

We updated guides for residents and operators of caravan parks, people buying or selling property and people owning, managing or living in an owners corporation. We updated our key car-buying guide *Better Car Deals*, distributed via the VicRoads network and the Victorian Automobile Chamber of Commerce, to reflect changes to the Australian Consumer Law (ACL).

Work also began on a culturally-appropriate flyer to raise awareness of consumer issues for Koori communities. The flyer is being developed in close consultation with the Victorian Aboriginal Legal Service.

Most publications we produce can also be downloaded from our website.

### Helping consumers avoid scams

Scams continue to be an issue of concern, especially the rising tide of online scams that are finding new and sophisticated ways to trap consumers. The significant increase in online shopping in recent years has also created opportunities for scammers. Education is vital to protect consumers as web and phone-based scams are notoriously difficult to shut down, especially if the scammer is based overseas.

In 2012-13, we took 2,840 calls and complaints about scams and used our operational intelligence to identify where detriment was occurring and how we could best respond. Advance fee fraud scams constituted 42 per cent of scam enquiries last year, so our educational efforts this year concentrated on addressing that category of scam.

We developed and launched a Stevie's Scam School series of online videos for consumers, building on the success of a similar series for small business. The videos feature Stevie the reformed scam artist explaining a common scam and how to avoid it. They cover six 'advance fee fraud' scams including rental, online selling, lottery, romance, rebate and investment scams.

Consumer Affairs Minister Heidi Victoria MP launched the videos during National Consumer Fraud Week in June and we promoted them via our social media and partnership networks. We also held a fun, interactive event in Melbourne's Bourke St Mall so the public could meet 'Stevie' and find out more about the videos, which have now been viewed 30,774 times.

The first six Stevie's Scam School videos, aimed at small business, have had more than 210,000 YouTube views since their launch in March 2012. The online scams quiz we launched in March 2011, to help people identify scams, has been taken about 7,000 times.

In addition to the work we do at a state level, Consumer Affairs Victoria is a member of the Australasian Consumer Fraud Taskforce and works with other state and territory bodies to share knowledge and information about scams at a national level.



Consumer Affairs Minister Heidi Victoria MP with Dorothy Coombe, State President of the Country Women's Association of Victoria at the Stevie's Scam School launch.

### Tips for avoiding scams

- Be wary of online sellers offering goods and well-known brands at extremely low prices
- Do not provide an up-front payment to a stranger via money order or wire transfer
- Always inspect a property you want to rent before sending any money
- Be wary of unsolicited emails, phone calls or letters saying you have unclaimed funds or are owed money
- Do not let anyone pressure you into making quick investment decisions
- Never send off money or bank details to claim a prize or refund

## Helping vulnerable Victorians

Supporting vulnerable and disadvantaged consumers, and tenants, is one of our core goals. We fund 11 community agencies throughout the state to deliver advocacy services, enabling more than 3,600 consumers and tenants a year to receive support. By partnering with community agencies, we can target resources and reach a greater number of Victorians who need urgent advice and assistance.

Almost 1,500 tenants, including refugees, received help this year to prepare for and attend VCAT. Advocates also gave advice and negotiated for more than 700 seniors living in private rental, caravan parks, residential villages and retirement villages. This included providing information and face-to-face advice, referrals to relevant services and visits to isolated tenants. Outreach support was also provided for metropolitan rooming house residents. Tenants mainly needed advocacy help for issues to do with eviction, compensation, bond claims and rent arrears.

We funded the Tenants Union of Victoria (TUV) to give legal advice on tenancy matters. In 2012-13, it provided 675 legal advice consultations to community workers. We also funded the TUV to provide tenancy training workshops to community sector workers, for example, migrant settlement workers and emergency relief agency staff.

Services for vulnerable consumers included VCAT assistance at the Civil Claims List, where key issues included secondhand car repairs and misleading conduct. In addition, we funded Consumer Action Law Centre to give legal advice on consumer legislation to community workers. The centre gave 684 legal advice consultations to community workers in 2012-13.

We fund free financial counselling services across the state, delivered face-to-face or by phone. Some 34 community agencies deliver these services on our behalf, including the phone financial counselling service MoneyHelp. We also fund MoneyHelp's self-help website.

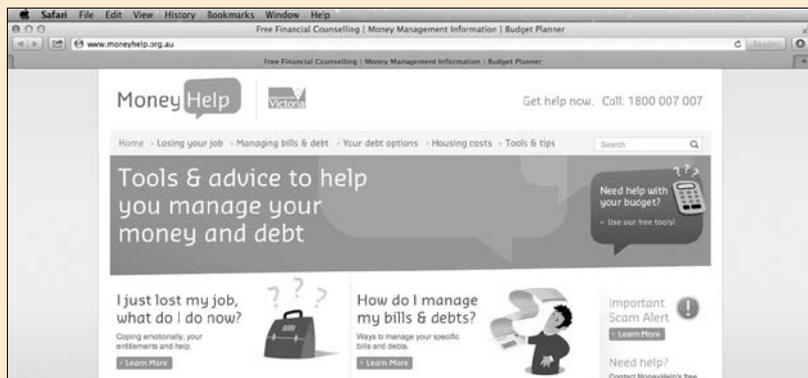
In 2012-13, MoneyHelp assisted 12,425 Victorians with phone financial counselling. MoneyHelp's website received 222,485 visits.

Financial counsellors provide information, support and advocacy to assist Victorians in financial difficulty. They provide on average more than 50,000 independent and confidential financial counselling sessions per year to Victorians in need.

We recently reviewed the financial counselling program to ensure it was the most efficient and effective model. The review has resulted in a revised model that will integrate the state-wide phone service MoneyHelp with the community-based agencies. It will ensure that Victorians who are most vulnerable are prioritised for face-to-face services. Current funding and service agreements have been extended to 30 June 2014 to ensure effective implementation of the revised model.

Consumer Affairs Victoria continues to be one of the only consumer agencies in Australia to produce consumer information in Easy English. By providing information in this format, we help vulnerable consumers with cognitive impairments or with limited knowledge of English.

With other regulators, we will be working with DisabilityCare Australia and other relevant organisations next year to ensure consumers and carers who make purchases under the National Disability Insurance Scheme are protected from scams and know about consumer guarantees.



We fund MoneyHelp's website, which had 222,485 visits this year.

### Engaging with Indigenous communities

With other jurisdictions, we are working to address the disadvantages that can face Indigenous consumers, particularly in regional and remote communities. In July, we launched a campaign to educate Indigenous consumers about unfair trading and high-pressure sales tactics. Messages were delivered through a national radio campaign and engagement with Indigenous community organisations, which received information kits on practices such as short-term credit, door-to-door sales, and predatory trading. Indigenous consumers and community organisations were encouraged to report instances of unfair trading practices to our Indigenous hotline. We are also working on a brochure to help Indigenous audiences engage with our services.

### Working together to help vulnerable Victorians

The Working Together Forum, which we initiated 10 years ago, continues to be an important and highly effective way for us to identify emerging issues and create better outcomes for vulnerable and disadvantaged consumers and tenants. It not only helps facilitate and encourage partnerships between agencies but also fosters understanding and dialogue about the challenges currently facing vulnerable Victorians.

We host and facilitate the forum's quarterly meetings, bringing together representatives from numerous key community and consumer groups, such as Choice, Ethnic Communities Council of Victoria, Council to Homeless Persons, Housing for the Aged Action Group, TUV and Consumer Action Law Centre.

The meetings enable us to stay up-to-date with emerging issues identified by groups working with vulnerable Victorians, and facilitate discussion about ways we can work together to improve outcomes. For example, in 2012-13, the Consumer Action Law Centre, Housing for the Aged Action Group and TUV worked with the Victorian Aboriginal Legal Service to improve outcomes for Koori tenants, including the development of referral pathways.

Past successes of the forum have included the identification of energy marketing as an issue that needed to be broadly addressed, as vulnerable consumers were at risk of significant detriment. We established an energy marketing forum that brought together government agencies, consumer advocacy groups and industry to address the issues. This included supporting the Consumer Action Law Centre's 'Do Not Knock' sticker campaign and giving community presentations to vulnerable consumers, such as seniors, on door-to-door sales.

### Case study

A family was struggling with debt after the father lost his job five years ago. Their home needed urgent repairs and was at risk of repossession. The mother had stopped taking medications for chronic illness because she couldn't afford them. The financial counsellor negotiated payment plans with the local council (for rates) and utility providers, including arranging for the water provider to fix the leaking toilet. Hardship arrangements were negotiated on the credit card debts and a housing services agency agreed to pay the local high school fees. The financial counsellor also provided advice that helped them settle several other outstanding bills and continued to work with the family to steer them out of debt.

### Case study

A single parent with a mild intellectual disability was referred to a tenant advocate after getting behind in her rent. She had also received several Notices to Vacate from the landlord for issues including her disturbance of neighbours. The tenant advocate negotiated a payment plan and helped the tenant prepare and submit a proposal for the subsequent VCAT hearing, which was successful and determined she could continue in her tenancy. The tenant advocate also linked her to a 'life skills' program to help her budget and understand what was considered anti-social behaviour. Since then, there have been no further issues with rent arrears or neighbour complaints.

## Putting the heat on travelling con men

Travelling con men are phoney tradespeople who go from door to door, offering home repair services for cash, then disappearing without doing the work or doing a shoddy job. We pioneered an approach to tackling travelling con men that has since been adopted nationally.

In 2012-13, this nationally coordinated approach resulted in 22 prosecutions against 20 individuals for 76 breaches of the law, resulting in \$165,478 in fines and costs.

Our approach includes educating consumers, as travelling con men are deliberately breaking the law, so they are not receptive to messages about compliance. In 2012-13, continuing our successful partnership with Crime Stoppers Victoria, we ran a state-wide campaign including regional television and radio announcements, regional print ads and the distribution of almost 6,000 brochures and about 900 posters through regional networks, including Neighbourhood Watch and local councils.

We used social media to alert Victorians immediately to con men activity in their area, posting alerts on Facebook, Twitter, our website and the Crime Stoppers website. We also hosted the national 30-second community service announcement on our YouTube channel.

On 9 August, the heads of consumer protection agencies from Victoria, Tasmania and New South Wales met in Hobart to sign two new Memoranda of Understanding (MOUs) to combat con men crossing state borders to avoid detection and enforcement action. Victoria and NSW signed a similar MOU in October 2011, resulting in a successful partnership. The new MOUs – between Victoria and Tasmania, and Tasmania and New South Wales – will provide agencies with additional tools and resources to share intelligence and catch travelling con men.

We've been involved in national travelling con men campaigns, which in 2012-13 included a national con men hotline, a national online map that marks reported con men activity, a national Facebook page and a hashtag (#stopconmen) used by all jurisdictions with Twitter accounts to provide information and advice about travelling con men.

## Case study

In January, we received a report of two travelling con men, aged in their late teens to early 20s, who door-knocked an elderly couple's house in Oakleigh South. The couple paid the men \$400 cash to do roofing work, but the men failed to do any work and demanded more money until the wife threatened to call police – the pair then fled. Our co-operative efforts with Victoria Police later resulted in the two men being arrested and charged. The men were caught after allegedly taking \$10,000 from another householder, again door-knocking for roofing work. One of the men's details was also forwarded to the Department of Immigration and Citizenship, as he did not have a work visa.

### Can you pick the travelling con man?

They all could be. Australians are being ripped off by travelling con men who pose as tradespeople offering cheap deals for 'today only'.

Be suspicious of people who:

- knock on your door unexpectedly
- offer cheap deals for 'today only'
- ask for cash up front
- offer to drive you to the bank to get money for payment
- pressure you to accept their offer.

**Report suspicious tradespeople to the national Travelling Con Men hotline on:**  
**1300 133 408**






### Services for tenants

Consumer Affairs Victoria's services for tenants are a significant part of our work. The renting section of our website accounted for about 68 per cent of our total web traffic this year. We also answered 93,127 calls for information and advice on renting and 95,120 calls to the Residential Tenancies Bond Authority (RTBA) line from people enquiring about bonds. Through our work running the RTBA, we ensured 406,535 bond transactions were smoothly processed (see [A complete service for tenancy bonds](#), p.18).

Our dispute resolution services finalised 138 disputes involving tenancy matters in 2012-13. More than 6,500 assessments were also provided to settle matters relating to non-urgent repairs, goods left behind and rent increases (see [Residential tenancy assessments – helping prevent/resolve disputes](#), p.35). In addition, about 3,400 vulnerable tenants a year receive face-to-face advocacy help and support at VCAT for tenancy matters.

As a further service to tenants, agents and landlords, we are developing a smartphone renting app, to launch later in 2013, that will improve access to information on the go and provide interactive tools to manage a tenancy.

Changes this year to the RTA have improved protections for tenants, clarified the law and reduced red tape (see [New protections for tenants](#), p.47). We updated our website, print and online guides to reflect these changes, and used our social media channels and regional networks to inform Victorians.

As well as providing advice and information to tenants, resolving disputes, ensuring tenancy laws are relevant and up-to-date and running the RTBA, we also ensured compliance with tenancy laws. On 31 March, 15 new minimum standards for rooming houses came into effect, making it mandatory to have items such as appropriate locks on bedroom doors, secure entrances and emergency procedures. We provided 877 compliance assistance visits to rooming houses in the year leading up to the standards' introduction, and actively enforced the law once they took effect to ensure residents were protected as the law intended (see [Enforcing rooming house minimum standards](#), p.26).

We also took three matters to court for breaches of the RTA to enforce the law, protect tenants and residents, and keep rogue operators out of the industry.

#### Information and advice for tenants

Visits to renting web pages	1,119,836
Visits to RTBA Online	479,545
Calls answered by renting line	93,127
Calls answered by RTBA line	95,120

### Case study

A 91-year-old tenant, who had recently been released from hospital, contacted us as his heater had not been working for two weeks. The agent who inspected the property had not organised for the heater to be repaired. Under the RTA, landlords must respond without delay when essential services break down, including heaters. We reminded the agent (as the landlord's representative) of these 'urgent repair' obligations under the Act. He dispatched a tradesman immediately to repair the heater.

#### Houseshare Vic Pty Ltd, Vasilios Panagiotopoulos

We took rooming house operator Houseshare Vic Pty Ltd, and its sole director Vasilios Panagiotopoulos, to court for contravening Victoria's residential tenancy laws. Melbourne Magistrates' Court found the company and its director contravened the RTA when they demanded and accepted bonds that exceeded the equivalent of 14 days' rent, failed to supply residents with bond lodgement forms and a written summary of their legal rights and responsibilities, and failed to lodge bonds with the RTBA. The court found Mr Panagiotopoulos knowingly authorised or permitted these breaches, and restrained him and the company from such conduct. The company and director were also ordered to pay for corrective advertising, implement a compliance program at their own cost and pay court costs.

### A complete service for tenancy bonds

The Residential Tenancies Bond Authority (RTBA) is a Victorian Government statutory authority. It helps reduce disputes by holding all residential tenancy bonds in a neutral capacity for landlords and tenants, including long-term caravan park and rooming house residents. This requirement, part of the RTA, protects tenants from having their bond misused by unscrupulous landlords or agents.

The RTBA, run by Consumer Affairs Victoria, performs numerous transactions, including bond lodgements, bond repayments and transfers. In 2012-13, it registered about 216,400 bond lodgements and at 30 June 2013, held 518,098 bonds valued at \$747.2 million.

In 2012-13, it repaid the Director of Housing \$1.2 million as a result of the recent amendment to the RTA (see [New protections for tenants](#), p.47), which allows the RTBA to repay bonds to the Director where a subsequent bond has been lodged. This frees up funds that can be used to provide further housing for vulnerable and disadvantaged Victorians.

The RTBA can only repay bonds where there is agreement between the landlord or agent and the tenant, or where the RTBA is directed by VCAT or a court. The RTBA repaid about 190,100 bonds in 2012-13. Of these, eight per cent were at the direction of VCAT or a court. It processed 99 per cent of all transactions on the same day as the form initiating the transaction, and achieved error rates of less than one per cent.

In 2012-13, the RTBA completed a major system update to improve the reliability and performance of its website, RTBA Online. It also strengthened login security to reduce the risk of hacking and made the website compatible with Firefox, Chrome and Safari browsers.

RTBA Online is being refreshed to create a more user-friendly website for use on desktop PCs and mobile devices. The research phase, completed this year, indicated users were happy with the site's current functionality. The design of the new-look website was also decided and tested with user groups. It will be ready for launch in 2013-14.

The RTBA gave 12 presentations to agents and property managers about its activities and common issues to do with transaction processing. Continuing a new service it introduced in May 2012, the RTBA sent 3,668 text messages to landlords and tenants advising them of transaction outcomes and reminding landlords to lodge bonds.

Independent of the RTBA, Consumer Affairs Victoria has also worked to ensure property managers and landlords know their obligations around bond lodgement. In May, we addressed an audience of landlords at an education session in partnership with the Bank of Melbourne's Investore and discussed their obligations. We also updated web content specifically for property managers, to help ensure they stay compliant. During compliance visits to estate agents, we discussed the legal obligations of the agency, including in relation to bonds.

Residential Tenancies Bond Authority activity 2012-13	
Bonds lodged	216,400
Bond repayments	190,100
Bonds transferred	61,600
Bonds held	518,098
Value held	\$747.2 million



## New protections for rooming house residents

New rooming house requirements were introduced this year that will lead to better living conditions for rooming house residents and better information on registered properties.

Fifteen new minimum standards for registered Victorian rooming houses came into effect on 31 March, making it mandatory to have items such as appropriate locks on bedroom doors, secure entrances and emergency procedures.

The standards include minimum requirements for locks, lighting, and gas and electrical safety, to improve privacy, security, safety and amenity. These standards apply whether a person is on a rooming house residency agreement or an individual tenancy agreement for their room.

The new legislated standards are important because rooming house residents are often facing difficulties and have fewer housing options. They are more likely to fear eviction and can therefore be reluctant to speak up about sub-standard accommodation.

We took an integrated compliance approach to educating the sector about the changes and ensuring compliance. This included compliance assistance visits to operators in the lead up to minimum standards' introduction and inspection of properties once the standards took effect (see [Enforcing rooming house minimum standards](#), p.26).

To educate residents and operators we developed content for our website, fact sheets, e-newsletters and articles for publication, and updated our guide for rooming house residents and operators. All registered operators were mailed a package of information. We also provided content to peak bodies for their websites and publications, and helped the Registered Accommodation Association of Victoria (RAAV) and Real Estate Institute of Victoria (REIV) deliver information sessions.



We worked closely with local councils in our activities to educate residents and operators about the changes. Local councils are responsible for registering rooming houses in Victoria and under the new laws can consider minimum standards in registration applications. They also have the power to cancel a rooming house registration if the operator is not compliant.

Another significant rooming house reform, passed in Parliament in September, establishes a state-wide register of rooming houses. The online register will contain information about rooming houses registered by local councils. Councils will be responsible for entering and updating the information and we will host and maintain the register through our website.

The register will be a single up-to-date resource with uniform consolidated data. This will achieve a key objective in this space, which is to find out who is operating rooming houses and to deter them from operating illegally. It will make it easier to cross-reference information and helps ensure housing agencies only refer residents to registered properties.

The public will be able to access some information on the register, such as the name of the rooming house operator. This will enable residents to check the credentials of the property they live in, or are considering living in, and it will also enable neighbours to check that rooming houses in their area are registered. The register will go live later in 2013.

# 2 Services for business and the community

## Highlights

- Launched new online service enabling online licence renewal for some licensed industries
- Enforced minimum standards for rooming houses, including completing 877 compliance assistance visits and 499 inspections when the standards took effect
- Expanded our trader education program and almost doubled presentations to the business community, including peak bodies, delivering 247 presentations
- Became the first state ACL regulator to disqualify a company director from managing a corporation

## Introduction

Efficient and thriving businesses lead to competitive markets and a fair deal for consumers. We actively support Victorian businesses to comply with consumer laws and use an integrated compliance approach to make this happen, acknowledging that most traders want to do the right thing.

Our education and compliance assistance activities encourage traders to know their obligations and adopt positive behaviours. They are also the most cost-effective way to reduce consumer detriment, while maintaining enforcement as an option when appropriate.

However, we are tough on rogue operators and businesses that break the law. Our suite of enforcement actions includes infringement notices (on-the-spot fines), warning letters, public statements, enforceable undertakings and court action for the most serious matters. With the introduction of the ACL, we can now achieve the same court outcomes as the Australian Competition & Consumer Commission (ACCC), including penalties of up to \$1.1 million for companies and up to \$220,000 for individuals. We can also take action in the Federal Court of Australia (see [Federal Court to hear Dimmeys case](#), p.30).

Traders who breach the law are identified through our state-wide inspection program and mining of operational intelligence, including complaints data (see [Expanded use of operational intelligence](#), p.26).

## Services via the web and digital channels

Over the past two years, we have concentrated on improving the relevance and usability of our web pages for Victorian businesses. Traders expect to find information that is up-to-date and accessible 24/7 and we are constantly working to deliver that. Our web pages for business include information on how to get registered or licensed, stay compliant, handle complaints and deal successfully with consumers.

Last year's work to create dedicated web pages for different licensed and registered occupations, and some types of businesses, achieved an increase in web traffic, with 583,681 unique users to the business pages this year.

We added a personalisation function to our website that enables some banners and links to appear automatically based on users' recent visits. This saves businesses time by taking them directly to their favourite pages.

We launched online annual statements for motor car traders, travel agents, second-hand dealers and pawnbrokers. This allows licensees and registrants to confirm or update details and pay their annual renewal fee online. Online annual statements are quick and easy for traders to use, require no paperwork to be handled and create significant internal efficiencies. The feedback from licensees and registrants has been extremely favourable. Online smartforms will soon be launched for other licensees including conveyancers and sex work service providers.

Trader checklists were added to our website for builders and renovating businesses and for small businesses to check their compliance with the ACL. We also added online videos to help builders know their obligations and work successfully with consumers on a building or renovating project.

A self-assessment checklist we developed for licensed motor car traders will soon be added to our website to help traders check their compliance and prepare for inspections. In addition, we published guidelines on our website to help motor car auction houses understand their obligations and what they need to do to separate retail sales from auction sales.

Businesses are increasingly using social media to make enquiries, allowing one answer from Consumer Affairs Victoria to inform many traders. In addition, we published 380 tweets aimed at small businesses, and published videos on our website and YouTube channel that were relevant to them. For example, the Stevie's Scam School online videos, to educate small businesses about scams, continued to be popular and have been viewed more than 210,000 times.

Our MyShopRights app, which helps people know their rights when shopping, is also useful for businesses as a ready way of looking up their obligations. Small businesses, which have rights as consumers under the ACL, can also use the app. Similarly, a renting app we are developing is being designed for use by landlords and agents, as well as tenants.

### Telephone and email advice for business

Our free telephone enquiry service for small businesses continued to be popular, with 6,948 calls answered for information and advice. In addition, our advice line for registration issues answered 25,241 calls and we answered 28,051 calls about occupational licensing. Businesses rang to discuss issues such as compliance, their obligations to consumers and their rights under the ACL.

To engage with licensed motor car traders we launched a quarterly e-newsletter this year called *Dealer Delivery*. The first edition answered frequently asked questions by traders, provided an update on our unlicensed motor car trader activities and clarified rules around component pricing.

We also have e-newsletters for small business, builders, estate agents and rooming house operators. These reach up to 12,147 subscribers per newsletter and have a click-on rate of up to 68 per cent, indicating traders are highly interested in our content.



**Dealer Delivery**  
AUGUST 2012

**In this issue:**

- Answering your frequently asked questions
- Rules around component pricing
- Tips for avoiding scams targeting small business
- An update on our unlicensed motor car trading campaign

**Answering your questions**

Has Consumer Affairs Victoria visited you recently?  
We visit licensed motor car traders to check if they are meeting their requirements under the *Motor Car Traders Act 1986*.

One of our goals is to help the industry comply with the law - and we're pleased to report that most motor car traders are meeting their obligations.

What are the requirements for attached vehicles?

- Attach a completed prescribed form to all vehicles displayed at your premises.
- All vehicles in your yard are for sale to the public - and so must be attached.

Do I have to provide 'drive-away' prices?

- Yes. You must display a single 'drive-away' price for each vehicle.

We launched a quarterly e-newsletter for motor car traders called *Dealer Delivery*.

### Advice in the business community

The focus for our presentations changed this year from consumer groups to businesses and peak bodies, as we concentrated on making sure traders understood their obligations. We gave 247 presentations across Victoria to groups we targeted as being the most able to benefit from an information session.

In particular, we focused on estate agents and property managers, detailing their obligations regarding trust accounts, bond lodgement, and other common compliance issues. We also presented to retailer groups, such as Chambers of Commerce, licensed motor car traders and local trader associations. We engaged with African traders through the Horn of Africa traders' project (see [Horn of Africa trader education project](#), p.24).

In addition, we presented to graduate students entering the building industry via courses at Deakin University, Box Hill TAFE, RMIT University and Holmesglen TAFE.

### Engaging with businesses one-to-one

As part of our integrated compliance approach, we engage with businesses individually to make sure they understand their obligations under consumer laws and to provide compliance assistance. In 2012-13, we delivered 4,434 compliance assistance visits to businesses across the state. This included visits to rooming houses in the year leading up to the introduction of minimum standards to help operators prepare.

In February, we conducted a cross-border event in Albury/Wodonga with the NSW Office of Fair Trading, sharing our knowledge and skills with our interstate colleagues. In two days, we visited 23 licensed motor car traders and 19 non-licensed entities, including compliance assistance activities across the border in NSW.

We developed and trialed new site-visit packs for motor car traders and estate agents, which we use when we conduct a compliance assistance visit. They include information to leave with the trader and a checklist for our staff to use during the visit, ensuring consistency in our approach.

We engaged with businesses one-to-one at trade shows and other events, such as the Small Business Big Marketing event, held in August. We provided business resources and advice at Small Business Victoria's Info Hub at Federation Square, including distributing information about the ACL, scams and our small business services, and subscribing people to our small business e-newsletter.

Our one-to-one work also included processing occupational licensing and registration applications, lodgements and annual returns; and updating registers. We processed 2,014 new licence, registration and permission applications and 18,611 occupational licensing and registration annual returns.

We processed 274 claims against the Motor Car Traders Guarantee Fund and 194 claims against the Victorian Property Fund. We also did the processing work involved with administering registered community organisations, such as incorporated associations, co-operatives and patriotic funds.



We engaged with businesses one-to-one at trade shows such as the Small Business Big Marketing event.

## Case study

### Working with partners to protect consumers

In April, we visited eight retailers in Clayton after receiving information that they may be selling unsafe products. The retailers we visited included discount variety stores, chemists, a hardware shop and a tobacconist. More than 250 product lines were assessed for compliance with bans and mandatory safety standards. Four traders were offering non-compliant goods for sale, including children’s toys, cosmetics and toiletries. We seized a total of 264 non-compliant products. It became evident that the non-compliant traders had little knowledge of product safety bans and standards. To improve trader compliance and protect consumers, we engaged the Clayton Traders’ Association to work as common-interest stakeholders. The association is now helping its 100 members make sure their goods and services meet ACL requirements.

### Email from a motor car trader following a compliance assistance visit

*“It was great to meet you today. Your knowledgeable and friendly approach was well received. Thanks for the link on uncollected goods, we will jump straight on it.*

*Whilst you were here, I sent an email to our website company requesting the LMCT [Licensed Motor Car Trader licence] be put on the site. They replied it is scheduled to be done within a couple of days. We will have the Form 3s completed this week and all outstanding police checks underway.*

*I have forwarded a copy of the Form 3 to our HR department to add into future employment packs and checklists for our Victorian dealers. Thanks once again.”*

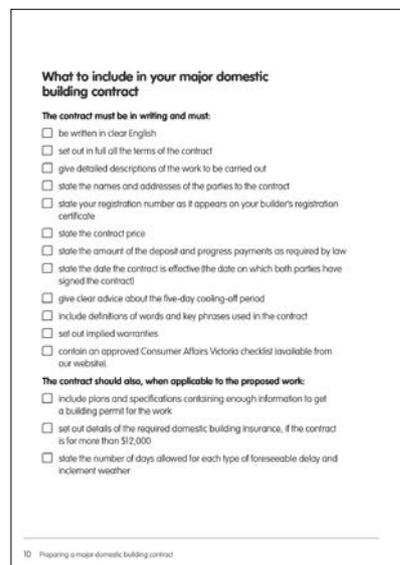
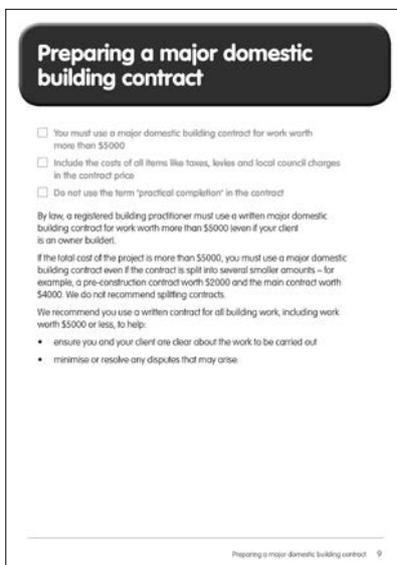
## Publications

We produce a select range of publications for businesses, to make sure traders are aware of their obligations.

As part of a national project, and in consultation with industry and other jurisdictions, we are developing five guides that give specific advice on how the ACL applies to certain industries, including personal services, motor vehicle sales and repairs, rental cars, electrical and whitegoods, and travel and accommodation. These will be available in 2013-14 in print and online.

This year we also published checklists for builders (see [A complete service for domestic building](#), p.36) and a model domestic building contract to help prevent disputes and misunderstandings caused by unclear contracts (see [A model contract to reduce disputes](#), p.39).

In addition, we updated guides for rooming house residents and operators, estate agents, conveyancers, residents and operators of caravan parks and people owning, managing or living in an owners corporation.



We produced checklists for builders and tradespeople, covering topics such as registration, contracts, payments and working with clients.

## Help for small business

We deliver an integrated compliance approach to small business that includes education, dispute resolution and enforcement activities. Our small business hotline and conciliation service answered 6,948 calls and complaints in 2012-13, mostly about legal obligations, non-supply or partial supply of goods or services, defective goods, refunds, returns and contract cancellations.

We completed 4,434 compliance assistance visits to educate businesses about their rights and obligations. In addition, our Stevie's Scam School online videos, launched in March 2012 to inform businesses about scams, have been viewed more than 210,000 times.

We sent e-newsletters to subscribers to keep businesses such as builders, motor car traders, estate agents and rooming house operators up-to-date, and published 380 tweets just for small business. We also published building and renovating checklists to help builders and tradespeople understand their obligations, supported by online videos available on our website and YouTube channel.

With other regulators, we helped develop a small business self-assessment checklist, to aid understanding of how ACL regulations apply to small business activities. The checklist covers a range of issues, including:

- displaying prices and advertising
- consumer guarantees, warranties, refunds and repairs
- product safety and mandatory safety standards
- lay-bys, billing and receipts.

We participated in Small Business Victoria's Small Business Festival and Big Marketing events in August, and are leading a national project to develop and distribute five guides to the ACL for key industry sectors, including motor cars and travel.

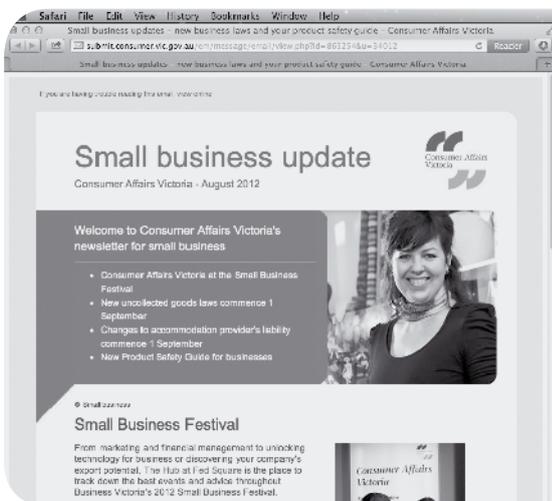
## Horn of Africa trader education project

In April, we met with 14 African traders in Dandenong to explain their duties and rights under the ACL, including in regard to warranties, refund signs and policies, scams aimed at small businesses and resolving disputes with customers. The businesses represented at the session included hairdressing salons, clothing stores and restaurants. The project uses a peer education model, where community leaders receive education from us, then distribute it through their networks.

## Robert Turner, t/a Classic Refrigeration & Catering Equipment, Neil Turner

The ACL provides protection for small businesses when they buy goods or services costing up to \$40,000. Under this law, Consumer Affairs Victoria took action against refrigeration installer Robert Turner, trading as Classic Refrigeration & Catering Equipment. Mr Turner took deposits from two businesses in Melbourne's south-eastern suburbs and then failed to do the work or return the money. In March, Dandenong Magistrates' Court convicted Mr Turner and ordered him to pay \$7,500 in fines, \$6,179 compensation and \$2,000 legal costs.

In June, Robert Turner's father Neil Turner was also convicted in Dandenong Magistrates' Court and fined \$10,000 after he took deposits for refrigeration installation but failed to do any work. The court ordered him to pay \$8,850 in compensation to three consumers. The Director of Consumer Affairs Victoria prosecuted Mr Turner for contravening the *Fair Trading Act 1999* and ACL. The court also ordered him to pay \$1,400 in costs.



## Identifying and acting on non-compliance

Although our approach is to encourage and support trader compliance, there is equally a need to check traders are doing the right thing, so we can take appropriate action to stop any misconduct and protect consumers.

We have a range of tools and strategies to help identify non-compliance, including our state-wide inspection program. In 2012-13, we conducted 2,702 inspections, including 499 rooming house inspections, 924 inspections of premises for unsafe or banned products, and 411 inspections of licensed motor car traders to check compliance with issues such as dealings book entries.

We also formalised an arrangement with VicRoads to share information on licensed motor car traders that fail to meet obligations such as remitting stamp duty and transfer fees within the prescribed timeframe. This alerts us that the trader may be having problems, so we can prioritise our inspection activity.

We continued to clamp down on unlicensed motor car traders, and followed up all 318 reports to our dob-in hotline about potential unlicensed trading. We also checked for unlicensed motor car trading with electronic tracking software that scans online car ads.

Our operational intelligence further alerted us to potential issues. It prompted us to attend 15 property auctions in St Kilda and South Yarra in April. We recorded sale prices and on-the-market prices for comparison with estimated selling prices. We also checked that auction rules were being observed. A similar compliance exercise was completed in December in the Bentleigh area.

When we identified wrongdoing in the marketplace, we took appropriate action using our range of enforcement tools. These are designed to stop the misconduct, deter future breaches and send a message to industry. They range from verbal and written warnings, through to infringement notices, enforceable undertakings and court action for the most serious matters. We also publicise enforceable undertakings, civil actions and prosecutions on our website and via social media, which acts as a further deterrent.

Our enforcement priorities this year included unlicensed motor car traders, builders who cause considerable detriment, unfair contract terms, product safety matters, property trust account issues, health claims, rogue rooming house operators and landlords who do not lodge bonds.

### Enforcement outcomes 2012-13

Prosecutions finalised	33
Civil actions finalised	61
Parties signed to enforceable undertakings	30
Fines and consent orders	\$281,828.40
Court fund/VCAT penalties	\$11,300.00

### Expanded use of operational intelligence

Consumer Affairs Victoria expanded its use of operational intelligence this year, recognising the importance of being able to monitor and mine data to help inform our activities and allocate our resources. We monitor data coming in from all areas of our business, especially enquiries and complaints, to help us quickly identify new and emerging issues, so we can respond appropriately.

We were the first ACL regulator to identify the risks and potential detriment associated with group buying websites. As a result of our work and recommendations to other regulators, a national project was established, which we led (see [Group buying websites](#), p.42).

In December, we identified a complaint spike for group buying website Spurr Network Pty Ltd. Consumers were not being supplied goods or refunds as promised or required by law. The company failed to respond adequately to our repeated attempts to resolve disputes and address their unfair practices, so we issued a public statement warning consumers. The Spurr Network website was subsequently taken down.

In 2012-13, we developed a risk indicator model to capture, analyse and respond to risk at the earliest opportunity. We also improved the timeliness of reporting, enhancing our real-time intelligence capability and providing an early warning system to help us quickly detect areas of potential detriment.

Our data analysis this year identified a link between free trials and unfair contract terms. We used our scanning tools to identify new free trial offers and analyse the conditions attached. This helped us take appropriate action before detriment occurred due to the unfair terms.

People or companies that deliberately set out to rip off consumers, such as scammers, are profiled to ensure they do not simply change company names, relocate or use other means to avoid detection and continue their activities. This intelligence is shared between ACL regulators.

### Enforcing rooming house minimum standards

On 31 March, new regulations came into effect that introduced 15 new minimum standards for registered Victorian rooming houses. The new standards make it mandatory to have items such as appropriate locks on bedroom doors, secure entrances and emergency procedures.

In the year leading up to minimum standards' introduction, we contacted operators and offered to attend their registered rooming house for a compliance assistance visit. During the visit we provided advice to operators about the minimum standards and details of what, if any, modifications they would need to make. We visited 877 rooming houses, including 242 joint visits with local councils.

After 31 March, we focused on inspecting registered rooming houses where the operator either declined a compliance assistance visit or could not be contacted by phone. Starting in the municipalities of Glen Eira, Monash, Dandenong, Whitehorse and Maribyrnong, by 30 June we had conducted 499 inspections or reinspections of 317 registered Victorian rooming houses, 23 done jointly with local councils. The most common issues identified included the absence of evacuation diagrams and gas and electrical safety checks, and incorrect entrance door locks and peepholes.

As a result of these inspections, we issued 254 rectification letters, giving an operator seven days to rectify the issues identified. We issued 99 infringement notices valued at \$107,730. The infringement notices fined individuals \$700 and companies \$2,800. In the case of two rooming houses, we are considering enforcement action for failing to comply with minimum standards.

## Taking court action

We take tough action against businesses that flout the laws designed to protect consumers and Victoria's marketplace. In 2012-13, we finalised 94 court actions, including 33 prosecutions and 61 civil proceedings. We also signed 30 parties to enforceable undertakings and issued four public warning statements about dodgy operators.

We chose to do more civil proceedings this year, reflecting the greater effectiveness of this approach over prosecution in many cases. For example, civil proceedings enable us to obtain interim injunctions to stop the offending conduct until the final hearing of the matter, providing greater protection to consumers. There is no equivalent provision for criminal proceedings. Civil action also enables us to obtain a broad range of orders such as disqualification of directors, corrective advertising, declarations and civil pecuniary penalties. Since the ACL was introduced, we can obtain the same penalty for an ACL civil pecuniary penalty offence with civil action as we could with criminal prosecution.

Some of our cases are summarised below. Further details of these and other court actions are available on our website.

### **Dimmeys Stores Pty Ltd, Starite Distributors Pty Ltd, Douglas Edward Zappelli**

In a landmark case, we are taking Dimmeys Stores Pty Ltd, Starite Distributors Pty Ltd and their director, Douglas Edward Zappelli, to Australia's Federal Court, alleging they breached product safety laws by supplying, or offering to supply, goods that breached safety standards (see [Federal Court to hear Dimmeys case](#), p.30).

### **Hair Science International Pty Ltd, Steve Sindiris, Joseph Zwaigoff**

In May, Melbourne Magistrates' Court ordered Hair Science International Pty Ltd to pay \$100,000 for making false claims that its treatment could regrow hair, when clients were actually given a hairpiece. Hair Science represented it could replicate hair from a client, grow it on synthetic liquid skin and then attach this hair to the client's scalp. Consumers claimed that after paying \$6,000 to \$8,000, Hair Science gave them a poor-quality hairpiece that was glued to their head. The court declared that Hair Science International Pty Ltd, Steve Sindiris (its former director) and Joseph Zwaigoff breached the Victorian *Fair Trading Act 1999* (FTA) and ACL (Victoria) by engaging in misleading or deceptive conduct, or conduct likely to mislead or deceive. As well as the \$100,000 penalty, the court-imposed injunctions restraining the company (including its employees, officers or agents) from making false representations. Hair Science was ordered to publish a public notice in the *Herald Sun* and on its website, detailing the court's decision, and advise all clients of the actual treatment when they entered into an agreement. Mr Sindiris was ordered to pay court costs of \$9,604. Mr Zwaigoff and Hair Science were ordered to pay costs of \$2,358 and \$3,179 respectively.

### **Architeck Homes Pty Ltd, Unibase Homes Pty Ltd, Mehmet Mehmet**

In December, we became the first state ACL regulator to have a company director disqualified from managing a corporation. Melbourne Magistrates' Court disqualified the director of Architeck Homes and Unibase Homes, Mehmet Mehmet, from being a director of a company until 2017 and ordered Mr Mehmet and the companies to pay \$14,300 costs. Final injunctions were granted against the companies for accepting payments from nine customers – in Truganina, Cranbourne East, Point Cook, Caulfield South and Keysborough – then failing to build their homes within the required time under the contracts. As well as being director, Mr Mehmet was also the building practitioner for each of the nine major domestic building contracts to which the offences related. Mr Mehmet and the companies were found to have breached the FTA, ACL and the *Domestic Building Contracts Act 1995* (DBCA).

### **Nigel Vivian Cowan**

Former licensed motor car trader Nigel Cowan, who operated Victory Auto Brokers in Tullamarine until July 2012, was fined a total of \$37,000 for multiple breaches of the *Motor Car Traders Act 1986* (MCTA) and ACL. He was convicted of selling a motor car by consignment, failing to comply with the requirement of an inspector, failing to supply a motor car, making a false or misleading representation that a vehicle would be sold with 12 months' registration and failing to make entries into the dealings book as required for 23 motor vehicles. Broadmeadows Magistrates' Court fined Mr Cowan \$30,000 for two breaches of the ACL and \$7,000 for three motor car trading offences. He was also ordered to pay court costs. This matter is now the subject of an appeal in the County Court of Victoria.

### **Clay Young Pty Ltd t/a Melbourne Vehicle Brokers**

In February, former South Melbourne licensed motor car dealer Clay Young Pty Ltd was convicted and fined a total of \$15,000, plus costs, for breaching the MCTA and the ACL. The court convicted the trader on two counts of making a false representation about the effect of a guarantee and three of selling a motor car without cancelling a registered security interest. The company voluntarily surrendered its motor car traders' licence on 15 November 2012.

### **Houseshare Pty Ltd, Vasilios Panagiotopoulos**

We took court action against rooming house operator Houseshare Pty Ltd, and its sole director, for contravening tenancy laws. Final injunctions were ordered against the company, and its director Vasilios Panagiotopoulos. The company and its director were also ordered to implement a compliance program, pay for corrective advertising and pay court costs (see [Houseshare Pty Ltd, Vasilios Panagiotopoulos](#), p.17).

### **Gadget Price Pty Ltd t/a Bluefly Mobile/Gadget Services, James Curtis Alexander**

Melbourne Magistrates' Court heard that Gadget Price Pty Ltd accepted payments from 14 consumers for mobile phones, cameras, other equipment and associated warranties, but failed to either supply the goods or provide warranty services. The company, which no longer operates the business, was convicted of the charges and ordered to pay a \$1,000 penalty plus \$500 costs. Separately, company director James Alexander entered into an enforceable undertaking to pay \$10,195 compensation.

### **Enforceable undertaking – Australia Heating and Air Conditioning Pty Ltd**

Australia Heating and Air Conditioning Pty Ltd entered into an enforceable undertaking to repay a total of nearly \$70,000 to 15 consumers after the company failed to supply or install equipment within the specified timeframe, or at all. Prior to the undertaking, we already had an injunction against the company that restrained it from accepting payments for goods and services, other than on a cash-on-delivery basis, until 30 June 2013.

### Escalating scale of compliance activity

We use the appropriate compliance and enforcement tool to educate businesses, stop misconduct and prevent future breaches from occurring. These escalate from compliance assistance activities through to court action for the most serious matters. The tools can also be used in combination.

### Trader improvement meeting

We meet with traders that we've received a large number of complaints about to discuss how they can improve their practices, with the goal of reducing consumer detriment. The aim is to help the trader understand their obligations, rights and responsibilities under relevant legislation, reduce the number of enquiries and complaints made about their business and improve the trader's quality and customer relationship processes.

### Compliance assistance visit

We visit a trader, operator or organisation to check performance against key compliance obligations under the law and to provide specific advice on what needs to be done to achieve full compliance. This approach is used for low-level, inadvertent housekeeping irregularities.

### Inspection

An inspection aims to detect whether there are breaches or contraventions of laws we administer. Inspections are used to determine whether enforcement action is required.

### Education/compliance letter

We may send an education letter when there is evidence that a trader, who may be in breach of the law, is unaware of their obligations and has generally been cooperative during a compliance assistance visit or dispute resolution process.

### Warning letter

A warning letter may be issued when there is evidence that a law has been broken and the trader can be reasonably expected to know or understand their obligations.

### Infringement notice

An infringement notice is a fine that can be issued for a range of specified breaches of the law. It is used where the matter of non-compliance warrants more than a warning letter but is not serious enough to meet our criteria for taking court action.

### Investigation

An investigation establishes facts about an alleged serious breach of the law. It also establishes whether evidence supports court proceedings or other enforcement action.

### Enforceable undertaking

This is an administrative alternative to court action. An undertaking is a court enforceable document offered to the Director of Consumer Affairs by the trader. It generally contains an acknowledgement of offending conduct, and remedial measures such as publicity orders and compliance programs.

### Civil proceedings

Civil proceedings can provide a faster or more effective way to stop conduct than criminal prosecution, depending on the case. Civil remedies available to us include injunctions relating to specific behaviours; 'cease trading' injunctions, requiring a trader to cease trading altogether or to trade subject to court order conditions; adverse publicity orders, compensation orders, disqualification of directors and civil pecuniary penalties.

### Criminal prosecution

We typically use criminal prosecution when the alleged conduct is of a serious nature, there is a reasonable prospect of conviction, prosecution is in the public interest, the alleged conduct has been a conscious or deliberate breach, and other enforcement options are not appropriate to address the conduct. In addition to a finding of guilt or conviction and penalty, we can seek additional orders including publicity orders and compensation orders in some cases.

### Leading edge approach to product safety

Consumer Affairs Victoria has a cutting edge approach to product safety enforcement. Reaping the benefits of years of strategic court actions in Victoria's superior courts, and with new powers under the ACL, we have an aggressive, targeted and effective regime to stop non-compliant conduct, prevent future breaches from occurring and avoid unsafe products getting onto the market.

Under the ACL, we now have equivalent powers to the ACCC and can obtain criminal convictions and fines or civil pecuniary penalty orders of up to \$1.1 million for companies and up to \$220,000 for individuals that supply, or offer to supply, goods that are banned or do not comply with product safety standards. The ACL also gives the Magistrates' Court jurisdiction to hear some matters that could previously only be heard in the Supreme Court, such as injunctions. This saves us time and money.

Our current enforcement regime was built on the groundwork of eight strategic actions taken in Victoria's Supreme Court from 2004-2011. These actions clarified standards, created penalty precedents and paved the way for us to secure effective enforceable undertakings today.

An enforceable undertaking is a highly-visible administrative alternative to court action. This court-enforceable document can include tough remedies such as publicity orders and compliance programs that we prescribe and which must be audited by external parties.

We publish the full undertaking and a summary on our website, and publicise it via social media.

In 2012-13, we secured seven enforceable undertakings against importers and wholesalers of unsafe goods, making a total of 48 product safety-related enforceable undertakings we have secured since 2006. The financial impact of these undertakings, and effect on the trader's reputation, can exceed a court penalty. If a trader fails to comply with the undertaking, we can pursue further penalties through the courts. Enforceable undertakings are less costly than court action, so we save our resources and the financial resources of the trader.

Targeting importers and wholesalers means we stop unsafe products before they get onto shop shelves. This work is having a demonstrable effect. Five years ago, we found almost half the wholesalers we visited were stocking at least one non-compliant product line. In 2012-13, this was down to about one in four wholesalers.

In addition to enforceable undertakings, we use other tools appropriately depending on the nature of the breach and history of the trader. Warning letters and infringement notices are used where the breach is minor or administrative, and interlocutory (interim) injunctions where the trader may not be cooperative and we want to stop the conduct quickly to prevent future misconduct. This includes taking matters to the Federal Court of Australia if appropriate, as we now have the power to do under the ACL.

### Federal Court to hear Dimmeys case

In June, the Director of Consumer Affairs Victoria's right to take action in the Federal Court for ACL breaches was upheld, enabling us to continue with proceedings against Dimmeys Stores Pty Ltd and others for alleged breaches of product safety laws.

This is the first case Consumer Affairs Victoria has taken in the Federal Court of Australia. We are alleging that Dimmeys and Starite Distributors Pty Ltd breached product safety laws in Victoria and NSW through the supply, offer to supply, or possession for business purposes of more than 18,000 items of girls' padded swimwear, baby bath squeeze toy sets, cosmetics sets and basketball rings.

The girls' padded swimwear does not meet labelling requirements under flotation aid safety standards, the squeeze toys pose a choking hazard, the cosmetics sets do not label ingredients and the basketball rings do not include warnings as required under safety standards.

Dimmeys has breached product safety laws on four previous occasions and Starite once before. The Director also alleges that Douglas Zappelli, a director of both Dimmeys and Starite, was involved in the alleged contraventions.

The ruling confirms that the Director of Consumer Affairs Victoria has standing to bring proceedings in the Federal Court, under the ACL.

### Parties signed to enforceable undertakings

Mans Nominees Pty Ltd  
 David Alan Morris Cohen  
 Uni-Power Trading Pty Ltd  
 Jian Min Mao  
 Spot on Cash Pty Ltd  
 Saeed Hosseini  
 Dektech Pty Ltd  
 Kim Huee Lee  
 Victorian Taxi Club Inc  
 Paul Kounelis  
 Mayman Pty Ltd  
 Suling Le  
 Ji Dong Miao  
 King Sky Group Pty Ltd  
 Jia Bin Song  
 Huanyu Australia Pty Ltd  
 James Curtis Alexander  
 Australia Heating & Air Conditioning Pty Ltd  
 Mardi Angela Tovey  
 Richard Francis Tovey  
 Domain Charter Group Pty Ltd  
 Yarra Bank Solutions Pty Ltd  
 Patricia Cerini  
 John Cerini  
 BRUS Australia Pty Ltd  
 Hendryk Wijaya  
 Thorany Xhang  
 Max Cerra  
 Clementina McCrae  
 Cerra Metal Works Pty Ltd

### Prosecutions finalised

Wen Liang Li (Magistrates' Court)  
 Rageed Butris  
 Mintrell Pty Ltd  
 Tranon Theos (Appeal – County Court)  
 Andrew Khoury  
 Neville Morrison  
 Janaka Alwis  
 Clay Young Pty Ltd  
 Nadem Polos  
 Gadget Price Pty Ltd  
 Richard Dennis Simmons  
 Stuart Ritchie Mitchell  
 Su Property Group Pty Ltd  
 Portal Property Group Pty Ltd  
 Shaun Arendtz  
 Milos Vasiljkovic  
 Henri Claude Du Pont  
 Benjamin Marsh  
 Robert Turner  
 Neil Turner  
 Adam Greiner  
 Mohammed Zraika  
 Haki Zyka  
 Frank Spagnolo  
 Nigel Vivian Cowan (Magistrates' Court)  
 Neville Armstead  
 Realty Managers Pty Ltd  
 Rose Rocca  
 Michael Delosa  
 Michael Ewing Gallaher  
 Iftiaz Ali  
 Lance Edsall  
 Hans Van Dyk

### Civil actions finalised

Robert James Marshall  
 Allan Patterson  
 Cynthia Patterson  
 Konstantinos Balasis  
 Victorian Realty Group Pty Ltd  
 Michael Minh Le  
 Anthony Fletcher  
 Gerardo Acquino  
 Worldwide Scope Pty Ltd  
 Syed Ali Abbas  
 Zoran Rakocevic  
 DNL Security Australia Pty Ltd  
 Lou Petrovski  
 Natasha Petrovska  
 Skilltopia Pty Ltd  
 Bruce Bin Chen  
 Peter Gerard Scully  
 Robert James Gilfillan  
 Michael Hansen  
 Australian Property and Financial Coaching Pty Ltd  
 Terms Contract Solutions Pty Ltd  
 Spendworks Pty Ltd  
 Leonardo Palamara  
 Frankston Car City Pty Ltd  
 HQ Pacific  
 Jia Hao Hong  
 Dimmeys Stores Pty Ltd  
 Starite Distributors Pty Ltd  
 Douglas Zappelli  
 Liron Serbi  
 Yipeng Cheng  
 Spot on Cash Pty Ltd  
 Australia Heating & Air Conditioning Pty Ltd  
 Mardi Tovey  
 Rick Tovey  
 Architeck Homes Pty Ltd  
 Unibase Homes Pty Ltd  
 Mehmet Mehmet  
 FNP Pty Ltd  
 Grigoriy Trunov  
 Connection Blue Pty Ltd

Mark Whittingham  
Hair Science International Pty Ltd  
Steve Sindiris  
Joseph Zwaigof  
Antonios Giannakos  
Alejandro Bejares  
Northside Motor Wholesale Pty Ltd  
Phillip Michael Tulloch  
Houseshare Vic Pty Ltd  
Vasilios Panagiotopoulos  
Gregory James Stewart  
Gifts King Imports Pty Ltd  
Ayman Aden  
Mental Health Legal Centre Inc  
Brett Clare  
Rabih Hamad  
Marco Rabar  
ACS Financial Pty Ltd  
John Golubic  
Scott Darragh

**Actions commenced (unfinalised)**

Wen Liang Li (Appeal – County Court)  
Shaun Appleyard  
John Athanasiou  
Chao Chao Su  
Nadim Mindraoui  
Matthew Easton  
Konstantinos Balasis  
Robsco Nominees Pty Ltd  
Stuart Robson  
Nigel Vivian Cowan  
(Appeal – County Court)  
Rose Rocca (Appeal – County Court)  
David Stogiannou  
George Kotses  
New Concept Car Sales (Vic) Pty Ltd  
Kurtis Thiele  
Ripponlea Motors Pty Ltd  
Eric Cohen  
Colin Rounds Real Estate Pty Ltd  
Colin Rounds  
Lynette Farrar  
Peter Gerard Scully  
(Appeal – Court of Appeal)

Robert James Gilfillan  
(Appeal – Court of Appeal)  
Michael Hansen  
(Appeal – Court of Appeal)  
Dimmeys Stores Pty Ltd  
Starite Distributors Pty Ltd  
Douglas Zappelli  
Pacific Wholesaler Pty Ltd  
Yipeng Cheng  
Adrian Byers  
Northside Motor Wholesale Pty Ltd  
(Appeal – Supreme Court)  
Connection Blue Pty Ltd  
Mark Whittingham  
DNL Security Australia Pty Ltd  
Lou Petrovski  
Natasha Petrovska  
Skilltopia Pty Ltd  
Anne Inglefinger  
Umberto Tassoni  
Andrew Hall  
Karl Veljkovic  
Anfaster Pty Ltd  
Anthony Biondino  
Michael Chard

# 3 Dispute resolution and reduction

## Highlights

- Expanded our innovative frontline resolution service, making it our primary service for resolving disputes and resolving almost 6,200 disputes this way
- Achieved about a 20 per cent drop in complaints against traders we actively engaged with in our targeted Trader Improvement Program
- Released checklists for consumers and builders to help them achieve a successful building project, without disputes
- Published a model domestic building contract for new homes to reduce disputes caused by misunderstandings over contracts

## Introduction

One of our key functions is to provide an alternative dispute resolution service to Victorian consumers and small businesses, dealing with matters that might otherwise have ended up in costly and time-consuming court or tribunal action.

Our specialist expertise enables us to facilitate the resolution of disputes about consumer matters, estate agents, domestic building, retirement villages and residential tenancy.

Over the past few years, we've successfully integrated our innovative frontline resolution service, which fast-tracks the resolution of many disputes. This service has expanded to become our primary way of resolving disputes.

As part of our integrated compliance approach, we also work to reduce disputes by providing information, advice and various tools to help reduce the number of consumer and small business matters escalating to needing Consumer Affairs Victoria's involvement. By preventing or reducing the severity of disputes, we save Victorians time, money and stress.

### Information to help reduce disputes

Many disputes are avoided by consumers and businesses knowing their rights and obligations, so there are no misunderstandings. Our website, including our new mobile site, provides comprehensive information that Victorians can access at any time. It includes a separate section for businesses, including specific advice on developing an effective complaints-handling system.

We provide a free telephone enquiry service that Victorians call for information and advice that can prevent matters from escalating into a dispute. In 2012-13, the service answered 409,936 calls, plus 31,042 email and online enquiries. We gave 1,225 presentations across the state, giving consumers and traders an opportunity to ask questions and build their knowledge. Targeted publications were also provided.

In 2012-13, we made two significant additions to our information tools for people building and renovating, and traders involved in the industry. We released a model domestic building contract for new homes, to help prevent misunderstandings that can arise over unclear contracts. We also released checklists and online videos to help consumers and builders achieve a successful building project, without disputes.

Disputes finalised	
General	3,790
Residential accommodation	343
Building	1,932
Estate agents	309
Regional offices	3,157
Using frontline resolution	6,145
<b>Total disputes finalised</b>	<b>15,676</b>

**Top 5 issues generating complaints**

- 1 Quality (defective goods, unsatisfactory services)
- 2 Supply issues (non-supply and partial supply of goods and services)
- 3 Rights and responsibilities (refund and return rights)
- 4 Charges, fees and pricing (disputed or unreasonable charges)
- 5 Conduct (misrepresentations about goods or services)

**Top 5 products generating complaints**

- 1 Household goods (eg. furniture, electrical appliances and whitegoods)
- 2 Personal goods and services (eg. coupons and vouchers, clothing)
- 3 Electronics (eg. computer hardware, audiovisual equipment)
- 4 Automotive (eg. repairs and restoration)
- 5 Travel services and holiday accommodation

**Reducing complaints by engaging with traders**

Our Trader Improvement Program is helping us reduce the number of complaints about identified traders. Its aim is to help targeted traders know their obligations, comply with consumer laws, improve their own complaints-handling systems and ultimately reduce the number of enquiries and complaints that escalate to us. Our operational intelligence helps us identify which traders to target.

In 2012-13, we engaged at varying levels with 48 traders we identified as needing improvement, including builders, furniture and clothing retailers, owners corporation managers and solar PV retailers. Our strategy included regular meetings with the traders, as appropriate, to discuss our concerns and how the trader was planning to address them. As a result, complaints about businesses we actively engaged with dropped about 20 per cent. The program also achieved more overall compliant conduct from traders.

Traders’ actions in response to the program this year included new quality assurance checks on processes and procedures, staff training, developing structured complaint-handling processes and information materials about the use and installation of products; and closer self-monitoring, including customer surveys.

We also led a national project in 2012-13 to reduce complaints about group buying websites, which achieved a significant reduction in complaints (see [Group buying websites](#), p.42).

**Fast and effective dispute resolution**

In 2012-13, we finalised 6,145 disputes using frontline resolution, our innovative service that aims to resolve simple disputes within 48 hours of the initial complaint.

We established the Information and Dispute Services Centre this year to improve the way we assess and manage complaints (see [Delivering efficient and effective services](#), p.49). Since then, frontline resolution has become our primary service for resolving disputes.

For more complex disputes, such as domestic building or retirement village matters, we continued to provide a specialist dispute resolution service. We provided onsite conciliation where appropriate, mostly for domestic building disputes which benefit from a site visit to discuss and assess the issues with both parties present, and a Building Commission inspector to provide an assessment. We completed 696 onsite conciliations of building disputes this year.

### Residential tenancy assessments – helping prevent/resolve disputes

To help resolve some tenancy disputes, we provide independent assessments for proposed rent increases (when the tenant believes the rent increase is excessive), when non-urgent repairs have been requested but not completed, and when a tenant leaves a rented property and leaves goods behind.

Our first aim is always to reunite goods with their owners, which reduces disputes that could arise if the goods were simply sold or destroyed by the agent or landlord. As a result of these assessments and reports, disputes may be resolved without the need for a VCAT hearing. The reports can also be used if a VCAT hearing goes ahead.

- For example, if tenants believe a proposed rent increase is excessive, they can apply for an investigation to Consumer Affairs Victoria within 30 days of getting the notice of increase.
- We will investigate and give a written report to both the tenant and landlord – this usually helps the tenant and landlord reach agreement.
- If the tenant remains unhappy, they can apply to VCAT for an order.

#### Assessments 2012-13

Goods left behind	4,193
Non-urgent repairs	1,177
Rent increase	1,223
<b>Total</b>	<b>6,593</b>

### Case study

A rural consumer on a disability pension contacted us when her new fridge stopped working two months after purchase. The manufacturer's technician advised her that any warranty claim was void because she was using alternative power, which caused the problem. We established that prior to purchase, the consumer had made it clear to the retailer's salesperson that she intended to use alternative power. Under the ACL, if the product doesn't do what you want it to do, you can generally ask for a refund or replacement if, when choosing the product, you told the salesperson what you wanted it to do and you relied on their advice. We advised the consumer of her rights and reminded the retailer of his ACL obligations. The consumer was given a full credit.

### Case study

An 83-year-old woman bought a lounge suite for \$2,622 and immediately discovered it did not recline properly. The lounge was assessed and a problem identified. The trader assured the consumer that someone would visit to repair the lounge within the next few weeks, but weeks passed without a repair. After numerous attempts to get a satisfactory response from the trader, the consumer called us. We contacted the trader and reminded him that under the ACL, a product must be fit for any disclosed purpose and of acceptable quality. He then understood his obligations and sent someone to repair the lounge suite immediately.

### Case study

We received 26 complaints from residents of a retirement village who raised allegations of building defects in their units, which were built five years ago. The issues included problems with the fencing, patio tiles, roof, spouting, drainage, doors, windows and caulking. We arranged an onsite meeting with the village owner, the builder and members of the village's association committee to facilitate a resolution of the complaint. This included brokering a clear understanding of whose responsibility it was to carry out the repairs. Some of the responsibility was with the builder or owner, while other issues were the responsibility of the village association or the residents.

## A complete service for domestic building

Consumers can incur considerable financial and emotional detriment if things go wrong on a domestic building project. For this reason, Consumer Affairs Victoria has long been involved in this space. We have developed a complete service aimed at reducing detriment and helping consumers and builders understand their rights and obligations.

Our services range from education (online and in print, by phone and face-to-face) through to the full suite of compliance and enforcement action. We also deliver dispute resolution services and dispute reduction activities, including innovations such as onsite conciliation and trader improvement programs.

We are responsible for administering the DBCA, which has provisions around how a contract should be entered into and managed, and the ACL, which has fair trading provisions. The ACL is a generic consumer law that applies across all industries, including building and building-related work such as cabinetry, kitchen installing and renovation services.

### Consumer and trader education

We provide up-to-date advice and education for both consumers and builders, to help them achieve a smooth and trouble-free experience without disputes and misunderstandings. Consumers and builders who know their rights and responsibilities are more likely to avoid problems.

Our dedicated web pages for builders and tradespeople include information on running a successful business, forms and notices needed during a building project, details on becoming registered and other useful material that is constantly updated.

In August, we released a series of checklists and online videos to help consumers and builders achieve a successful building project. The consumer checklists provide advice on what to consider when dealing with six common projects, ranging from building a home with a large building company to home improvements costing \$5,000 or less. A further eight checklists help consumers plan and manage specific aspects of their project, such as paying for building works and amending a domestic building contract.

Six checklists are for builders and tradespeople, covering topics such as registration, contracts, payment and working with clients. The checklists are supported by online videos on our YouTube channel, which highlight the key messages.

Since they were launched, the checklists have been viewed 32,584 times and the videos and video previews have been viewed 129,333 times. About 1,800 booklets were distributed at home shows and via our regional networks.

To help consumers and builders with information and advice, and prevent matters escalating to a dispute, we answered 25,169 calls about domestic building in 2012-13.

We provided advice to builders at the Housing Industry Association Home Show in April, focusing our presentation on warranties under the DBCA and ACL. We advised builders of their obligations under the ACL and presented at a one-day conference on how to run the business of being a builder. We also provided advice to builders entering the industry. In 2012-13, we presented to graduate students entering the building industry via courses at Deakin University, Box Hill TAFE, RMIT University and Holmesglen TAFE.

In addition, we presented to VCAT staff involved in the domestic building list on the work of Consumer Affairs Victoria, so they understood what steps consumers had already taken before getting to VCAT. We explained our dispute resolution processes, the role of inspection reports and the role of our enquiries line.

### Resolving domestic building disputes

We finalised 1,932 disputes about domestic building in 2012-13, including about a third of these disputes conciliated onsite with a Building Commission representative present to talk through the issues and provide an inspection report.

We used our operational intelligence to identify the 20 builders that were generating the most enquiries and complaints to Consumer Affairs Victoria. We engaged with these builders as part of our Trader Improvement Program, with outstanding results.

For example, we engaged with a large-volume builder in 2012-13 that was generating many complaints. The CEO of the company attended all meetings with us and was interested in our data and assessment of what was causing problems for consumers. He made a number of changes to the company's practices, which resulted in a 36 per cent drop in complaints for the first two quarters of 2012-13 compared to the previous year.

### Case study

A consumer contacted us two years after signing a \$440,000 major domestic building contract for a new home. The consumer lodged a complaint after the project was delayed in its completion and there were variations to the contract price. The builder initiated the variations and sought payment of an additional \$18,000 for various items, but the variations were not in writing and the money claimed appeared to be in excess of a stage payment. We reviewed the case and reminded the builder that the DBCA had rules about variations and stage payments, which he appeared to have breached. The builder agreed to refund the extra payment and building work progressed to completion.



We finalised 1,932 disputes about domestic building in 2012-13.

### Enforcing domestic building laws

In addition to these activities, we took action to enforce domestic building laws, including court action against six registered and unregistered builders. In addition to the summaries below, further court actions against builders are detailed on our website.

#### *Haki Zyka*

In October, unregistered builder Haki Zyka was convicted and fined \$20,000 for multiple breaches of the law, including accepting payments for uncompleted building work. Heidelberg Magistrates' Court found Mr Zyka guilty of nine breaches of the DBCA and three of the FTA. Between late 2009 and early 2010, Mr Zyka entered into non-compliant major domestic building contracts with three consumers in Macleod and Greensborough. He accepted excessive deposits, over 10 per cent of the contract price, for each job. Mr Zyka also accepted more than \$25,000 in partial payments for building work on the three projects, but failed to complete the work within a specified or reasonable time. In addition to being fined and ordered to pay \$840 costs, Mr Zyka was ordered to pay \$7,500 to one of the consumers. The other two had previously obtained compensation orders against Mr Zyka at VCAT.

#### *Adam Greiner*

In May, unregistered builder Adam Greiner was convicted, fined \$10,000 and ordered to compensate a consumer, after accepting payments for building and landscaping work he did not complete. Dandenong Magistrates' Court found Mr Greiner guilty of one count of entering into a major domestic building contract without being a registered builder, an offence under the DBCA, and five breaches of the ACL, for accepting building and landscaping payments but not completing work. Between 2010 and 2012, Mr Greiner gave quotes for building and landscaping to five property owners, who accepted them. He then accepted payments totalling \$46,000 but did not complete all of the work. The court convicted Mr Greiner and released him on a two-year good behaviour undertaking, with the conditions that he write letters of apology to the victims, pay \$1,000 in legal costs, a \$10,000 fine to the court fund and \$1,550 compensation to one consumer.

#### *FNP Pty Ltd, Grigoriy Trunov*

In February, Melbourne Magistrates' Court found building contractor FNP Pty Ltd and its director, Grigoriy Trunov, had engaged in misleading and deceptive conduct. The court found the company and its director had falsely represented to a building surveyor, in October 2010 and May 2011, that FNP had constructed trench-deep retaining walls at a property in keeping with building permit requirements. The court also found that FNP and Mr Trunov supplied goods and services that were materially different to those they had agreed to provide. FNP and Mr Trunov were restrained until 2016 from entering into a major domestic building contract or carrying out, supervising or managing such work on behalf of anyone else, where Mr Trunov was nominated as a building practitioner on the building permit. Mr Trunov was further restrained, until 2021, from representing or attempting to verify to an appointed building surveyor, that work has been performed in accordance with the *Building Act 1993* or its regulations and relevant building contract or permit, including plans and specifications. Mr Trunov cannot renew or apply for registration as a building practitioner under the Act until 2016. The court ordered the parties to pay total costs of \$11,963.

### A model contract to reduce disputes

Poorly specified contracts are a major source of domestic building disputes, particularly those that inaccurately or incompletely specify work for which a consumer believes they are paying. Contractual problems and disagreements can include excessive deposits, time delays, poor workmanship, cost blowouts, unwanted variations, disagreements about the final product and a lack of incentive for the builder to fix defective work.

An independent report found that industry standard form contracts did not always comply with the DBCA and the unfair contract terms provisions of the ACL, or allocate risk fairly or appropriately. Consumers were often at a disadvantage when negotiating contract terms because they lacked technical expertise and familiarity with industry standard form contracts.

Recognising that an independent model domestic building contract could help reduce disputes, we began a project to create a contract that fairly balances consumers' and businesses' rights and obligations and is an educational tool for both parties if a dispute arises, providing a clear path to the requirements of the law.

In developing the contract, we consulted extensively with industry and circulated a draft to key stakeholders in the construction, property, finance and legal sectors, as well as to consumers.

A revised draft was also circulated before the final model was decided.

In July, we released our model building contract for new homes, the first in a suite of model contracts that will eventually include contracts for renovations and extensions, owner builders and preliminary work. The model contract is free, and is available on our website and in print. It is designed to improve communication between the builder and consumer and is written in a plain English style that is easier to understand.

Since its release at the Building and Home Improvement Expo in July, the contract has been downloaded 1,716 times from our website and 434 hard copies have been distributed. Feedback on the model contract has been extremely positive.



We released a model building contract for new homes, available online and in print.

## Helping reduce retirement village disputes

Consumer Affairs Victoria works on a number of fronts to help reduce retirement village disputes. We provide a free enquiry and complaints service, which in 2012-13 answered about 850 enquiries and complaints about retirement villages, with some disputes conciliated face-to-face.

In February, new laws were passed that will lead to better information for retirees considering living in a retirement village. Regulations now being developed will improve the information a retirement village is required to provide, helping retirees understand what is on offer and how much it will cost. This will help reduce disputes and misunderstandings that can arise from unclear contracts or information.

The regulations, due to commence in 2014, will require operators to provide a prescribed factsheet to interested retirees. This factsheet of standard information will enable easy comparison between the facilities, costs and particulars of different villages. Operators will also be required to allow inspection of prescribed documents held by the village, such as financial statements.

Other regulations now being made, using existing powers, will improve the compulsory pre-contract disclosure statement. The improved statement will help reduce confusion and uncertainty by setting out all costs a potential resident will incur when entering, living in and leaving the retirement village. These regulations will also standardise the format of village contracts, and a basic set of mandatory rights and responsibilities will be prescribed for residents, owners and managers.

These new protections will help residents choose an appropriate village, compare villages, understand the extent of their financial commitment and locate their rights and obligations.

The launch in May 2012 of seven good practice protocols for villages, and improved dispute resolution guidelines, aimed to lift industry practice. In 2012-13, we completed a campaign to deliver 108 presentations to improve residents' and operators' understanding of the documents, including distributing information packs.

In March and April, we re-ran last year's successful consumer and industry education campaign, highlighting what to consider in a retirement village and the need to get independent financial advice before signing contracts. It featured metropolitan and regional press, industry publications, radio, digital advertisements linking to our web content, and two advertorials on Channel 7's *The Morning Show*.



Retirement villages  
Internal dispute resolution guidelines  
for retirement village owners and managers

consumer.vic.gov.au

Victoria Department of Justice

# 4 Our consumer protection framework

## Highlights

- Commenced a package of reforms that will lead to better information for prospective retirement village residents, helping them compare contracts, facilities and costs
- Better protections for tenants and owners of movable dwellings and other changes to tenancy laws that reduce red tape and clarify when a notice to vacate can be issued
- Continued to take a leadership role in national legislative reform, including travel agent regulation reform and co-operatives national law
- New laws for incorporated associations commenced, reducing red tape for more than 38,000 Victorian community organisations and making it easier for members to understand their obligations
- Updated regulation for uncollected goods, resulting in clearer processes and minimising the risk of disputes

## Introduction

**This year, significant reforms were passed in Parliament that will lead to better protections for prospective residents of retirement villages, better living conditions for rooming house residents and new protections for tenants. Legislation was also passed establishing the Office of the Fire Services Levy Monitor.**

Red tape reductions continued and a program of work was outlined under the Statement of Expectations to guide red tape reduction work into the future.

We continued to work with other jurisdictions on projects of national importance, including national law reform and numerous projects to improve outcomes for Australian consumers.

## A national consumer protection framework

When the landmark ACL was introduced on 1 January 2011, it transformed consumer protection in Australia and heralded a new era of collaboration between states, territories and the Commonwealth. This one law, jointly administered and enforced by all consumer protection agencies, gives consumers the same protections wherever they live in Australia, and binds businesses to the same obligations.

In this 'one law, multi-regulator' environment, jurisdictions work together to address important issues that affect consumers nationally. This reduces duplication of work, ensures consistent messaging, makes the best use of resources and ultimately creates better outcomes for consumers and businesses across Australia.

Consumer Affairs Victoria plays a significant leadership role in national projects and contributes to work led by other jurisdictions. We lead the Education and Information Advisory Committee (EIAC) and are members of the Compliance and Dispute Resolution Advisory Committee (CDRAC), the Policy and Research Advisory Committee (PRAC) and the Product Safety Consultative Committee (PSCC). These national committees meet regularly to discuss issues, policies, ideas and innovations, identify and plan national work, and evaluate progress. Work is aligned across committees to deliver an integrated compliance approach.

Senior consumer affairs officials from each jurisdiction, as members of Consumer Affairs Australia and New Zealand (CAANZ), oversee these committees. Consumer Affairs Ministers, as members of the COAG Legislative and Governance Forum on Consumer Affairs (CAF), oversee CAANZ.

The multi-regulator governance model is working extremely well. Since 1 January 2011, national collaboration has delivered numerous successful campaigns including on consumer guarantees, Indigenous consumer issues, travelling con men and group buying websites.

This framework has delivered the benchmarking Australian Consumer Survey and education projects such as ACL checklists for industry and industry-specific guides to unfair contract terms. The jurisdictions also collaborated on emerging issues, including brokering better outcomes for consumers nationally in the wake of the Tiger Airways and Qantas groundings in 2011.

### **National legislative reform**

Although the ACL is the primary consumer protection law in Australia, other industry-specific consumer laws exist in different jurisdictions. Through PRAC, Consumer Affairs Victoria has been working with other regulators to modernise and streamline these laws, cut red tape for businesses and deliver a seamless national economy. Some of these reforms are only possible because of powers that now exist under the ACL.

### **Travel agent reform**

With NSW, we are co-leading the national reform of travel agent regulation. The move to a deregulated model responds to fundamental changes in the market, such as consumers booking their own travel online. It is estimated the reform will deliver red tape savings to Victorian businesses of \$6 million per year.

After public consultation, a transition plan was approved in December that will remove the Travel Compensation Fund and travel agent licensing from 1 July 2014. It includes reliance on existing protections under the ACL and credit card charge-backs as an alternative to compensation currently provided by the Travel Compensation Fund.

### **Co-operatives National Law**

We worked with other regulators on co-operatives law reform. The *Co-operatives National Law Application Act 2013* was passed in March and will make it easier for Victorian co-operatives to operate across borders (see [Co-operatives National Law](#), p.45).

### **National occupational licensing**

We are also working to introduce the National Occupational Licensing System, intended to commence in 2014. The system aims to enable licensees to work almost anywhere in Australia without reapplying for a licence when operating interstate. Estate agents and owners corporation managers are among the first occupations being considered under the new system. A Decision Regulation Impact Statement, detailing the final national model, will be released for consultation with states and territories in July 2013.

### **Working nationally to address fair trading issues**

In addition to national work on policy and legislation, the jurisdictions work together to address issues that would benefit from a national approach, usually because they affect all or most jurisdictions, and involve significant potential or identified consumer detriment. Many of these projects include nationally coordinated education, dispute resolution and compliance work.

### **Group buying websites**

We led a national project on group buying websites, which concluded in January. The project aimed to stem the rising number of complaints about group buying websites, which we identified as an emerging issue in 2011. We helped develop and implement a national response, including coordinated dispute resolution, targeted investigations and trader meetings, education and shared national messaging.

Group buying complaints dropped nationally from more than 800 in May 2012, to about half that number by September 2012. Complaints have continued to fall since then. As part of the project, the group buying industry's code of conduct was reviewed and suggestions made to encourage best practice. In February, an updated code was released, based on this feedback.

### *Consumer education in schools*

We began discussions with other jurisdictions about producing classroom materials on consumer issues that reflect the national curriculum. The aim is to deliver consistent classroom materials that all regulators can use, instead of every state and territory producing their own versions.

### *Travelling con men*

The national approach to travelling con men builds on successful strategies pioneered by Consumer Affairs Victoria. It includes a national con men hotline, an online map marking con men activity across Australia, a national Facebook page and Twitter hashtag. It also includes a media campaign in partnership with Crime Stoppers. In 2012-13, this nationally coordinated approach resulted in 22 prosecutions against 20 individuals for 76 breaches of the law, resulting in \$165,478 in fines and costs (see [Putting the heat on travelling con men](#), p.16).

### *Scams*

Consumer Affairs Victoria is a member of the Australasian Consumer Fraud Taskforce, working with other state and territory bodies to share knowledge and information about scams. The taskforce runs National Consumer Fraud Week, which in June 2013 focused on online scams.

### *Small business*

With other regulators, we helped develop small business self-assessment checklists, launched by Consumer Affairs Minister Heidi Victoria MP in June, which help businesses understand how ACL regulations apply specifically to their business activities (see [Help for small business](#), p.24).

### *Consumer guarantee provisions*

We are leading a project to increase retailer and supplier compliance with consumer guarantee provisions of the ACL. This includes developing coordinated action plans for educating industry and developing five national guides that give specific advice on how the ACL applies to certain industries, including personal services, motor vehicle sales and repairs, rental cars, electrical and whitegoods, and travel and accommodation. These are due for release in 2013-14 online and in print. In addition, in 2012-13 we contributed to a national campaign to educate consumers on their consumer guarantee rights, including producing education materials in a range of languages.

### *Food labelling*

This year, two national projects reviewed representations made on olive oil packaging, and country of origin labelling for coffee, fruit cups and frozen peas. As a result, regulators issued 29 substantiation notices to olive oil manufacturers (covering 51 brands and 94 products). A total of 25 substantiation notices (covering 26 brands and 36 products) were issued to manufacturers of coffee, fruit cups and frozen peas. We sent substantiation notices to 10 Victorian-based companies, representing 29 brands and 44 products. We also referred a number of olive oil products to the NSW Food Authority for testing, to verify their extra virgin status. At the conclusion of the projects, regulators had concerns with nine traders in relation to olive oil and three traders in relation to country of origin labelling. Consumer Affairs Victoria sent warning letters in several cases. Our action resulted in a number of traders voluntarily amending their labelling.

### *Extended warranties*

We are contributing to a national project on extended warranties, examining whether any misrepresentations are made at the time of sale about extended warranties or the need for them. The project will educate consumers and encourage traders supplying, or 'on selling', extended warranties to comply with the ACL. We were allocated two retailers and two extended warranty providers to investigate. In 2012-13, we reviewed the extended warranties and conducted eight mystery shopping inspections to check compliance. Enforcement activities as a result of this work will continue into 2013-14.

### *Unfair contract terms*

With the ACCC, we continued to lead a national project to review standard-form consumer contracts commonly used by online traders and by the fitness industry. The project has now been completed and traders followed up with compliance assistance or considered for enforcement action where unfair terms were identified.

### *Online testimonials*

A new national project, which began this year, is examining false or misleading online testimonials. The purpose is to coordinate a national approach to traders that use false or misleading testimonials or reviews when promoting their business online. Regulators aim to gain a better understanding of how businesses using these tools operate. Consumer Affairs Victoria is currently undertaking scoping and planning work on this issue to determine how we can best contribute.

### Working nationally on product safety

As part of our work with the Product Safety Consultative Committee, we helped develop and consolidate a national integrated compliance approach to product safety. This included national surveillance activities, such as a pre-Christmas blitz on dangerous toys that led to the seizure of more than 12,000 unsafe products.

We led a national project to educate discount variety retailers and importers about their product safety responsibilities. Most banned products that are seized nationally, especially children's toys, come from this sector.

As part of this project, we led development of a guide, published in English, Chinese and Vietnamese, which includes photos that help traders identify products subject to bans and mandatory standards. The booklet was launched in Victoria at the Royal Children's Hospital in September, distributed to discount retailers and importers and made available on our website.

National work is under way to address the issue of quad bike safety. We are supporting the lead being taken on this issue by the ACCC, which is awaiting research due later in 2013 that will help decide whether a mandatory standard is required.

We are contributing to national work to educate parents about the potential dangers of trampolines. The research phase of the project was completed this year and a national education campaign will be rolled out in 2013-14.

In August, we introduced an interim ban on magnetic novelty items that could cause serious injury if swallowed. This ban remained in place in Victoria until November, when the Commonwealth put a permanent nation-wide ban in place. In June, the Commonwealth imposed a 60-day interim ban on synthetic drugs that can mimic the effects of illicit drugs. We supported the ban with information on our website, social media alerts and visits to traders to ensure the drugs were removed from sale in Victoria.



We led development of a product safety guide to educate discount variety retailers and importers about unsafe products.

### Collaboration into the future

Consumer Affairs Victoria will continue to lead and contribute to national projects in 2013-14.

With the Commonwealth and NSW, we will examine the collection and standardisation of complaints data and how its publication might better inform consumers.

We will lead a project to examine ways to strengthen the unsolicited sales provisions of the ACL and contribute to work considering the scope of the ACL's unfair contract terms provisions, particularly in regard to small business.

We will lead a research project to determine whether the ACL should be amended to ban unfair and aggressive commercial practices and whether this should include a right to legal remedies such as compensation.

Further research led by Victoria next year will determine whether we can improve the overall ACL system, which includes a range of civil remedies and criminal penalties under the ACL that vary between jurisdictions.

These three projects will form part of the general review of the ACL that the Commonwealth is conducting, due to commence in 2016.

An online shopping project will involve an education campaign highlighting to consumers their rights when shopping online and how to spot online scams.

Jurisdictions will also work together to ensure retailers and distributors are complying with safety standards for sunglasses. This will involve Australia-wide compliance exercises and consumer education about what to consider when buying sunglasses.

With other regulators, we will work with DisabilityCare Australia and other relevant organisations to ensure consumers, and their carers, who make purchases under the National Disability Insurance Scheme are protected in relation to scams and consumer guarantees.

The Charitable Fundraising Working Group, which reports to CAF through CAANZ, was reconvened in May to develop options for consistent regulation of charitable fundraising, for consideration by jurisdictions. We are participating in this work.

### Reducing red tape

Consumer Affairs Victoria is undertaking a large program of work to reduce regulatory burden, to improve Victoria's competitive position and make it easier for small businesses and community organisations to operate.

We continually review and amend legislation to make the law clearer and easier to understand, reduce confusion about rights and compliance obligations and help keep compliance costs low, without compromising consumer protection.

### Incorporated associations law

Major changes to incorporated associations law commenced on 26 November. They are expected to equate to \$6 million per year in red tape savings for more than 38,000 incorporated associations that operate in Victoria. The changes simplify financial reporting, trading and regulatory responsibilities, and make it easier for associations and members to understand their rights and responsibilities.

Among other things, the new Act:

- introduces a new three-tier reporting structure that will cut the cost of complying with reporting obligations for a range of associations
- consolidates the role of public officer and secretary
- removes limits on trading
- clarifies office-holder responsibilities.

### Co-operatives National Law

We worked with other jurisdictions on the Co-operatives National Law, which is expected to commence in Victoria later in 2013. The reform will make it easier for state co-operatives to trade across borders and will reduce financial reporting for small co-operatives. It is estimated the change will reduce red tape for Victorian co-operatives by at least \$250,000 per year, encourage Victorian co-operatives to expand interstate, and attract interstate co-operatives to Victoria.



Major changes to incorporated associations law commenced on 26 November, reducing red tape and making it easier for associations and members to understand their rights and responsibilities.

### Conveyancers Professional Indemnity Insurance

In February, we released a discussion paper for targeted consultation on options to reform the management arrangements for the professional indemnity insurance scheme for conveyancers. As a result, work is under way to appoint a broker for the future purchase of required insurance.

### Automated licensing processes

With the Business Licensing Authority, we have automated some licensing and decision-making processes. This shortens approval times for less complex applications, including for estate agents, motor car traders, conveyancers and travel agents. We also introduced a new streamlined process that simplifies annual returns for some licensed occupations, including motor car traders, travel agents and second-hand dealers. For example, if a trader is renewing their licence and there is no change to their details then they can simply pay online. This saves businesses time by removing the requirement to submit a hard-copy annual return.

### Reviews under way

We are currently reviewing section 32 of the *Sale of Land Act 1962*, which regulates the information a vendor must give a buyer when land is sold in Victoria. The review is aiming to reduce red tape for vendors, whilst retaining important protection for property buyers. In October, we released a discussion paper for public consultation and received 20 submissions. We released an options paper in May, inviting submissions on three options for reform. The submissions are currently being reviewed. We commenced a red tape reduction review of the MCTA by inviting stakeholders to nominate areas to consider for reform.

### Statement of Expectations

In March, Victorian Ministers sent a Statement of Expectations to five major regulators about their contribution to the 25 per cent red tape reduction target, under the Government's economic strategy *Securing Victoria's Economy*. Minister for Consumer Affairs Heidi Victoria MP set out her expectations for Consumer Affairs Victoria, including to: continue to modernise and simplify legislation to reduce red tape, reduce the costs associated with compliance for businesses, reduce costs of licensing and registration for businesses and not-for-profit organisations, and reduce dispute management costs for businesses and landlords. We identified and are making progress on eight initiatives to achieve these reductions and posted an outline of these plans on our website.

### New legislation

We continued to modernise and streamline consumer protection legislation this year and oversee key Bills through Parliament. Six Bills were passed in 2012-13, including new laws that will improve protections for tenants and help people considering retirement village contracts.

### Improved information on retirement villages

The *Retirement Villages Amendment (Information Disclosure) Act 2013* compels operators to provide a fact sheet to people considering entering a retirement village. It enables regulations to be made prescribing the content of the fact sheet. Regulations to be made under existing powers will prescribe standard contract layouts. These two measures will enable retirees to make direct comparisons between different villages and gain a better understanding of their rights and responsibilities (see [Helping reduce retirement village disputes](#), p.40). In May, we released draft regulations and a Regulation Impact Statement for public consultation.

### Establishing the Fire Services Levy Monitor's Office

The *Fire Services Levy Monitor Act 2012* established the Office of the Fire Services Levy Monitor to oversee the insurance industry in the transition to a property-based levy. The Monitor has extensive powers to prevent price exploitation or misleading or deceptive conduct by insurers during the transition.

### New protections for tenants

The *Residential Tenancies and Other Consumer Acts Amendment Act 2012* provided for the creation of a state-wide rooming house register. It also introduced extra protections for buyers of movable dwellings. They are now protected from pressure to enter into leases for sites in long-stay residential parks, if they have already bought their dwelling.

Other changes made by the *Residential Tenancies Amendment Act 2012* have improved protections for tenants, clarified the law and reduced red tape. They include a new provision clarifying that a landlord cannot ask a tenant to sign a blank bond claim form. This enables tenants to know the exact bond amount being refunded, reducing disputes and the need for legal action.

Eligible tenants can now get their bond back from the RTBA, and substitute a Department of Housing bond, without landlord permission. Previously, the landlord and tenant would have had to co-sign the form. Landlords must now also lodge bonds with the RTBA where they have received bond money in instalments. These changes reduce red tape by simplifying bond lodgement and claim procedures. The new laws also clarify when a notice to vacate, or intention to vacate, can be issued, following successive breaches of the same duty.

### National law for co-operatives

The *Co-operatives National Law Application Act 2013* will make it easier for Victorian co-operatives to operate across borders (see [Co-operatives National Law](#), p.45).

### New laws for company title home units

The *Company Titles (Home Units) Act 2013* provides VCAT with jurisdiction to hear company title home unit disputes relating to neighbourhood issues (such as use of the building, pets or parking). Previously, parties to company title home disputes could only have their disputes heard by the courts and, in many cases, only the Supreme Court or Federal Court. Permitting these parties to have their disputes heard at VCAT will promote cost and time savings.

### New provisions for uncollected goods and limited liability

In September, new provisions came into effect under the *ACL and Fair Trading Act 2012* introducing a clear and streamlined process for recipients of uncollected goods or vehicles who want to dispose of them legally, for example, dry cleaners wanting to dispose of uncollected clothing. The provisions reduce the risk of disputes with the original owner by prescribing a clear process and timeframes for disposing of high, medium or low-value goods.

Provisions also commenced that revised caps on the liability incurred by accommodation providers if guests' property was lost or damaged. This included updated signs and increased limits that took into consideration the higher cost of living since the cap was last reviewed.

## Acts passed, Regulations commenced/revoked

### Acts passed

Name	Date of Royal Assent
<i>Residential Tenancies Amendment Act 2012</i>	21 August 2012
<i>Residential Tenancies and Other Consumer Acts Amendment Act 2012</i>	18 September 2012
<i>Fire Services Levy Monitor Act 2012</i>	18 December 2012
<i>Retirement Villages Amendment (Information Disclosure) Act 2013</i>	12 February 2013
<i>Co-operatives National Law Application Act 2013</i>	13 March 2013
<i>Company Titles (Home Units) Act 2013</i>	23 April 2013

### Regulations commenced

Name	Date commenced
Australian Consumer Law and Fair Trading Regulations 2012	1 July 2012
Conveyancers (Qualifications, Experience and Fees) Amendment Regulations 2012	1 July 2012
Second-Hand Dealers and Pawnbrokers Amendment (Infringements) Regulations 2012	3 July 2012
Co-operatives Amendment Regulations 2012	1 August 2012
Australian Consumer Law and Fair Trading Amendment Regulations 2012	28 August 2012
Associations Incorporation Reform Regulations 2012	26 November 2012
Australian Consumer Law and Fair Trading Amendment Regulations 2013	10 February 2013
Sex Work Amendment Regulations 2013	1 March 2013
Business Licensing Authority Regulations 2013	18 March 2013
Residential Tenancies Amendment (Infringements) Regulations 2012	31 March 2013
Residential Tenancies Amendment Regulations 2013	1 May 2013

### Regulations revoked

Name	Date revoked
Fair Trading Regulations 2009	1 July 2012
Associations Incorporation Regulations 2009	26 November 2012

# 5

## Driving a sustainable organisation

### Highlights

- Completed a major restructure of the organisation and embedded new systems and procedures to streamline operations and improve efficiency
- Upgraded the navigation system on our internal Wiki to make information easier for staff to find
- Introduced an online learning management system, giving us a sophisticated way to track and record staff training and enrolments

### Introduction

This was a big year for our organisation as we underwent a significant restructure of our operations, embedded new systems and processes, worked to increase staff skills as they moved into new roles and educated them about changes to the law.

### Delivering efficient and effective services

In 2012-13, we reviewed and restructured the organisation to ensure we continued to deliver efficient and effective services for all Victorians. We sought ways to improve services, enhance operational standards, refine the way we collect and use data and information and eliminate bottlenecks.

Many factors drove the need for change, including the challenging fiscal environment, Government policy to modernise consumer protection, national reforms such as the business names function moving to the Commonwealth, and the changing needs of consumers and businesses, for example, the increased demand for online services.

Staff received information packs outlining the changes in September and attended meetings and workshops to talk through the proposal. They were encouraged to submit feedback, both formally and anonymously if preferred, to ensure all views were considered when finalising the new business model. The consultation process included regular meetings with the Community and Public Sector Union, as roles and reporting structures were affected by the proposed changes.

The final structure was phased in during early 2013. It includes a new Information and Dispute Services Centre (IDSC), combining service teams that respond to enquiries and complaints received by phone, mail, email or the web. The IDSC assesses and allocates all incoming matters, identifies emerging issues and enables our information and dispute resolution teams to work collaboratively and provide Victorians with a faster, more consistent and effective service, with a strong focus on frontline resolution.

The restructure also created the Regulatory Transaction Centre (RTC), live from 1 July 2013. The RTC is responsible for administering the licensing and regulation of regulated entities and occupations and their compliance with administrative requirements. Its service delivery model requires staff to be multi-skilled, increasing flexibility and realising the potential of our staff.

Enforcement and Legal Services branches merged, to strengthen our integrated approach to investigations, respond strategically to market developments, and ensure timely completion of investigations and commencement of court action.

### Engaging effectively with staff

The restructure required significant ongoing communication with staff, to keep them updated throughout the process and provide channels for support, guidance and feedback.

We upgraded the navigation system on our internal Wiki to make it easier for staff to find information and updates on issues such as staff vacancies, organisational structure and resources for support. The Wiki also hosted feedback and management responses on the proposal for change.

Our staff e-newsletters were revamped to include more regular updates from general managers and directors, giving staff better insight into our operations and achievements. Regular divisional meetings were established to ensure information was consistent and shared across the organisation.

The successful Presentation Idol series we started last year continued with staff-to-staff talks on digital communication, legislative changes and the roles of individual branches. We introduced regular lunchtime sessions to view the online TEDTalks global presentations, and encouraged collaboration through events such as the Global Corporate Challenge and Cultural Diversity Week.

We established inhouse blogs for owners corporations, small business, fundraising and residential tenancy areas, replacing quarterly reports. The blogs contain environmental scanning and top issues, in a concise and accessible format.

### Encouraging continuous learning

Our online Learning Management System went live on 1 July, giving us a sophisticated way to track and record staff training and enrolments. The system enabled us, for the first time, to deliver some training programs online, including business and management topics, communication skills and OH&S compliance. Our training program for legislation expanded to include new content, a greater focus on stakeholders and additional visual material for quick reference.

The new *Associations Incorporation Reform Act 2012* and Model Rules required a major training effort. We trained our staff on how the legislation affected the process of registering community organisations, and what new information and advice we needed to provide callers. We also trained staff from stakeholder-related agencies, such as the Dispute Settlement Centre of Victoria. We trained advocates from community legal centres in residential tenancy law and the Australian Consumer Law to help aid their work with vulnerable and disadvantaged Victorians.

We introduced Respect in the Workplace training, and Management in 60 Minutes, which covered topics such as change management, influencing skills, and dealing with challenging behaviour. Several OH&S training programs were a focus, including an ergonomics assessor course that qualifies OH&S committee members to undertake desk assessments.



We continued our successful Presentation Idol series.

# Appendices

## Appendix 1

### Trust funds managed by Consumer Affairs Victoria

Consumer Affairs Victoria manages eight funds established by Acts of Parliament. The funds, and their expenditure purpose, are as follows:

- Domestic Builders Fund (administration of the *Domestic Building Contracts Act 1995*, costs relating to the Domestic Building List of VCAT)
- Motor Car Traders Guarantee Fund (administration of the *Motor Car Traders Act 1986*, guarantee claims)
- Residential Bonds Investment Income Account (administration of the Residential Tenancies Bond Authority)
- Residential Bonds Account (bonds held on trust, repayment of bonds)
- 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)
- Residential Tenancies Fund (Administration of the *Residential Tenancies Act 1997*, costs relating to the Residential Tenancies List of VCAT)
- 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 real estate as permitted by s.76(3) of the Act, operation of the Estate Agents Council, guarantee claims, costs relating to the Owners Corporation List of VCAT).

## Appendix 2

### Grants approved – Victorian Property Fund

The *Estate Agents Act 1980* allows the Minister for Consumer Affairs to make grants from the Victorian Property Fund for the purposes specified in section 76(3) of the Act. The Minister makes his or her decision on grants after consultation with the Estate Agents Council and Consumer Affairs Victoria and with any industry associations, government departments and other bodies he or she thinks appropriate. In 2012-13, the Minister approved the following grants:

Grant recipient	Description of funded program	Value*
Director of Housing	Accommodation Options for Families 2013-14 to 2016-17	\$18,082,000
Housing Choices Australia	Affordable and Disability Housing 2013-14	\$550,000
Rural Housing Network	Mooroopna West Affordable Housing	\$1,000,000
Victorian Women's Housing Association	Social Housing for Women in Cheltenham	\$600,000
Department of Primary Industries	Electricity Safety Assistance Scheme	\$755,454
Heritage Victoria	Repair and Conservation of Victoria's Architectural Heritage 2012-13 to 2014-15	\$1,500,000
<b>Total</b>		<b>\$22,487,454</b>

\* Value is reported exclusive of GST, representing the net cost to the Fund.

Payment of the above grants may extend over more than one year. Expenditure shown in Appendix 3 reflects part payment on these grants plus payments made in 2012-13 on grants approved in previous years.

## Appendix 3

### Financial Information 2012-13

	Victorian Consumer Law Fund	Domestic Builders Fund	Motor Car Traders' Guarantee Fund
<b>CONSUMER AFFAIRS VICTORIA REVENUE</b>			
Revenue recognition, Estate Agent and Conveyancer trust accounts			
Revenue recognition, Residential Tenancy Bonds			
Appropriations: Consumer Affairs Victoria			
Appropriations: Fire Services Levy Monitor (Note 1)			
Fees income			3,397,392
Interest income	18,495	453,019	12,325
Transferred from the Building Commission Victoria (Note 2)		8,643,297	
Grants received and other revenue		1,219	7,918
Recoveries related to claims previously paid			40,000
Penalty income			42,922
Transfers			900,000
<b>Total CAV Revenue</b>	<b>18,495</b>	<b>9,097,535</b>	<b>4,400,557</b>
<b>CONSUMER AFFAIRS VICTORIA EXPENDITURE</b>			
Audit services			
Claims on consumer guarantee funds			706,560
Consumer Utilities Advocacy Centre			
Contractors, consultants and professional services		167,104	199,333
Departmental governance and support costs			
Fire Service Levy Monitor			
Employee-related costs		5,388,391	2,615,397
Grants paid	32,922		
Information technology		95,364	49,348
Occupancy costs		392,202	256,783
Other operating costs		1,183,807	521,570
Outsourced contracted costs			
<b>Total CAV Expenditure</b>	<b>32,922</b>	<b>7,226,868</b>	<b>4,348,991</b>
<b>VICTORIAN CIVIL AND ADMINISTRATIVE TRIBUNAL (VCAT) (NOTE 4)</b>			
Fees and other revenue offset		(370,431)	
Employee-related costs		1,961,858	
Other operating costs		837,881	
Net VCAT Expenditure		2,429,308	
<b>Total CAV + Net VCAT Expenditure</b>	<b>32,922</b>	<b>9,656,176</b>	<b>4,348,991</b>
Trust Funds, opening equity 1 July 2012	612,132	14,829,902	513,831
Current year operating surplus /(deficit), CAV + VCAT	(14,427)	(558,641)	51,566
<b>Trust Funds, closing equity 30 June 2013</b>	<b>597,705</b>	<b>14,271,261</b>	<b>565,397</b>

Residential Bonds Investment Income Account	Residential Tenancies Fund	Sex Work Regulation Fund	Victorian Property Fund	Trust Funds Total 2012-13	CAV Appropriations & Other 2012-13	CAV Total Output 2012-13
			28,152,253	28,152,253		28,152,253
22,920,338				22,920,338		22,920,338
					35,836,783	35,836,783
					1,297,264	1,297,264
		862,129	3,833,096	8,092,617	2,257,332	10,349,949
382,122	1,186,778	6,725	9,573,186	11,632,650		11,632,650
				8,643,297		8,643,297
1,099	31,188	350	362,081	403,855	56,459	460,314
				40,000		40,000
		23,354	5,500	71,776		71,776
(16,100,000)	16,100,000	700,000		1,600,000		1,600,000
<b>7,203,559</b>	<b>17,317,966</b>	<b>1,592,558</b>	<b>41,926,116</b>	<b>81,556,786</b>	<b>39,447,838</b>	<b>121,004,624</b>
12,150				12,150		12,150
			657,790	1,364,350		1,364,350
					580,000	580,000
430,933	609,366	104,135	1,530,425	3,041,296	1,128,855	4,170,151
					5,858,081	5,858,081
					1,328,022	1,328,322
908,272	8,777,930	873,658	6,100,804	24,664,452	14,910,128	39,574,580
	1,894,798	327,236	7,755,229	10,010,185	886,234	10,896,419
16,419	355,147	18,605	205,678	740,561	603,072	1,343,633
97,363	607,261	125,669	560,911	2,040,189	3,445,354	5,485,543
654,839	1,956,557	186,504	1,693,848	6,197,125	2,103,200	8,300,325
5,013,825				5,013,825	6,489,662	11,503,487
<b>7,133,801</b>	<b>14,201,059</b>	<b>1,635,807</b>	<b>18,504,685</b>	<b>53,084,133</b>	<b>37,332,608</b>	<b>90,416,741</b> Note 3
	(1,904,227)		(142,569)	(2,417,227)		
	9,344,849		1,137,094	12,443,801		
	2,481,823		176,847	3,496,551		
	9,922,445		1,171,372	13,523,125		
<b>7,133,801</b>	<b>24,123,504</b>	<b>1,635,807</b>	<b>19,676,057</b>	<b>66,607,258</b>		
3,757,652	44,906,946	256,834	356,414,525	421,291,822		
69,758	(6,805,538)	(43,249)	22,250,059	14,949,528		
<b>3,827,410</b>	<b>38,101,408</b>	<b>213,585</b>	<b>378,664,584</b>	<b>436,241,350</b>		

Note 1 Fire Services Levy Monitor is included in the CAV Output  
 Note 2 Domestic Building Dispute Levy and Registration Fees  
 Note 3 CAV Total Output for 2012-13 was \$90,416,741 (the CAV 2011-12 Output was \$105,450,454)  
 Note 4 VCAT activities supported by the CAV trust funds

## Appendix 4

### Registers administered by Consumer Affairs Victoria

	2010-11	2011-12	2012-13
<b>Estate agents</b>			
New applications lodged	1,206	1,251	1,079
<b>Total on register</b>	<b>9,476</b>	<b>10,045</b>	<b>10,565</b>
<b>Motor car traders</b>			
New applications lodged	179	176	173
<b>Total on register</b>	<b>2,251</b>	<b>2,246</b>	<b>2,243</b>
<b>Incorporated associations</b>			
New applications lodged	1,596	1,608	1,599
<b>Total on register</b>	<b>36,756</b>	<b>37,605</b>	<b>38,751</b>
<b>Co-operatives</b>			
New applications lodged	23	28	5
<b>Total on register</b>	<b>698</b>	<b>685</b>	<b>655</b>
<b>Travel agents</b>			
New applications lodged	68	56	59
<b>Total on register</b>	<b>918</b>	<b>920</b>	<b>911</b>
<b>Fundraisers</b>			
New registrants	427	657	507
Renewals	2*	270	491
<b>Total on register</b>	<b>1,777</b>	<b>1,805</b>	<b>1,961</b>
<b>Secondhand dealers and pawnbrokers</b>			
New applications lodged	381	343	345
<b>Total on register</b>	<b>5,116</b>	<b>4,826</b>	<b>4,526</b>
<b>Patriotic funds</b>			
New applications lodged	2	0	2
<b>Total on register</b>	<b>611</b>	<b>605</b>	<b>604</b>
<b>Limited partnerships</b>			
New applications lodged	14	32	63
<b>Total on register</b>	<b>174</b>	<b>199</b>	<b>256</b>
<b>Conveyancers</b>			
New applications lodged	80	79	80
<b>Total on register</b>	<b>668</b>	<b>682</b>	<b>730</b>
<b>Owners corporation managers</b>			
New applications lodged	78	61	78
<b>Total on register</b>	<b>541</b>	<b>545</b>	<b>570</b>
<b>Retirement villages</b>			
New applications lodged	18	8	6
<b>Total on register</b>	<b>397</b>	<b>404</b>	<b>409</b>
<b>Funeral service providers</b>			
New applications lodged	21	7	24
<b>Total on register</b>	<b>378</b>	<b>385</b>	<b>407</b>
<b>Sex work service providers (licensees)</b>			
New applications lodged	15	23	13
<b>Total on register</b>	<b>140</b>	<b>142</b>	<b>139</b>
<b>Sex work service providers (brothel manager approvals)</b>			
New applications lodged	205	196	187
<b>Total on register</b>	<b>716</b>	<b>741</b>	<b>746</b>

\* Legislative changes in 2009 now require fundraisers to renew every three years, instead of annually

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