

Director's foreword



Simon Cohen

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

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

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

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

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

While our website and telephone information services meet the needs of most, it is increasingly important to make sure the most vulnerable Victorians can access information and advice to exercise their consumer rights. This year, we completed a review of our Tenancy and Consumer Program, resulting in a 30 per cent increase in funding and supporting 22 full-time equivalent tenancy workers across

Victoria. We also commenced 10 additional full-time equivalent family violence financial counsellors as part of the Government's response to the recommendations of the Royal Commission into Family Violence. And we have funded Justice Connect to provide a new legal service to assist building owners who cannot resolve their disputes.

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

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

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

Simon Cohen

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

CASE STUDY

Underquoting

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

During 2016-17, our inspection program continued to focus on estate agents' compliance with laws. We conducted 227 auction and underquoting inspections throughout the financial year, and took strong enforcement action when laws were not followed.

On 1 May 2017, changes to the *Estate Agents Act 1980* came into effect to strengthen laws against underquoting in Victoria.

Under these new laws, all Victorian agents and representatives have additional obligations relating to:

- the estimated selling price
- comparable property sales
- Statement of Information for prospective buyers, and
- advertising prices, terms and symbols.

There are also new penalties for estate agents and agents' representatives who do not comply with underquoting laws.

We consulted extensively prior to their introduction and provided agents with detailed information on the new laws.

By taking action on underquoting, we are continuing to ensure that consumers are protected and businesses comply with their responsibilities.

For more case studies like this, visit the Consumer Affairs Victoria website.

consumer.vic.gov.au/annualreport



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

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Annual Report Highlights 2016-17



Our vision

A fair and competitive marketplace in Victoria.

Our values

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

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

Our goals

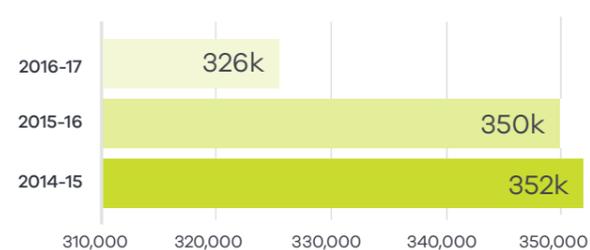
Victorians exercise their consumer rights

We support and inform consumers, work with our partner organisations to improve the information we provide, and target help to those with specific information needs.

Website visits



Calls answered



Financial Counselling Program

We provided over 31,000 free, independent and confidential phone or face-to-face counselling sessions in 2016-17, delivered by community agencies across Victoria.

Responsive website

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

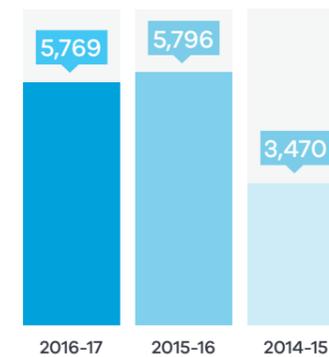
Businesses are compliant with consumer laws

We work with industry and our partners, supporting businesses to comply with consumer laws and giving them the tools to do so. We protect consumers by acting quickly against those who cause most harm.

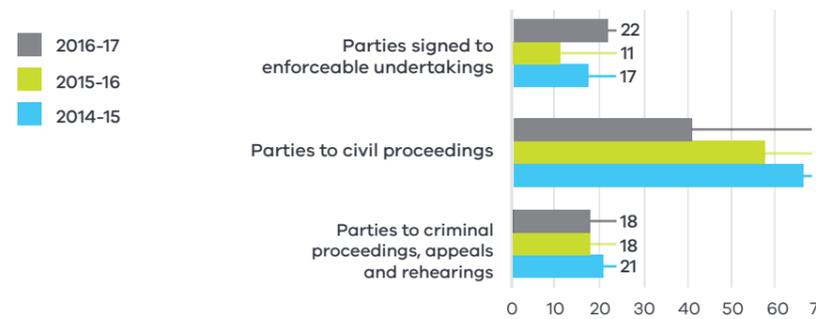
Rate of compliance with key consumer laws



Inspections



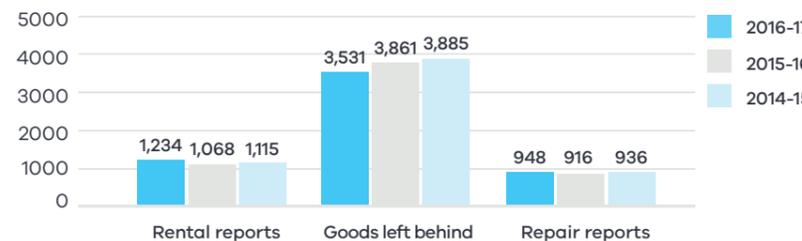
Enforcement actions



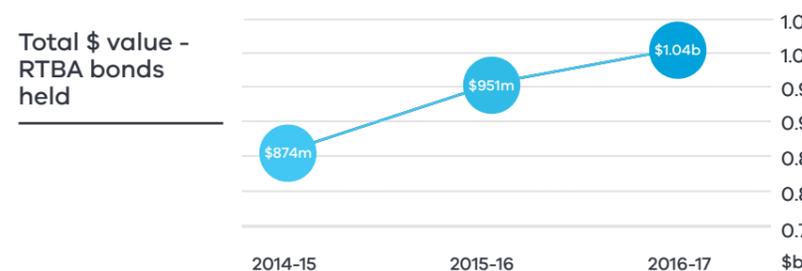
A fair and safe rental market

We work to modernise the framework for all participants. We work with our partners to understand and make positive changes across the system.

Assessments



Total \$ value - RTBA bonds held



New standards for rooming house operators

The *Rooming House Operators Act 2016* came into effect in April 2017. Under the new laws, anyone who owns, leases or manages a rooming house - often home to the most vulnerable Victorians - now has to be licensed and pass a 'fit and proper person' test. Significant penalties apply for anyone found guilty of operating without a licence.

Residential Tenancies review

Our review of the *Residential Tenancies Act 1997* is examining how well Victoria's rental laws work in the modern market, with the aim of striking a balance between the rights and responsibilities of tenants and landlords. More than 4,800 public comments were received through an extensive stakeholder consultation process, including 508 written submissions. The review is scheduled to conclude in 2018.

A modern and effective consumer law framework

We lead and participate in policy and legislative reviews, and work with partners to ensure the consumer law framework supports a fair and competitive marketplace.

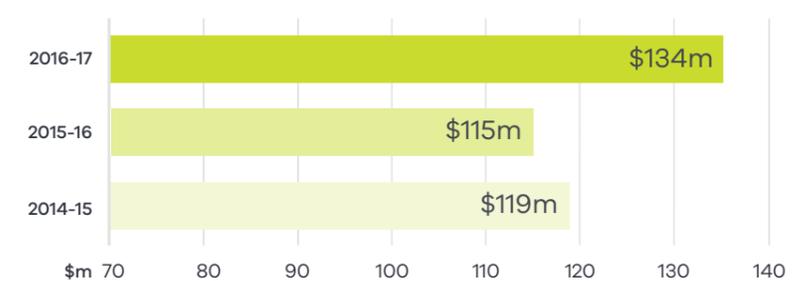
New services to help builders and building owners

In April, the Government established Domestic Building Dispute Resolution Victoria (DBDRV), a free, independent service to help builders and home owners resolve their disputes, without the cost and time often associated with courts and tribunals. Over 1,500 applications for DBDRV's dispute resolution service were received by 30 June 2017.

A sustainable and innovative regulator

We continue developing our capability and technology, improving the efficiency of our internal processes and the way we work with external partners.

Total output cost



myCAV

In 2015 we launched myCAV, our online transaction portal for incorporated associations to manage their obligations. During 2016-17, we launched myCAV for the new rooming house operators licensing scheme. myCAV will expand to cover licensed Victorian estate agents, expected to happen in late 2017.