



Consumer Affairs Victoria

Annual Report 2007-2008

to be fair...

Protecting consumers for more than 40 years

Consumer Affairs Victoria is the state's leading consumer protection agency. Its origins date back to post World War II times when consumerism was becoming rampant...

1960s – Birth of mass consumerism

The post WWII years were characterised by a huge labour market and extraordinary productivity. Australians were willing and able to buy the multitude of new products that exploded onto the market. In 1965, the Consumers Protection Council was established – the first consumer-focused government organisation in Australia.

Staff: 3

Complaints:

6,610 (1965 – 1969)

Major Legislation:

Consumer Protection Act 1964

1970s – Strengthening of consumer rights

The 1970s saw a strengthening of the consumer rights movement. The Consumers Protection Council was renamed the Consumer Affairs Council in 1970 and the Consumer Affairs Bureau was created. By 1973, nearly all states had followed Victoria's lead and established consumer protection laws of some sort. In 1974, the new Ministry of Consumer Affairs was created.

Staff: About 80 by the end of the 1970s

Complaints:

62,815 (1970 – 1979)

Major Legislation:

Consumer Protection Act 1970

Motor Car Traders Act 1973

Small Claims Tribunal Act 1973

Consumer Protection Act 1974

Market Court Act 1978

1980s – Consumer Affairs as mediator & watchdog

The 1980s were characterised by the deregulation of financial markets and rising interest rates. The public's growing interest and knowledge of consumer issues attracted increased media attention.

Staff: About 370 by the end of the decade

Complaints:

102,590 (1980 – 1989)

Major Legislation:

Residential Tenancies Act 1980 – defined the rights and duties of landlords and tenants

Consumer Affairs (Product Safety) Act 1983 amendments

Credit Act 1984 and *Credit (Administration) Act 1984*

Fair Trading Act 1985 – encouraged competition and protected consumers from misleading, deceptive and unfair conduct and trading practices

House Contracts Guarantee Act 1987 – reformed the law relating to home builders' liability

1990s – From intervention to self-regulation

The decade began with the economy in recession. Privatisation, national competition policy and widespread deregulation became major issues. Consumer Affairs, renamed Fair Trading in 1993, then Fair Trading and Business Affairs in 1998, underwent major organisational change and restructuring.

Staff: About 370 in the early '90s (staff numbers were cut drastically in 1993)

Complaints:

120,932 (1990 – 1999)

Major Legislation:

Credit (Administration) (Amendment) Act 1993

Consumer Credit Code – 1 November 1996

Domestic Building Contracts and Tribunal Act 1995

New Fair Trading Act 1999 – consolidated general consumer law and several Acts, and gave the Director power to obtain enforceable undertakings

2000s – Protection in a globalised world

The first half of the 2000s was characterised by strong economic growth, consumer confidence and low inflation. Issues stemming from globalisation, liberalisation, new technology, rising petrol prices and the downturn in the global economy have presented new challenges for Consumer Affairs Victoria.

Staff: About 420

Complaints:

Receives more than 18,000 written complaints and requests for tenancy inspections annually

Major Legislation:

Fair Trading Act 1999

– in recent years strengthened by four major sets of amendments

Retirement Villages Act 1986 – changes made since 2002 have improved the level of service and protection for residents

Owners Corporation Act 2006



Today in 2007-08 we...

Educate and advise consumers and traders

- > Received more than 545,000 calls to our Consumer Helpline and 84,000 calls on business licensing
- > Distributed almost 1,400,000 publications
- > Doubled the number of visits to our website in the first half of 2008
- > Launched the Toy and Nursery Safety Hotline
- > Developed an educational program for refugee communities
- > Distributed almost 12,000 teacher resources
- > Funded agencies to provide financial counselling services to 41,370 Victorians in debt

Work with industry

- > Worked with 10 different industries to remove unfair terms from their consumer contracts
- > Developed a Residential Accommodation Strategy to improve protections for residents

Help resolve disputes

- > Resolved 10,972 disputes, including 2,454 complaints resolved by regional offices
- > Completed a record 7,903 inspections of rental properties
- > Finalised 1,721 building disputes and recovered \$2.6 million compensation for consumers
- > Recovered more than \$5.7 million for Victorians through court orders and dispute resolution
- > Funded agencies to provide advocacy help to almost 3,500 vulnerable consumers

Enforce the law

- > Audited, inspected or investigated 7,082 traders to check they were complying with the law
- > Prosecuted 45 traders, including 22 building matters
- > Signed 73 parties to enforceable undertakings
- > Conducted 235 inspections as part of our metropolitan compliance program, up almost 209 per cent on last year
- > Tested or inspected almost 22,000 instruments used for trade measurement

Regulate industry

- > Completed 628,520 registration and licensing transactions
- > Processed 63,030 new business name registrations
- > Processed 17,620 new/change liquor licence applications

Develop policy and review legislation

- > Worked with national ministerial bodies on developing a new national consumer law
- > Worked with numerous agencies on state and national law reform
- > Five Acts of Parliament were developed and passed and 45 Regulations commenced or were revoked

Director's Foreword

Dear Minister

In accordance with the *Fair Trading Act 1999*, 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 2008, for you to present to the Houses of Parliament.

Yours sincerely



Dr Claire Noone
Director
Consumer Affairs Victoria



The Hon. Tony Robinson MP
Minister for Consumer Affairs



The Hon. Daniel Andrews MP
(Minister for Consumer
Affairs until 2 August 2007)

As Victoria's leading consumer protection agency we touch all sectors of the community. Throughout the course of people's everyday lives, we make sure people get a fair go and that, where possible, there is a level playing field for all.

This year, we continued to make sure our consumer laws and policies were adequate and up-to-date and that we addressed any emerging issues of concern arising within the community.

We played a pivotal role in national and state reforms, making three submissions to the Productivity Commission's review of Australia's consumer policy framework. The Commission drew heavily on these submissions.

In the area of buying and selling a home, a major decision for many Victorians, we gave particular emphasis this year to overseeing the introduction of the *Owners Corporation Act 2006*, producing a guide to owners corporations, and sending out about 52,000 guides in response to direct requests. Education is a major part of what we are about; particularly in ensuring new and emerging communities have a clear understanding of consumer laws.

Compliance and enforcement is another significant area of our business, and this year we continued to take legal action against rogue traders. We also increased our inspection program.

One of the most significant achievements in looking after the rights of consumers in relation to credit saw Consumer Affairs Victoria take legal action that resulted in the Consumer Credit Code being considered, for the first time in Australia, in the High Court.

Engaging with the community is our strength and the new Department of Justice Regional Management model will see us continue to strengthen our face-to-face customer service, which helped thousands of regional Victorians over the past 12 months.

I would like to take this opportunity to thank all the wonderful and dedicated staff who assisted with our business throughout the year. I especially acknowledge the hard work and focused leadership of the former Director of Consumer Affairs, Dr David Cousins, whose commitment secured Victoria's position as a leader in consumer policy. The achievements of Consumer Affairs Victoria detailed in this report are a testament to his dedication to protecting consumers.



Dr Claire Noone





	Page
Year in Review	2
About us Facts about us, our organisational structure	5
Reforms and Research National and state reforms, unfair contract terms, major research on consumers and traders	6
Fair Trading General consumer and fair trading issues	14
Residential Accommodation Rental properties, rooming houses, caravan and residential parks	24
Buying and Selling Property Buying and selling real estate, Estate Agents Resolution Service, owners corporations, retirement villages	30
Building Building, renovating, Building Advice & Conciliation Victoria	36
Credit and Debt	40
Motor Cars	46
Liquor	50
Trade Measurement	54
Product Safety	56
Other Industry Regulation Schemes Prostitution service providers, funeral providers, incorporated associations, co-operatives, fundraisers, patriotic funds, travel agents, second-hand dealers and pawnbrokers, introduction agents, limited partnerships	60
Engaging with the Community Victorian Consumer & Business Centre, regional service delivery, community educators, funded agencies, sustainability	66
Striving for Higher Performance	74
Appendices	79
Abbreviations	78
Contact Us	118
Visit us	119

Year in Review 2007-2008

Objectives	Achievements
Reforms and Research	
<p>Contribute to the Productivity Commission's review of the consumer policy framework in Australia</p> <p>Pursue the goals of the Victorian Government's Reducing the Regulatory Burden initiative</p> <p>Lead the Department of Justice Better Business Regulation project to improve how regulators make, operate and review regulations</p> <p>Work with industry to make contract terms fairer, take enforcement action against traders when talks break down, research consumers' experience</p> <p>Conduct research to inform our work</p>	<p>Made three substantive submissions to the Productivity Commission inquiry. Along with other jurisdictions, continued to work with and advise national ministerial bodies on ways to improve the framework, including on issues regarding a new national consumer law.</p> <p>Created an online system for occupational licence applications</p> <p>Tested the Better Business Regulation framework we developed on two regulatory schemes, finding the framework effective and transferable</p> <p>Worked with numerous industries to make their terms fairer, developed guidelines for industry, took legal action against several traders, surveyed consumer experiences of unfair contract terms</p> <p>Conducted six major research projects and numerous smaller research projects</p>
Fair Trading	
<p>Educate and advise consumers about general and fair trading issues</p> <p>Educate students on consumer issues</p> <p>Enforce consumer protection laws</p> <p>Register business names</p>	<p>Received more than 545,000 calls to our Consumer Helpline including 126,890 calls on fair trading issues, distributed almost 1,400,000 publications</p> <p>Won Chairs Award for our work with VCAL students, distributed almost 12,000 teacher resources, partnered with Office of Gaming and Racing on responsible gambling education</p> <p>Secured \$701,763 in court fines and \$422,842 in compensation for consumers, concluded 45 prosecutions and 228 civil proceedings, signed 73 parties to enforceable undertakings</p> <p>Processed 63,030 new business name registrations</p>
Residential Accommodation	
<p>Enhance consumer protections for tenants, including residents of rooming houses, caravan parks and commercial student accommodation</p> <p>Help consumers with tenancy enquiries</p> <p>Educate vulnerable and disadvantaged consumers about their rights and responsibilities in the private rental market</p> <p>Conduct inspections in accordance with the <i>Residential Tenancies Act 1997</i></p> <p>Provide extra help for vulnerable and disadvantaged tenants</p>	<p>Developed a Residential Accommodation Strategy, including releasing for public consultation an Issues Paper. We received almost 50 submissions in response</p> <p>Answered a record 107,268 calls</p> <p>Developed a DVD and educational program for the Sudanese community, reproduced the publication <i>Renting a Home</i> in more accessible formats</p> <p>Conducted a record 7,903 inspections regarding repairs, abandoned goods and rental assessments</p> <p>Funded a program that enabled almost 3,500 vulnerable and disadvantaged tenants to get advocacy help</p>
Buying and Selling Property	
<p>Oversee the introduction of the <i>Owners Corporation Act 2006</i></p> <p>Review laws and policies relating to real estate</p> <p>Educate home buyers and real estate agents</p> <p>Resolve disputes between estate agents and consumers, enforce the <i>Estate Agents Act 1980</i></p>	<p>Produced a guide to owners corporations, distributed about 52,000 guides in response to requests</p> <p>New laws we developed commenced, protecting the highest bid at auction after the fall of the hammer</p> <p>Sponsored and exhibited at First Home Buyers Expo, answered a record 15,963 calls on real estate matters</p> <p>Achieved settlements for consumers totalling almost \$340,000, conducted 95 inspections of real estate agencies leading to two prosecutions and 15 enforceable undertakings</p>
Building	
<p>Answer enquiries about building matters</p> <p>Resolve disputes between consumers and builders</p> <p>Enforce the <i>Domestic Building Contracts Act 1995</i> and <i>Fair Trading Act 1999</i></p>	<p>Answered a record 29,737 calls</p> <p>Finalised 1,721 disputes, resolved 82 per cent of those that met our conciliation criteria, recovered \$2.6 million for consumers, doubling the amount recovered last year</p> <p>Prosecuted 22 building matters, including Joseph Frendo, also known as Joe Capri, who was fined \$160,000 plus costs</p>



Objectives

Achievements

Credit and Debt

Improve access to affordable credit	Hosted the Affordable Credit Summit and convened a taskforce to progress ideas that stemmed from it, commenced the inquiry into small amount lending
Provide practical help to consumers in debt	Funded 43 financial counselling agencies, which provided financial counselling to more than 41,000 Victorians
Train financial counsellors/volunteers in Energy Hardship programs	Trained 140 financial counsellors and more than 1,400 volunteers
Uphold the rights of consumers in relation to credit	Took legal action that resulted in the Consumer Credit Code being considered for the first time in the High Court
Advise consumers on credit matters	Answered a record 11,842 calls, up about a third on last year

Motor Cars

Educate consumers about buying cars	Distributed 31,300 copies of <i>Better Car Deals</i> and quick tips guides. Launched and distributed translated copies.
Make regulations to support amended <i>Motor Car Traders Act 1986</i>	Prepared a Regulatory Impact Statement for new Regulations
Enforce <i>Motor Car Traders Act 1986</i>	Motor car traders fined \$222,000 as a result of our compliance program, up 208 per cent compared to last year, Ballarat trader fined \$110,000 for trading without a licence, detected 19 potential offenders with our computerised detection program

Liquor

Support Director of Liquor Licensing	Processed 17,620 new/change liquor licence applications, attended 243 liquor forum meetings
Deliver Responsible Serving of Alcohol training	Trained more than 48,000 people, accredited 103 new trainers, held 17 quality assurance seminars for existing trainers
Develop policy and review legislation	New laws strengthening the powers of the Director of Liquor Licensing came into force

Trade Measurement

Test or inspect instruments used for trade measurement	Tested/inspected 21,819 instruments, including 8,300 petrol or LPG pumps, conducted inspections at 5,138 premises, rejected 1,538 instruments for non-compliance, inspected 49,203 pre-packed articles
--	--

Product Safety

Advise consumers on product safety, including specific advice to parents	Launched Toy and Nursery Safety Hotline, completed pilot of Safe Products for your Baby program
Assist national project to harmonise product bans and standards	Helped lead national review of existing product safety ban orders and safety standards
Enforce laws protecting consumers	Seized more than 9,800 banned and regulated products, destroyed more than 19,000 dangerous products, inspected over 500 premises

Other Industrial Regulation Schemes

Enforce the law governing prostitution providers	Inspected 36 licensed brothels, resulting in three disciplinary hearings, one prosecution and one enforceable undertaking, investigated allegations of illegal brothels
Develop policy and review legislation	New laws for funeral providers and co-operatives introduced, new regulations for travel agents commenced, a review we conducted led to changes to patriotic fund reporting requirements

Engaging with the Community

Help consumers with face-to-face enquiries, provide web information	Helped more than 39,000 consumers at the Victorian Consumer & Business Centre, number of website visitors up 33 per cent, added Frequently Asked Questions to website
Engage with regional consumers	Regional offices delivered training, exhibited at event days, answered queries and resolved disputes for almost 10,000 regional Victorians

Striving for Higher Performance

Develop staff leadership skills	Extended leadership program to more staff, launched new Learning and Development calendar
Use new technologies to improve service	Completed trial of knowledge management tool Wiki, reviewed telephone menus

Organisational Structure

The Hon. Tony Robinson MP
Minister for Consumer Affairs

Penny Armytage
Secretary,
Department of Justice

Dr Claire Noone
Executive Director and Director
of Consumer Affairs Victoria
*Dr David Cousins was
Director until 23 June 2008*

Chris Noone
General Manager,
Education & Information

Andrew Levens
General Manager,
Compliance & Enforcement

Warwick Knight
General Manager, Corporate Resources

Lois Goodes
General Manager,
Community Partnerships

Elizabeth Lanyon
General Manager,
Consumer Policy & Programs

Dr David Cousins



Geoff Browne
Deputy Director
Consumer Affairs Victoria

Paula Healey
General Manager, Regional Operations

Paul Myers
Acting General Manager,
Dispute Resolution

Tony McMahon was GM until 24 April 08

Steven Scodella
General Manager, Enquiries

Anne Cousins
General Manager, Market Monitoring

Melanie Saba
General Manager, Registration &
Community Engagement

Neil Taylor
General Manager, Licensing

Melanie Saba



Chris Noone

Claire Noone

Geoff Browne

Warwick Knight

Neil Taylor

Anne Cousins

Lois Goodes





About Us

Consumer Affairs Victoria

- > We are the state's leading consumer protection agency. We are here to protect and promote your interests as a consumer, to make sure you get a fair deal. From baby and child safety, to youth and student issues, to buying a car, renting or buying a home, or moving into a retirement village, we are looking out for you at every stage of your life.

Our vision

- > Informed and responsible consumers and traders, who know their rights and responsibilities

Our goals

- > Empower consumers
- > Create a competitive, fair and safe trading environment
- > Protect vulnerable and disadvantaged consumers
- > Optimise our organisational capability

Our values

- > Serve the community
- > Work together
- > Act with integrity
- > Respect other people
- > Make it happen

Our functions

- > Provide information and advice to consumers, traders, tenants and landlords on consumer and tenancy issues
- > Educate consumers and traders on their rights and responsibilities and changes to the law
- > Seek to reduce disputes between consumers and traders and between tenants and landlords, including providing a dispute resolution service
- > Develop policies and laws that protect consumers
- > Ensure compliance with consumer laws
- > Promote product safety
- > Regulate the consumer environment through licensing and registration
- > Promote accurate trade measurement
- > We support the Ministerial advisory roles within the Consumer Affairs portfolio, including the Consumer Credit Fund Advisory Committee, Estate Agents Council, Patriotic Funds Council, Prostitution Control Act Ministerial Advisory Committee, Funeral Industry Ministerial Advisory Council and the Liquor Control Advisory Council
- > We also provide administrative support to several statutory offices and bodies including the Business Licensing Authority, Director of Liquor Licensing, Motor Car Trader Guarantee Fund Claims Committee and the Residential Tenancies Bond Authority
- > Consumer Affairs Victoria administers 47 Acts of Parliament. We are required to report to the Victorian Government on our activities under the *Fair Trading Act 1999*, the *Credit (Administration) Act 1984* and the *Veterans Act 2005*.

Andrew
Levens

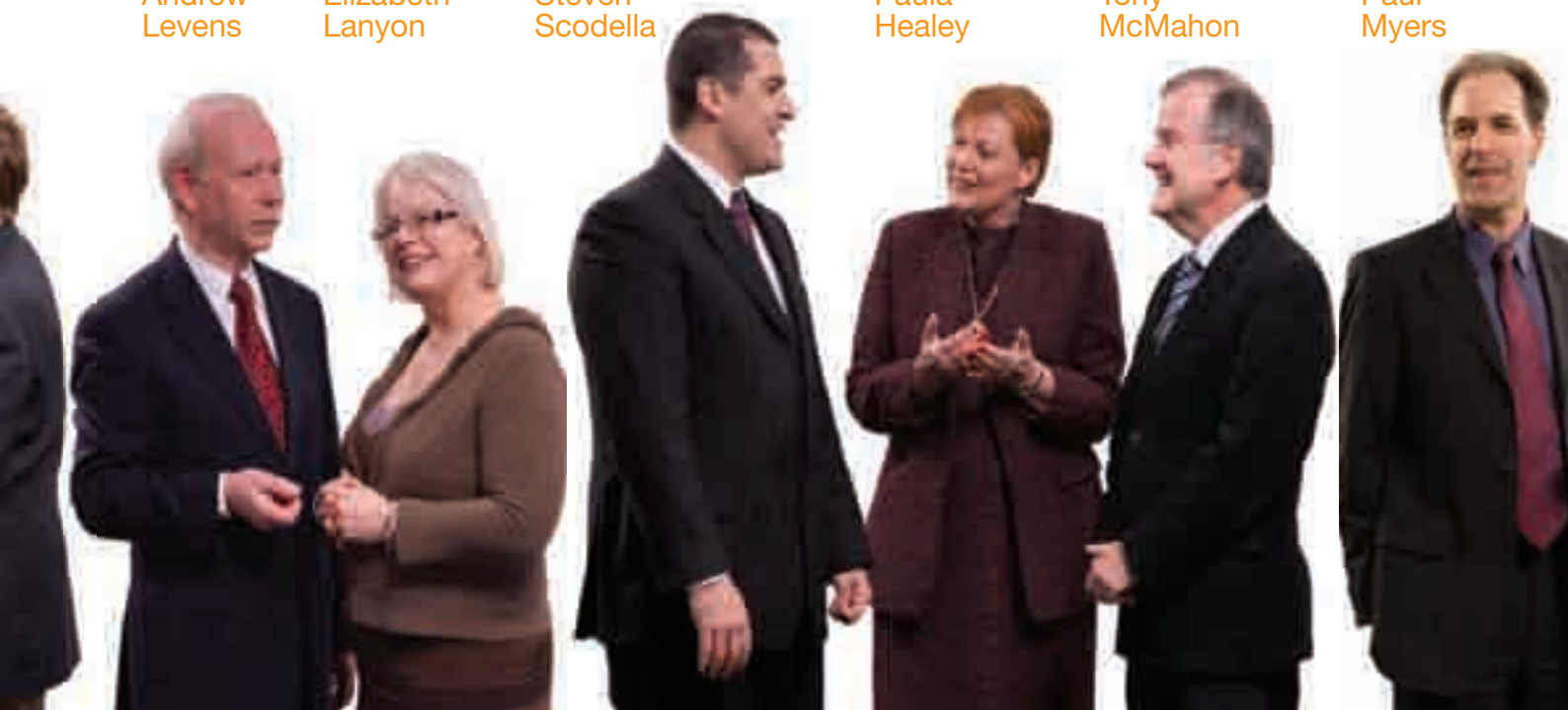
Elizabeth
Lanyon

Steven
Scodella

Paula
Healey

Tony
McMahon

Paul
Myers



Reforms and Research

National Reform

As the state's leading consumer protection agency, we are constantly checking that our consumer laws and policies are adequate and up-to-date, and that we address any emerging issues of concern. Such reform also happens at a national level, and is increasingly important.

Markets have become more complex and new technologies have emerged changing the way we do business. Increased migrant intakes and the ageing population have multiplied the numbers of vulnerable and disadvantaged consumers at risk of detriment.

It has never been more critical that all states, territories and the Commonwealth work together to protect Australian consumers in a consistent and coordinated way, and there are also benefits for traders. National reforms often streamline laws and requirements, making it easier, cheaper and less confusing for traders to comply.

The Ministerial Council on Consumer Affairs (MCCA) oversees this national reform work. It consists of fair trading and consumer affairs ministers from Australian jurisdictions, and New Zealand, who meet regularly to discuss consumer issues of national importance. This year, MCCA continued to review how consumer laws work. Consumer Affairs Victoria has been actively involved in the process.

Consumer protection laws set to change

A major inquiry into Australia's consumer policy framework has recommended a new national consumer law be developed to protect all Australians. Currently, states and territories have their own individual consumer protection laws. They are not all the same, meaning gaps, duplications and disparities exist between jurisdictions.

The new national consumer law is the keystone of the framework being proposed and represents best-practice regulation. Another key recommendation is to include unfair contract terms in the new law. This is of great significance to Victoria as we are the only state with unfair contract terms legislation.

The new law will provide a more efficient, effective and robust mechanism to protect consumers Australia-wide. It will help further develop a single national economy, reduce burden on business and facilitate well-functioning markets, to the benefit of all Australian consumers and businesses.

The Productivity Commission, the Australian Government's independent advisory body, began a review of Australia's consumer policy framework in 2006. It was the first major review of consumer protection law in Australia since 1984.

State, territory and Commonwealth governments are supporting the recommendations made in the Productivity Commission's *Final Report on the Review of Australia's Consumer Policy Framework*, published on 8 May 2008.

The Victorian Government made three submissions to the Productivity Commission review and the Commission drew heavily on these submissions.

They reflected the government's view that effective consumer policy is essential to maintaining consumer confidence, and that confidence is quickly undermined in markets where there is widespread risk of businesses deceiving or exploiting consumers.

The Victorian Government submissions supported the continuing role of Consumer Affairs Victoria in protecting consumers and emphasised the need to have a state-based consumer protection agency. The submissions supported the states and territories continuing to do most of the compliance activity needed to enforce consumer protection laws in Australia.

The Productivity Commission adopted the Victorian position in its Final Report. It recognises the importance of making sure enforcement arrangements can address the needs of all Australian consumers effectively, including the most vulnerable and disadvantaged. Therefore, enforcement of the law will be shared between the Australian Competition and Consumer Commission and state offices of fair trading/consumer affairs, which will all be given enhanced enforcement and redress powers.

Commonwealth to regulate credit

One of the most significant developments in the history of credit regulation in Australia occurred around the end of this financial year when the Australian Government announced it would assume responsibility for regulating credit, a role currently carried out by states and territories.

This change means the regulatory gaps and disparities that now exist between jurisdictions can be removed, creating a more flexible and responsive set of Regulations. The change will also add extra protections for consumers, in areas where consumers have not been protected before, such as in the area of investments.

In May 2008, the Productivity Commission released its Final Report into Australia's consumer policy framework. It recommended the Australian Government regulate credit providers, and intermediaries providing advice on credit, with the Australian Securities and Investments Commission as the regulator.

The Productivity Commission noted that this should cover all credit products and advice, and that the Consumer Credit Code should be retained for the time being.

In early July 2008, the Council of Australian Governments (COAG) announced that the transfer of credit regulation to the Commonwealth would cover all credit and related broking activity. Our organisation, together with the Department of Treasury and Finance and the Department of Premier and Cabinet, will plan the transfer in 2008-2009. We expect more details on the plan, and a timetable for action, to be announced at the COAG meeting in October 2008.



Move to national consumer product safety

In May 2008, MCCA agreed to a new model for consumer product safety, giving the green light to development of a single national product safety law to be jointly administered by the Commonwealth, states and territories. Under the new law, the Commonwealth will develop mandatory bans and standards, and states and territories will retain power to issue interim bans. We expect the new arrangements to be implemented by 2010. Meanwhile, states and territories will continue to monitor and enforce Regulations locally, and to educate consumers and traders.

Harmonising product bans and standards

There are currently about 117 product ban orders and about 60 mandatory safety standards that exist across the Commonwealth, states and territories. However, there is a lack of harmony or consistency in the way ban orders and standards are applied. To address this, in May 2007 MCCA agreed to review all existing product safety ban orders and safety standards, appointing the Victorian and Queensland Governments to lead the review.

Once the review is completed next year, Australia will have a national suite of product ban orders and mandatory safety standards. It will be easier for consumers to find out safety information on products, and easier for traders to work out whether their products comply.

Stage One of the review saw Ministers agree, in January 2008, to mirror within their jurisdictions all 30 existing Commonwealth mandatory product safety standards, where this had not already been done. This year, we mirrored Commonwealth standards on items including portable folding cots and hot water bottles, and Permanent Ban Orders on items such as certain toothpastes and bead toys containing 1,4-Butanediol.

Stage Two, which we will help complete next year, involves considering which of the remaining Commonwealth, state and territory bans and safety standards should be adopted nationally, and which should be repealed.

Reviewing Personal Property Securities

As reported last year, Consumer Affairs Victoria is helping develop a national online system for registering personal property securities. This is a ground-breaking move that will distil into one law more than 70 Acts currently governing personal property security throughout Australia.

Personal property refers to property that is not real estate, for example, cars or boats. People or companies sometimes use personal property to secure a loan. This new system will allow consumers and businesses to look up online whether an item is registered and whether it has any encumbrance on it. It will also help check, for example, whether a car has been stolen or written off.

This year, we have been closely involved in formulating the Commonwealth Bill, together with supporting the inter-governmental agreement. A draft Bill was released for public consultation in May 2008, with submissions due

in August. We have also been involved in developing the online register, due to go live in 2010.

Comparison rate scheme gets new look

This year, Consumer Affairs Victoria worked on giving a new look to the comparison rate scheme used to compare loans. MCCA introduced mandatory comparison rates in 2003 to provide consumers with a more accurate understanding of the cost of a loan and to allow consumers to compare loans more easily.

Comparison rates are expressed as a percentage rate. They take into account fees and charges that the consumer knows from the outset they will pay, together with the annual percentage rate of interest. They therefore reflect the total cost of the loan more accurately than just the interest rate, and give consumers a better idea of what they are really required to pay.

However, the scheme did not take into account all significant fees, such as deferred establishment fees. Consumers did not understand how comparison rates worked and compliance was patchy.

This year, a national taskforce led by Victoria recommended changes to the scheme, including removing the requirement to provide comparison rate 'schedules', the disclosure of a single rate in credit advertising (the comparison rate, rather than an annual percentage rate plus a comparison rate), and a targeted awareness campaign to increase consumers' understanding of what it all means. MCCA agreed to the recommendations in May 2008.

One-stop shop for ABNs

A project we are involved in will have big benefits for consumers starting a new business. As reported last year, COAG, through the Small Business Ministerial Council, is investigating the development of a national online registration system for Australian Business Numbers (ABNs), business names and trademark searching.

This will create a one-stop online shop for businesses to interact with government, and will mean businesses can apply for their business name and ABN in one step. Businesses operating in more than one state will no longer need to register separately in each jurisdiction, saving them registration fees and reducing the burden of compliance. We are part of the Steering Committee and Taskforce investigating how to best deliver these registration services.

Transition to national measurement system

On 1 July 2010, the Commonwealth will assume responsibility for legislation and administration of trade measurement. The agency responsible will be the National Measurement Institute (NMI), within the Department of Innovation, Industry, Science and Research.

The NMI is developing Commonwealth legislation to prepare for the transition, in conjunction with states and territories. We are part of a forum overseeing the smooth transition. We will continue to administer the Victorian trade measurement laws until 2010.

State Reform

A major part of our work at Consumer Affairs Victoria is about providing policy and legislative support to government. This year, five Acts of Parliament relating to consumer law were developed and passed. They included:

Fair Trading and Consumer Acts Further Amendment Act 2008

This strengthened the *Fair Trading Act 1999* and included several important changes, including legal protection for consumers who lodge a complaint with Consumer Affairs Victoria.

Consumer Credit (Victoria) and Other Acts Amendment Act 2008

This featured a number of important consumer protection measures including mandatory membership of all credit providers to an external dispute resolution scheme and extension of residential tenancy protections to consumers entering rent-to-buy property agreements.

Motor Car Traders Amendment Act 2008

Important changes made to the *Motor Car Traders Act 1986* included three-day cooling-off periods for new car sales and better information about consumers' rights to cooling-off periods.

Liquor Control Reform Amendment Act 2007

This strengthened the powers of the Director of Liquor Licensing. The changes included powers to exclude individuals from certain licensed premises or areas in specified circumstances.

Co-operatives and Private Security Acts Amendment Act 2008

This included measures to introduce co-operative capital units as an extra form of capital fundraising and the discretion to exempt small co-operatives from all, or some, financial reporting/audit requirements.

Keeping our laws modern

In 2006, the Victorian Government made a three-year commitment to reduce the number of laws by 20 per cent compared to 1999. As part of this commitment, Consumer Affairs Victoria began a project to modernise the consumer affairs statute book, which at 30 June 2008, contained 47 Acts of Parliament.

The Consumer Affairs Legislation Modernisation Project acknowledges that our laws contain unnecessary duplication of regulatory requirements, making it difficult for consumers and traders to understand their obligations.

By simplifying and streamlining our laws, consumers and traders will benefit. Consumer Affairs Victoria will be able to enforce the laws more effectively, business costs will reduce, and there will be more flexibility for business.

Consumers will have more confidence that markets are operating effectively and efficiently.

The review will strengthen reliance on the *Fair Trading Act 1999* as the primary source of market regulation in Victoria, and improve, where possible, harmonisation with other states, territories and the Commonwealth. The project also aims to reduce the administrative and compliance burden

associated with the 16 business licensing Acts, and to consolidate, modernise and simplify the law and its language.

This year, we started identifying and reviewing redundant, dated and long-standing legislation. Once we have identified laws we believe are no longer relevant, we will prepare a series of papers proposing options for reform. We will release these papers for public consultation next year.

New online system to cut red tape

Consumer Affairs Victoria is leading the Department of Justice's response to the Reducing the Regulatory Burden initiative – a Victorian Government plan to reduce the 'red tape' that government regulations impose on businesses and non-profits. This year, as part of the initiative, we created an online system for occupational licence applications, to replace our paper-based system.

The new system allows applicants to complete and submit their licence application forms online. Drop-down menus make it easier to complete the forms, which skip to the correct next question based on an applicant's response. This makes the process of applying for a licence quicker, more accurate, and less likely to be delayed by incomplete information being submitted. It will also speed up approval times.

Some of the occupations that will use the new system include travel agents, real estate agents, motor car traders and second-hand dealers. We expect it to be available for all licensed occupations we administer by December 2008. This development, and the streamlining of occupational licensing requirements, is expected to save business an estimated \$6.7 million over five years.

Food regulation on the table

In September 2006, the Victorian Government directed the Victorian Competition and Efficiency Commission (VCEC) to inquire into Victorian food regulation. Consumer Affairs Victoria made two submissions to the inquiry, arguing there was scope for us to play a bigger role in the food industry than we had in the past.

We argued that a strong enforcement presence against misleading and deceptive conduct, together with additional information and education, could be efficient alternatives to additional prescriptive interventions (such as mandatory food standards and labelling). We argued such interventions would compromise regulatory burden, industry competitiveness and trade performance.

The VCEC inquiry concluded in September 2007 with its Final Report to government. We helped develop a detailed government response to each of the report's 37 recommendations.

Most relevant to us was the management of misleading and deceptive conduct. VCEC recommended a Memorandum of Understanding be drawn up between government departments responsible for administering Regulations. It was intended that Consumer Affairs Victoria be responsible for misleading and deceptive conduct in the food industry, unless the conduct related to the immediate safety of food (the responsibility of the Food Safety Unit of the Department of Human Services).

Life cycle of a regulatory scheme:

The framework maps generic regulatory activities across the life cycle of a regulatory scheme. While in concept the regulatory cycle is not new, this is the first time the good practices developed for each of the activities within the regulatory cycle have been brought together in this way.



World first for best practice regulation

An innovative tool we have developed helps improve the way Regulations are made, operated and reviewed. It is considered a world first and has already attracted interest from regulators across Australia and overseas.

We developed the tool as leaders of the Department of Justice Better Business Regulation (BBR) project, started in 2006 to improve the effectiveness of regulation and reduce its burden on business. Consumer Affairs Victoria is a significant market place regulator, and the Victorian Government is committed to best practice regulation. This project has important spin-offs for consumers and traders. For example, by making more effective Regulations, it costs less for traders to comply, therefore savings can be passed on to consumers.

The conceptual framework we developed has a checklist that allows regulators to evaluate performance, identify opportunities for improvement and develop measures to monitor regulation performance over time. In all, it proposes 74 good practices for the 10 regulatory activities that all regulators commonly undertake.

In May 2008, we released a research paper, *Better Business Regulation*, outlining the BBR framework and the way regulators can apply it.

This year, we tested the framework on two regulatory schemes – motor car trader and fundraising registration schemes – and found it both effective and transferable.

For the next 18 months, we will be rolling it out to other regulators within the Department of Justice.

This will result in better transparency and accountability within government, and will minimise compliance costs for business.

Making contract terms fair

Victoria is the only jurisdiction in Australia with laws that protect consumers from unfair terms in consumer contracts.

In a groundbreaking move, the *Fair Trading Act 1999* was amended in 2003 to make unfair contract terms void. Since then, Consumer Affairs Victoria has been educating consumers and traders about their rights and obligations, examining contracts and working with industries to improve compliance with the law. We also take legal action when discussions break down and traders fail to comply. Under the law, the Director of Consumer Affairs Victoria has the power to review any unfair term or complaint about an unfair term. The law also requires businesses to make sure their contract terms are fair.

What is an unfair contract term?

A contract term is unfair if it causes a significant imbalance in the rights and obligations of the consumer and trader, to the detriment of the consumer. Whether a term is 'fair' may depend on the circumstances.

Unfair contract terms provisions are about creating balance between the parties to the contract. This does not mean skewing the balance in favour of the consumer. It means making sure the responsibilities under the contract are fair. For example, when a gym imposes liability on its members to ensure they check equipment is safe, this would be unfair. Checking equipment is a responsibility the gym should retain. However, if the gym expects members to take due care, and exercise in a manner that is within their physical capabilities, not placing others in danger, this would be completely fair and acceptable.



“This law is important because it protects consumers from detriment even after they have signed a contract.”

Unfair terms in airline contract

In March 2008, Consumer Affairs Victoria represented the consumer Elizabeth Free in the Victorian Supreme Court, regarding Jetstar's appeal against a Victorian Civil and Administrative Tribunal (VCAT) decision made in July 2007. VCAT had ruled that terms in Jetstar's conditions of carriage were unfair and therefore void. Those terms saw Ms Free charged almost \$800 for changing the name on a ticket she bought. She had changed the name from one family member to another. VCAT ruled the amount charged was a windfall for Jetstar, as a name change did not disadvantage the airline. At the time of writing, the court had reserved judgement.

“My case started over the issue of what I considered to be fair. I knew Consumer Affairs Victoria and VCAT were available to help me get a fair hearing.”

Elizabeth Free

Why is this law important?

This law is important because it protects consumers from detriment even after they have signed a contract. It means consumers and traders have equal bargaining power. This makes markets work more efficiently, and gives consumers and traders confidence in the system. Consumers benefit from greater choice and lower prices and traders benefit from increased business activity.

The need for this legislation was prompted by the emergence of standard-form contracts. Standard-form contracts are common these days and are offered to consumers on a 'take it or leave it' basis, without the opportunity to alter terms and conditions. In some industries, many if not all traders use standard contracts, with almost identical terms. Increasingly, these consumer contracts have become biased towards the supplier. A large part of our work is in examining standard-form contracts, to make sure consumers are getting a fair deal.

How do we educate industry?

In industries where consumers have often encountered unfair terms, we are working on producing detailed guidelines that educate traders about what is fair and acceptable, and what is not. So far, we have produced general industry guidelines on unfair terms, and guidelines specific to the vehicle hire industry. These guidelines include examples of typical terms found in their industry contracts, and explains why the terms are unfair. We are currently working on industry guidelines for internet service providers, health and fitness centres, window and floor coverings and residential tenancies.

Industries we worked with this year

This year, we continued to review contracts in industries where we had received complaints or where we knew consumer detriment was high. Our approach was typically to request copies of a contract, negotiate new terms where necessary, check the trader was complying and if not, to take enforcement action. Industries we worked with this year included:

Credit providers

In 2007-08, we started examining unfair contract terms in consumer credit contracts. The contracts we have been examining relate to reverse mortgages, credit cards, small amount cash loans and alternative home finance products (including vendor finance contracts). This year, we released an Issues Paper, analysed contracts, consulted with stakeholders and circulated consultation papers on reverse mortgages, small amount loans and consumer leases.

Domestic building

Our research has revealed that standard form contracts used in the domestic building industry sometimes contain contract terms that in our view are unfair. Since 2005, we have been reviewing the range of standard form contracts produced for domestic building and renovation by the Housing Industry Association and Master Builders Association of Victoria. We have identified a number of concerns and this year continued our discussions with these bodies regarding their contracts. We also started discussions with other industry associations including the Cabinet Makers Association, the Swimming Pool and Spa Association of Victoria, and Buildsafe.

Internet service providers (ISPs)

We continued to review the consumer contracts of Telstra, Optus, Dodo, iinet, TPG and Primus. Some of the terms we reviewed included the power for ISPs to change contracts without allowing consumers the right to cancel the contract without penalty. We also looked at excessive early termination fees, requirements for consumers to pay higher fees for exceeding usage limits (without warning them of unusual usage), and unclear and misleading references to unlimited or free usage.

Window and floor coverings

In 2007-08, we finalised negotiations with Dollar Curtains and Blinds and Spotlight, which have now revised their contracts to make them fairer. In reviewing the original contracts, we encountered terms that contradicted or did not allow for consumers' statutory rights in relation to implied warranties, terms that limited the performance obligations of the supplier and terms that required the consumer to pay in full before completion of the contract.

Car hire companies

We finalised discussions with Red Spot Car Rentals this year, which subsequently revised its contracts.

Health and fitness centres

We finalised negotiations with Fitness First and Beach House Health and Fitness, which implemented revised contracts. However we reserved our position on a few clauses in each of their new contracts. In the contracts we reviewed, we found terms that in our view were unfair, relating to automatic withdrawal of memberships, variations to any or all aspects of their services, and difficulties and unfair penalties for termination of memberships.

Pay TV

This year, we finalised negotiations with Austar, Connect TV and SelecTV. We typically encountered terms that in our view were unfair, that allowed the company to unilaterally vary its services, exclude consumers' statutory rights in relation to implied warranties, in particular, their right to refunds where the trader failed to provide the service. The companies have now implemented revised contracts.

Cruise ships

In May 2008, we concluded discussions with Carnival plc, trading as P&O Cruises in Australia, regarding terms that in our view were unfair in its cruise conditions and other fair trading matters. Carnival agreed to substantial changes including an undertaking that it will try to avoid or minimise changes to cruise itineraries once a booking has been made, remove monetary limits on its liability for negligence, make terms concerning its liability clearer, remove time limits on consumers' ability to take legal action against it and use a larger print on its contracts.

Racing clubs

In May 2008, the Victoria Racing Club agreed to change its course entry conditions to allow racegoers to get a refund if it cancelled, rescheduled or postponed race meetings. Following our discussions, the club changed its terms to permit refunds and made several other changes to make its conditions fairer. We are currently working with Moonee Valley Racing Club and the Melbourne Racing Club to clarify their refund provisions before the 2008 Spring Racing Carnival.

Airlines

On 3 February 2008, the Minister for Consumer Affairs Tony Robinson MP asked that we review complaints against budget airlines flying into and out of Victoria. During the review, we noted that the industry had become more competitive and budget airlines had cut back on some areas of their business, which could have compromised customer service and led to an increase in complaints. We have been reviewing the contracts used by the major airlines and have identified a number of concerns. We have now commenced discussions with Qantas, Virgin Blue, Tiger Airways and Jetstar about their contracts.

This year, we continued to review the reward programs of Qantas (Frequent Flyer) and Virgin Blue (Velocity Rewards). Some of the issues we focused on included unlimited powers to cancel membership without notice, powers to substitute or change advertised rewards without consumers' consent and the clear expression of how the program operated, including any fees or charges.

The consumer experience of unfair contract terms

In October 2007, we released our research paper *Unfair Contract Terms in Victoria: Research into their extent, nature, cost and implications*. We commissioned the research to determine the extent and level of detriment Victorian consumers encounter when entering contracts that have unfair terms. Our research revealed 17 per cent of Victorian consumers encountered an unfair term after signing a contract. Mobile phone contracts had the highest reported incidence of unfair contract terms.

Top 10 products or services with unfair contract terms

Mobile phone	19%
Landline phone	12%
Internet service provider	12%
Banking/Finance/Credit/Mortgage	12%
Utilities - gas, electricity	10%
Recreation/Leisure service	6%
Insurance	6%
Transport	4%
Purchase or hire of electrical goods	4%
Other	15%

The overwhelming majority of these terms related to unclear service fees and charges. Sixty-three per cent of respondents who encountered an unfair term reported they had signed a contract that imposed unclear service or additional fees. Other unfair terms encountered included changes to contract terms, changes to the goods or service supplied under the contract and excessive penalties for breach or early termination of a contract.

The research revealed that although 70 per cent of consumers attempted to take action when they thought a contract was unfair, more than half ended up incurring the unfair term. The research showed most consumers first contacted the supplier with their complaint about an unfair contract term, before seeking other redress. We will use this research to inform our education and information campaigns, and to focus our efforts on industries where consumers are most likely to encounter unfair terms.

Enforcing the law on unfair contract terms

Consumer Affairs Victoria does not hesitate to pursue traders through VCAT if they refuse to address our concerns regarding unfair contract terms. Individual traders who continue to use or attempt to enforce an unfair term in a standard form contract face a penalty of up to 10 penalty units (penalty unit = \$113.42) for each contract. Companies face a penalty of up to 20 penalty units for each contract. In recent years, we have taken legal action in VCAT against various traders after discussions have broken down.

Matrix Pilates and Yoga Pty Ltd/ Craig Langley Pty Ltd

In April 2008, legal action we took against Matrix Pilates and Yoga Pty Ltd and Craig Langley Pty Ltd concluded. VCAT found the Respondents used seven terms in standard membership contracts that were unfair under the *Fair Trading Act 1999*.

VCAT found terms that prevented members from cancelling memberships during a minimum period, permitted automatic direct debit after the minimum term expired, and attempted to limit the rights of consumers under contract and the general law were unfair.

“A term in a consumer contract is to be regarded as unfair if, contrary to the requirements of good faith and in all the circumstances, it causes a significant imbalance in the parties’ rights and obligations arising under the contract to the detriment of the consumer.”

Part 2B, Fair Trading Act 1999

Research and Evaluation

Research and evaluation are essential elements of our strategy to protect consumers. Relevant and up-to-date information gives us evidence on which to base our work. It helps guide our policy and program development, target our education and information strategies, and our compliance and enforcement programs, so that we address consumer issues in the most efficient and effective way. Solid research and evaluation is part of our best practice model.

This year, we published three new papers in our Research Paper series:

- > *Unfair Contract Terms in Victoria: Research into their extent, nature, cost and implications*, October 2007
- > *Institutional arrangements for consumer protection*, April 2008
- > *Better Business Regulation*, May 2008

Our research projects included:

Credit advertising research

This research determined the influence and impact of credit advertising on consumer behaviour and decision making. The project was borne out of a recommendation of the *Report of the Consumer Credit Review*. It recommended the research to inform MCCA's examination of the effectiveness of current Consumer Credit Code provisions regarding advertising. As well as informing MCCA's work, we will use the research to develop more effective information tools for consumers.

Financial counselling program evaluation

This explored the experiences of people getting help from the financial counselling program we fund. The evaluation aimed to determine the appropriateness and success of the program, and to identify any areas for improvement. The research found the service excellent and our program strategy appropriate. We will implement areas for improvement it identified, such as better cross referral to other services.

Unfair contract terms research

This determined the level and extent of detriment experienced by consumers who encountered an unfair contract term after signing a contract. We will use this research to inform our education and information campaigns, and to focus our efforts on industries where consumers are most likely to encounter unfair terms.

Consumer detriment and confidence research

This was similar to a survey we first did in 2006 to gauge the extent of consumer detriment in Victoria, and to identify how to best target our information and education strategies, and our compliance and enforcement program. Although commissioned this year, the research will be published next year.

Implied terms research

This research determined the extent to which retailers and manufacturers understood and complied with their statutory obligations under the *Fair Trading Act 1999*. We will use the research to support our recommendations for legislative reform.

Owners Corporation benchmarking and evaluation

This established a benchmark to evaluate the impact of new legislation that commenced this year, and to determine the effectiveness of our communication strategy.

Cooling-off period research

Research we did this year has improved our understanding of the use, effectiveness and understanding of cooling-off periods for consumers and traders.

For example, our research found 40 per cent of Victorians had bought an item covered by a cooling-off period in the past two years, most commonly gas or electricity services. Most Victorians had a general awareness of cooling-off periods and eight per cent had exercised their cooling-off rights.

We will use this research to support recommendations for legislative reform and to develop more targeted education campaigns.

Institutional arrangements Research Paper

In April 2008, we released a Research Paper entitled *Institutional Arrangements for Consumer Protection Agencies*. This paper was prepared in the context of the developments occurring in the consumer policy arena in Australia at the time – the Productivity Commission releasing its *Final Report on the Review of Australia's Consumer Policy Framework*, and consumer policy being placed on the COAG agenda.

The effectiveness of consumer policy is influenced by the nature of the institutions charged with its management. The Research Paper examines the literature and experience in other jurisdictions and relates that to the Victorian experience. Overall, the paper finds that there is, based on the research, a general preference for general regulators rather than industry specific regulators (depending on the circumstances), a preference for statutory independence in regulatory functions, and a role for the separation of policy from administration and enforcement.

Fair Trading

“I’m glad someone’s checking up on traders and making sure they do the right thing.”

This year, we conducted 323 audits, inspections and investigations relating to breaches of the *Fair Trading Act 1999*. We also took part in the national price scanning audit, an annual exercise to check shelf prices matched with prices scanned at the checkout. One of the worst performers were discount variety shops.

“I’m glad someone’s checking up on traders and making sure they do the right thing. I feel more confident buying products when I know there is a law to protect me and that Consumer Affairs Victoria is making traders stick to the law.”

Zelko Karlovic



Highlights

- > Answered 126,890 calls on fair trading matters
- > Won the Chairs Award for our work with Victorian Certificate of Applied Learning (VCAL) students
- > Distributed almost 12,000 teacher resources to schools
- > Prosecuted 45 traders and signed 73 parties to enforceable undertakings

The Fair Trading Act 1999 is the main piece of legislation protecting Victorian consumers. It is a powerful law that enables us to pursue our vision of informed and responsible consumers and traders. This law gives us the power to make sure traders do business in a way that is fair to consumers.

We educate and advise consumers and traders

Advice for more than half a million Victorians

One of the key ways we help consumers and traders understand their rights and responsibilities under the law is by answering calls to our Consumer Helpline.

Each year, we take more than half a million calls to the general phone number, which feeds into numerous lines staffed by specialists. Our call centre is the largest operated by the Victorian Government.

We direct calls, if necessary, to lines staffed by specialists in areas such as credit and debt, building or residential tenancies. We can also direct callers to enquiries staff who speak Chinese (Mandarin or Cantonese), Russian, Arabic or Vietnamese; and we offer specialist telephone services for licensing enquiries and multicultural and Indigenous consumers.

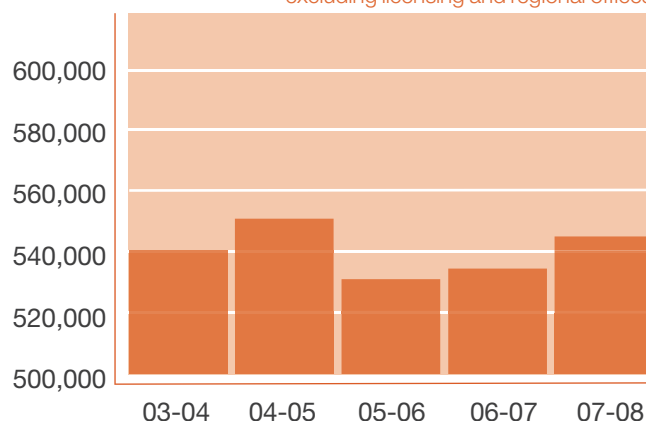
Our specialist services help fulfil our commitment to provide vulnerable and disadvantaged consumers with the best possible access to information.

As well as speaking to our staff, consumers have the option of listening to pre-recorded information that is available around the clock, including the option of requesting forms and publications.

This year we answered more than 545,000 calls to our Consumer Helpline, and 84,000 calls on business licensing.

Total calls received by Consumer Helpline

*excluding licensing and regional offices



January to June 2008 was our busiest six months ever for the lines that handled general fair trading enquiries, residential accommodation, building and credit enquiries. Overall, calls to these four lines increased 13 per cent compared to last year.

In contrast, calls to our registration and Residential Tenancy Bond Authority enquiry lines reduced. The drop in calls corresponds with these areas introducing online facilities.

Consumers are increasingly using our website, including new features such as Frequently Asked Questions. This year, we responded to more than 10,000 email enquiries, a similar volume to last year.

In 2007-08, we distributed 1,379,464 publications, and a further 1,851,278 Consumer Affairs Victoria forms and publications were downloaded from our website.

Publications and online resources

Publications and brochures

- > Helping Consumers
 - > When do I have to give a refund?
 - > Handling Complaints Effectively
 - > A Fair Trading Guide For Business
- ### Fact Sheets
- > Fair Trading Act - Information for Consumers/Traders
 - > Know your rights when shopping
 - > Scams
 - > Shopping tips
 - > Refunds
 - > Lay-by
 - > Pyramid Selling
 - > Contact sales including door-to-door sales
 - > Non-contact sales including telemarketing

Helping consumers with fair trading

Calls we answered that were specifically to do with fair trading or general consumer matters continued to grow this year, increasing 11 per cent compared to last year. However, we noticed the types and proportion of calls we received about different matters were similar to last year. Callers were once again most likely to enquire about electrical appliances, furniture and home furnishings, clothing and repairs.

Consumers wanted to know whether the white goods they had bought, for example, were performing as well as they were required to perform, and what consumers could do if they were faulty. Callers wanted advice on issues to do with delays in furniture delivery, whether they were entitled to refunds, and what they could do about being unhappy with travel and hospitality discount voucher schemes.

Other common calls were about misrepresentations made by internet service providers, unfair terms in the use of private car parks and issues to do with door-to-door sales.

Top 10 calls on fair trading and general consumer issues

1	Electrical appliances
2	Furniture & home furnishings, including manchester
3	Clothing and apparel
4	Repairs, maintenance and servicing of cars
5	Personal goods and services
6	Laptops
7	Mobile phone handsets
8	Charges and pricing
9	TVs, home cinemas, set top boxes
10	Other

Total calls answered on fair trading and general consumer issues

Date	Number of Calls
2007-08	126,890
2006-07	114,763
2005-06	117,068
2004-05	124,676

Case study: Consumer cools off holiday plans

A consumer contacted our Consumer Helpline after buying a \$140 accommodation voucher through a telemarketing company. The company told him he had a 10-day cooling-off period. The consumer changed his mind the next day and called back to cancel the agreement, when the company advised he could not cancel over the phone and would have to wait until the voucher arrived. The next day, the consumer had to travel interstate for a week and asked his son to cancel the agreement. When the voucher arrived the son called the trader. He was told they could only deal with his father. When his father returned home and attempted to cancel again he was told that his cooling-off period had expired. After the consumer contacted us we were able to negotiate a full refund for him after explaining to the trader their obligations in relation to cooling-off rights. By law, the consumer was allowed to cancel by phone, and was allowed to cancel before the voucher had arrived.

What are consumers' cooling-off rights?

For contracts made via telemarketing:

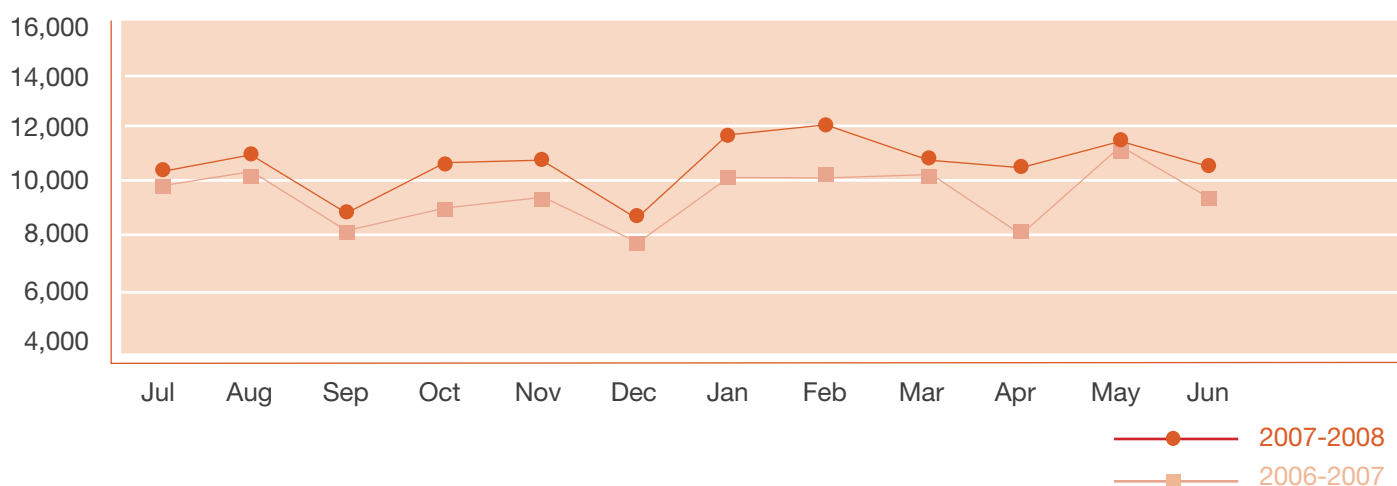
- > consumers must be told about their cancellation rights before making the contract
- > their cancellation rights must also be provided in writing
- > consumers may cancel any time from when they make the contract until 10 days after receiving the written information
- > the contract can provide for a longer cooling-off period
- > consumers can cancel the contract by phone

Educating traders about 'fair'

In 2007-08, we updated our booklet *A Fair Trading Guide for Business* and distributed more than 100,000 copies to new business name registrants. The booklet includes information on how to be a compliant business and advice on handling complaints. We distributed more than 155,000 copies of the guide this year.

We held our first Better Business seminar for Chinese-speaking owners and staff of small businesses in April 2008. Twenty-nine people attended to learn about their rights and responsibilities under the *Fair Trading Act 1999*, as well as product safety and business registration issues.

Total calls answered on fair trading and general consumer issues



We also started working with the Department of Innovation, Industry & Regional Development on delivering 20 seminars in 2008 to new business migrants.

The seminars outline the obligations of business migrants and the requirements for permanent residency in Australia. They also introduce business migrants to Victoria’s commercial culture and educate them on the support and advisory services available to help establish and grow their business.

Helping consumers avoid scams

Scams are schemes operated by unscrupulous people whose main aim is to get money from others in dishonest or deceitful ways. They continue to be a problem, and just as one scam is exposed, another one emerges.

This year, we educated consumers about avoiding scams in many different ways. One was via the national awareness campaign Fraud Fortnight (February 24 to March 8), run by the Australasian Consumer Fraud Taskforce, of which we are a member. The campaign focused on deceptive or seductive scams, specifically those that promised great prizes, money or true love in return for money or personal details; and those that tricked people into revealing banking details. We distributed more than 35,000 specially-designed leaflets and fact sheets via the Victorian Consumer & Business Centre, our Consumer Helpline, regional offices, and at community talks. The campaign also used advertising and wallet cards.

We helped fund an Australian Bureau of Statistics research project to determine the prevalence and impact of scams in Australia – the first-ever national survey of personal fraud. The survey revealed that Victorians lost more than a quarter of a billion dollars to personal fraud in the 12 months prior to the 2007 survey, through scams, credit card and identity fraud.

The research revealed 222,400 Victorians were the victims of at least one incident of personal fraud in the previous year, including 141,300 defrauded by credit card/identity scams and 87,500 defrauded by general scams.

The main scams Victorians lost money to were lotteries, chain letters, pyramid schemes, and phishing (stealing funds from consumers’ bank accounts by tricking them into revealing account details online). Victoria had one of the highest response rates to scams, with almost seven per cent of Victorians responding to scams they received. This was higher than the national average.

The statistics showed scams could trick anyone, revealing an even spread of victims across all demographic groups, regardless of age, gender, income, education or country of origin. We will use the survey information to create a more targeted approach to our consumer education.

Calls received about scams

Type of scam	No of Calls
Get rich quick schemes	519
Bogus lottery schemes	480
False billing scams	276
Prize award/merchandise offers	239
Unsolicited mail, telefraud and mail fraud	192
Investment and financial scams	184
Advance fee fraud (Nigerian-style scams)	171
Chain letter/pyramid selling schemes	154
On-line fraud	136
Other	398

Avoiding Scams

Scams are not always easy to identify. Look out for schemes that:

- > Promise to make you rich very quickly without much effort
- > Offer ‘free gifts’ or prizes from a competition you didn’t enter
- > Sound too good to be true

“ If it sounds too good to be true, it probably is. ”

Doing our bit for students

Our Consumer Education in Schools program aims to educate young people about their rights as consumers, the issues they should consider before buying goods or signing contracts; and how to manage issues such as credit and debt. It includes free teacher resources, supported by regular professional development sessions for teachers.

In 2007-08, we distributed 1,634 copies of the secondary school resource *Health & Wellbeing*; 1,365 copies of *Commerce*; 1,582 copies of *Consuming Planet Earth*; 1,843 copies of *English* and 1,425 copies of *Maths*.

In 2007-08, we launched the resource *Consumer Stuff for Kids*. This was our first primary school resource and we linked it to the Grade 5/6 curriculum. The resource also addressed the appropriate Victorian Essential Learning Standards (VELS). We posted the resource to every Victorian primary school and many schools requested extra copies. A total of 3,850 copies were distributed. We also worked on producing *The Home Handbook* – a companion resource designed for parents to work through with their children at home. We will launch it in November 2008.

On average, our team presents every two weeks to teachers at both government and independent schools. We suggest classroom units of work and outline how our resources link to, and address, the required learning outcomes associated with VELS and the VCAL.

Our team also gives keynote presentations at important subject-based conferences. In late 2007, we gave presentations to the Victorian Commercial Teachers Association, Maths Association of Victoria and the Victorian Association of Environmental Education Teachers. We also displayed our teacher resources at several conferences.

Making good choices for the planet

Consumer Affairs Victoria is helping young Victorians make good choices for the planet. Through our free teacher resource, *Consuming Planet Earth*, secondary students are encouraged to think about how their choices as a consumer affect the environment.

The resource explores the world of consumerism, and the impact on the environment of population growth, rising living standards, loss of natural resources and increased energy and water usage. Its activities aim to make students understand that every choice they make as a consumer has implications.

For example, one activity asks students to calculate the carbon dioxide emissions they produce if they walk or cycle to school, are driven, or take public transport. Another activity asks students to consider the real cost of food, and the real cost to the environment of running a car. The resource also shows students how to calculate their ecological footprint.

As well as highlighting the impact of a student's current choices as a consumer, the resource encourages thinking about better ways to do things, such as modifying buying habits. We developed *Consuming Planet Earth* in conjunction with a number of environmental education agencies, primarily the Gould Group, to ensure the information was accurate, relevant and up-to-date. We promote the resource via teacher professional development sessions we run, and at education conferences. In March, we delivered a presentation at The Museum of Victoria on consumer sustainability education, where *Consuming Planet Earth* was the centrepiece of the presentation.

“Consuming Planet Earth is a fantastic resource and covers so much of what was thought to be impossible to teach and fit into the curriculum. The book is user-friendly, relevant, fun and provides such a variety of different learning activities.” – unsolicited email feedback

Jasprit Mann (left) and Natalija Nikolic of MacRobertson Girls' High School discuss the *Consuming Planet Earth* resource with Consumer Education in Schools program manager Shane O'Connor



Educating students about responsible gambling

In October 2007, Consumer Affairs Victoria and the Office of Gaming and Racing (OGR) entered into a two-year partnership to educate Victorian students about responsible gambling. Our agreed outputs for the first year of the partnership included:

- > a feature article on responsible gambling in the 'Consuming Stuff: a guide for young consumers' supplement in *The Age* on 14 March 2008
 - > 22 new units of work on responsible gambling written and included in all of our secondary teacher resources by November 2008
 - > a multimedia resource developed primarily for Year 11 and 12 VCAL students, including two scenarios involving responsible gambling, to be delivered by November 2008
 - > a teacher professional development program delivered across Victoria by November 2008 to promote the new work on responsible gambling
- The key output for the second year of the partnership will be a 'stand alone' teacher resource on responsible gambling.

The Hon. Tony Robinson MP Minister for Consumer Affairs at the launch of *Consumer Stuff for Kids*



State-wide competition challenges students

This year, we had a record 310 entries, involving more than 800 students, for our Consumer Stuff! Challenge – a state-wide competition for secondary students. To enter, students had to design a Consumer Information Product that informed young people about important consumer issues such as managing credit.

The overall standard of entries was exceptional and included shock-wave animation movie files, mock-up websites, DVDs, songs, posters and board games.

The winner was Jennifer Duong from MacRobertson Girls' High School with her entry entitled 'Scamland' – a multimedia look at the world of internet consumer fraud.

VCAL students become confident consumers

On 9 May 2008, the Victorian Curriculum and Assessment Authority presented Consumer Affairs Victoria with the prestigious Chairs Award at the annual VCAL Learning Awards function. We received the award in recognition of the outstanding support we have given VCAL teachers and students since 2005. VCAL is an alternative to mainstream Victorian Certificate of Education (VCE) schooling.

Our community educators deliver consumer life skills workshops to VCAL students on a regular basis. This is in addition to the work of our schools program. Community educators' work with groups this year included Freight 3PL (a youth employment training organisation based in Somerton), AMES (an organisation which helps many migrant and refugee children), Victoria University (including students with learning disabilities), and Neighbourhood Learning Centres (often including students who attend no formal schooling and seek support irregularly).

Reaching young people through print

On 14 March 2008, we published a 16-page colour supplement in *The Age* entitled 'Consuming Stuff: a guide for young consumers'. More than 200,000 copies were distributed. The supplement aimed to raise awareness among young people about their power as consumers, including how to avoid scams and other pitfalls of being a consumer, how to budget, and tips for making important buying decisions. We also produced a free complementary teacher kit. More than 200 schools requested it.

Getting safely through Schoolies

Each year, we help address consumer issues related to Schoolies Week – the annual celebration by VCE students who have finished their final exams. This year, we were part of a committee led by the Office for Youth, Department of Planning and Community Development, which focused on Schoolies' accommodation issues, including providers' description of accommodation, advertised price, request for bonds, and terms and conditions.

Maths software doesn't add up

In 2007-08, we continued working to alert consumers to the aggressive selling methods of maths tutorial software companies. We have noted a growing number of complaints about these products and the way they are sold.

In October and November 2007, we organised for schools to publish a warning about maths software companies in every school newsletter in the state. We organised this in cooperation with the Department of Education and Early Childhood Development, the Association of Independent Schools Victoria, the Catholic Education Office; and school bodies. Schools published the warning in Chinese, Vietnamese, Khmer and Arabic. We also communicated the warning via our multicultural liaison officers.

Australian Institute of Mathematics

In the past few years, we have had a large number of enquiries and complaints about the Australian Institute of Mathematics, which sells the Mathemagic Computer Tutor – a maths tutoring program for children in primary and secondary school. The company sells exclusively through in-home ‘demonstrations’. The software is expensive (basic cost is just under \$6,000, while similar packages cost around \$400) and is sold using high-pressure tactics. Parents are offered ‘payment options’ that involve a linked credit contract with interest as high as 24 per cent. Many are unaware that they are signing a credit contract that bumps the price up to \$10,000.

In July last year, the company signed a voluntary undertaking with Consumer Affairs Victoria around the conduct of its sales representatives, and the criteria for cancelling a contract. We will continue to monitor complaints about this company.

Acer Computers Australia Pty Ltd

In 2007-08, we received more than 50 complaints about Acer products or warranty servicing by Acer. This was the highest number of complaints we received this year in relation to computer retailers or manufacturers.

Complaints included:

- > Rejection of cash back and promotional bonus claims on the slightest pretext, including stating the company had not received documentation, despite consumers having proof they sent it in time
- > Very long delays in the repair of Acer products, often in excess of one month
- > Failure to repair defective computers returned under warranty, either through outright warranty rejection or through faulty computers being returned
- > The replacement of defective computers with refurbished or second-hand parts
- > Poor customer service, including long delays in getting through to customer service, messages not being returned, alleged rudeness of Acer staff and inconsistent advice as to the reason for delays

Consumer Affairs Victoria advises potential computer buyers to research online what other customers are saying about manufacturers and models. We advise consumers to take particular care when buying Acer products to make sure they understand the fine print involved with the advertised bonus offers or warranties.

Advanced Hair Studio

Consumer Affairs Victoria received a number of complaints against Advanced Hair Studio this year. Advanced Hair Studio offers two types of procedures: a ‘strand-by-strand hair replacement program’, which involves gluing a hair piece to the customer’s head, and a laser therapy program, which involves laser treatment and the application of medication onto the scalp in the hope that hair will regrow.

The complaints included a man who was refused a refund for the strand-by-strand treatment after he was forced to remove the hair piece on medical advice as it was causing him pain and nausea. His case was taken to VCAT, which ordered a full refund.

Another case involved a customer who was denied a refund after unsuccessfully undergoing the laser therapy program at a cost of \$5,500, despite the advertised guarantee. Instead, he was offered a discount on the strand-by-strand treatment, which he did not want to undergo. We advise consumers that if they intend to deal with Advanced Hair Studio, they need to be fully aware there is no guarantee the laser therapy treatment will be successful.

Australian National Car Parks Pty Ltd

In 2007-08, we received a number of complaints and enquiries concerning parking ‘fines’ issued by Australian National Car Parks Pty Ltd (ANCP). People received ‘fines’ for inadvertently failing to display valid tickets or for overstaying in private car parks operated by ANCP. Free parking time limits (usually three hours) often applied but complainants claimed they didn’t notice signs directing them to obtain tickets for free parking from ticket machines. Patrons who failed to display tickets on the dashboard of their vehicles received demands for payment of \$88 (\$66 if paid within 14 days). These demands weren’t actually fines or parking infringement notices but demands for liquidated damages for alleged breaches of contract.

These complaints appeared to arise because the car parks did not have barriers that prevented entry without a ticket.

During the year, we brought to ANCP’s attention several of its terms and conditions that we considered were unfair under the *Fair Trading Act 1999*, which voids unfair terms in consumer contracts. In particular, terms that:

- > Deemed consumers to have accepted the terms and conditions immediately upon entry into the car park (rather than after having a reasonable opportunity to read them)
 - > Denied liability for any loss or damage caused by ANCP
 - > Imposed liability for any liquidated damages on the owner of the vehicle, rather than the driver
 - > May have been misinterpreted and caused consumers to believe that the liquidated damages were official fines for which they could be prosecuted
- ANCP agreed to address our concerns.

We work with industry

Harvey Norman revises guarantee

In January 2008, our officers met with a senior staff member of the Harvey Norman franchise company, over concerns that its price guarantee statement could be misleading and had terms and conditions that may be unfair. The company later advised us it had changed “We won’t be beaten on price!” to “The best brands at the best prices”. Harvey Norman also revised its terms and conditions to make them fairer.

We help resolve disputes

Consumer Affairs Victoria aims to empower consumers, and through our Consumer Helpline, we encourage and advise thousands of consumers on how to take their own action to resolve disputes they may be having with traders. Where consumers are unable to resolve a dispute on their own, we offer a dispute resolution service. This is a cheaper, quicker and a less intimidating option than court action, and we have a high success rate.

We conciliate disputes on a wide range of consumer issues, plus we have specialist dispute resolution services that resolve disputes involving tenancy, real estate matters and building. The most common types of fair trading disputes we conciliated involved white goods, computers, other electrical goods, footwear and clothing.

Case study: Faulty fridge leaves consumer cold

A consumer bought a fridge in November 2006 and over the next 18 months it iced up and ceased to work, causing food spoilages. After the fourth repair, the fridge was still not working properly. The manufacturer rejected the consumer’s request to be compensated for the spoiled food. During our negotiations with the manufacturer about the issue, the fridge broke down again. After further discussions and correspondence with us, the manufacturer agreed the fridge was not of merchantable quality and replaced it.

Case study: Making good on ticket refund

In November 2007, a consumer’s disabled son and his friend, who was also disabled, attended a motorcycle event. They expected to pay \$15 for admission as advertised on the internet. When they arrived, they were told there were no discounts and were charged \$30 for each entry ticket.

The consumer contacted the trader the following day and was advised a refund would be issued. When no refund arrived, the consumer wrote to us for help. We contacted the trader to negotiate a refund on the basis that the trader made a representation that there were discounts. The trader later contacted the consumer to offer a full refund of the difference in ticket price.

“Individuals found to be in breach of the refund policy provision of the *Fair Trading Act 1999* could face court action, and if convicted, face maximum fines of more than \$68,000. Corporations face fines more than \$136,000.”

We enforce the law

At Consumer Affairs Victoria, we monitor trader activity to ensure traders are complying with the *Fair Trading Act 1999*. This year, we conducted 323 audits, inspections and investigations relating to breaches of the Act. We worked with traders to help them bring their conduct within the requirements of the law.

Sometimes we issued warning letters or infringement notices to make sure traders got the message.

In June 2008, we conducted a compliance exercise at Chadstone Shopping Centre, in partnership with Chadstone Centre Management. Twenty-two inspectors visited 215 businesses to check compliance with refund policies, warranties and trade measurement requirements. Of these, we found 140 traders were non-compliant with layby, refund and business registration laws.

Traders were warned about these practices and we will return next financial year to deliver education sessions, followed by another inspection to ensure all traders are compliant.

When must a trader give a refund?

A consumer has a right to ask for a refund if the goods:

- > are faulty (even when the fault only becomes obvious after use)
- > are unfit for their purpose
- > do not match the description or sample shown
- > came with an extra promise about refunds

A trader may offer to repair, exchange or provide a credit note. However, in the above circumstances, the consumer has the right to insist on a refund.

Missing parcels find a way home

An investigation by Consumer Affairs Victoria helped find more than 600 parcels, bound for Eastern Europe, which went missing when a parcel service failed to deliver. Consumers had paid International Parcel Services up to \$500 for each parcel to be delivered to Russia, Ukraine, Latvia, Poland and other Eastern European countries. When the parcels didn’t arrive, we received more than 30 complaints and enquiries about the service, prompting our investigation. Many consumers affected were elderly and had limited English. Our investigation found the parcels in a self-storage facility in Sydney’s western suburbs, and the local Russian community helped reunite the parcels with their Melbourne owners. We then helped consumers through the NSW complaint system and legal process, as the parcel service was based in NSW.

Scanning the price of goods

In February 2008, we took part in the national scanning audit, an annual exercise where state fair trading agencies check shelf prices against scanned checkout prices. We checked 25 stores and found 13 had no scanning errors, the highest accuracy rate of all states. Victoria also recorded the lowest number of audited stores overcharging on at least one item (eight Victorian stores, out of 93 nationally).

Victoria's worst performers were variety shops, with only 83 per cent of products scanning correctly all the time, followed by service stations at 88 per cent. A computer accessory at one Victorian variety store was scanning at \$20 above the displayed price. Testers visited supermarkets, discount variety shops, pharmacies, service stations and hardware stores, including some chain outlets. They randomly selected 25 common items to audit including food, toiletries and simple hardware products.

Traders whose scanned prices did not match shelf prices could be contravening the *Fair Trading Act 1999*. We will use the audit data to inform our regular trader compliance and enforcement programs.

Court outcomes

Merringtons Pty Ltd

Previous annual reports have detailed our ongoing concerns with eyewear retailer and optometry chain Merringtons. This year, court action pursued by Consumer Affairs Victoria against Merringtons was concluded. The Supreme Court of Victoria found Merringtons contravened the *Fair Trading Act 1999* by engaging in misleading and deceptive conduct.

The judge's findings included that the chain: gave consumers prescription glasses that were unsuitable or different to those ordered; failed to supply prescription glasses within a reasonable period; and failed to pay refunds in a timely way to consumers who cancelled their contracts after being supplied with faulty goods. The court is considering our request for measures to ensure Merringtons complies with the Act in future.

Gloweave Consolidated Pty Ltd

Gloweave Consolidated Pty Ltd maintains a retail outlet that sells clothing. Our inspectors attended the store, and found that although it displayed a correct refund sign, its receipts had a non-compliant notation stating refund claims must be lodged within seven days of purchase. In August 2007, the Melbourne Magistrates' Court found misleading conduct by Gloweave in relation to its refund policy. The court placed Gloweave on a six-month bond and ordered the company pay \$400 to the Court Fund and \$600 in costs.

Consumer Affairs Victoria General Counsel Stephen Devlin, with articled clerk Kathryn Bannon and principal solicitor Elias Rallis



We regulate industry

Under the *Business Names Act 1962*, businesses trading in Victoria are required to register their business name with Consumer Affairs Victoria, unless a person is trading under their own name, or their business is a company registered by the Australian Securities and Investments Commission.

Consumers can feel more confident and protected doing business with traders that have a registered business name, as the law requires all name and address details to be kept up-to-date on the registry. The public registry of Victorian business names means consumers can identify the owner of the business, and know they are dealing with traders who have a confirmed Victorian address.

This year, more than 65 per cent of all new business name applications were completed online via our website (up from 61 per cent last year). Almost 40 per cent of renewals were completed online (up from 34 per cent last year). In our March 2008 Customer Satisfaction Survey, our online service received very high ratings for simplicity and timeliness. We introduced the online service in early 2004.

After registering a business name, traders must:

- > Commence trading under the business name within two months of registration
- > Display a business name sign in a conspicuous position outside the business's registered address and business addresses
- > Display the business name on documents issued such as receipts and invoices
- > Renew the business name every three years
- > Notify changes to Consumer Affairs Victoria within one month of the date of change to any of the following: registered address, business address, postal address, person(s) carrying on business, owner's personal name and/or residential address, owners corporation name and/or registered office; nature of business

Registering business names

	2003-04	2004-05	2005-06	2006-07	2007-08
New applications processed	64,006	65,951	64,136	64,044	63,030
Changes /cessations	86,544	89,205	94,220	90,680	91,653
Total on register	342,503	354,992	365,469	374,613	376,672

We develop policy and review legislation

More power to the Fair Trading Act

This year, Parliament passed amendments to the *Fair Trading Act 1999*, improving protections for consumers and increasing the power of the Director of Consumer Affairs Victoria.

We developed the amendments after identifying the need to protect consumers from legal action brought against them for lodging a complaint with Consumer Affairs Victoria. The amendments also protect people who are helping us with our investigations.

The new law enables the Director of Consumer Affairs Victoria to institute proceedings in the Federal Court, stopping a trader from operating nationally once a judgement has been made in a Victorian court. Previously, judgements made in Victoria had to be individually registered in all other jurisdictions to be effective nationally. This change will save time and money and enable us to quickly stop traders from doing the wrong thing in other states.

Another change means the Director or an inspector of Consumer Affairs Victoria can now seek a court order requiring a person to comply and provide requested information. This will help our compliance and enforcement program. To help modernise and consolidate legislation, the amendment also repealed some obsolete legislation and transferred the *Frustrated Contracts Act 1959* to the *Fair Trading Act 1999* with updated language.

Research supports law reform on implied warranties

This year, we completed research into consumers' experiences of trying to return products that they discovered after purchase were faulty or defective. We found that many consumers had trouble when they attempted to return items.

The studies focused on mobile phone handsets, white goods, and a range of consumer electronics such as DVD players, games consoles and portable digital media players. We found retailers often refused to deal with consumers with faulty items, and instead directed them to deal with the manufacturer. In most cases, manufacturers applied their own returns policies.

To determine what was happening on the supply side, we commissioned qualitative research into the behaviour and attitudes of retailers and manufacturers. The research found some retailers had limited awareness of implied warranties. It also revealed traders had trouble interpreting the legislation and so relied on express warranties to guide the returns process. This often resulted in manufacturers imposing conditions on retailers, thereby dictating how the retailer dealt with the consumer, when the law is between the retailer and the consumer.

This evidence supported our recommendations that the law needed to be reformed at the state and Commonwealth level. The Minister for Consumer Affairs Tony Robinson MP presented a paper on the issue to the MCCA meeting in May 2008. MCCA agreed to review this area of law.

Residential Accommodation

“Members of the Sudanese community helped us develop a DVD and educational program on tenancy for newly-arrived refugees.”



Ador Akecnhal Ador Loi, Ajak Kwai, Achol Arow and Ngong Arow (left to right) appeared in the DVD, launched in September, which explains how tenancy works in Victoria.



Highlights

- > Distributed almost 310,000 copies of *Renting a Home*
- > Answered a record 107,268 calls to our residential accommodation enquiries line
- > Developed a DVD and educational program on tenancy for the Sudanese community
- > Conducted a record 7,903 residential tenancy inspections
- > Developed a Residential Accommodation Strategy to improve rights for residents

Many of the state's most vulnerable and disadvantaged consumers are renting accommodation, whether in a house or flat, caravan or residential park, rooming house or student accommodation. Consumer Affairs Victoria is actively involved in helping consumers with problems or queries they have about renting, including advising tenants and landlords of their rights and responsibilities under the *Residential Tenancies Act 1997* – the main law governing tenancy. We also provide a specialist dispute resolution service and actively enforce the law.

We educate and advise consumers and traders

Consumer Affairs Victoria operates a specialist telephone enquiry service for tenants and landlords. This crucial first-line service empowers consumers at a time when they are often highly distressed and concerned about where they live. By talking to our staff, tenants and landlords better understand their rights and responsibilities, and the best course of action, so disputes can be avoided. This is reflected in the fact that our most common enquiry types are different to our most common dispute types in residential tenancies.

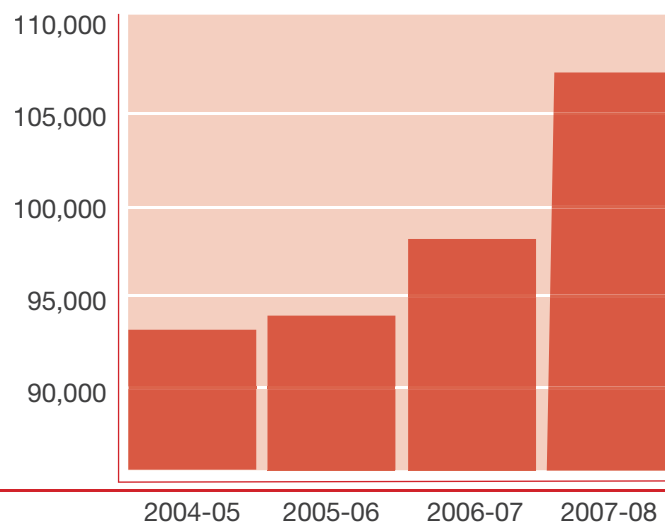
This year, the service answered a record 107,268 calls, increasing almost 10 per cent compared to last year. This reflected the shortage of rental stock and tightening economic circumstances. The types of calls we received were similar to previous years. Both tenants and landlords most commonly called us about bond claims, and their rights in relation to return of a bond. Calls regarding notice of rent increase, and tenants' right to challenge the increase, almost doubled.

Many more people were also calling about urgent and non-urgent repairs of their rental property. We noticed that as rents increased, more people were expecting repairs to be done, or had higher expectations about how their rental property should be maintained.

Top calls on residential accommodation

1. Bond claims
2. Non-urgent repairs not carried out
3. Rent increase sought (notice of rent increase)
4. Termination of tenancy
5. Tenancy agreement/lease

Calls answered on residential accommodation issues



Publications and online resources

Publications and brochures

- > *Renting a Home: A guide for tenants and landlords*
- > *New Country, New Home*
- > *Caravan Parks: A guide for residents, owners and managers*
- > *Rooming Houses: A guide for residents, owners and managers*

Fact Sheets

- > Renting
- > Resolving tenancy problems
- > Privacy and access
- > Rental Bonds
- > Repairs and Maintenance
- > Inspections for Tenants

From refugee to tenancy

A DVD and educational program we developed, launched in September 2007, helps refugees who have recently settled in Victoria. We designed the program with the help of Sudanese community leaders, Springvale Community Aid and Advice Bureau, and the real estate industry.

The program covers housing options, searching and applying for rental housing, and practical information on how tenancy works. It also explains where to get advice on housing-related problems. The DVD used in the educational program, *Renting in Victoria: a guide for tenants* is playable in Sudanese-Arabic, Dinka, Nuer and English.

We trained three Sudanese speakers, and 25 volunteers they recruited, to deliver the program in south-east Melbourne. About 1900 Sudanese community members attended the program. We also funded the Melbourne City Mission to deliver the program to the Sudanese community living around Footscray. The Tenants Union of Victoria delivered similar programs for us in Ballarat and Geelong. We also distributed DVDs through our regional offices, at community talks and through migrant resource centres. So far, we have distributed 1,000 copies.

'Renting a Home' now more accessible

In 2007-08, we worked with Vision Australia to produce audio CD and cassette tapes of our popular publication *Renting a Home; a guide for tenants and landlords*. We also produced copies in Braille, an MP3 version for the web, and a large print format that is helpful for seniors as well as vision-impaired consumers. We will launch the products in August 2008 and distribute them via Vision Australia networks and our regional offices. We will also send CDs to local government libraries, disability groups and agencies throughout Victoria, Blind Citizens Australia, and the Real Estate Institute of Victoria for distribution to their members.

Advocating for vulnerable tenants

We fund seven community-based agencies in regional and metropolitan Victoria to provide advocacy services to private rental tenants who are vulnerable or disadvantaged and need face-to-face intensive support. The services also provide support on general consumer issues, however, most cases the advocates handle relate to tenancy. Consumer Affairs Victoria provides almost all the referrals to these services.

The vulnerable consumers we refer often have mental health problems and special needs. For example, they may not be able to read or understand legal documents or complaint forms. The aim of advocacy is to empower and support consumers by providing information and advice, dispute resolution services, and representation at VCAT hearings. This supports the Victorian Government's broader aim to contribute to a fairer society that reduces disadvantage.

In 2007-08, our advocacy program enabled almost 3,500 consumers to get advocacy help. Agencies we funded included Delatite Community Health Service (servicing the Hume region of Victoria), PACT Housing Support (Grampians), Advocacy and Rights Centre (Loddon Mallee), Diversitat (Barwon South West), Community Connections (Barwon South West), Quantum (Gippsland) and the Tenants Union of Victoria (metropolitan Melbourne).

The Tenants Union of Victoria (TUV), for example, provides advocacy for tenants of private residential properties and residents of rooming houses and caravan parks. We funded the agency \$270,550 in 2007-08, and it provided services to 2,339 vulnerable consumers. We supplied additional funding for TUV to provide outreach services to residents of 80 rooming houses and 33 caravan parks. This included visits to the premises to inform residents of their rights and responsibilities. TUV staff also provided education to other community agencies working with these residents.

We funded the Peninsula Community Legal Centre to undertake specific projects, mostly relating to tenancy, in the Frankston and Mornington Peninsula area. For example, this year it held 24 workshops to help consumers prepare for, and self-represent, in civil and residential tenancies matters before VCAT. It also delivered workshops to young people on rental issues, with input from local estate agents, and explored the feasibility of developing a new resource and format to assist residential tenants starting their tenancy.

We help resolve disputes

Consumer Affairs Victoria's specialist dispute resolution service helps resolve disputes between tenants and landlords. We also conduct inspections as part of our role under the *Residential Tenancies Act 1997*. Under the Act, tenants, landlords and estate agents can request us to inspect a rental property to determine issues such as whether a rent increase is justified or the necessity of non-urgent repairs. Agents or landlords also request inspections when a tenant has left belongings behind on vacating, so we can assess whether the goods should be stored, sold or destroyed.

This year, requests for rent assessments more than doubled compared to last year. This reflects the tighter rental market. Although we did more rent assessment inspections this year, we found in most cases the proposed rent increase was within market value.

Case study: Cracking walls need inspecting

In June 2008, our inspector carried out a non-urgent repair inspection in Port Melbourne. Cracks had appeared in the lounge room wall of a house, and they were getting bigger. The tenant was concerned the house might collapse. The agent acted quickly and got an engineer to survey the problem area. His report stated that the cracking was not dangerous but the property needed restumping. After three months, the landlord had still not restumped the house, so the tenant served a notice for non-urgent repair on the agent. Our inspector contacted the agent, who advised that the landlord had been reluctant to restump because of the cost. Our inspector reminded the landlord of his responsibilities under that *Residential Tenancies Act 1997*, which were to maintain the house in a reasonable condition. After negotiations, the landlord agreed to repair the cracks and restump. He also agreed to give the tenant a rental reduction backdated to when the tenant first reported the issue.

Residential Accommodation Team inspections

	Repair reports	Abandoned goods	Rental Assessment	Total
2007-08	1,138	3,429	3,343	7,903
2006-07	904	3,571	1,519	6,073
2005-06	1,136	3,237	769	5,142
2004-05	1,345	2,945	895	5,185
2003-04	1,465	3,103	872	5,440

Return of bond

The *Residential Tenancies Act 1997* allows the landlord to keep some or all of the bond for:

- > Damage caused by the tenant or the tenant's visitors
- > Cleaning expenses
- > The tenant abandoning the premises
- > Unpaid bills that the tenant should have paid
- > Loss of the landlord's goods
- > Unpaid rent

Costs due to fair wear and tear cannot be claimed. If there is disagreement about the landlord's claim on the bond, the landlord must apply to VCAT within 10 business days of the tenant vacating the premises.

Rental property repairs

For non-urgent repairs:

- > Tenants should lodge a 'Notice to Landlord of Rented Premises' form (from Consumer Affairs Victoria)
- > If repairs are not made within 14 days, tenants can request a repair inspection
- > If the landlord refuses to make the repairs, tenants can apply to VCAT

For urgent repairs:

- > If the landlord does not respond, tenants can organise works to a maximum of \$1,000
- > Tenants should use the 'Notice to Landlord of Rented Premises' form, giving the landlord 14 days to refund the money
- > If they don't refund it, tenants can apply to VCAT, which should hear the matter within two business days

Rent increases

Under the *Residential Tenancies Act 1997*:

- > Rent may only increase once every six months
- > The landlord or agent must first serve a 'Notice of Rent Increase to Tenant/s of Rented Premises'
- > There is no cap on rent increases, but tenants can request a rent assessment if they believe the increase is excessive
- > Tenants must lodge this request with Consumer Affairs Victoria within 30 days of receiving the notice



Consumer Affairs Victoria inspector Garry Paterson inspects a car abandoned at a rental property in Taylors Lakes

“Agents or landlords also request inspections when a tenant has left belongings behind on vacating, so we can assess whether the goods should be stored, sold or destroyed.”

Strategy to help vulnerable residents

As reported last year, we are leading a whole of government strategy to improve protections for residents of rooming houses, caravan parks, residential parks and student accommodation. The government recognises that residents of these types of housing are usually vulnerable or disadvantaged, and need better protection than current laws and regulations provide.

To protect vulnerable groups in the private rental market, in 2007 the State Government committed, in *A Fairer Victoria*, to “improving the regulation of rooming houses, including strengthening and standardising legislation; improving co-ordination and compliance activities under the *Residential Tenancies Act 1997* and the *Health Act 1958*”.

In 2007, Consumer Affairs Victoria released an Issues Paper seeking public submissions to inform the development of our Residential Accommodation Strategy. We received almost 50 submissions from various stakeholders in the residential accommodation market. Many of the submissions focused on rooming houses and strategies for improving the living conditions for rooming house residents and the broader community.

Whilst we are coordinating the government’s strategy in this area, we are not the only agency responsible for residential accommodation. We administer the *Residential Tenancies Act 1997* and are the regulatory body in this arena. The Office of Housing has policy responsibility for the *Residential Tenancies Act 1997* and the Health (Prescribed Accommodation) Regulations 2001 (HPA Regulations) under the *Health Act 1958*.

Rooming houses

Rooming houses play a crucial role in housing the vulnerable and disadvantaged. This year, we set up an interdepartmental committee to coordinate the whole-of-government approach to rooming house issues. The committee has looked at strengthening the regulation of rooming houses. The Office of Housing will align the rooming house definition under the Health (Prescribed Accommodation) Regulations 2001 with the *Residential Tenancies Act 1997*. This will mean that additional rooming houses (an estimated 300) will be required to comply with the Health (Prescribed Accommodation) Regulations 2001, which require registration with local council and certain minimum standards.

A Regulatory Impact Statement for the changes has been developed and has obtained approval from VCEC. It is expected to be open for public consultation by the end of 2008.

Also this year, we formed a partnership with the City of Melbourne to coordinate compliance activity under the *Residential Tenancies Act 1997* (administered by Consumer Affairs Victoria) and the *Health Act 1958* (administered by local government). As a result of the partnership, in May 2008, we jointly inspected rooming houses in the Melbourne CBD. Next year, we will develop targeted information for rooming house residents.

Caravan parks, residential parks and rental villages

Residents of caravan and residential parks are vulnerable consumers who are typically on low incomes. Many are itinerant or seasonal workers, on public housing waiting lists or at high risk of homelessness. Residential parks consist only of relocatable or ‘manufactured’ homes and tend to offer similar facilities to those provided by retirement villages. In contrast, rental villages tend to have non-moveable dwellings.

Long-term residents in caravan parks, residential parks and rental villages face a number of risks. These were highlighted in submissions to Consumer Affairs Victoria’s Residential Accommodation Issues Paper. The submissions raised concerns about the high impact of park closure and costs and risks involved with relocation, lack of accessible or effective dispute resolution; and the fact that current laws did not recognise the more permanent nature of tenancy that these residents were seeking. There were also concerns about management practices and the inconsistent application of tenancy laws.

We have commissioned research to explore policy and legislative options that would provide better protections for long-term residents. This research will be completed next year and will inform the next phase of our strategy.

Commercial student accommodation

Many students, particularly international students, are living away from home for the first time and have limited rental experience, little knowledge of their rights, face cultural and language barriers, and have limited social networks. These students may be reluctant to report tenancy problems for fear of deportation, leaving them particularly vulnerable to unscrupulous landlords.

The government recognises that current laws may not offer enough protection from unscrupulous operators cashing in on the explosion in student numbers. Some of the issues raised around student accommodation include unfair terms in contracts, landlords threatening students with eviction or deportation, and landlords failing to supply the agreed level of facilities. This year, we worked on an amendment to the *Residential Tenancies Act 1997* to make sure student housing affiliated with an educational institution was covered under the Act.

This year, we collaborated with Monash University to produce a 30-minute DVD called *Renting in Victoria* – a guide for students. The DVD educates international students about their tenancy rights and responsibilities and contains practical information about living in Australian housing. It is playable in English, Hindi, Indonesian, Japanese, Korean, Malay, Mandarin, Urdu, Thai and Vietnamese. Minister for Consumer Affairs Tony Robinson MP will launch the DVD in July 2008. We distributed publications and gave students advice on consumer matters when hosting displays at the University of Melbourne Housing Expo and the launch of the Indian International Student Advisory Centre this year. We also delivered information sessions about accommodation to international students as part of universities’ compulsory orientation programs.

We enforce the law

Part of our role is to enforce the *Residential Tenancies Act 1997*, to make sure landlords and agents are complying with tenancy laws. One significant development for our enforcement area this year was a partnership with the City of Melbourne that enabled us to jointly inspect rooming houses, furthering the aims of our Residential Accommodation Strategy.

Third party rent collection

Estate agencies are increasingly using outside companies to collect rent from tenants on their behalf, an arrangement that has raised some concerns. The practice usually involves the rent collector collecting payments, then depositing the money into the agency's trust account. The agency then disburses the rent to the landlord, after making any allowable deductions. The agency pays the rent collector, which may in turn charge the tenant a service fee.

A number of issues arise from this arrangement, such as the cost to the tenant, the security of money held by rent collectors, and how the *Residential Tenancies Act 1997* and the *Fair Trading Act 1999* apply.

In early 2008, a complaint from a tenant resulted in Stockdale & Leggo (Wodonga) entering into an enforceable undertaking with Consumer Affairs Victoria. The undertaking required the agent to stop insisting its tenants pay via a "rent card" administered by a third party. This conduct contravened the *Fair Trading Act 1999* as it misled the tenants into believing that they were obliged to change their method of rental payment.

We develop policy and review legislation

Mapping the issues for Indigenous renters

We began the Indigenous Issues in Private Rental Project this year to get a better understanding of the difficulties Indigenous people face in the private rental market, and to recommend improvements.

The Australian Housing and Urban Research Institute conducted a literature review to identify and analyse why Indigenous people have difficulty in the private rental market. It also identified where consultation on the issue with Indigenous Victorians had already occurred, and evaluated initiatives already tried. The project is continuing.

Residential Tenancies Bond Authority

Year	Bonds held	Value held (\$ million)	Lodgements	Claims
2007-08	403,944	436.0	178,500	188,900
2006-07	388,048	388.7	179,500	191,600
2005-06	372,014	353.1	176,100	148,900
2004-05	356,707	323.3	171,400	143,000
2003-04	338,534	295.3	171,000	145,000

Source: RTBA annual reports

Residential Tenancies Bond Authority

The Residential Tenancies Bond Authority (RTBA) is a statutory authority that relies on the staff and resources of the Department of Justice, Consumer Affairs Victoria, and external service providers. The RTBA holds all Victorian residential tenancy bonds in a neutral capacity for landlords and tenants, including for long-term caravan park and rooming house residents. This requirement, part of the *Residential Tenancies Act 1997*, protects tenants from being exploited and having their bond misused by unscrupulous landlords or agents.

The RTBA performs a variety of transactions including bond lodgements, claims and transfers. It processes all bond lodgement and repayment claims within 48 hours of receipt. On 30 June 2008, the RTBA moved to a new processing system, which includes an online facility for the lodgement, claim, and transfer of bonds. The password-secured system eliminates the need for paper forms and is accessible via the RTBA's relaunched website www.rentalbonds.vic.gov.au.

In 2007-08, the Authority held 403,944 bonds, valued at \$436 million.

Buying and Selling Property

“New laws commenced this year that affect Victoria’s 65,000 bodies corporate.”



We produced *Owning, Managing and Living in an Apartment: Guide to Owners Corporations*, to alert consumers, lot owners and managers to the new law, which replaced the term 'bodies corporate' with 'owners corporation', and made several other important changes.

“I sent away for the guide as soon as I heard about the changes. I wanted to be clear about what the changes meant and what I could expect from my owners corporation... also what I was expected to do.”

Pino Fratangelo



Highlights

- > Answered a record 15,963 calls on real estate matters
- > Sponsored and exhibited at inaugural First Home Buyers Expo
- > Released industry guidelines on underquoting property prices
- > New laws introduced for conveyancers and bids after fall of the hammer
- > Conducted highly-successful direct marketing campaign on new owners corporation laws

Consumer Affairs Victoria has a free service that provides advice, information, complaint handling and dispute resolution to consumers concerning real estate matters - the Estate Agents Resolution Service (EARS).

We educate and advise consumers and traders

EARS helps consumers sort out issues that involve Victorian estate agents and agent representatives. Buyers and sellers of real estate, and landlords, usually first contact EARS by phoning the dedicated enquiry line.

EARS officers provide professional advice on rights and obligations, suggest strategies to resolve complaints and clarify what can sometimes be complex and confusing property transactions.

Calls to the service have increased steadily over the years, hitting a peak this year with almost 16,000 calls answered.

Calls answered by the Estate Agents Resolution Service

Year	Calls
2007-08	15,963
2006-07	15,822
2005-06	14,048
2004-05	13,065
2003-04	10,874

To help consumers with their often complex enquiries, this year we developed and launched on our website a set of Frequently Asked Questions relating to real estate matters. These address the most common questions to our enquiry line, such as whether it is possible to cancel an authority to sell a property with an estate agent, what is the rate of agent commission and what is involved with making an offer on a property. On average, 30 people per day have viewed the web page.

Publications and online resources

Publications and brochures

- > Real Estate: a guide for buyers and sellers
- > Guide to owners corporations
- > Internal dispute resolution guidelines for retirement village owners and managers
- > Guide for retirement village living

Fact Sheets

- > Price advertising for residential property sales
- > First home buyers' check list
- > Conveyancing
- > New conveyancers laws
- > Vendor term contracts

Engaging with consumers and traders

In August 2007, we sponsored and exhibited at the inaugural First Home Buyers Expo at the Melbourne Exhibition Centre. We helped consumers with questions they had about building or buying their first home, and produced a consumer checklist to help first home buyers. We distributed our *Real Estate: a guide for buyers and sellers* and *Building & Renovating: a guide for consumers* publications, and our staff also presented educational seminars throughout the event.

This year, we delivered more than 30 presentations on real estate issues to consumers and real estate industry representatives across Victoria. The presentations to consumers were about buying a home, and were especially useful for first homebuyers. The industry talks were about complaint handling and dispute resolution processes, legal obligations, and the work of EARS.

Laws for estate agents

Estate agents must:

- > advise a client that all commissions and other outgoings are negotiable
- > disclose any vendor bids (if auction rules allow vendor bids)
- > communicate all offers
- > state an estimated selling price in the authority to sell

Estate agents must not:

- > use underquoting, overquoting or dummy bidding
- > retain advertising or other rebates
- > charge a client more for outgoings than was paid by the agent
- > charge more than was authorised by the vendor in writing

We help resolve disputes

When a consumer's problem cannot be resolved after approaching the estate agent concerned, we invite them to lodge a complaint with EARS either in hard copy or online through our website. In 2007-08, consumers lodged 835 complaints.

EARS relies on estate agents and complainants to cooperate in reaching a resolution. Such cooperation resulted in settlements totalling \$339,868 this year. Where EARS is unable to reach a mutually agreed settlement, it provides consumers with information and advice about alternative avenues they can pursue, such as making a claim through VCAT.

Settlements may include:

- > compensation to landlords for damage by tenants to property under estate agency management
- > reduced advertising and marketing accounts
- > reimbursement to purchasers for promoting property features that were not included in the sale
- > compensation to clients whose funds had been disbursed without the appropriate authority
- > refund of commission where agent entitlement has been challenged
- > return of a deposit where contract of sale is not proceeding

Top 5 complaints to EARS

1. Misrepresentation about property price or features

- > advertising an inclusion, eg. ducted heating, air-conditioning, swimming pool equipment, which is not part of the contract
- > underquoting the expected selling price of the property
- > incorrect estimate of land size

2. Property management

- > failure to properly vet tenants
- > inadequate inspections of property during tenancy
- > failure to advise landlord of rental shortfalls

3. Sale Authorities

- > protracted terms of engagement
- > failure to adequately explain legal obligations on parties

4. Commission and outgoings

- > ambiguous, unclear commission calculations
- > failure to declare full marketing expenses

5. Misleading or deceptive conduct

- > failure to pass on offer to purchase
- > misrepresenting interest in properties

Case study: Disputing an agent's commission

In July 2007, EARS received a complaint from a consumer who had just sold his house, disputing his agent's claim for commission. The authority to sell, signed by the consumer and agent, specified two different percentage entitlements based on achieving a sale price under and over \$380,000. The property achieved the exact sale price of \$380,000. The estate agent charged the consumer the higher percentage, a difference of \$1,330 from the lower percentage. The consumer asked EARS to conciliate. We highlighted to the agent that the authority expressed the commission payable in an ambiguous way. On this basis, we recommended the agent refund the difference to the consumer. The agent refunded the consumer the full \$1,330 as full and final settlement of the matter. EARS reminded the agent of the importance of clearly expressing the agreed commission on sale authorities.

We enforce the law

Consumer Affairs Victoria is responsible for making sure real estate agents comply with the *Estate Agents Act 1980*. We regularly carry out audit inspections of real estate agencies to check they are compliant. During the year, property sales slowed and estate agents were finding it harder to make a sale. We bolstered our audit inspection program accordingly, to check estate agents were doing the right thing in a slower market. This year, we conducted 95 investigations of estate agencies, which resulted in two prosecutions, 15 enforceable undertakings and three cases of civil litigation.

Robert Swan

This year we prosecuted Robert Swan, the Director of Averwood Pty Ltd, an estate agency that traded as Pro-Active Real Estate Frankston. Mr Swan was charged with 40 charges of fraudulent conversion of trust monies and two charges of having a deficiency in the trust account. The prosecution followed action taken to close down the business after Consumer Affairs Victoria discovered trust deficiencies. Mr Swan was convicted and sentenced to six months jail wholly suspended for 12 months. He was further ordered to undergo a community-based order with condition that he complete 125 community work hours within 12 months and pay \$75,293 in compensation. All consumers' funds are protected by the Victorian Property Fund, which guarantees the funds of consumers who deal with licensed estate agents and who have suffered a loss caused by an agency's deficiency.

We regulate industry

Regulating real estate agents

The Business Licensing Authority, under the *Estate Agents Act 1980*, administers a licensing scheme for estate agents. We provide the administrative support necessary to run the scheme, for example, we investigate and process licence applications. Licensing helps protect consumers by limiting who can become an estate agent, and by imposing statutory obligations on licensees.

Estate Agents Council

Consumer Affairs Victoria provides help and support to the Estate Agents Council (EAC). The Council reports directly to the Minister for Consumer Affairs on matters referred to it by the Minister, and provides advice on regulations and matters to do with estate agencies generally. It also makes recommendations regarding grants from the Victorian Property Fund.

In 2007-08, the Council reported to the Minister on two matters that it had been asked to examine – bids after the fall of the hammer and the underquoting of property prices by agents.

The EAC is also examining, at the request of the Minister, the feasibility of creating more competition within the

estate agency industry by making it easier for lawyers, accountants and certain other professionals to become estate agents. This year, we commissioned research into segmentation in the estate agency services market to assist the EAC with its review.

We develop policy and review legislation

New Conveyancers Act

The *Conveyancers Act 2006* was passed in October 2006 and commenced on 1 July 2008. It established a new system for regulating and licensing non-lawyer conveyancers in Victoria.

A person operating a conveyancing business is now required to:

- > be licensed by the Business Licensing Authority
- > be properly qualified and experienced
- > be covered by a prescribed level of professional indemnity insurance
- > disclose all costs and any commissions received to clients
- > actively supervise their conveyancing business
- > have their trust accounts audited annually
- > contribute to the Victorian Property Fund

Only people who have a conveyancer's licence, or who are an Australian legal practitioner, will now be allowed to operate a conveyancing business in Victoria. To be eligible for a licence, a conveyancer must have 12 month's work experience and qualifications specified in new regulations. Provisional licences will be available, with certain conditions imposed.

Conveyancers have until 1 October 2008 to apply for a licence. Conveyancers who trade after that date without a licence risk prosecution

In 2007-08, we worked on developing the new regulations. We also worked on getting educational materials ready to support the introduction of the Act, and ran an education and information campaign to inform conveyancing businesses, and other stakeholders, of the changes.

Real estate agent register

	2003-04	2004-05	2005-06	2006-07	2007-08
New applications lodged	667	748	608	656	669
New applications processed	672	717	627	688	674
Total on register	6,888	7,266	7,480	7,767	8,067

Includes applications lodged in previous financial year

Clamp down on underquoting real estate

Consumer Affairs Victoria has stepped up its efforts to stop real estate agents underquoting the price of properties. The practice is disheartening and frustrating for consumers, and can cause them to lose confidence in estate agents and the property market.

Underquoting occurs when an agent advertises or advises a prospective buyer of a price that is less than the seller's asking price, auction reserve price, or the agent's estimated selling price based on current market prices. Underquoting also occurs if the price quoted is less than a genuine offer or expression of interest that the seller has previously refused.

For example, if a house was advertised for sale for \$480,000 plus, but the agent estimated to the vendor a selling price of \$520,000-\$560,000, this would be considered underquoting.

Educating consumers and traders

To help educate homebuyers on what to expect from an agent, this year we produced a fact sheet for consumers and industry guidelines to explain what agents are required to do when advertising properties for sale.

We developed the guidelines after extensive consultation with industry and other stakeholders. They are on our website, and we also sent a copy to all licensed Victorian estate agents.

Enforcing the law on underquoting

In late 2007, we conducted random enforcement exercises and auction blitzes to make sure agents were getting the message that underquoting would not be tolerated. It was also fair to estate agents who were doing the right thing. As a result of the blitz, we issued more than 30 warning notices, started a number of investigations and agreed an enforceable undertaking with an agent. There were also two consent orders arising from court action.

Jellis Craig & Co. Pty Ltd./Jellis Craig (Richmond) Pty Ltd

Consumer Affairs Victoria took civil action against two licensed estate agents, alleging contraventions of the 'underquoting' provisions of the *Estate Agents Act 1980*. The court resolved these proceedings by accepting an undertaking from each of the companies that they would refrain from publishing or advertising Victorian real estate at a price which was less than the vendor's reserve price. The undertaking is to remain in place for three years. The court awarded costs to Consumer Affairs Victoria.

Agents' responsibilities

An estate agent or agents' representative:

- > Must not advertise or advise that a property is for sale at a price that is less than the seller's reserve price or asking price, when the seller has set such a price
- > Must not advertise or advise that a property is for sale at a price that is less than the agent's current estimate of the likely selling price for the property, when the seller has not set a price
- > Should obtain the seller's written approval of the price or range at which a property is to be advertised or marketed for sale
- > Must update the advertised or quoted price during the sales campaign to reflect any change in the seller's selling price, the agent's current estimate of the likely selling price and for the amounts of any offers rejected by the seller



New laws for auctions

New laws we developed this year prohibit auctioneers from accepting bids and offers after the property has been knocked down to the successful bidder – commonly referred to as ‘bids after the fall of the hammer’.

Although rare, late bids had eroded public confidence in the honesty and transparency of the auction process. It had stemmed from Victorian laws stating that a contract of sale must be in writing and signed to be binding and enforceable. In the past, when the hammer fell, the auctioneer could still legally accept a higher bid or offer.

Under the new laws, the notice that the agent must display for at least 30 minutes before an auction has been updated to state that late bids and offers will not be accepted. The auctioneer must announce the same to the crowd before bidding starts.

The restriction on accepting late bids and offers does not apply if the successful bidder, or the seller, fail to sign the contract after the auction is completed and the seller wishes to continue with the sale by private sale; or if the property is passed in at auction below the reserve price.

The new laws were introduced under the Sale of Land Amendment Regulations 2008 on 30 June 2008. A complementary provision in the Estate Agents (Professional Conduct) Regulations 2008 also prohibits estate agents and agents’ representatives from communicating any late bids or offers after the fall of the hammer.

Owners Corporations

New laws commenced this year that affect Victoria’s 65,000 bodies corporate. The *Owners Corporations Act 2006* commenced on 31 December 2007, replacing the term ‘body corporate’ with ‘owners corporation’. The new term emphasises that the body set up to manage common property and services is the lot owners’ body, and is closely aligned with the interests of the lot owners. It is also consistent with the term used in other jurisdictions.

The new Act requires that any person or company performing the functions of an owners corporation manager, for a fee or reward, must have a minimum level of professional indemnity insurance and must apply for registration with the Business Licensing Authority (BLA). We provide administrative support to the BLA, which includes processing applications and answering enquiries. By 30 June 2008, we had answered 5,043 calls about owners corporations, received 355 applications and had 352 owners corporation managers on our register.

We produced *Owning, Managing and Living in an Apartment: Guide to Owners Corporations* in early 2008, supported by an extensive media campaign to alert consumers, lot owners and managers to the new law. During the 12 week-campaign, we posted about 52,000 guides in response to almost 20,000 requests. We also posted fact sheets on our website about the changes and their implications for owners, managers and tenants.

One of the most important changes brought about by the new law is the requirement for owners corporations to have an internal dispute resolution system. The Act also provides for conciliation of disputes by Consumer Affairs Victoria and for resolution through VCAT.

Since the law commenced, we have had an influx of requests to conciliate disputes. These have ranged from small matters such as a tenant being told they could not prune a rose bush near their car park, to serious matters involving alleged misappropriation of owners corporation fees.

Retirement villages

Since January 2006, we have maintained a register of retirement villages as part of our role in administering the *Retirement Villages Act 1986*. We also help consumers with enquiries and complaints. In 2007-08, we answered 651 enquiries on retirement village matters, often about contractual issues.

As with all Acts we administer, we review regulations when necessary. The Retirement Villages Regulations 1998, due to sunset this year, were extended to allow us to consult further with stakeholders. These regulations relate to increases in maintenance charges. They are expected to be made in 2009. This year we also continued working on developing regulations for retirement village contracts.

Case study: Residents need help on Board

In 2007-08, we received a complaint from residents of a not-for-profit retirement village regarding the conduct of the village’s Board. The Board had advised residents that gas heaters were no longer the responsibility of the village and residents must pay for the heaters’ maintenance themselves. Through our intervention, the Board-chair agreed to pay for any repairs to gas heaters and the residents agreed to pay for servicing.

The residents sought our help again when they received a letter from the Board-chair stating that because of legislative changes, the residents had to sign a new agreement. The Board advised that if residents did not sign, it would presume this meant they did not want to stay, and must leave within 60 days so other people could move in.

We wrote to the solicitors who drafted the new agreement, advising that there appeared to be clauses contrary to legislative requirements and possible unfair terms. We also expressed our concerns about the signing of the new contract being mandatory, pointing out that residents needed to be involved in any changes to the village’s rules. The residents have since advised that the new agreement has been withdrawn and it is “all quiet” in the village.

The *Retirement Villages Act 1986* sets out a three-tier system for disputes and complaints against retirement villages:

1. Settlement through the village’s dispute resolution systems
2. Conciliation through Consumer Affairs Victoria
3. Hearing by the Victorian Civil and Administrative Tribunal

Building

“...we joined forces with the Building Commission to create an advice and dispute resolution service for consumers in their dealings with the domestic building industry.”



Building Advice and Conciliation Victoria (BACV) conciliator Bruno Panozzo and Building Commission dispute inspector Colin Bellingham inspecting a building site. BACV combines conciliators from Consumer Affairs Victoria with technical experts from the Building Commission to resolve disputes before they escalate.



Highlights

- > Answered a record number of building enquiries (more than 29,000 calls)
- > Finalised 1,721 disputes
- > Resolved 82 per cent of the complaints we conciliated
- > Recovered \$2.6 million for consumers, doubling the amount recovered in 2006-07
- > Prosecuted 22 building matters for breaches of the law

Every year, more than 80,000 Victorians use a building contractor to complete a home building project. Most consumers have a positive experience but sometimes consumers need our advice, or our help to resolve a dispute they are having with a builder.

The *Fair Trading Act 1999* and the *Domestic Building Contracts Act 1995* encourage fair trading in the building marketplace and provide certainty around the contract price. For major domestic building works with a contract value more than \$5,000, builders must be registered under the *Building Act 1993*. If the contract is worth more than \$12,000, the builder must also have domestic building insurance.

We advise consumers and builders of their rights and responsibilities under the legislation, encourage them to resolve their own disputes if possible, and if not, we help them via our Building Advice and Conciliation Victoria (BACV) service. Our compliance teams also conduct investigations, inspections and audits to check builders are complying with the law.

We educate and advise consumers and traders

Our dedicated enquiries line, part of BACV, had an unprecedented increase in call volumes this year. In April, for example, we received about 40 per cent more calls compared to the same time last year. In June, there was a 27 per cent rise over the previous year. We were also getting more calls from builders.

Many people enquired about managing stage or final payments when the works were allegedly defective or incomplete. Consumers also wanted to know about domestic building insurance, when the building period commenced, the definitive building stages, and the requirements of selling an owner-built home.

There were also numerous calls relating to minor renovation works, including allegations that builders were not rectifying shoddy work or returning to complete work already started. We advised consumers and builders on different options available to them, including our dispute resolution service. To further educate and advise consumers about building and renovating matters, we exhibited this year at the First Home Buyers Expo and the HIA Home Ideas Show.

Publications and online resources

Publications:

- > Building & Renovating: a guide for consumers
- > Building and Renovating Quick Tips

Fact sheets:

- > Useful contacts when building
- > Choosing a domestic builder
- > Owner builders
- > What you need to know about Victoria's building legislation system

Top 5 call types

1	Implied warranties
2	Domestic building insurance
3	Completion in accordance with plans and specifications
4	Variations, including delays, extensions and GST
5	Commencement dates and stages

Calls answered on building matters

Year	Calls
2007-08	29,737
2006-07	24,109
2005-06	15,217
2004-05	20,106
2003-04	20,120



We exhibited at two home shows this year to educate and advise consumers and traders about building and renovating matters.

Tips for builders and renovators

- > Shop around and know what you want
- > Choose a registered builder with domestic building insurance
- > Don't sign any agreement until you are ready
- > Use independent experts to help you check aspects of the project
- > Ensure you have detailed plans and specifications that suit your budget, your land and regulations
- > Choose your own building surveyor
- > Check your contract is fixed and contains all details before you sign
- > Pay the right deposit and stage payments
- > Don't pay for a stage until it's complete
- > Act immediately if things go wrong

We help resolve disputes

Our specialist dispute resolution service, part of BACV, helps consumers and builders resolve disputes relating to domestic housing construction, renovation, extension, alteration and improvements.

As well as complex building complaints, BACV conciliates single issue complaints such as those relating solely to air-conditioning, heating, lighting, sewerage, drainage, ventilation and water supply issues. Our fair trading dispute resolution team conciliates many smaller building disputes.

We successfully resolved 82 per cent of the complaints we conciliated this year. In some cases, where a defect remained in dispute, we requested the Building Commission to provide an inspection report to help us resolve the complaint.

In 2007-08 we:

- > Received 1,818 requests for BACV to conciliate a dispute
- > Finalised 1,721 disputes
- > Resolved 82 per cent of the complaints we conciliated
- > Recovered \$2.6 million for consumers, doubling the \$1.3 million recovered in 2006-07

Common types of complaints we conciliated related to:

- > Concerns regarding the quality of building works undertaken (alleged defective building works)
- > Concerns relating to a 'blow out' in the construction period or time taken to complete the building works
- > Increased costs in relation to excavation/foundation works (for example, a contract allowed a certain amount for foundation works, but when work commenced and additional rock was found, the builder sought to recover costs)
- > Stage payments – demands for stage payments (base stage, frame stage, lock up stage etc.) when all works to the stage have not been completed
- > Variations to the initial building works, without written approval of parties
- > Incomplete works (for example, a builder failing to complete all works covered in the contract)
- > After handover and all payments made, lack of response to concerns raised in respect to maintenance items
- > Complaints about poor supervision during the construction stages
- > Communication problems with the builder (for example, calls unanswered, no response to concerns raised)

Case study: Defective work rectified

A consumer entered into a major domestic building contract for a new home with a registered builder. The contract value was \$225,000 and the home was completed in August 2007. The consumer believed some of the work done on the house was defective, including brickwork, paintwork and plumbing. They said the skirting boards were cracked, and the Tasmanian timber oak flooring and some kitchen cupboards had been damaged by a leak from the dishwasher. The builder failed to address the consumer's concerns, after which the consumer lodged a complaint with us. Our BACV conciliators negotiated a mutually agreeable outcome, which included the builder offering to rectify all items and to pay two weeks' accommodation for the consumer while the work was completed.

Case study: Damages paid to consumers

A couple entered into a domestic building contract worth \$616,570 in February 2008. When the building was almost completed, the couple alleged it had defects. We held several conciliation meetings and, at one of these, the builder gave assurances he would rectify the work. Despite assurances he would rectify work to a good standard, the owners were dissatisfied with the quality and speed of the works. We requested a technical report from the Building Commission to help resolve the dispute. The report listed 100 defects, including poor paint finish in many of the rooms.

The owners refused to take possession despite an occupancy permit being issued and claimed liquidated damages for late completion. After we had further discussions with the builder and the consumers, the builder agreed to complete all rectification work set out in the Building Commission report and agreed to pay \$1,800 extra in liquidated damages to the owners.

We enforce the law

In 2007-08, our team conducted 317 compliance monitoring visits to building businesses, educating builders on the requirements of the *Domestic Building Contracts Act 1995*. This included visits to builders in Mildura, Bairnsdale, Ballarat and Philip Island.

In addition, we prosecuted 22 building matters relating to breaches of the *Domestic Building Contracts Act 1995*, *Fair Trading Act 1999*, *Business Names Act 1962* and the *Building Act 1993*. This resulted in fines totalling \$707,863, compensation for consumers totalling \$401,203 and court costs totalling \$72,837. We also obtained an enforceable undertaking from Peter de Vreede, trading as Janke Pools, after identifying contraventions of the law.

Court outcomes

Joseph Frendo, also known as Joe Capri

A Fawkner plasterer and cabinetmaker was fined \$160,000 and ordered to pay costs and compensation of \$13,400 after a Consumer Affairs Victoria investigation revealed breaches including of the *Domestic Building Contracts Act 1995*. Joseph Frendo, also known as Joe Capri, operated 'Just Plastering' from December 2003 to February 2005. In June 2004, a Melton consumer hired Mr Frendo/Capri to plaster her home for almost \$18,000. Soon after the work was completed, cracks began to appear. The consumer attempted many times to contact Mr Frendo/Capri, however he did not return to repair his work.

A Greensborough consumer hired Mr Frendo/Capri to supply and install a new kitchen for \$8,830, paying him a \$5,400 deposit. He did not come back to do the work, and the consumer was unable to contact him. In February 2008, Mr Frendo/Capri was convicted in the Melbourne Magistrates' Court of nine charges under Victoria's *Domestic Building Contracts Act 1995* and *Fair Trading Act 1999*.

Christopher George Steele

In August 2007, Shepparton Magistrates' Court convicted Christopher Steele, fined him \$500 and ordered him to pay \$75,000 compensation after he breached domestic building laws. Mr Steele entered into a domestic building contract, took excessive deposits, did not provide a copy of the required building contract, and either failed to complete work, or completed sub-standard work that had to be redone.

Samuel Halaseh, also known as Bassem Halaseh

In December 2007, the Melbourne Magistrates' Court fined Samuel Halaseh, also known as Bassem Halaseh, \$42,000 for breaching domestic building laws. The court also ordered him to pay our court costs of \$5,463. Mr Halaseh was the director of several companies that entered into a number of contracts to build homes, the value of which exceeded \$1.2 million. He was an unregistered uninsured builder, and promised work to consumers that he could not perform. The Court proved 15 breaches under the *Domestic Building Contracts Act 1995*, *Fair Trading Act 1999* and *Building Act 1993*.

Credit & Debt

“Without our help, this family would have been saddled with a debt that would have haunted them for many years.”



Consumer Affairs Victoria funds most of the state's financial counsellors. This year, financial counsellor Nick Trehwella from Anglicare Victoria in west Melbourne, saw the mother of a young man who owed his bank more than \$4,000. The mother asked for information about bankruptcy. When Nick met the son, he realised the son had a significant psychiatric problem. After obtaining medical evidence, Nick wrote to the bank requesting they waive the debt considering the client's circumstances. The bank agreed.

“At the time the mother contacted us, the debt collectors were already starting to ring. This was a very good outcome.”

Nick Trehwella



Highlights

- > Launched *10 things you should know about credit*
- > Initiated Consumer Credit Code being considered for the first time in the High Court
- > Answered almost 33 per cent more calls to credit line compared to last year
- > Funded financial counselling for more than 41,000 vulnerable consumers
- > Modernised existing Victorian credit regulation and worked on improvements to the Consumer Credit Code

We educate and advise consumers and traders

Credit and debt calls soar

In 2007-08, calls to our dedicated Credit and Debt Line soared almost 33 per cent above the number we answered last year. Most callers contacted us because they were having trouble paying multiple debts. Credit card debt was a major concern. We also had more enquiries about motor car finance, and many more callers than last year were considering bankruptcy. We advised callers on the implications of bankruptcy, and referred them to the financial counsellors we fund. We referred about 30 per cent of Credit and Debt Line callers to financial counselling.

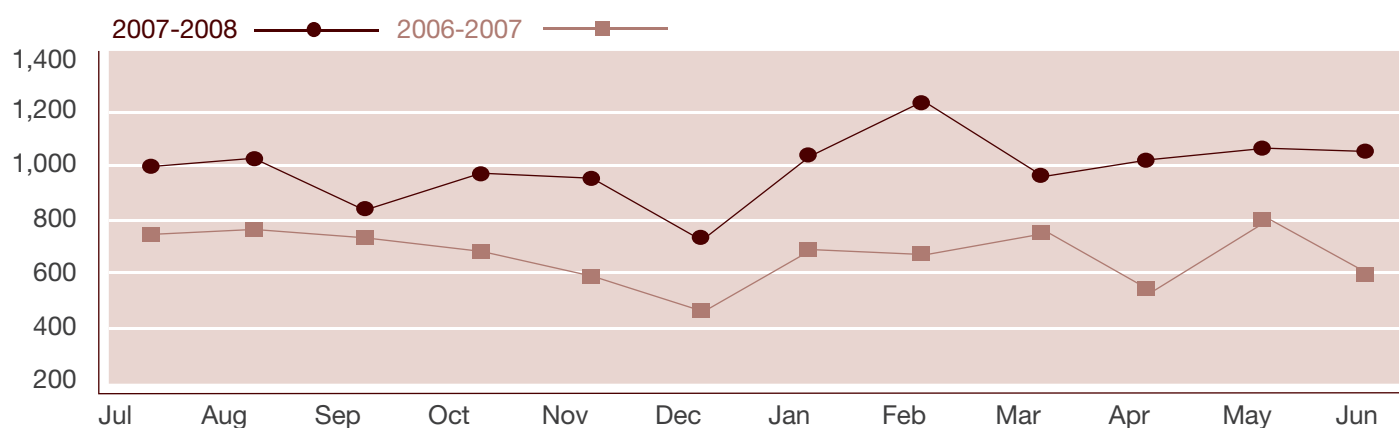
Calls answered by Credit and Debt Line

Year	Calls
2007-08	11,842
2006-07	8,009
2005-06	8,446
2004-05	4,418

Credit and Debt line call types

1	General Debts	2,460
2	Bankruptcy	793
3	Car Finance	700
4	Credit Cards	692
5	Home or Mortgage Finance	537
6	Debt Collection	505
7	Credit Report	278
8	Personal Loan Finance	210
9	Harassment/Coercion	119
10	Other	5,548

Monthly calls answered by Credit and Debt Line



Publications and online resources

Publications:

- > 10 things you should know about credit
- > Guidelines for debt collection

Fact sheets:

- > Borrowing money
- > Credit cards
- > Investment seminars and get rich quick schemes
- > Finance brokers
- > Mortgage minimisation
- > Dealing with credit problems
- > Must I Pay?
- > Pay day lenders and the Consumer Credit Code
- > Debt collectors - your rights in Victoria
- > Repossession of your goods
- > Reverse Mortgages

Staying out of trouble with credit:

- > Ensure you make repayments on time
- > Pay more than the minimum monthly repayment
- > Know how much credit you have available
- > Don't accept credit limit increases
- > Just have one credit card

New credit guide for consumers

In March 2008, Minister for Consumer Affairs Tony Robinson MP launched our new booklet *10 things you should know about credit*. Developed for vulnerable and disadvantaged consumers, the booklet contains advice on how to avoid credit pitfalls, types of credit available, the hazards of excessive debt and tips on using credit wisely. It also provides advice on how to handle disputes with lenders, deal with debt collectors and get help from us and other agencies. The booklet is available from Consumer Affairs Victoria and financial counsellors. So far, we have distributed 15,000 copies. Next financial year, we will finish translating the guide into eight languages.

Smart Shopping and Money Matters

This year, we started the Smart Shopping and Money Matters project to address credit issues faced by Sudanese refugees. The project, developed in consultation with the Sudanese community and settlement service providers, includes a family budgeting learning game and an educational DVD that is playable in Dinka, Nuer, Sudanese-Arabic and English.

We are producing the DVD with the help of young refugees from the Youth Links program in Noble Park, run by the Springvale Community Aid and Advice Bureau for youth at risk. Topics covered include: understanding advertising traps, managing sales transactions effectively, understanding loan options and interest payments, managing repayments, and where to go for financial advice. From October 2008, we will distribute the DVD during educational programs for Sudanese in south-east Melbourne.

Indigenous students get credit kit

This year, we have been developing a resource kit that provides advice on credit issues for Indigenous students aged 15-19. We decided the contents of the kit after consulting the Victorian Aboriginal Education Association Incorporated, and students and teachers from Victorian schools with a high proportion of Koori students.

The Koori Credit and Consumer Connection Resource Kit includes units on shopping rights, consumerism, renting a car, buying a home, mobile phones, budgeting, credit and credit cards, and a range of other consumer issues, written for a Koori audience by Indigenous educators. We will distribute the kit via Indigenous educators and through schools with many Koori students.

We work with industry

High-energy attack on utility bills

Last year, we reported on our pilot of Energy Hardship training, a project to train financial counsellors and emergency relief volunteers in hardship programs available from energy retailers.

Energy hardship is the genuine inability to pay utility bills due to low income, vulnerability, illness, unemployment or other reasonable cause. By law, all Victorian energy retailers must have financial hardship programs for consumers, which could include more time to pay bills, affordable instalment plans, and a free or cheaper energy audit.

This financial year, 102 financial counsellors and more than 1,400 volunteers completed training. We engaged the Financial and Consumer Rights Council and Community Information Victoria Incorporated to conduct the training on our behalf. To complement the project, we produced the free *Energy Hardship Guide for Agencies*, which welfare agencies could order from our website. In 2007-08, we distributed 1,233 guides.

Adding up impact of credit advertising

In 2007-08, with funding from the Consumer Credit Fund, we started a project to research the influence and impact of credit advertising on consumer behaviour and decision making. We focused on credit card advertising, given the rise in credit card debt, the prevalence of credit card advertising, and the wide use of credit cards by all socio-economic groups.

We conducted a series of focus groups in metropolitan and regional Victoria that confirmed our concerns – that advertising does influence credit uptake and usage, that direct marketing in particular is a very powerful tool, and that consumers respond to the message that they can have it all without having to wait.

Members of our focus groups also believed lenders should take more responsibility for making sure borrowers could repay their debt. They confirmed that consumers do not have much understanding of how credit cards worked, even though credit card issuers provided a lot of information.

This project is helping us develop more effective information tools for consumers and more helpful disclosure rules. It was borne out of a recommendation of the *Report of the Consumer Credit Review*. The review recommended the research inform MCCA's examination of responsible lending practices. It also informed our contribution to a national consultation paper released by MCCA in June 2008.

Improving access to affordable credit

Low-income Victorians sometimes need to access affordable credit to buy essential items, for example, if a fridge breaks down and the family has no savings to repair or replace it. When affordable credit is not available from mainstream lenders, vulnerable consumers may turn to small amount cash lenders, or fringe lenders, where they can encounter predatory lending practices and high cost loans.

The Victorian Government has committed to making credit more affordable to these consumers, through mainstream lenders, via the following:

No Interest Loans Scheme

The No Interest Loans Scheme (NILS) allows low-income Victorians to take out a small loan for essential household items and to pay it back with no interest over 12-18 months. It is delivered through a partnership of the Victorian Government, Good Shepherd Youth and Family Service and the National Australia Bank.

In the 2006-07 Budget, the Victorian Government allocated \$4.7 million to expand the NILS network over four years and National Australia Bank invested \$3.3 million for the same period. This has allowed 4,000 NILS loans to now be processed annually, up from 850 loans granted in 2005-06.

Affordable Credit Summit and Taskforce

On 22 August 2007, Consumer Affairs Victoria hosted the Affordable Credit Summit. The summit brought together more than 40 representatives from community, finance and government sectors. It explored ways to encourage more mainstream lenders to make affordable small amount loans available to vulnerable and disadvantaged consumers.

During the summit, Consumer Affairs Victoria committed to convening an Affordable Credit Taskforce, including members of industry and the community, to progress ideas that came out of the summit. At its first meeting in April 2008, members agreed their key goal was to develop affordable lending models for industry. The taskforce is expected to work on this initiative next financial year.

Inquiry into small amount lending

In February 2008, Minister for Consumer Affairs Tony Robinson MP asked the Member for Preston Robin Scott MP to inquire into the small amount cash lending sector in Victoria. The scope of the inquiry includes examining whether Victoria should follow other states and introduce a cap on the total cost of consumer credit. It will update the Government's knowledge and understanding of small amount lending practices and assess emerging trends. Consumer Affairs Victoria is assisting with the inquiry by providing policy advice, conducting research, and consulting with stakeholders. We expect the results in late 2008.

We help resolve disputes

One of the trends we have noticed in our work resolving credit disputes, is that consumers often fail to read their contracts, or do not understand the contract's terms. This has been particularly evident with rent-to-buy contracts, which consumers often sign without understanding the actual cost of goods after the credit provider adds interest. Traders often don't clarify the total amount of the contract at the end of the rental period. We would advise consumers to check this amount, and have it added to the contract, in order to avoid disputes with the credit provider.

Case study: Car repayments cause concern

A consumer contacted us this year to help resolve her dispute with a loan company. She had signed for a car loan in November 2005 but later lost her job and for three months was unable to make repayments. The consumer offered to pay the lender \$200 per week until she cleared the debt. The lender declined, saying her account had constantly been in arrears, and requested she surrender the car to avoid further charges. The consumer's ex-husband then offered to make repayments, but the lender refused to enter into a payment plan. The consumer insisted she needed her car as she lived far away from essential services in a country town.

Our dispute resolution team contacted the lender and argued the consumer was entitled to a second chance and that she was willing to enter into a payment plan under the hardship provision of the Consumer Credit Code. We advised the lender that if they did not give the consumer this opportunity, we would assist her in referring the matter to VCAT. The lender finally accepted the consumer's offer to pay \$200 per week until she cleared the debt.

Bad debt, good advice

Helping vulnerable consumers is one of our main aims at Consumer Affairs Victoria. We fund a network of financial counselling agencies to help people work through their money problems. The community-based agencies help some of Victoria's most vulnerable and disadvantaged consumers – almost 80 per cent of those helped live below the poverty line.

We have funded the financial counselling program, involving 43 community-based agencies, for the past three years following its transfer from the Department of Human Services. Since this time, the program has helped more than 115,000 consumers in debt.

In 2007-08, counsellors helped more than 41,000 consumers, at a cost of \$5.3 million. The counsellors help consumers manage their debt, and can negotiate with creditors or advocates on consumers' behalf if necessary. In May 2008, the Victorian Government announced it would fund the program for the next four years.

In October 2007, an independent evaluation of the program revealed clients found the service excellent, and that the help they received was professional, caring and non-judgemental.

The evaluation also found the services relieved client stress in the short term and in the long term, helped clients become better skilled at coping with their financial situation. It identified potential improvements to the service, such as cross referral to other support services. These findings were reflected in research commissioned for the 2008 Department of Justice *Drowning in Debt Report*.

“The financial counsellor has written to all my creditors trying to resolve the problems and to delay the payments... the financial counsellor has been incredibly helpful.”

“Having a financial counsellor speak on your behalf makes them realise you're having financial problems. They seem to listen a bit more. I tried to negotiate and couldn't get anywhere.”

- Quotes from the *Drowning in Debt Report*

Financial counselling clients are highly disadvantaged. The following trends are evident across the financial counselling client group:

Low income – About 78 per cent of clients are living on incomes below \$26,000 per annum. More than half the clients have annual incomes less than \$16,000. Financial counselling clients are highly disadvantaged when compared to all households in Australia. Data from the 2006 census shows that 23 per cent of all Australian households are receiving annual incomes of less than \$25,000.

Large numbers renting in private or public housing – About 41 per cent of clients are privately renting and 21 per cent are in public rental properties. A total of 62 per cent are renting compared to 20 per cent of Melbourne households (Australian Bureau of Statistics data). Home ownership compared to the general community is low.

Large numbers of client households are lone parent and lone person – About 28 per cent of clients are lone parent and 33 per cent are lone person. There are almost three times as many clients from single-parent households compared to Melbourne households generally.

Financial difficulty has many causes – The most prevalent reason for these clients being in debt is because of inadequate income and over commitment. Other reasons include illness and accident; unemployment and retrenchment; divorce and separation; and mental health. Most consumers who seek financial counselling are self-referred, or their family or friends refer them. In 2007-08, staff answering calls to Consumer Affairs Victoria's credit line referred 3,449 consumers to financial counselling.

Financial counselling Assistance

	2005-06	2006-07	2007-08
Face-to-face counselling	11,491	12,502	12,276
Telephone assistance	23,718	26,709	29,094
Total	35,209	39,211	41,370

Our financial counsellors:

- > explain financial options and the potential consequences if consumers can't pay bills, fines or other debts
- > help consumers work out a budget and payment strategies
- > support consumers by negotiating with creditors
- > tell consumers about other useful government services or benefits, like bond assistance, rent or mortgage relief, or concessions for household bills
- > provide information about consumers' legal rights and options, such as bankruptcy
- > show possible ways to recover fines and costs or overcome legal action to repossess consumers' assets
- > refer consumers to other organisations that can help

We enforce the law

This year, our dedicated credit enforcement team conducted 10 audits, inspections and investigations of credit providers. We also concluded several significant prosecutions, with implications for all consumers.

Australian Finance Direct

A legal case pursued by Consumer Affairs Victoria has upheld the rights of consumers and resulted in a landmark High Court ruling against Australian Finance Direct (AFD).

The lender had offered loans to Victorians to attend business seminars run by property developer Henry Kaye's National Investment Institute, and related companies. Some of the seminars cost more than \$15,000 per head. AFD entered into arrangements with the Institute, and other suppliers, to retain 10 to 40 per cent of the seminar fees in return for providing loans to high-risk borrowers. AFD did not tell consumers about this holdback arrangement.

In 2003, we sought penalties in VCAT against AFD for breaching the Consumer Credit Code. The Code requires credit providers to disclose, in the loan contract, the "persons, bodies or agents including the credit provider" to whom the loan is to be paid and the amounts payable to each. VCAT found in 2004 that AFD had breached the Code by failing to disclose the amount paid. AFD's appeals, finally to the High Court, were dismissed and the company ordered to pay costs.

This was the first time the High Court had considered the Code. The case vindicated our ongoing efforts to enforce the Code, and its foundation principal of "truth in lending". VCAT will now consider the penalty application.

Geeveekay Pty Ltd

A case concluded in the Supreme Court of Victoria this year has significant implications for consumers. For the first time, a superior court fully examined whether the Consumer Credit Code applied to vendor finance contracts – it found that it did. This means consumers have full access to the comprehensive consumer protection provided by the Code, including the right to negotiate a hardship concession with the lender.

As reported last year, Consumer Affairs Victoria lodged civil proceedings in VCAT against the Latrobe Valley-based trader Geeveekay Pty Ltd, trading as Great Australian Dream Providers, regarding 46 contracts it entered into with consumers.

Geeveekay promoted the vendor finance contracts as a way to buy homes for consumers denied loans from mainstream lenders. The arrangement involved 'mortgage wrapping', where the vendor bought the land, entering into its own mortgage to do so, then on-sold the property to the consumer, at a higher price and interest rate than that paid by the vendor. We argued that the arrangement contravened the Code's key disclosure requirements, and deserved civil penalties.

On 28 February 2008, the Supreme Court of Victoria dismissed appeals made by Geeveekay against the VCAT determination made in 2006. Our successful defence of the appeals meant the matter could now return to VCAT to determine breaches and a penalty.

We regulate industry

Consumer Affairs Victoria currently registers credit providers and regulates finance brokers as part of our role to administer the *Consumer Credit (Victoria) Act 1995*. In early July 2008, COAG announced that the Commonwealth would be taking over responsibility for regulating credit. We will take part in planning and implementing the transfer.

We develop policy and review legislation

New laws affecting credit

The *Consumer Credit (Victoria) and Other Acts Amendment Act 2008* was passed in March 2008. It was one of a series of new laws that stemmed from a major inquiry into the efficiency, effectiveness and fairness of credit laws – the Report of the Consumer Credit Review.

The Act features a number of important consumer protection measures including:

- > mandatory membership of all credit providers to an external dispute resolution scheme
- > extension of residential tenancy protections to consumers entering rent-to-buy property agreements
- > providing power to the Director of Consumer Affairs Victoria to institute and defend actions on behalf of consumers under the Consumer Credit Code

Regulating credit providers

	2003-04	2004-05	2005-06	2006-07	2007-08
New applications lodged	165	190	176	163	100
New applications processed	168	191	177	163	98
Total on register	777	887	931	950	915

Motor Cars

“In February 2008, we inspected car yards in the Essendon area...”



Consumer Affairs Victoria inspector Ross Holt inspects a city car yard. In February 2008, we inspected car yards in the Essendon area, checking Licensed Motor Car Traders were complying with the *Motor Car Traders Act 1986*. Twelve of our inspectors conducted 20 inspections at various car yards. We found no major breaches, however we found seven traders were breaching the law in some way. As a result of the inspections, we issued five warning letters and 10 infringement notices.



Highlights

- > Distributed more than 31,300 copies of *Better Car Deals* and our quick tips guide
- > Worked towards introduction of motor vehicle lemon laws
- > *Motor Car Traders Act 1986* amended and Regulatory Impact Statement completed
- > Large fine for Ballarat trader

We educate and advise consumers and traders

Our general Consumer Helpline answers enquiries consumers have about their rights under the *Motor Car Traders Act 1986*. In 2007-08, we answered more than 1,800 calls.

Top 5 call types

- 1 General car enquiries
- 2 Roadworthy
- 3 Repairs, maintenance or servicing vehicles
- 4 Manufacturer's warranty (new car)
- 5 Extended warranties

Educating consumers and traders

This year, we distributed 31,300 copies of our long-standing publication *Better Car Deals: a guide to buying, owning & selling a car* and our quick reference guide *Tips on buying & selling a car*. The quick reference guide is designed to be used at points of sale such as car yards. In August 2007, Minister for Consumer Affairs Tony Robinson MP launched translations of the quick reference guide into Vietnamese, Arabic, Chinese, Dinka, Nuer, Dari, Burmese, Khmer and Amharic. Since the launch, we have distributed more than 15,000 translated guides. The most popular translations are Chinese, Vietnamese and Arabic.

Keeping stakeholders informed

Our newsletter, *Driving a better industry*, keeps licensed motor car traders (LMCTs) up-to-date about issues relating to motor car trading laws. We distribute it to all LMCTs in Victoria. Topics covered in 2007-08 included the proposed introduction of lemon laws, industry consultations, compliance activities and legislative changes.

Driver education for newly-arrived migrants

We are working in collaboration with other agencies to deliver driver education programs to newly-arrived migrants in Dandenong, Frankston and Whittlesea. The programs we help deliver, which include information on buying a car, include:

Driver Education for Africans: an inter-agency education program coordinated by the Dandenong Migrant Resource Centre. Consumer Affairs Victoria, Victoria Police, VicRoads, RACV, Sheriff's Operations and legal firm Maurice Blackburn deliver a series of information sessions over six weeks.

Community Car Connection: an inter-agency driver education program for refugee communities, coordinated by Frankston City Council. Consumer Affairs Victoria, New Hope Migrant and Refugee Centre, Victoria Police, Frankston Magistrates' Court, Peninsula Community Legal Centre and Sheriff's Operations deliver a series of information sessions to the target communities. Participants can also obtain a Learner's Permit and receive driving practice assistance.

Whittlesea Driver Education Program: an inter-agency driver education program for newly-arrived refugees in the City of Whittlesea. Consumer Affairs Victoria, Whittlesea Community Connections, Victoria Police, VicRoads, Community Legal Service, RACV and Sheriff's Operations will deliver a series of information sessions to communities from Sudan, Iraq, Liberia, Sierra Leone and Burundi. The program commences in November 2008. Participants will be able to obtain a Learner's Permit and receive driving practice assistance.

Publications and online resources

Publications:

- > *Better Car Deals: a guide to buying, owning & selling a car*
- > *Tips on buying & selling a car* (in English and nine other languages)

Benefits of buying from a Licensed Motor Car Trader:

- > A three-day cooling-off period for most sales
- > A three-month/5,000 km statutory warranty for cars less than 10 years old that have travelled less than 160,000 km (Commercial vehicles, motorcycles and vehicles bought by owners corporations are exempt)
- > Clear title, certifying it has not been stolen, written off or has money owing on it
- > Licensed car traders are required by law to display an LMCT number

We help resolve disputes

Many of the complaints we conciliate between consumers and motor car traders involve lack of awareness of rights and obligations under the *Motor Car Traders Act 1986*. We educate consumers and traders with numerous resources, and when things go wrong, we help resolve their disputes.

Case study: Delivery date leads to dispute

A consumer asked a trader to order a specific model of new car for him, knowing that the model was limited and not readily available. The trader assured him he could have the car delivered by mid-November 2007. The consumer told the trader he had a low interest loan arranged, but must process the loan by 1 December 2007, before an interest rate rise.

A contract was drawn up and signed by the parties, however, it did not mention the delivery date. In mid-November, the trader advised the car would not be available until late November. At the end of November, the car had still not arrived and the consumer tried to cancel the contract. The trader refused.

The consumer contacted us and we advised that even though there was no endorsement on the contract of sale concerning the delivery date, there was a verbal agreement that the vehicle would be available by mid-November. We advised the consumer to cancel the contract in writing. The trader initially refused, but agreed after speaking to our conciliator. The trader also fully refunded the consumer's deposit.

Case study: Lost power drives consumer complaint

In 2005, a consumer became the proud owner of a well-known brand of car with a V6 engine, reversing sensors, a trip computer, speed-warning alert device and factory-approved LPG gas system. The attraction wore off when the car developed unpredictable electrical problems, causing it to lose power suddenly when being driven. This happened several times, including with children on board in the middle of a busy roundabout. The consumer then refused to drive the car.

The dealer tried to fix it, but after several delays the consumer contacted us and we arranged for the manufacturer to get involved. The manufacturer tested the car for several weeks and then gave it back, saying it was largely rectified but there were 'no guarantees'. The car lost power again, after which our conciliator suggested it was time to make a claim with VCAT. The manufacturer decided to replace the now 18-month-old car with a brand new one.

We enforce the law

Consumer Affairs Victoria monitors compliance with the *Motor Car Traders Act 1986* and investigates allegations of contraventions by licensed and unlicensed traders. In February 2008, as mentioned, we inspected car traders in the Essendon area.

Total amount awarded resulting from motor car trader compliance program

	2006-07	2007-08
Fines	\$72,000.00	\$222,000.00
Costs	\$13,740.40	\$10,759.70
Compensation	\$2,332.50	Nil

Unlicensed motor car trader detection program

As part of our compliance program, we operate a computerised unlicensed motor trading detection program – a computer program designed to detect unlicensed motor car traders from the frequency of advertisements appearing in a number of publications. We use the program in addition to information we receive from outside sources about people who might be trading cars without a licence.

In 2007-08, the program detected 19 potential targets, who advertised more than 10 different vehicles during a 12-month period. Prosecutions of unlicensed motor car traders included:

Martin James Phillips

Martin Phillips of Chirnside Park pleaded guilty to offering to sell 19 different vehicles in *The Melbourne Trading Post* from 2 November 2006 to 1 November 2007. He was fined \$2,000 in the Melbourne Magistrates' Court, without conviction, and ordered to pay \$2,000 costs.

Garry Edward Taylor

Garry Taylor pleaded guilty in the Ballarat Magistrates' Court to unlicensed trading, following a Consumer Affairs Victoria investigation. Acting on a consumer complaint, we alleged Mr Taylor advertised 19 cars for sale between May 2006 and 2007. Mr Taylor was fined \$110,000 without conviction and ordered to pay \$2,500 costs. The penalty was designed to ensure Mr Taylor did not profit from his illegal conduct. The evidence was that he had been trading stock valued at \$150,000, and had a business debt of \$40,000, leaving him with a profit of \$110,000, hence the fine for that amount.

We regulate industry

The *Motor Car Traders Act 1986*, which we administer, requires motor car traders to be licensed. Unlicensed trading robs consumers of protections such as access to the Motor Car Traders Guarantee Fund, cooling off rights and warranty protection. Unlicensed trading is also unfair to those traders who do the right thing.

Motor Car Traders Guarantee Fund

The Motor Car Traders Guarantee Fund (MCTGF) indemnifies consumers against certain categories of loss incurred in dealings with licensed motor car traders, up to a maximum of \$40,000. Most of the money in the fund comes from licence fees paid by motor car traders.

Claiming from the fund is a simple and timely process that reduces the need for costly legal action to resolve disputes and decide penalties. This is especially helpful for disadvantaged or vulnerable consumers. The MCTGF Claims Committee decides claims.

In 2007-08, there were:

- > 89 new claims made on the fund
- > 23 claims admitted for a total payout of \$159,320
- > one claim refused
- > 62 claims withdrawn

Of the 62 withdrawn claims, 27 were resolved by the trader after being contacted by the Committee, in the claimant's favour. High-risk traders have a condition imposed on their licence that they provide a bank guarantee against any future claims. Funds recovered from bank guarantees totalled \$25,252.

Regulating motor car traders

	2005-06	2006-07	2007-08
New applications lodged	159	140	145
New applications processed	153	167	151
Total on register	2,198	2,219	2,223

“ Unlicensed car traders risk fines of more than \$11,000 for each car they trade ”

We develop policy and review legislation

Amendments to Motor Car Traders Act

Important changes were made to the *Motor Car Traders Act 1986* in March 2008. They included:

- > three-day cooling-off periods for new car sales and better information about consumers' rights to cooling-off periods
- > removing the requirement for the name and address of previous owners of used cars to be displayed on vehicles, reducing privacy concerns
- > prohibition of dummy bidding at public auctions of motor vehicles
- > allowing the licensing authority to consider certain associates when assessing licence applications, so ineligible applicants cannot use a front to obtain a licence
- > the introduction of employee declarations and police checks for new staff in customer service positions

These changes, and several other minor amendments, implemented many of the recommendations from Noel Pullen MP's *Report on the Motor Car Traders Act Consultations*, released in 2004. However, the amendments will not come into effect until the *Motor Car Traders Regulations 1988* are remade. This year, we prepared a Regulatory Impact Statement for the Regulations, which are expected to commence next year.

Lemon laws

This year, we worked on new motor vehicle 'lemon' laws, to reduce consumer detriment associated with buying a new car that turns out to be faulty.

In September 2007, Minister for Consumer Affairs Tony Robinson MP invited consumers and industry stakeholders to have their say on the proposal, releasing an Issues Paper entitled *Introducing Victorian motor vehicle lemon laws*. The Minister also announced that Janice Munt MP, Member for Mordialloc, would lead the Government's consultation process on the proposal. Ms Munt reported to the Minister for Consumer Affairs on the Issues Paper consultations in June 2008.

Liquor

“The Victorian Alcohol Action Plan ‘Restoring the Balance’ was announced, which sets out a comprehensive plan to tackle social harm arising from alcohol misuse.”





Highlights

- > Victorian Alcohol Action Plan announced
- > Liquor laws changed to strengthen enforcement powers
- > Trained more than 48,000 people in Responsible Serving of Alcohol
- > Processed 17,620 new/change liquor licence applications
- > Attended 243 liquor forum meetings

Victorian Alcohol Action Plan

In May 2008, the Victorian Premier announced a five-year \$37.2 million Alcohol Action Plan to address the problem of alcohol abuse. Several parts of the plan began this year and are administered by Liquor Licensing, including a:

- > 12-month freeze on new late-night liquor licences in the Cities of Port Phillip, Stonnington, Melbourne and Yarra
- > three-month lockout trial, starting 3 June 2008, preventing patrons from entering licensed venues between 2am and 7am in the above precincts. Patrons already inside the venue could stay until closing but could not leave and re-enter the premises. The trial results will be evaluated.

The plan includes \$17.6 million to establish a Liquor Licensing Compliance Directorate, to strengthen enforcement of liquor licensing laws. It also includes a review of how maximum patron numbers in licensed venues are set, and higher standards for security cameras at late-night venues so police can more easily identify offenders.

We educate and advise consumers and traders

Victoria Police are primarily responsible for enforcing liquor licensing laws, however, our liquor licensing staff have a role in educating traders. They regularly visit licensed venues to educate traders and check they are complying with basic licensing requirements, such as displaying signs and licences. This year, our staff checked 910 licensed venues. The visits are also a chance for staff and licensees to discuss any areas of concern.

Serving up responsible training

Liquor Licensing accredits 244 registered training organisations, involving 812 trainers, to deliver Responsible Serving of Alcohol (RSA) training in Victoria.

In 2007-08:

- > 48,324 people were trained
- > 103 new trainers were accredited
- > 17 quality assurance seminars were held for existing trainers

Publications and online resources

Publications:

- > Young people and Victoria's liquor laws
- > Guidelines for the establishment of Liquor Licensing forums and accords
- > Liquor Licensing club workbook
- > Responsible Serving of Alcohol

Fact sheets:

- > Barring problem customers
- > Changes to the *Liquor Control Reform Act 1998*
- > Dry areas
- > Drink spiking
- > Intoxication guidelines
- > Don't gamble with your licence
- > New entrant training for liquor licensees
- > Obligations of licensed clubs
- > On the spot fines

We updated the RSA workbook, to include RSA at functions, and more than 18,000 people completed the RSA online refresher course.

Also this financial year, 2,476 licence applicants received new entrant training – a one-day course that includes a Responsible Serving of Alcohol program and sessions on understanding liquor law and best practice.

We cannot grant a liquor licence until applicants complete the training.

Keeping stakeholders informed

More than 6,000 subscribers received the four editions of Liquor Licensing's newsletter *The Grapevine*. An extra three podcast lessons were added to our website on issues including underage drinking and drink spiking. We also produced or updated more than 60 publications to keep licensees informed.

In conjunction with the Good Sports Program, 35 club seminars were held this year for volunteers in smaller local clubs who supply liquor. We updated the workbook for this program to provide better information to clubs. We also held 20 seminars to explain the requirements of the Packaged Liquor Code of Conduct to packaged liquor licensees.

Public warning on alcoholic energy drinks

On 16 May 2008, Minister for Consumer Affairs Tony Robinson MP issued a public warning about alcoholic energy drinks, warning these products were potentially risky to the health and wellbeing of consumers.

Alcoholic energy drinks are packaged ready-to-drink products combining alcohol with a stimulant such as caffeine or guarana. Companies sometimes market these drinks as enhancing alertness and reducing fatigue. However, the emphasis on energy-giving qualities of the drinks may mislead consumers about their intoxicating effects.

"Young people are in particular danger of alcohol-related harm from alcoholic energy drinks, given their lack of experience, their tendency to engage in risky behaviours and the effects of alcohol on the developing brain," Mr Robinson said.

The *Fair Trading Act 1999* empowers the Minister to issue public warnings on the basis that products may adversely affect consumers.

We work with industry

Work of the Liquor Control Advisory Council

The Liquor Control Advisory Council (LCAC) advises the Minister for Consumer Affairs on problems of alcohol abuse and any other matters referred to it by the Minister. In 2008, the LCAC completed its report on the sale of packaged liquor in Victoria. It made 27 recommendations covering licensing criteria, training for packaged liquor licensees and their employees, access of minors to packaged liquor, and the promotion and sale of alcohol in packaged liquor premises.

Liquor Forums

There are 86 liquor forums in Victoria. They hold regular meetings between police, licensees, Liquor Licensing, local government representatives and any other interested parties to share information and work co-operatively to solve local problems of alcohol abuse. Liquor Licensing staff attended 243 of these meetings this year. Initiatives that came from the forums included:

- > Banning motorcycle gangs and football clubs from wearing their colours into licensed premises in Warrnambool, and an agreement not to serve high-strength alcoholic drinks after 1am in late-night venues
- > Licensees speaking to Year 12 students in Sale about their expectations of behaviour when students turn 18 and visit licensed venues
- > Banning procedures in several regional areas, where a person banned for a serious offence in one venue is banned by all participating venues
- > Fire evacuation drills and training organised by licensees in Chapel Street
- > A voluntary lockout in Ballarat that denies patrons access to venues after 3am. Also, an agreement not to serve shots or shooters after 3am
- > A safe taxi rank staffed by security and funded by licensees in Frankston
- > A two-way radio system established in Geelong so licensees can communicate better amongst themselves and with police if problems arise in their venue

Enforcing the law

Victoria Police are primarily responsible for enforcing liquor licensing laws. Here are some developments in this area this year.

Designated entertainment precincts

New laws introduced in December 2007 enable police to ban troublemakers, who have committed a specified offence, from a designated area for up to 24 hours. The banning notice can apply to the designated area or all specified licensed premises within the area for up to 12 months.

Two areas have now been declared designated entertainment precincts – in the Melbourne CBD and South Yarra (see map). The Director of Liquor Licensing in consultation with the Chief Commissioner of Police decided these areas, where the 24-hour banning notices can apply. They took into account the level of alcohol-related violence and disorder around licensed premises in each area.

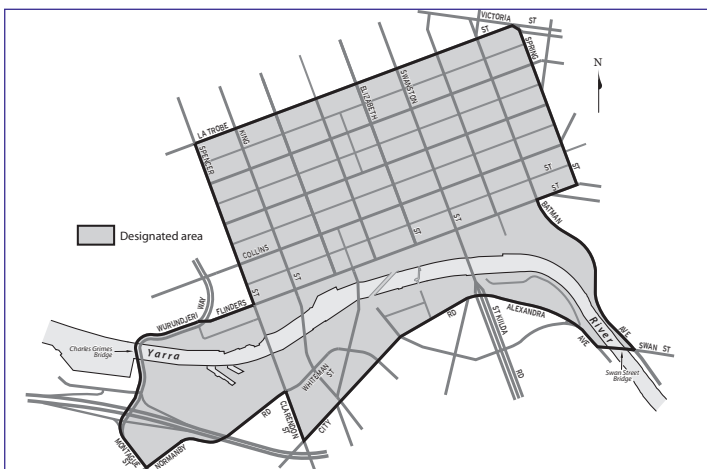
	2003-04	2004-05	2005-06	2006-07	2007-08
On the spot infringement notices	3,415	2,914	2,622	3,277	2,976
VCAT inquiries	24	19	9	13	16
Official warnings	n/a	n/a	n/a	35	66

Police can issue a banning notice to a member of the public if that person is committing, or has committed, a specified offence within the area including:

- > physical assault
- > sexual offences
- > threats to kill
- > destroying or damaging property
- > drunkenness
- > offensive or obscene behaviour
- > weapons offences
- > failure to leave licensed premises

Police cannot issue a banning notice to a person if they believe, or have reasonable grounds to believe, the person lives or works in the designated area.

Melbourne CBD entertainment precinct



South Yarra entertainment precinct



We regulate industry

The *Liquor Control Reform Act 1998 Act*, administered by the Director of Liquor Licensing, established a licensing scheme to make sure only people and entities described as suitable in the Act were granted liquor licences or BYO permits. Consumer Affairs Victoria supports the achievement of this objective by administering and investigating liquor licence applications. Conditions can be imposed on licences to minimise any potential negative impact on communities of granting licences or permits.

However, the licensing scheme is only part of the overall regulatory framework. One of the objects of the Act is to minimise harm arising from the misuse and abuse

of alcohol. The licensing scheme contributes to the achievement of this objective through measures such as mandated Responsible Service of Alcohol training and conditions of licence. Victoria Police, a regulatory partner with Consumer Affairs Victoria, has primary responsibility for the enforcement provisions of the Act, targeting licensee misconduct and anti-social behaviour by patrons.

New/change liquor licence applications	2007-08
Applications lodged	18,042
Applications processed	17,620
Total on register	17,986
2006-07	17,519
2005-06	16,761
2004-05	15,912

We review legislation

Changes to liquor law

New laws strengthening the powers of the Director of Liquor Licensing came into force on 22 May 2008. The amended *Liquor Control Reform Act 1998*:

- > enables individuals to be banned from certain licensed premises or areas in specified circumstances
- > strengthens liquor licensing penalties and enforcement powers
- > facilitates and supports voluntary liquor accords
- > empowers the Director of Liquor Licensing to ban inappropriate advertising or promotion of liquor in licensed premises

Under the new laws, the Director of Liquor Licensing has the power to issue breach notices to licensees who contravene licence conditions or the *Liquor Control Reform Act 1998*. Licensees who fail to comply with breach notices may have their licences varied or suspended by the Director.


The Director can ban licensees from advertising or promoting the supply of liquor or licensed premises if it is likely to encourage irresponsible alcohol consumption or is otherwise not in the public interest. Licensees who fail to comply with a ban risk a fine of more than \$13,000.

The penalty for supplying liquor to intoxicated persons, permitting drunk and disorderly persons to remain on licensed premises, or supplying alcohol without a licence was doubled to more than \$13,000. The law also addressed the emerging trend of unlicensed suppliers selling liquor over the internet, extending the offence of unlicensed selling of liquor to include the activity of offering liquor for sale.

On 4 March 2008, the *Liquor Control Reform (Prescribed Class of Premises) Regulations 2008* came into effect, requiring video shops to gain approval from the Minister for Consumer Affairs before the Director of Liquor Licensing can issue a licence or permit for them to sell liquor.

Trade Measurement

“With petrol prices at record highs, it has never been more important to consumers that petrol pumps measure accurately.”

A photograph of a man, Timothy Slade, wearing a blue long-sleeved shirt, an orange high-visibility safety vest, a black baseball cap with a logo, and glasses. He is kneeling on the ground at a petrol station, holding a clipboard and writing. In the background, there is a green petrol pump with a silver metal container on a red cart. The scene is outdoors with a blurred background of other pumps and a building.

Trade Measurement Inspector Timothy Slade inspects a petrol pump. With petrol prices at record highs, it has never been more important to consumers that petrol pumps measure accurately. Our inspectors are constantly checking petrol and LPG pumps. In 2007-08, they tested or inspected more than 8,300 pumps, of about 35,000 in Victoria.



Highlights

- > Tested or inspected 21,819 instruments
- > Inspected 49,203 pre-packed articles
- > Conducted inspections at 5,138 premises
- > Rejected 1,538 instruments for non-compliance with legislation
- > Received and investigated 409 complaints
- > Issued 20 infringement notices and 47 warning letters for minor breaches of legislation

Top 5 call types

1. Complaints about LPG, petrol and diesel pumps
2. Enquiries about the location of public weighbridges
3. Enquiries from industry about legislative requirements
4. Complaints about various prepacked articles
5. Complaints about weighing practices

We educate and advise consumers and traders

Consumer Affairs Victoria operates a specialist trade measurement enquiry line staffed by its state-wide network of inspectors. Calls are automatically directed to the inspector closest to where the call originated. In 2007-08, our inspectors answered 2,215 calls.

We regulate industry

In October 2007, we began licensing businesses that adjust or verify grain protein analysers used to measure protein concentrations in wheat and barley. To educate industry about the changes, in 2007-08 we gave presentations to potential grain protein licensees, the National Agricultural and Commodities Marketing Association, and the Stockfeed Manufacturers Association of Victoria. So far, we have licensed three of the largest companies as servicing licensees. These licensees have carried out more than 160 certifications on grain protein measuring instruments, to ensure their accuracy.

Consumer Affairs Victoria appoints licensees to carry out certifications of measuring instruments, to make sure the instruments are accurate. In 2007-08, we had 119 approved servicing licensees, who employed 888 certifiers. These certifiers conducted 29,683 certifications in 2007-08. We regularly monitor the way our licensees practice, to ensure the integrity of the trade measurement system. In 2007-08, as a result of these checks, we suspended the licences of three servicing licensees, and accepted court enforceable undertakings from two others.

Weighbridges that offer public weighings are required by law to be licensed and their operators to be registered. Public weighbridges are also required to be certified annually for accuracy and follow prescribed practices to make sure they provide an independent, reliable and trustworthy weighing service. We currently license 141 public weighbridges.

We enforce the law

During the year, in addition to our regular compliance program, we conducted various inspections to check consumers were getting full measure for goods.

In the lead-up to Christmas 2007, for example, we visited supermarkets and retail outlets to check traditional Christmas items were full measure. We found a number of items, such as hams, tinsel and confectionery, were short measure. Traders withdrew the products from sale and our inspectors issued them with infringement notices.

We also checked that pre-packed articles complied with the law, for example, that they were displaying the name, premise address of the packer, and measurement of contents in the package. Where the articles were sold by weight, the label must include the price per kilogram, net weight of the article (less any packaging), and the total price. In 2007-08, we inspected 49,203 pre-packed articles. We also tested a range of wine containers, to make sure consumers were getting the full measure of wine as labelled, and checked toilet roll brands to make sure the sheet number and dimensions were accurately reflected on labels.

Lovitt's Pty Ltd

This year, a Dandenong pet food manufacturer and distributor was found to be selling underweight pet food. From August to October 2007, our inspectors tested Lovitt's Pty Ltd pet food bought from supermarkets across Victoria. They found 127 underweight packets of bird, rabbit and guinea pig food. The most underweight product was a 2kg pack of Rabbit and Guinea Pig food, bought from a Kilsyth supermarket, which was almost 14 per cent underweight. The company entered into a court enforceable undertaking to complete an audit, ensure its compliance program met the Australian Standard, and to report back on both. It must also train management and staff in compliance requirements.

Yi Qian Zhuang

The deli manager at Rosie's Delicatessan Box Hill was found to be overcharging customers by putting off-cuts on the scale while goods were being weighed, then taking them off before wrapping. Our inspectors visited the deli over a two-week period and made 10 purchases of sliced meat. Six of the 10 were over-priced. Deli manager Yi Qian Zhuang pleaded guilty in the Ringwood Magistrates Court to six breaches of the *Fair Trading Act 1999* in relation to making false and misleading representations. She was placed on a two-year Good Behaviour Bond, without conviction, and ordered to pay \$2000 to the Court Fund and costs.

Product Safety

“As a new mum, you don’t know what to look for when you’re buying things for your baby...”



In June 2008, we completed a pilot program that delivered Safe Products for your Baby guides and information kits to parents and carers in Casey and La Trobe.

“As a new mum, you don’t know what to look for when you’re buying things for your baby, things like prams and high-chairs. It can be overwhelming trying to decide what to get. This guide is fantastic. It helps narrow down your choices to products that are safe, and it tells you how to use them. I borrowed this baby sling from a friend. The guide reassured me that it was safe to use, and that it was appropriate for a newborn.”

Liz Moore



Highlights

- > Key elements of a national consumer product safety system agreed
- > Seized about 10,000 banned and regulated products
- > Destroyed more than 19,000 dangerous products
- > Inspected more than 500 premises
- > Began harmonising safety bans and standards in line with national agenda
- > Launched Toy and Nursery Safety Line
- > Completed successful pilot of Safe Products for your Baby program

One of our goals is to protect vulnerable members of our community. Infants and young children are some of our most vulnerable, and an important part of our work is protecting them from potentially harmful products, such as those that are defective or fail to meet prescribed standards. We are responsible for administering Part 3 (Safety and Information Requirements) of the *Fair Trading Act 1999*, including:

- > investigating and testing alleged dangerous products
- > advising and educating consumers and suppliers on product safety and standards
- > participating in the development of product safety standards with industry, other government agencies, and consumer organisations
- > implementing and enforcing mandatory standards and bans

Publications and online resources

Publications:

- > Safe Products for your Baby
- > Product Safety: Product Hazard Alert

Fact sheets:

- > Choosing a cot
- > Baby walker safety
- > Toy safety checklist
- > Pram and stroller safety
- > Basketball rings – safe installation
- > Bunk bed safety

We educate and advise consumers and traders

Safe toys and nursery products

On 6 April 2008, we launched our Toy and Nursery Safety Line, in association with Consumer Affairs and Fair Trading Tasmania. Consumers can ring the dedicated line to discuss concerns and report unsafe products. They can also receive information on fair trading issues (such as refunds for toys) and referrals to agencies such as the Royal Children's Hospital Safety Centre for further help. As well as the dedicated enquiries line, information on toy and nursery safety is available on our website. In 2007-08, we recorded 382 visits to our toy and nursery safety line home page, and 3,208 downloads of related fact sheets.

Alerting traders to product hazards

In last year's annual report, we discussed our research into discount novelty or gift shops, which revealed traders' lack of knowledge about product safety bans and regulations. As a result of this research, we developed a strategy to improve compliance in the sector through a combination of education and targeted enforcement action. All new business registrants in the sector will now receive a copy of our *Product Hazard Alert* book, available in English and Chinese. We will also mail a copy to established wholesalers and retailers, along with a letter from the Director urging them to comply with the laws and register for mailed and emailed updates. We will reinforce this with compliance visits to make sure traders are complying with the law.

We work with industry

Baseline research into product-related accidents

In October 2007, Access Economics released a final report, commissioned by Federal Treasury at the request of MCCA, on product-related accidents. The Household Survey of Consumer Product-related Accidents found:

- > 183,600 Australians were injured in 173,200 consumer product-related accidents in 2007. Of these, 13,684 were caused by product fault, 9,526 by behaviour alone, and 119,854 by a combination of product fault and individual behaviour.
- > Non-fatal consumer product-related accidents resulted in a reduction of wellbeing of approximately \$3 billion per annum. Much of this cost was from the reduction in enjoyment of life due to pain and suffering caused by the injury, rather than economic cost.
- > Falls and cuts resulting in open wounds and fractures to hands and fingers or arms and legs are typical consumer product-related injuries. In the survey, 43 per cent of accidents resulted in an emergency ward visit, 14 per cent resulted in hospitalisation and 32 per cent in a GP visit.

We explored this baseline study data to identify areas or themes for consideration, conducting a risk analysis of the products featured in the survey. To verify our findings we compared our observations to academic research and identified these areas for future work:

- > In the short term, using available hospital and emergency ward injury surveillance data to monitor and report nationally on product-related injuries on a regular and ongoing basis. This would help determine and assess the impact of current bans, standards and campaigns, as well as highlighting any gaps in current activities.
- > In the medium to longer term, investigating improvements to the information captured in hospital and emergency ward injury surveillance data to better tailor and capture product safety information.

We develop policy and review legislation

This year, new regulations were made to introduce a safety standard for hot water bottles. The Permanent Ban Order (published in the Victoria Government Gazette No. S 230 of 24 November 2005) prohibiting the supply of certain hot water bottles was replaced by the Fair Trading (Safety Standard) (Hot Water bottles) Regulations 2008, which came into operation on 29 May 2008. The Regulations prescribe a safety standard consistent with the Trade Practices (Consumer Product Safety Standard) (Hot Water Bottles) Regulations 2008 and set out requirements for physical properties, stoppers, performance and informative labelling.

We enforce the law

Our product safety inspectors are constantly checking that traders are complying with laws to keep consumers safe, including making sure they do not stock banned or regulated products.

In 2007-08, our inspectors:

- > seized about 10,000 banned and regulated products
- > inspected the contents of 330 show bags prior to the Royal Melbourne Show opening
- > conducted a pre-Christmas toy survey of 71 toy suppliers' premises
- > prosecuted three companies and their directors for supplying banned ice pipes, monkey bikes and children's toys that presented a choking hazard
- > destroyed more than 19,000 dangerous products
- > signed to enforceable undertakings 14 parties found supplying banned or regulated products
- > issued warning letters to 17 retailers who supplied banned or dangerous products
- > inspected more than 500 retail/wholesale premises for product compliance with bans or regulations
- > investigated 158 consumer products

Top 10 products seized in 2007-08

1	Toys produced for under three-year-olds	7,820
2	Hot water bottles	686
3	Yo yo balls	555
4	Grow toys	403
5	Monkey bikes	266
6	Baby bath aids/supports	178
7	Candles with flammable decorations	70
8	Toothpaste containing a toxic substance	52
9	Toy guns (Projectile-firing)	27
10	Children's household cots	19



The Hon. Tony Robinson MP Minister for Consumer Affairs inspects unsafe toys we seized this year.

Pre-Christmas toy survey

Consumer Affairs Victoria seized more than 900 toys from across the state in our annual pre-Christmas blitz on unsafe toys. In October 2007, we inspected 71 toy suppliers from 15 locations throughout Victoria, seizing 964 toys that contravened ban orders and prescribed safety standards. We inspected toy retailers and wholesalers, including retail stalls at regional shows and suburban markets. Most of the toys seized presented a choking hazard for children under three. We also seized a type of toy gun that could potentially cause eye injuries.

Flaming footbags banned

Fire footbags and similar products were banned to the public in June 2008, due to the risk of users seriously burning themselves or starting house or bush fires. The ball-shaped products were designed to be doused in flammable liquid, ignited, and then used for amusement for kicking or throwing. The ban exempted professional entertainers who could show they were qualified to use the products.

Case study: Bindeez Beads (Moose Enterprise Pty Ltd)

Bindeez were small beads that glued together with a spray of water. Children could create pictures and patterns with the toy, which was a big seller in the early leadup to Christmas. In November 2007, Bindeez hit the headlines when six children from Australia and New Zealand who ate the beads were admitted to hospital with headaches, vomiting, drowsiness, confusion and/or seizures. It was found the beads, made in China, contained the toxic ingredient 1,4-Butanediol. Melbourne-based distributor Moose Enterprise Pty Ltd voluntarily recalled the product from sale. In November, Minister for Consumer Affairs Tony Robinson MP signed an Interim Ban Order to stop retailers selling the toy in Victoria.

Our inspectors visited more than 190 stores in two days across metropolitan and regional Victoria to ensure Bindeez were no longer available. We found only two stores still stocking Bindeez and we immediately removed the product. In December 2007, a report on the review of Bindeez bead toys recommended a permanent ban on bead toys containing 1,4-Butanediol. With this review came a raft of audits and testing procedures for Moose, which relaunched its product in April 2008 after the checks were completed. Their new product has different chemical formulae and contains a bitter-tasting ingredient to deter children from tasting it.

Court outcomes

Dimmeys Stores Pty Ltd

In February 2008, we took court action against Dimmeys Stores Pty Ltd for selling star-shaped candles that contained an excessive amount of lead. Dimmeys pleaded guilty, in the Melbourne Magistrates' Court, to contravening a Permanent Ban Order on candles with a wick or wicks that contain more than 0.06% lead by weight. Dimmeys Stores Pty Ltd was convicted and fined \$15,000, and ordered to pay \$18,000 to publish a notice in state-wide newspapers. A notice was also to be placed on Dimmeys' website for three months and in their next catalogue. The Court ordered the candles be destroyed and ordered Dimmeys to pay costs of \$2,571. The court ordered Dimmeys to engage an independent organisation to audit and provide regular information and training to relevant staff, for at least the next three years, to ensure Dimmeys' goods meet safety requirements.

Trio Brothers Trading Pty Ltd

In September 2007, we successfully prosecuted a company selling banned ice pipes, devices that are designed specifically for smoking or inhaling methamphetamine crystals. Trio Brothers Trading Pty Ltd was prosecuted at the Melbourne Magistrates' Court for six counts of contravening the *Fair Trading Act 1999*. The company had sold and delivered a total of 2,900 ice-pipes to six retailers. The company was fined \$6,000 (without conviction) and ordered to pay costs of \$1,800. The Director of Consumer Affairs Victoria accepted enforceable undertakings from retailers that sold ice pipes supplied by Trio Brothers Trading Pty Ltd: Xue Convenience Store (North Coburg), Cignall Tobacconist (Preston), Lam Discount Smoke (Preston), Cignall (Cheltenham) and Cigarette Kings (Springvale).

“ Supplying banned or regulated products is a serious criminal offence. Retailers and wholesalers found supplying banned or regulated products may face harsh penalties including maximum fines of more than \$27,000 for individuals and more than \$68,000 for companies and businesses. ”

Other Industry Regulation Schemes

“Consumer Affairs Victoria administers many industry regulation schemes, including those for patriotic funds...”



Members of the Victorian branch of the Vietnam Veterans' Association of Australia. The association is one of the state's 617 patriotic funds.



Highlights

- > Inspected 36 licensed brothels for breaches of the law
- > New funeral provider laws introduced to regulate the funeral industry
- > Contributed to a review of not-for-profit regulations
- > New laws introduced for co-operatives
- > New reporting requirements for patriotic funds

Consumer Affairs Victoria administers many industry regulation schemes, including those for fundraisers, travel agents, patriotic funds, funeral service providers, various not-for-profit entities and prostitution service providers. As with most other areas we administer, our role includes answering enquiries from consumers and traders, resolving disputes and enforcing the law.

Prostitution Service Providers

Consumer Affairs Victoria administers the *Prostitution Control Act 1994*, which aims to minimise the harms associated with prostitution. Prostitution service providers must be licensed by the Business Licensing Authority, submit an annual financial statement, and abide by the Act. Our officers regularly check that licensees are complying with the law.

Prostitution service providers register

	2005-06	2006-07	2007-08
New applications lodged	24	15	13
New applications processed	14	26	7
Total on register	151	149	146

Brothel audit program results

Consumer Affairs Victoria conducts brothel inspections to make sure prostitution service providers are complying with the law. We conduct these inspections unannounced. Brothels that do not comply face criminal charges and breaches that could result in licence cancellation, suspension or imposed conditions, as well as fines of up to \$100,000.

In 2007-08, we inspected 36 licensed brothels in Victoria. The inspection program resulted in:

- > Two licensees, who jointly operated a brothel, reprimanded during VCAT disciplinary hearings. These licensees also entered into VCAT undertakings requiring them to check medical certificates and visa status. Penalties totalling \$5,000 were imposed.
- > One VCAT disciplinary hearing into an approved manager, who was reprimanded and fined \$300 for producing misleading information to an inspector.

- > One brothel operator found breaching his licence conditions was ordered by the Magistrates' Court to pay \$12,000 in fines and costs.
- > One provider entering into an enforceable undertaking with Consumer Affairs Victoria when liquor was found on the premises.

We investigated, in partnership with Victoria Police and municipal councils, allegations of unlicensed brothel operators. This included claims about two Footscray businesses, where no evidence of illegal brothel activity was found.

We also investigated allegations about underage workers, claims of sexual servitude, and allegations of harassment of workers by brothel owners, with cooperation and assistance from the Department of Human Services, Department of Immigration and Citizenship, Australian Federal Police, Medical Practitioners Board of Victoria and the Australian Taxation Office.

Stellios Constantopoulos/Gerald Seah

An investigation by Consumer Affairs Victoria inspectors resulted in a brothel operator pleading guilty to running an unlicensed brothel. The Melbourne Magistrates' Court found Stellios Constantopoulos, from Malvern East, guilty of operating Mademoiselles brothel in Springvale without a licence, following the death of his brother who was the original licensee. The court ordered Mr Constantopoulos, without conviction, to pay costs of \$6,800, plus a \$2,000 penalty. It ordered Mr Constantopoulos to enter into an adjourned undertaking for 12 months, the destruction of computers and hardware seized, and forfeiting of \$2,500 found on the premises. Mr Constantopoulos had sold the brothel business to Gerald Seah of Glen Waverley. Mr Seah was earlier found guilty of operating the same premises in breach of the licence conditions and was, without conviction, fined \$2,000 and ordered to pay \$10,000 in costs.

Funeral providers

New laws introduced this year make funeral costs more transparent and make Consumer Affairs Victoria the regulator of the state's funeral industry. The law now requires funeral providers to join a free registry kept by us, and to notify us of any changes to registration information within 14 days of the change. Providers must also implement dispute resolution procedures and provide a list of funeral goods and services, and their price, upon request.

This requirement to disclose costs protects consumers, who are making a major financial decision at a time when they are grieving and vulnerable. Consumers also need protecting because a funeral is an unusual purchase, and they may be unfamiliar with the potential costs. We have also developed a public register so consumers can search online for a funeral provider by name or suburb.

The Funerals Act 2006 came into effect on 1 November 2007, absorbing previous legislation that regulated how providers handled pre-paid funerals money, the *Funerals (Pre-Paid Money) Act 1993*. The new Act also established the Funeral Industry Ministerial Advisory Council. The nine-member council was formed in early 2008, with the role of advising the Minister on matters to do with the funeral industry. We are providing secretariat support.

Since the legislation commenced, we have registered 349 funeral providers.

What is the law on pre-paid funerals?

Under the *Funerals Act 2006*, pre-paid funeral contracts must be in writing, signed and received by both parties. They must specify:

- > type of funeral service to be supplied
- > goods, services and facilities
- > total cost of the funeral service
- > person on whose behalf the pre-paid funeral money is being invested
- > type of investment
- > a statement that this investment complies with the Act

Not-for-Profit organisations

Our work with not-for-profit (NFP) organisations includes, incorporated associations, co-operatives, fundraisers and patriotic funds.

Review of Regulations

In early 2007, Consumer Affairs Victoria contributed extensively to a review of Regulations that govern NFP organisations. The review, conducted by the State Services Authority, was part of the Victorian Government's Reducing the Regulatory Burden initiative. It identified ways to ease the administrative and compliance burden, and areas where it might be possible to streamline regulations. We also contributed to the Steering Committee for a Stronger Community Organisations Project. The committee has delivered both reviews to the Victorian Government, which is considering its response to the recommendations.

Raising awareness in the Not-for-Profit sector

Consumer Affairs Victoria staff members spoke to groups, workshops and conferences throughout Victoria this year to raise awareness of our role as the regulator of the NFP sector. We spoke about ways to improve internal management and comply with legislative responsibilities. We covered topics such as: the benefits of incorporation, the roles of the Board and Public Officer, the rules of an association and how to hold meetings, dispute resolution and how to manage grievances and the responsibilities of an association under the Act.

Incorporated associations

Consumer Affairs Victoria maintains a register of Victorian incorporated associations and monitors their compliance with the *Associations Incorporation Act 1981*. The Associations Incorporation Regulations 1998 are due to sunset in August 2008. This year, we have been reviewing the regulations and preparing a Regulatory Impact Statement. The new regulations will incorporate the latest Australian accounting standards, making it easier and less confusing to prepare the financial statements required under the Act.

Incorporated associations register

	2005-06	2006-07	2007-08
New applications lodged	1,507	1,439	1,401
Changes/cessations	5,188	4,415	4,402
Total on register	32,552	33,434	34,385

Co-operatives

New laws commenced this year that make it easier and cheaper for co-operatives to operate. The laws also provide a new way for these organisations to raise money. Victoria has 750 registered co-operatives, which we administer under Victoria's *Co-operatives Act 1996*. Our role includes keeping a public register of co-operatives, and authorising registrations. Victoria has the highest number of registered co-operatives of any Australian State or Territory.

The *Co-operatives and Private Security Acts Amendment Act 2008*, which came into effect on 24 April 2008, includes measures to:

- > introduce co-operative capital units as an extra form of capital fundraising to support trading operations
- > simplify the process for co-operatives registered in another jurisdiction to operate in Victoria
- > give the Registrar of Co-operatives discretion to exempt small co-operatives from all, or specified, financial reporting and audit requirements under the Act

This last point responds to difficulties a number of rural co-operatives had affording a registered company auditor to prepare financial reports, which the previous Act required. This year, MCCA agreed to establish a national scheme of co-operatives legislation, with a set of core consistent provisions. The process is expected to be completed in 2009.

Case study: A changing way of doing business

Two co-operatives in the Gippsland region approached us this year regarding a major corporate restructure. Their proposed restructure was necessary to reflect the changing business environment in which they were operating. It included the formation of a company, a change in share allocations in two co-operatives, the renaming of one of the co-operatives and the registration of new trademarks. This type of restructure was a first for us as the regulator, and our role was to make sure the co-operatives kept members fully informed, whilst helping them manage their business.

Co-operatives register

	2005-06	2006-07	2007-08
New applications lodged	10	13	13
New applications processed	10	13	13
Total on register	748	742	750

Governance training for the Indigenous community

Consumer Affairs Victoria, Aboriginal Affairs Victoria, and the Office of the Registrar of Indigenous Corporations are working together to deliver a Governance Training Program to Indigenous-controlled community organisations in Victoria.

The Managing in Two Worlds Governance Training Program focuses on improving governance structures in Victorian Indigenous organisations, and raising awareness of governance and its importance to the operation of community organisations.

The program, which began in 2005, includes a three-day introductory corporate governance workshop, a Certificate IV in Business (Governance) and a Diploma in Business (Governance). Swinburne University TAFE is the primary training provider.

Most of the organisations that attend the training are incorporated associations or cooperatives. Consumer Affairs Victoria attends the full three days of the workshop, providing facilitation help and expert advice on the requirements of the *Associations Incorporation Act 1981* and the *Co-operatives Act 1996*. We also review all course materials to check consistency with state legislation.

In 2007-08, we held three-day workshops in Lakes Entrance in September 2007, Melbourne in November 2007, Hamilton in March 2008, and Melbourne in May 2008.

As a result of the program, more Indigenous community organisations have been contacting us for advice, help in resolving disputes, and for reviews of their constitutions.

Fundraisers

Consumer Affairs Victoria administers the *Fundraising Appeals Act 1998* and requires fundraisers to register with us. We maintain the free public registry to protect consumer confidence in fundraisers, to make sure consumers know how their donation is being spent, and to be fair to legitimate fundraisers. It includes information on the beneficiary, the percentage of funds the fundraiser intends to distribute, and any conditions imposed on the fundraiser.

Fundraisers register

	2005-06	2006-07	2007-08
Registered with disclosure conditions	21	25	30
Deregistered for breaching the Act	1	1	0
New registrants	299	321	330
Renewals	553	698	743
Total on register	852	1,019	1,073

This year, Consumer Affairs Victoria prepared the Government Response to a review of the *Fundraising Appeals Act 1998*. The review considered how effective the regulatory framework had been in protecting the donating public from misleading practices, while minimising the compliance burden on legitimate fundraisers. Also this year, we updated guidelines for the fundraising industry and posted them on our website. The guidelines are a more extensive guide to who has to apply to register, how to register, and practical examples that help fundraisers comply with reporting requirements of the Act.

What does the law require of fundraisers?

- > register with Consumer Affairs Victoria
- > consent to a police records check
- > satisfy Consumer Affairs Victoria that the money is being properly collected and will be distributed to its intended recipients
- > provide an estimate of the proceeds that will be spent on administration
- > keep accurate records
- > renew registration annually

It is an offence to conduct a fundraising appeal unless you are either registered or exempt from the need to be registered. Corporations can be fined \$25,783 and individuals \$12,892.

Patriotic funds

In April 2008, following our review of patriotic fund reporting requirements, we announced that Consumer Affairs Victoria would no longer require registered patriotic funds, with an annual gross income of less than \$10,000, to supply us with audited financial statements.

Previously, all patriotic funds were required to have their financial records audited, with the audited statement sent to our Director. The review considered this requirement was too costly for small funds. About 270 funds had incomes of less than \$10,000, and many building patriotic funds had no bank accounts, with their only asset being the building itself.

The announcement followed changes to the Veterans (Patriotic Funds) Regulations 2006, which came into effect on 1 April 2008. Additionally, we decided that funds with gross annual incomes of between \$10,000 and \$50,000 could have a broader range of suitably qualified people undertake the audits, thereby reducing the reliance, and often the cost, of engaging accounting practices.

Some incorporated associations were also trustees of a patriotic fund, which duplicated their financial reporting requirements. We decided that in these cases, submitting the patriotic fund statement would satisfy the requirements of both the *Associations Incorporation Act 1981* and the *Veterans Act 2005*. We also revised the patriotic fund trust deeds and simplified the annual patriotic fund statement forms to make them easier to complete.

Patriotic funds register

	2005-06	2006-07	2007-08
New applications lodged	N/A	4	3
Changes/cessations	N/A	52	67
Total on register	645	644	622

Travel agents

The Victorian *Travel Agents Act 1986* regulates people and corporations that provide travel services for profit. It protects consumers by outlining how travel agents must conduct business. Individuals trading as travel agents in Victoria must hold a travel agent's licence from the BLA, unless they are exempt under the Act.

Every licensed travel agent in Victoria must be an ongoing member of the Travel Compensation Fund (TCF). This national compensation fund compensates people who have suffered financial loss resulting from a travel agent's failure to account for money or other considerations entrusted to them. The TCF money comes from subscriptions from licensed travel agents, money forfeited by unlicensed travel agents and income from the investment of Fund money. The Deputy Director of Consumer Affairs Victoria is a Trustee.

Travel agents register

	2005-06	2006-07	2007-08
New applications lodged	55	73	67
New applications processed	55	66	75
Total on register	925	928	934

New Regulations for travel agents

New Regulations for travel agents commenced in January 2008, improving the way consumers are protected when buying travel. The Travel Agents Regulations 2007, which resulted from our review of 10-year-old Regulations, included new provisions for internet travel businesses and agents that sell international travel.

Travel agents who conduct business from internet sites must now display details of their licence on their home page, as well as the postal address and telephone number of their main place of business. This means consumers who have problems using the site, or who need more information, can contact the travel agent directly.

Agents who arrange international travel must notify us of various aspects of their business, including when their business started, details on the agency's management, and details on any website maintained. The obligation does not apply to travel agents providing only domestic travel services. This provision makes sure we have current information on travel agents, and can therefore monitor their compliance with the laws and licensing system.

Second-hand dealers and pawnbrokers

The Second-hand Dealers and Pawnbrokers Act 1989 regulates who can trade as second-hand dealers or as pawnbrokers. People and corporations who trade in second-hand goods (second-hand dealers) or advance money on the security of pledged goods (pawnbrokers), must be registered by Business Licensing Authority, unless exempted under the Act.

Second-hand dealers and pawnbrokers register

	2005-06	2006-07	2007-08
New applications lodged	594	496	429
New applications processed	560	550	432
Total on register	6,270	6,093	5,875

Selling to a second-hand dealer

Anyone over the age of 16 can pawn almost anything of value, although the Act prohibits the pawning of motorcars and motorbikes. Under the Act, a second-hand dealer or pawnbroker is required to sight evidence of identity of every person attempting to sell or pawn second-hand goods. The Act and Regulations set out specific forms of identity. It is an offence for a pawnbroker to accept goods from a person who is unable, upon request, to produce the required evidence of identification.

Limited Partnerships

Consumer Affairs Victoria maintains a register of limited partnerships, and incorporated limited partnerships, under the *Partnership Act 1958*.

A partnership is made up of two or more people who jointly carry on business with a view to profit. Partnerships can either be general or limited.

A general partnership is a partnership where all partners are equally responsible for the management of the business, and each has unlimited liability for the debts and obligations it may incur. A limited partnership is one where the liability of one or more partners for the debts and obligations of the business is limited. A limited partnership necessarily consists of one or more general partners (whose liability is unlimited) and one or more limited partners.

Limited Partnerships

	2005-06	2006-07	2007-08
New applications lodged	21	22	26
Total on register	94	116	141

Introduction agents

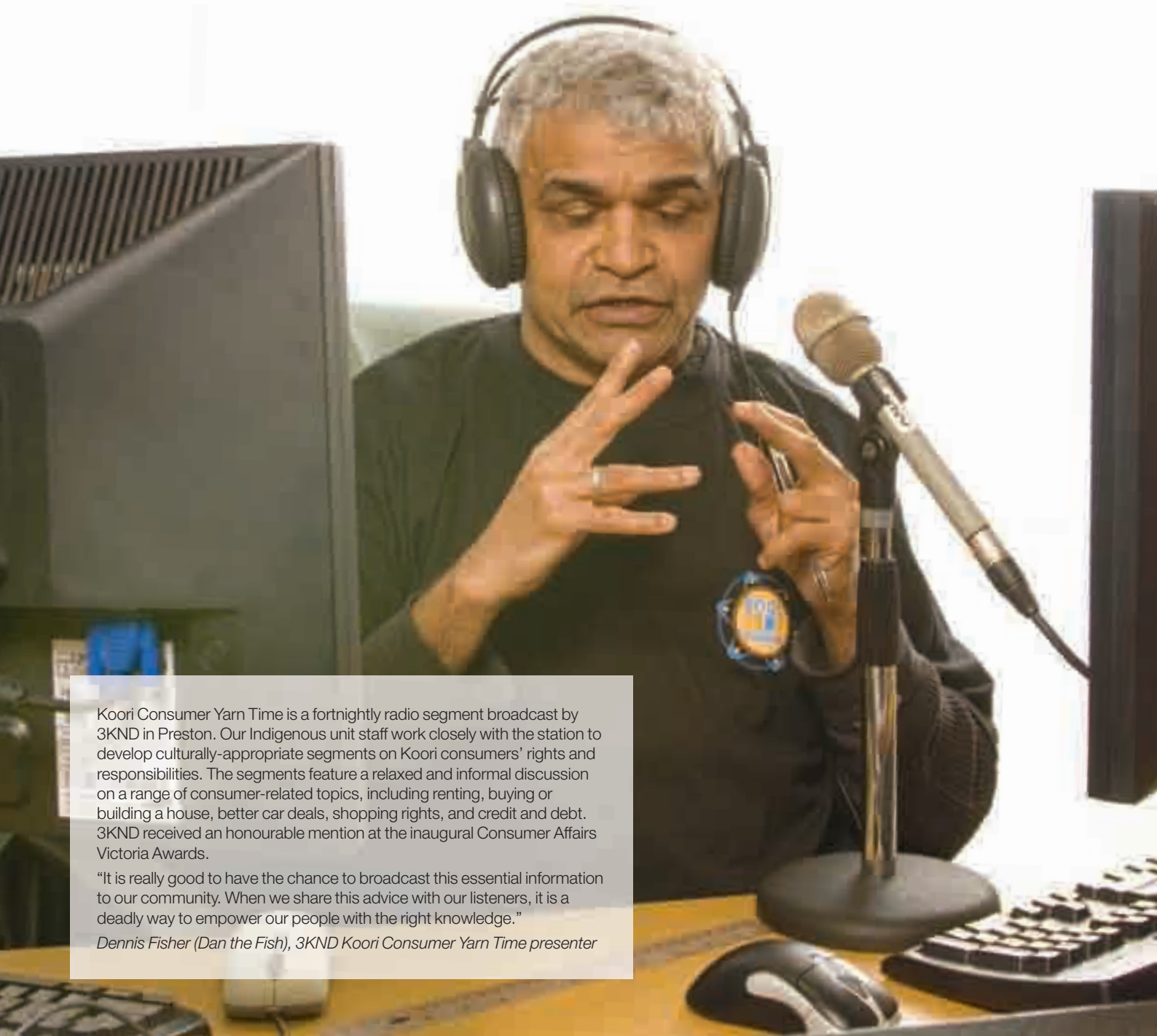
Consumer Affairs Victoria administers the *Introduction Agents Act 1997* for the Business Licensing Authority. The Act limits who can trade as an introduction agent, and imposes standards on the industry which we enforce. Applicants must notify us 30 days before starting trading, which gives us time to check their eligibility.

Introduction agents register

	2005-06	2006-07	2007-08
New applications lodged	11	10	15
New applications processed	11	9	16
Total on register	50	50	57

Engaging with the Community

“Our Indigenous unit staff work closely with the station to develop culturally-appropriate segments...”



Koori Consumer Yarn Time is a fortnightly radio segment broadcast by 3KND in Preston. Our Indigenous unit staff work closely with the station to develop culturally-appropriate segments on Koori consumers' rights and responsibilities. The segments feature a relaxed and informal discussion on a range of consumer-related topics, including renting, buying or building a house, better car deals, shopping rights, and credit and debt. 3KND received an honourable mention at the inaugural Consumer Affairs Victoria Awards.

“It is really good to have the chance to broadcast this essential information to our community. When we share this advice with our listeners, it is a deadly way to empower our people with the right knowledge.”

Dennis Fisher (Dan the Fish), 3KND Koori Consumer Yarn Time presenter



Highlights

- > Helped more than 39,000 consumers at the Victorian Consumer and Business Centre
- > Helped 9,735 regional consumers and expanded the activities of our regional offices
- > Increased traffic to our website by 33 per cent and added Frequently Asked Questions
- > Launched Consumer Affairs Victoria Awards, recognising Victoria's consumer champions

Consumer Affairs Victoria online

The number of visitors to the Consumer Affairs Victoria website skyrocketed this year. The most significant increase was in the first half of 2008, when visits and page views doubled compared to the same time last year. We constantly add new material and publications to our website, which has become a one-stop shop for consumers seeking information on all areas of their lives as consumers. This included new information on renting, shopping, buying real estate or motor cars, product safety and scams.

Consumers can download our numerous publications and forms, and in 2007-08, consumers downloaded 1,851,278 Consumer Affairs Victoria forms and publications.

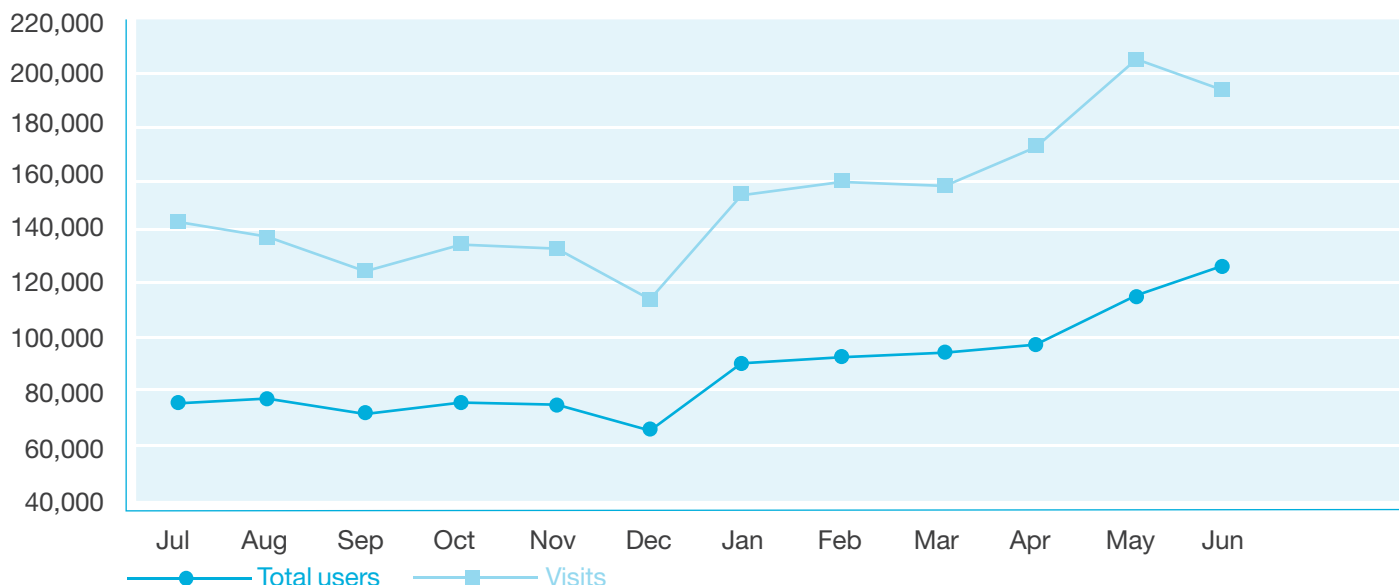
www.consumer.vic.gov.au

	2005-06	2006-07	2007-08
No. of visitor sessions	966,888	1,370,129	1,824,138
No. of unique visitors	572,224	825,552	1,062,219
CAV publications and forms downloaded	924,364	1,439,322	1,851,278

In 2007-08 we improved our website further, with additions including:

- > Home Page features area to highlight new and interesting content on the website
- > Scams, Alerts and Warnings area, with the latest information on what to avoid. Since this information has been easier to find, more people have been notifying us about scams, especially with the online Dob-In-A Scam form
- > Green Consumers' page with information on green products and services
- > Senior Consumers' page with advice on issues specific to this group. It had more than 2,600 visits from April to June 2008
- > Unfair contract terms page with advice to business on how to avoid these terms in contracts. This area had more than 9,000 visits from February to June 2008
- > Frequently Asked Questions pages, which had more than 29,000 visits from February to June 2008
- > Owners Corporation information page on the new laws for bodies corporate. During our targeted education campaign in 2008, the page received more than 21,000 visits and more than 7,700 consumers downloaded the *Guide to Owners Corporations*

Website usage 2007-2008



Victorian Consumer & Business Centre

The Victorian Consumer & Business Centre (VCBC) is our main shopfront for consumer and business enquiries. It opened in June 2006 at 113 Exhibition Street, Melbourne, and is open from 8.30am-5pm Monday to Friday.

The VCBC serves on average more than 750 consumers and traders per week. It offers face-to-face information and advice, accepts licence applications, and accepts and processes business name applications. It has a wide range of publications available, and self-serve computer terminals so people can do a free search of our business names database.

This year, we have noticed an increase in the number of customers we assist with matters relating to general consumer issues (up 10 per cent on last year) and tenancies (up 15 per cent on last year).

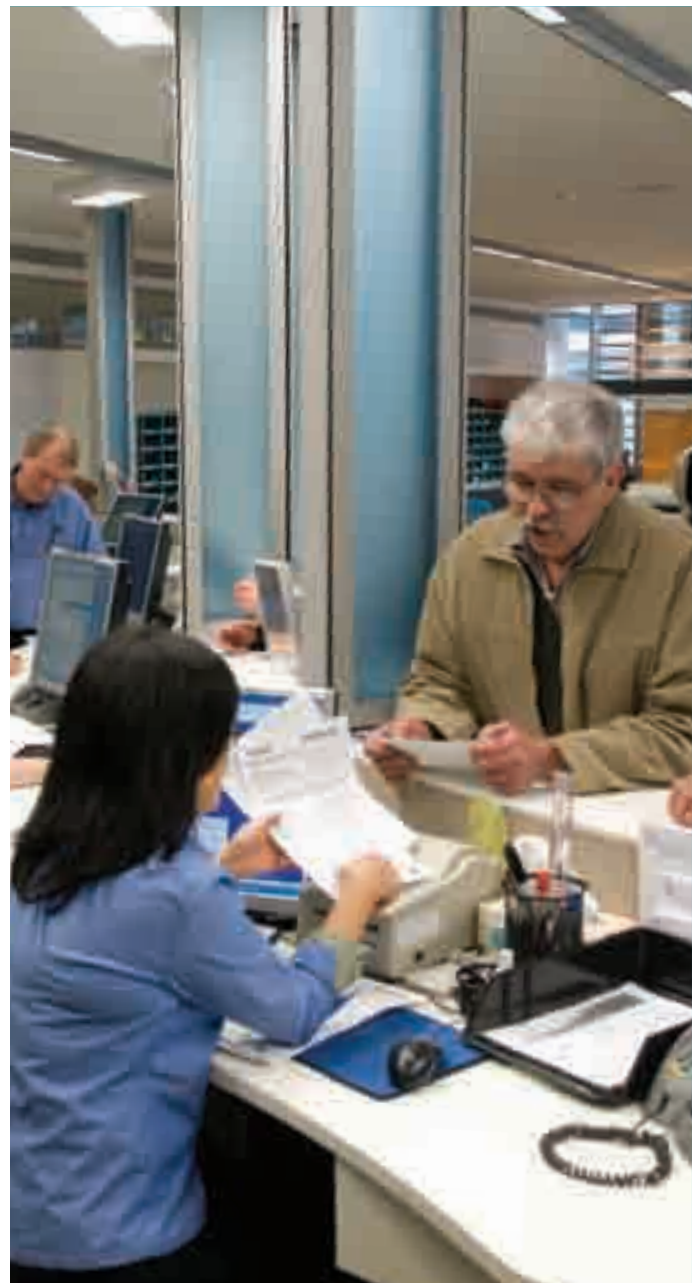
The VCBC has also been a valuable resource to property owners, committees and managers seeking information regarding their responsibilities under the new owners corporation law, which commenced in late December 2007. Many of these issues and complaints are complex, and best dealt with in person.

As well as providing face-to-face counter help, the VCBC has an important role in community engagement. It regularly hosts student groups and overseas delegations, and provides resources for people attending Office of Small Business seminars.

Although the VCBC's key focus is to ensure quality service delivery for customers visiting the centre, our involvement in community engagement has expanded over the past year and in 2007-08 included:

- > co-ordinating Consumer Affairs Victoria's presence at the Melbourne City Chinese New Year Festival
- > hosting the City of Melbourne's Treasure Hunt event for international students
- > helping with Orientation Week events at various local university campuses
- > providing staff for the Energise Enterprise Small Business Exhibition

Visitors to the VCBC	2006-07	2007-08
Business name counter transactions	22,399	19,852
Consumer enquiries	2,635	2,793
Residential tenancies enquiries	2,981	1,741
Occupational licences and registrations	2,053	2,181
Liquor licences and permissions	3,686	3,663
Incorporated associations and cooperatives	3,021	2,877
Building	52	921
Bonds	152	1,750
Concierge/Fast service	5,200	5,436
Total VCBC counter enquiries received (including business name transactions)	42,179	39,200



"I came today to register a business name. I am retired, but I didn't like sitting around at home so I bought a mowing business. The lady helped me do a search on the computer for my business name. The first six names I tried were already taken. The lady helped me fill out all the paperwork. I got a lot of assistance."

Karl Johansson

Serving regional consumers

Consumer Affairs Victoria is committed to serving the needs of all Victorian consumers, not just those who live in the city. Our regional offices mirror the services provided by our Melbourne office – they answer enquiries, help resolve disputes, and deliver education and information programs to consumers and traders.

In 2007-08, we helped almost 10,000 Victorians with face-to-face advice and answered almost 3,000 telephone enquiries.

The regional offices allow consumers to get local help and advice face-to-face. Our mobile service improves access for consumers even further. This is especially important for those who are vulnerable or disadvantaged, and supports the government's policy to provide fairer and better access to services. In 2008, the Department of Justice named 'strengthening regional service delivery' as one of its eight major focus areas for the year, recognising the importance of developing local solutions to local problems.

Part of our regional work involves developing relationships with local traders. Our regional officers regularly visit local business owners to talk about their responsibilities under the *Fair Trading Act 1999*, for example, and to hear any concerns the traders may have. Good relationships with local traders help avoid problems occurring, and make it easier for us to conciliate disputes. The officers also work with community organisations, local councils, Victoria Police and other agencies to address local concerns.

This year, our regional offices focused on:

Educating landlords on their rights and responsibilities under the Residential Tenancy Act 1997

Local landlords were invited to attend free training sessions, covering their obligations under the Act and better ways of managing their investment. The sessions were so popular that some offices have been conducting them every six weeks. After attending the session, landlords were more likely to visit our office to clarify tenancy issues or the law.

Working with stakeholders to educate potential first-time tenants

We delivered training in schools and exhibited at university open days on the issue of tenancy rights and responsibilities. This included educating Year 10-12 students considering leaving home to study or work, and newly-arrived migrants and refugees. Some offices provided tenancy information sessions each semester to international students.

Educating seniors and other socially-isolated consumers about scams, itinerant traders and coercive salespeople

We have worked with local community groups, clubs, organisations and carer networks to deliver presentations and information on these important topics. The response has been overwhelming. Groups we worked with this year included Probus, Country Women's Association, Neighbourhood Watch, Senior Citizens, Meals on Wheels and Home and Community Care agencies.

Educating local traders about the Fair Trading Act 1999

Our regular trader walks are an opportunity to get to know local traders, discuss any emerging issues, and check traders are complying with the law, such as displaying correct refund signs. When requested, we do special presentations to the traders' staff. We also hold training sessions for traders on topics such as complaint handling, lay-by requirements, refund policy and advertising.

In addition, our regional office staff attended and exhibited at numerous local events, such as field days, university open days and housing expos. We also responded to local needs. Our Gippsland office ran extra mobile services to Sale, Bairnsdale and Lakes Entrance in July, for example, to provide tenancy and consumer advice in the wake of the Gippsland floods. Our Barwon South West regional office has been helping deliver life skills programs to prisoners soon to be released from Geelong prisons, focusing on helping them enter the private rental market.

Checking regional traders comply with the law

We regularly conduct regional compliance exercises to check local traders are complying with relevant legislation. In 2007-08, we conducted the following exercises:

Mildura

Sixteen inspectors conducted 240 inspections around Mildura from 17-21 September 2007. They identified 48 instances of non-compliance, which they dealt with according to compliance and enforcement policy guidelines.

Gippsland

We sent 23 inspectors to Gippsland from 26-30 November 2007, where they conducted 305 inspections in Bairnsdale, Sale, Lakes Entrance, Orbost, Metung, Maffra, Traralgon and Rosedale, finding 55 instances of non-compliance. The staff also presented to building students at East Gippsland TAFE on the topic of complying with relevant laws.

Ballarat

We sent 29 inspectors to the Ballarat area, including Maryborough, Daylesford and Bacchus Marsh, from 3-7 March 2008. They conducted 451 inspections and found 161 cases of non-compliance, most of which were low priority non-compliance matters.

Phillip Island

From 26-28 May 2008, three inspectors and two officers from our Morwell regional office conducted inspections in the Phillip Island area, including Koo Wee Rup and Wonthaggi. Of the 47 traders visited, nine traders were non-compliant with the relevant legislation.

Consumer Affairs Victoria and the Collingwood Neighbourhood Justice Centre shared a stall at the Lunar Festival celebrations in Richmond in January. Community education officer Sheryn Anderson (centre) and Sue Hay of the Collingwood Neighbourhood Justice Centre (right) answered queries and distributed Vietnamese and Chinese language versions of our publications.



Community educators

Our community educators have an important role in delivering messages and providing advice to a wide range of consumers, especially those who are vulnerable or disadvantaged. They also provide valuable feedback to our organisation on emerging issues of concern.

Our community educators are involved in many educational projects discussed elsewhere in this report, such as the life skills workshops with VCAL students. They are also involved in projects aimed at international students and seniors. This year we gave 343 presentations at 48 events, involving 16,606 participants in total. This included 113 secondary school and VCAL classes, 16 retirement village presentations and 20 presentations to disability groups.

The introduction of the new Owners Corporation legislation, the growth in retirement village living, and the acceptance of reverse mortgages as a credit option have increased the importance of our role this year in educating senior consumers. Our seniors' projects in 2007-08 included:

- > Talks to seniors' groups on reverse mortgages, including a presentation to the Ministerial Advisory Council for Senior Victorians
- > Extensive work with the Residents of Retirement Villages Victoria, including joint information sessions on retirement village issues at retirement villages and seniors groups across Melbourne
- > Meeting with the director of Elder Abuse Prevention Association to discuss ways we could help raise issues regarding the financial exploitation of seniors
- > Adding a regularly-updated seniors' page to our website, highlighting issues of elder abuse and other seniors' issues, with links to key senior organisations

Energise Enterprise

Consumer Affairs Victoria ran several activities as part of Energise Enterprise 2007, the Victorian Government's small business festival held in August. We delivered seminars on complaint handling, customer service and business name registration to prospective and new small business owners, at the VCBC, and ran seminars and an information stand at the Victorian Small Business Expo, held at the Melbourne Exhibition Centre during the festival.

CAV Link

CAV Link is an electronic newsletter, published on our website and emailed to subscribers including key stakeholders. It is a medium for informing other consumer protection agencies and interested groups about reforms and projects, and our views on relevant issues.

CAV Copy

In February 2008, we piloted a free email newsletter called *CAV Copy* as a way of further reaching vulnerable and disadvantaged consumers, especially those in rural areas.

We sent the monthly email to editors of small community-based publications, such as senior citizens club newsletters. It contained up to three short articles on topical consumer issues such as used-car warranties, scams and credit card use. This allowed us to reach consumers who do not use the internet, may be elderly, or have particular concerns because they live in rural areas. A recent *CAV Copy* contained an item on renting rural properties, for example.

Sustainability program

Consumer Affairs Victoria is working hard to get the message across that our choices as consumers have an impact on the environment. This year, we developed the 'Consumer Choices Equals Environmental Impacts' tagline and visual image for our sustainability program. We used these images on a range of products, including "green" shopping bags, four-minute shower timers, fridge magnets and children's tattoos – all designed to help consumers make the link between consumerism and the environment.

In June 2008, we signed a Memorandum of Understanding with Sustainability Victoria (SV), which formally recognised the joint projects already underway, and provided action plans for future work between the organisations.

This included a joint project we started this year to direct mail landlords and property managers, encouraging them to install gas hot water and ceiling insulation to receive generous rebates from SV. Higher rebates were available if tenants were concession card holders. This not only encouraged landlords to make properties more sustainable, but addressed our concerns about the quality of properties being let to vulnerable consumers.

At the Royal Melbourne Show in 2007, we had a prominent staffed display in the State Government Pavilion – the only stand in the pavilion actively promoting a sustainability message. Our 'Consumer Choices equals Environmental Impacts' message was emphasised in children's activities, including a large hookey board where children 'aimed' to be sustainable consumers, a sustainable colouring calendar, tattoos and giveaways of shower timers for the adults.

Our 'Consumer Choices' messages and products were emphasised in December 2007, when we were a major sponsor and participant in the Green Christmas@ Federation Square event. About 3,000 students from more than 100 schools performed at the sustainability event, with its message of restraint and reduced consumption at Christmas. The event encouraged parents, teachers and thousands of city workers to 'think of the planet' at Christmas.

At the invitation of Greening Australia, we took part in the 2007 Toolbox for Environmental Change event at Melbourne Museum, where we distributed resources to more than 300 environmental professionals. We also gave a presentation on our sustainable consumption program and its range of teacher resources.

Also this year, we continued to take part in an innovative three-year research project – the RMIT Carbon Neutral Communities project. This project is designed to reveal barriers that prevent consumers from being more energy efficient at home. We are on the Steering Committee for the project and this year provided strategic communications advice, as well as contributing advice on consumer issues to do with energy use. The project is due to be completed in 2010.



Dr David Cousins at the Green Christmas @ Federation Square event

“About 3,000 students from more than 100 schools performed at the sustainability event, with its message of restraint and reduced consumption at Christmas.”

Consumer Affairs Victoria Awards

On 15 November 2007, Consumer Affairs Victoria announced the winners of its inaugural awards, recognising the businesses, individuals and organisations that championed consumer rights and fought for a fair deal for consumers. A panel of consumer protection and advocacy experts judged the awards on innovation, impact and effectiveness. Consumer Affairs Victoria Awards 2007 winners were:

Metropolitan Consumer Advocacy Excellence Award (Individual)

Federation Village Residents Committee

Regional Consumer Advocacy Excellence Award (Individual)

Debra King

Metropolitan Consumer Advocacy Excellence Award

Peninsula Community Legal Centre

Regional Consumer Advocacy Excellence Award

Radio KL FM

Metropolitan Business/Industry Compliance Award

Credit Union Foundation Australia and Abacus Australian Mutuals

Metropolitan Consumer Champion Award

Action for Community Living

Regional Consumer Champion Award

The late Tom Morrison

Consumer Stuff Excellence Award

MacRobertson Girls' High School – Jennifer Duong

Media Award

The Age – Ben Schnieders and Chantal Rumble

Honourable Mentions:

Regional Consumer Champion Award - Warrnambool City Council

Media Award- Radio 3KND



Helping consumers through other agencies

Consumer Affairs Victoria funds various agencies to deliver specific consumer projects or services, usually to vulnerable or disadvantaged consumers who need targeted help.

These funded agencies include the Peninsula Community Legal Centre, Housing for the Aged Action Group, Tenants Union of Victoria, Consumer Action Law Centre, Residents of Retirement Villages of Victoria, Consumer Utilities Advocacy Centre and Community Information Victoria Incorporated.

Housing for the Aged Action Group

Housing for the Aged Action Group (HAAG) is a not-for profit community organisation established to provide tenancy and housing support and advice to senior Victorians. We fund HAAG to help tenants access our services. The agency also undertakes special projects to highlight the issues of older tenants and residents of aged accommodation. For example, in 2007-08, HAAG held six community education sessions for caravan and residential park residents and conducted research into the state of older persons' accommodation issues in caravan and residential parks, which we will use to inform our Residential Accommodation Strategy.

Consumer Action Law Centre

Consumer Affairs Victoria and Victoria Legal Aid are jointly funding the Consumer Action Law Centre (CALC) from 2006-09 to undertake civil casework and policy research and advocacy. In 2007-08, CALC provided:

- > legal advice and support services to 711 financial counsellors and advocacy service providers we fund, and held 23 training sessions for financial counsellors and other community-based consumer advisers
- > consumer policy advocacy, research, and communications activities to prevent consumer detriment
- > reports to us on systemic issues, for example, bankruptcy trustees fees, bank penalty fees, and interest on overdue water accounts in regional areas

Residents of Retirement Villages Victoria

We fund Residents of Retirement Villages Victoria (RRVV) to support and provide information to residents of retirement villages, and to promote interaction between villages.

We also fund the agency to contribute to policy debate and to help inform our policy priorities in this area. For example, RRVV is contributing to current policy discussions regarding adjustments to retirement village maintenance and service fees. RRVV also lobby on issues regarding retirement village living. In the past year, its membership doubled to 2,500, with all members required to be residents of retirement villages.

Consumer Utilities Advocacy Centre

The Consumer Utilities Advocacy Centre (CUAC) represents the interests of Victorian consumers, especially low-income, disadvantaged, regional and Indigenous consumers, in the policy and regulatory debate on electricity, gas and water. We fund the agency to represent and advocate for consumers regarding utility issues, to make sure vulnerable and disadvantaged consumers have a voice in this important debate.



Thuy Nguyen at the Migrant Resource Centre in St Albans

“Thuy is very familiar with the local community and has a great deal of knowledge of consumer issues commonly experienced by local residents,” said Minister for Consumer Affairs Tony Robinson MP when announcing the arrangement.

Migrant Resource Centre

This year, Consumer Affairs Victoria joined forces with the Migrant Resource Centre in St Albans to provide help and advice to consumers in Melbourne’s west. Multicultural Liaison Officer, Thuy Nguyen, is now based at the centre every Wednesday from 10am-3pm. A free interpreter service is available for consumers who prefer to discuss issues in their own language.

Working Together Forum

The Working Together Forum, convened by Consumer Affairs Victoria, brings together representatives from 13 different consumer and community groups. At its quarterly meetings, it discusses issues affecting vulnerable and disadvantaged consumers in particular, and how we can work together to ensure all Victorians get a fair deal. At its 2007-08 meetings, the Working Together Forum discussed issues that included tenancy, predatory lending practices, increased utility prices and the implications of the Productivity Commission review.

Volunteers Strategy

In 2007-08, our volunteer strategy included information and training sessions for incorporated associations and co-operatives, compliance with regulatory responsibilities, and managing disputes. We also provided training and information on debt and residential accommodation issues to volunteers.

In May 2008, in partnership with Community Information Victoria Inc (CIVic) agencies, we started a project to improve understanding of the extent of tenancy and debt-related issues. This involves workshops and focus groups with welfare agency volunteers. The project is also examining what resource materials would best support volunteers in this area.

Striving for higher performance

“...everyone I work with at Consumer Affairs Victoria shares that same objective.”



Our General Manager of Enquiries Steven Scodella won a Department of Justice Award in April 2008 for leading and managing a quality enhancement transformation, which resulted in a major improvement in customer satisfaction. The annual awards celebrate the hard work and achievements of individuals and teams across the Department.

“I was naturally very honoured, however, I see the award as a recognition of the efforts of my team at the frontline. They do a great job day in, day out, and have stepped up each time I have presented them with the challenge of providing a better customer experience to the public... I also enjoy helping the little guy, assisting those presented with injustices in their lives and helping them get a fair go. I find everyone I work with at Consumer Affairs Victoria shares that same objective.”

Steven Scodella



Highlights

- > Completed trial of knowledge management tool Wiki
- > Reviewed all telephone menus for consumer enquiries lines
- > Provided more than 1,800 training days (training days run concurrently)
- > Launched Learning and Development calendar, incorporating several new courses
- > Extended leadership program to extra staff

At Consumer Affairs Victoria, we aim to build high performance within our organisation by valuing our staff, providing targeted training and leadership opportunities and exploring how new technologies can help improve our service delivery.

Developing skills and leaders

In 2007-08, we launched our new look Learning and Development calendar, listing staff training available through Consumer Affairs Victoria, the Department of Justice and external providers. The training programs cover legislation and policy, leadership and management, customer service, Consumer Affairs Victoria systems and skills, the consumer protection environment, and occupational health and safety. Staff can refer to the list when completing their Performance Management Plan, which outlines individual training and development goals for the year.

More than 200 staff attended training in legislation this year. New employees in Enquiries attended a four to six-week training program covering several major pieces of legislation and the processes and procedures surrounding them.

More experienced staff attended intermediate training. The introduction of the *Owners Corporation Act 2006* saw a new course developed and more than 65 staff trained in the legislation. Other new legislation programs launched this year included Incorporated Associations, Business Names and the Conveyancers Act.

In 2007-08, staff took part in executive training at the Australian and New Zealand School of Government, received financial support to complete their legal training for admission to practice, and conducted their articles training.

We extended the Leadership Development Program to a wider group of staff this year. An external company provided the program, which included one-on-one coaching.

An internal evaluation this year found the program was achieving its aim of helping staff understand their strengths and areas for development. It will continue in 2008-09.

We added the Manage Your Career workshop to the Learning and Development calendar this year to promote mobility and awareness of career paths available within Consumer Affairs Victoria. This was especially helpful to newer staff and was very popular. It helped staff realise what job opportunities were available, and how to research them.

In late 2007, we began developing a range of job competencies to meet the entry level and ongoing training needs of call centre and customer service staff. The aim was to increase our knowledge about the common skills used across the various roles, and to make sure we addressed them in our Learning and Development program. We will use competency mapping information when recruiting, and to help us plan employees' career progression and performance development.

At a series of workshops this year, more than 60 staff from all branches discussed the findings of the 2007 Employee Attitude Survey, including possible areas for improvement. Staff elected two areas to focus on in 2007-08: managing performance and improving supervisor capability. To improve supervisor capability, we promoted relevant training programs to managers and supervisors, including Performance Management, Communications Essentials and Managing Effectively in the Department of Justice.



We regularly organise speakers from a range of organisations to give a one-hour presentation on a topic of interest to our staff. The 2007-08 series included speakers from the Neighbourhood Justice Centre, Beyond Blue, the Monash Centre for Regulatory Studies, Monash University Faculty of Law; and a financial counsellor from the City of Darebin.

In May 2008, we launched a trial of the call recording system DiMETRO, which records calls to Enquiries, with the caller's permission. This has enabled us to evaluate and coach our Enquiries staff so that consumers get better service. We will roll out the system to all Enquiries staff in July.

CAV recorded training attendances

	2005-06	2006-07	2007-08
Negotiation & conflict	44	3	8
Leadership	13	52	31
Project Management	46	35	3
Writing Skills	69	77	36
Induction	103	107	29
Customer Service	300	116	197
Legislation	183	567	345
IT systems & skills	51	850	299
Other	424	472	343

CAV recorded training days

	2005-06	2006-07	2007-08
Negotiation & conflict	88	6	14
Leadership	65	168	77
Project Management	118	71	9
Writing Skills	48	66	23
Induction	52	475	22
Customer Service	342	194	165
Legislation	744	836	982
IT systems & skills	41	410	199
Other		256	315

Occupational Health and Safety

In 2007-08, we developed and displayed in the workplace a series of 'Tough call – Take a break' posters. The posters remind staff in customer service areas of the need to care for their own emotional wellbeing. They encourage them to take a short break after dealing with a difficult call or client.

We engaged ergonomic experts from Recovre to assess all staff workstations. They gave each employee advice on their workstation set up and provided educational materials on good health and posture in the work place.

Also this year, we invited Beyond Blue, as part of our presentation series, to host a seminar on depression.

Managers and staff from our operational areas took part in a Department of Justice workshop on assessing the risk of occupational violence from clients. The workshop followed questionnaires on the range of situations encountered by our staff in their jobs. This information helped the facilitators and staff workshop relevant strategies for preventing and reducing the risk of occupational violence. Also this year, 145 staff attended five workshops on dealing with difficult clients.

Rewards and recognition

Congratulations to Christine Nigro, from our Consumer Policy and Programs branch, who won the Consumer Affairs Victoria Employee of the Year award for her outstanding contribution to real estate policy development. Congratulations also to Katherine Awad, from our Enquiries branch, for winning the Young Employee of the Year award, recognising her contribution to outstanding customer service. Dr David Cousins presented the awards, celebrating outstanding performance by our staff, at an all-staff meeting in November 2007.

On 1 January 2008, we recognised 12 staff who had clocked up 20 years of service with Consumer Affairs Victoria. Congratulations to Fred Green, Hughes Little, Graham Hansen, Anna Yeow, Mary Kurukulasuriya, Ann Zajicek, Sandra Krnjaic, Victoria Gellatly, Leslie Lacny, Jasmine Sidiropoulos, Ross Rushton and Liz Rorke.

Business innovation and technology

In 2007-08, we engaged an external company to conduct customer satisfaction surveys for people who rang our Consumer Helpline, or other enquiries lines directly. The surveys were completed in October 2007 and March 2008, showing high overall customer satisfaction (8.5/10 and 7.9/10 respectively).

In late 2007, we reviewed the telephone menus for our Consumer Helpline. As a result, we re-recorded all menu options and gave the menu a consistent structure and default option. Each menu now has the options: to speak to an information officer, listen to the information again or go back to the main menu. We also simplified the menus in line with best practice guidelines and feedback from our callers. We added information about refunds, owners corporations, retirement villages and credit to our pre-recorded information facility, and expanded our information on buying a car, renting, and buying and selling a home.

Consumer Affairs Victoria is investigating the possibility of consumers lodging complaints over the telephone, in addition to our current facility to lodge complaints in writing or online. This will make it easier for some consumers, especially those with disabilities, to access our services. We expect to trial the system next year.

To make it easier for consumers to find the information they need, this year we developed a Top 10 Frequently Asked Questions section for our website. The areas covered include fair trading, credit, building, renting, cars, real estate, business names, owners' corporations and incorporated associations.

Also this year, we completed a trial of knowledge management tool Wiki. Similar to the idea used on the Wikipedia website, the tool allows staff to contribute information to a central forum that other staff can instantly view.

This helps consumers by ensuring our staff can access the most up-to-date information available when answering enquiries. The trial was a success and we are currently evaluating its results, with a view to making the system more widely available next year.



Abbreviations

ABN	Australian Business Number	NILS	No Interest Loans Scheme
ACCC	Australian Competition and Consumer Commission	NMI	National Measurement Institute
AMES	Adult Migrant English Service	PCA	<i>Prostitution Control Act 1994</i>
BA	<i>Building Act 1993</i>	RIS	Regulatory Impact Statement
BBR	Better Business Regulation	RSA	Responsible Serving of Alcohol
BLA	Business Licensing Authority	RTA	<i>Residential Tenancies Act 1997</i>
BNA	<i>Business Names Act 1962</i>	SHD & PBA	<i>Second-Hand Dealers and Pawnbrokers Act 1989</i>
CAV	Consumer Affairs Victoria	SLA	<i>Sales of Land Act</i>
CCC	Consumer Credit Code	TAFE	Tertiary and Further Education
COAG	Council of Australian Governments	TCF	Travel Compensation Fund
CPAC	Consumer Products Advisory Committee	TMA	<i>Trade Measurement Act 1995</i>
DBCA	<i>Domestic Building Contracts Act 1995</i>	TMR	<i>Trade Measurement Regulations 1995</i>
EAA	<i>Estate Agents Act 1980</i>	TUV	Tenants Union of Victoria
EAR	Estate Agents Regulations	VCAL	Victorian Certificate of Applied Learning
EARS	Estate Agents Resolution Service	VCAT	Victorian Civil and Administrative Tribunal
FTA	<i>Fair Trading Act 1999</i>	VCBC	Victorian Consumer and Business Centre
IAA	<i>Introduction Agents Act 1997</i>	VCE	Victorian Certificate of Education
ICEP	Inner City Entertainment Precinct	VCEC	Victorian Competition and Efficiency Commission
ISO	International Organisation for Standardisation	VPF	Victorian Property Fund
LCAC	Liquor Control Advisory Council	Court names	
LCRA	<i>Liquor Control Reform Act 1998</i>	BMC	Benalla Magistrates' Court
LMCT	Licensed Motor Car Trader	BMC*	Broadmeadows Magistrates' Court
LPG	Liquefied Petroleum Gas	BMC**	Ballarat Magistrates' Court
MCCA	Ministerial Council on Consumer Affairs	CC	County Court
MCTA	<i>Motor Car Traders Act 1986</i>	DMC	Dandenong Magistrates' Court
MCTGFCC	Motor Car Traders Guarantee Fund Claims Committee	MMC	Melbourne Magistrates' Court
MOU	Memorandum of Understanding	RMC	Ringwood Magistrates' Court
NFP	Not-for-Profit organisation	SCV	Supreme Court of Victoria
		SMC	Shepparton Magistrates' Court



	Page
Appendix 1 Legislation administered by the Minister for Consumer Affairs as at 30 June 2008	80
Appendix 2 Legislation passed/commenced/revoked 2007-08	80
Appendix 3 Enforceable Undertakings Accepted 2007-08	82
Appendix 4 Civil Litigation Concluded 2007-08	87
Appendix 5 Prosecutions Completed 2007-08	101
Appendix 6 Media Releases issued 2007-08	107
Appendix 7 Consumer Affairs Victoria Community Program 2007-08	109
Appendix 8 Consumer Affairs Victoria Financial Counselling Program 2007-08	110
Appendix 9 Consumer compensation claims admitted 2007-08	111
Appendix 10 Consumer Credit Fund grants approved 2007-08	112
Appendix 11 Victorian Property Fund Grants Approved 2007-08	113
Appendix 12 Trust Funds managed by Consumer Affairs Victoria	115
Appendix 13 Financial Information 2007-08	116

Appendix 1

Legislation administered by the Minister for Consumer Affairs as at 30 June 2008

1. *Associations Incorporation Act 1981*
2. *Business Licensing Authority Act 1998*
3. *Business Names Act 1962*
4. *Carriers and Innkeepers Act 1958*
5. *Chattel Securities Act 1987* except Part 3, which the Minister for Roads and Ports administers
6. *Collusive Practices Act 1965*
7. *Companies (Administration) Act 1981*
8. *Consumer Credit (Victoria) Act 1995*
9. *Conveyancers Act 2006*
10. *Co-operatives Act 1996*
11. *Credit Act 1984*
12. *Credit (Administration) Act 1984*
13. *Disposal of Uncollected Goods Act 1961*
14. *Domestic Building Contracts Act 1995* except Part 5, which the Attorney-General administers
15. *Estate Agents Act 1980*
16. *Fair Trading Act 1999*
17. *Frustrated Contracts Act 1959*
18. *Fuel Prices Regulation Act 1981*
19. *Fundraising Appeals Act 1998*
20. *Funerals Act 2006*
21. *Goods Act 1958*
22. *Hire Purchase Act 1959*
23. *Introduction Agents Act 1997*
24. *Landlord and Tenant Act 1958*
25. *Liquor Control Reform Act 1998*
26. *Marketable Securities Act 1970*
27. *Motor Car Traders Act 1986*
28. *Owners Corporations Act 2006*
29. *Partnership Act 1958*
30. *Petroleum Products (Terminal Gate Pricing) Act 2000*
31. *Petroleum Retail Selling Sites Act 1981*
32. *Private Agents Act 1966*
33. *Prostitution Control Act 1994*
34. *Residential Tenancies Act 1997* (ss.24, 25, 27, 32, 33, 45-48, 74-77, 82, 90, 91, 102, 103, 104(1), 104(4), 104(5), 105(2), 105(3), 124, 128, 130-134, 141-212, 214, 215, 230, 232-234, 241, 277, 291-333, 335-341, 343-366, 373-376, 385, 388, 390, 395-398, 400-439, 486-504, 506-511; s.66 (1) jointly with the Minister for Housing; the Act is otherwise administered by the Attorney-General, the Minister for Housing and the Minister for Planning)
35. *Retirement Villages Act 1986*
36. *Sale of Goods (Vienna Convention) Act 1987*
37. *Sale of Land Act 1962*
38. *Sea-Carriage Documents Act 1998*
39. *Second-Hand Dealers and Pawnbrokers Act 1989*
40. *Subdivision Act 1998* (Part 5 and section 38; and section 43 insofar as it relates to Part 5 and section 38)
41. *Trade Measurement Act 1995*
42. *Trade Measurement (Administration) Act 1995*
43. *Travel Agents Act 1986*
44. *Trustee Act 1958*
45. *Trustee Companies Act 1984* – jointly with the Treasurer
46. *Utility Meters (Metrological Controls) Act 2002*
47. *Veterans Act 2005* - (Part 4 only; the Act is otherwise administered by the Minister for Veterans Affairs)

Appendix 2

Legislation passed/commenced/revoked 2007-08

Acts

Name	Date of Royal Assent
<i>Liquor Control Reform Amendment Act 2007</i>	18 December 2007
<i>Fair Trading and Consumer Acts Further Amendment Act 2008</i>	11 February 2008
<i>Consumer Credit (Victoria) and Other Acts Amendment Act 2008</i>	18 March 2008
<i>Co-operatives and Private Security Acts Amendment Act 2008</i>	23 April 2008
<i>Motor Car Traders Amendment Act 2008</i>	4 March 2008

Regulations commenced

Name	Date commenced
Estate Agents (Fees) Regulations 2007	22 August 2007
Subordinate Legislation (Chattel Securities Regulations 1997 - Extension of Operation) Regulations 2007	16 September 2007
Subordinate Legislation (Co-operatives Regulations 1997 - Extension of Operation) Regulations 2007	16 September 2007
Subordinate Legislation (Estate Agents (Contracts) Regulations 2007- Extension of Operation) Regulations 2007	16 September 2007
Motor Car Traders (Amendment) Regulations 2007	2 October 2007
Second-Hand Dealers and Pawnbrokers (Exemption) (Amendment) Regulations 2007	2 October 2007
Subordinate Legislation (Second-Hand Dealers and Pawnbrokers Regulations 1997 – Extension of Operation) Regulations 2007	11 December 2007
Subdivision (Procedures) (Owners Corporations Amendment) Regulations 2007	31 December 2007
Owners Corporation Regulations 2007	31 December 2007
Travel Agents Regulations 2007	19 January 2008
Liquor Control Reform (Prescribed Class of Premises) Regulations 2008	4 March 2008
Veterans (Patriotic Funds) Regulations 2008	1 April 2008
Liquor Control Reform (Prohibited Supply) Amendment Regulations 2008	15 April 2008
Estate Agents (General, Accounts and Audit) Regulations 2008	21 May 2008
Subordinate Legislation (Retirement Villages Regulations 1998 - Extension of Operation) Regulations 2008	25 May 2008
Subordinate Legislation (Motor Car Traders Regulations 1998 - Extension of Operation) Regulations 2008	25 May 2008
Travel Agents (Infringement Penalties) Regulations 2008	27 May 2008
Estate Agents (Professional Conduct) Regulations 2008	27 May 2008
Fair Trading (Safety Standard) (Hot Water Bottles) Regulations 2008	29 May 2008
Residential Tenancies Regulations 2008	28 June 2008
Introduction Agents Regulations 2008	29 June 2008
Sale of Land (Amendment) Regulations 2008	30 June 2008

Regulations revoked

Name	Effective date
Estate Agents (Fees) (Interim) Regulations 2007	22 August 2007
Subdivision (Body Corporate) Regulations 2001	31 December 2007
Subdivision (Body Corporate) (Amendment) Regulations 2002	31 December 2007
Travel Agents Regulations 1997	19 January 2008
Travel Agents (Prescribed Forms) Regulations 1999	19 January 2008
Travel Agents (Amendment) Regulations 2003	19 January 2008
Travel Agents (Amendment) Regulations 2004	19 January 2008
Travel Agents (Forms) Regulations 2004	19 January 2008
Veterans (Patriotic Funds) Regulations 2006	1 April 2008
Estate Agents (General, Accounts and Audit) Regulations 1997	19 May 2008
Subordinate Legislation (Estate Agents (General, Accounts and Audit) Regulations 1997 – Extension of Operation) Regulations 2007	20 May 2008
Estate Agents (General, Accounts and Audit) (Amendment) Regulations 2003	21 May 2008
Estate Agents (General, Accounts and Audit) (Amendment) Regulations 2004	21 May 2008
Estate Agents (General, Accounts and Audit) (Amendment) Regulations 2005	21 May 2008
Estate Agents (General, Accounts and Audit) (Amendment) Regulations 2006	21 May 2008
Estate Agents (Professional Conduct) Regulations 1997	27 May 2008
Subordinate Legislation (Estate Agents (Professional Conduct)–Extension of Operation) Regulations 2007	17 June 2008
Residential Tenancies Regulations 1998	28 June 2008

Appendix 2 - Regulations revoked continued

Residential Tenancies (Amendment) Regulations 2003	28 June 2008
Residential Tenancies (Amendment) Regulations 2004	28 June 2008
Residential Tenancies (Amendment) Regulations 2005	28 June 2008
Residential Tenancies (Infringement Penalties) Regulations 2006	28 June 2008
Residential Tenancies (Amendment) Regulations 2007	28 June 2008
Introduction Agents Regulations 1998	29 June 2008

Appendix 3

Enforceable Undertakings Accepted 2007-08

Date	Party	Act	Section	Breach summary and nature of the undertaking
9.07.07	Dobson Real Estate Pty Ltd	EAA EAR	35(1)(2)(3) 36 63(1)(a) 63(3)(b) 90(1) 22 23(1)(b) 25 26 27(1)&(2) 28 29(d)&(e) 47(1)	Consumer Affairs Victoria (CAV) inspected the business, including its trust accounts. Inspectors identified contraventions of the EAA and/or the Regulations. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
21.07.07	Girlic V Investments Pty Ltd t/a C Lane	FTA	9 12(k) 32(m)	CAV inspectors attended the store and observed signage that contained the words "We exchange but sorry no refunds" and "All faulty goods are to be assessed by the manufacturer and repaired, exchanged or credited at their discretion". CAV gave the manager a Trader Pack which contained information about consumer entitlements. CAV subsequently received a complaint about the store's failure to provide a refund. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
29.08.07	Gotalk Limited	FTA	67E 67F	CAV identified that Gotalk's telemarketing agreements did not comply with the FTA. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
30.08.07	Swipe Media Pty Ltd TXTnGO Pty Ltd	FTA	24 67D 67E 67F	CAV received a complaint about premium SMS services, alleging the services were unsolicited. CAV's enquiries found TXTnGo sent SMS services to consumers, using technology and infrastructure provided by Swipe Media. TXTnGo used an unsolicited phone call to deliver a recorded message to consumers. The message invited consumers to press a number to accept 'free credits'. Consumers who accepted were notified by SMS that they had a seven-day cooling-off period and were told where to access the service terms and conditions. If they did not unsubscribe within seven days they were automatically subscribed to TXTnGo's SMS service and billed after receiving regular SMS messages. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.

Appendix 3 - Enforceable Undertakings Accepted 2007-08 continued

Date	Party	Act	Section	Breach summary and nature of the undertaking
30.08.07	Longbeach Real Estate Pty Ltd Mr Vassili Spiroglu Mr John Romeo	EAA EAR	39 63(3)(d) 47(a) 14(2) 22 28 36	CAV inspected the business, including its trust accounts. Inspectors identified contraventions of the EAA and/or the Regulations. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
30.08.07	Hallam Realty Pty Ltd Mr Keith Mattson Mr Nicholas Carr	EAA EAR	36(b)(i) 63(1)(c) 35 29 23(2)(d) 28 25 27(1)	CAV inspected the business, including its trust accounts. Inspectors identified contraventions of the EAA and/or the Regulations. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
26.09.07	Robert Martin Realty Pty Ltd Robert Daniel Martin	EAA EAR	63(3)(b) 36 23(1)(a) 24(1) & (2) 29(e) 22 28	CAV inspected the business, including its trust accounts. Inspectors identified contraventions of the EAA and/or the Regulations. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
26.09.07	Karna Kilburn Real Estate Connections Pty Ltd Ms Karna Louise Kilburn	EAA EAR	59(1)(a)(i) 50(4) 35 29	CAV inspected the business, including its trust accounts. Inspectors identified contraventions of the EAA and/or the Regulations. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
26.09.07	KLM Real Estate Pty Ltd Ms Lin Zu Mr Walery Lewicki Mr Roger Seagaan	EAA EAR	39(b)(i) 47A(3) 49A(1)(c)(i) 59(1)(a)(i) 63(4)(b) 63 63(3)(b) 23(2)(d) 25 27(2) 28 36 27	CAV inspected the business, including its trust accounts. Inspectors identified contraventions of the EAA and/or the Regulations. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
26.09.07	Cheng Yipeng	FTA	44	Cheng Yipeng supplied five types of candles and also baby bath aids/supports that were subject to Permanent Ban Orders prohibiting the supply of dangerous goods. Offering to supply goods that are in contravention of a Permanent Ban Order is a breach of the FTA. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law. The undertaking also authorised the destruction of goods seized.
26.09.07	JTC Import/Export Pty Ltd Carl Michael Faulkner Thomas McLuckie	FTA	33	JTC Import/Export directors Carl Michael Faulkner and Thomas McLuckie supplied six types of children's toys that did not meet safety requirements specified in the Fair Trading (Safety Standard)(Children's Toys) Regulations 2004. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law. The undertaking also authorised the destruction of goods seized.

Appendix 3 - Enforceable Undertakings Accepted 2007-08 continued

Date	Party	Act	Section	Breach summary and nature of the undertaking
26.09.07	WS Gas Installations Pty Ltd	TMA	14(1)(b)	WS Gas Installations conducted eight certifications between 30 April 2004 and 17 August 2005 using equipment that did not have a current Regulation 13 Certificate. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
12.10.07	Buxton (Mentone) Pty Ltd	EAA EAR RTA SLA	59(1) 63(1)(b) 35 406 24	CAV inspected the business, including its trust accounts. Inspectors identified contraventions of the EAA and/or the Regulations. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
19.10.07	Susan Joy Carrick	EAA EAR	39(a)(i)&(ii) 59(1)(a) 63(1)(a),(b) (c),(d) 63(3)(b) 70(b) 23(2)(a),(d) 36	CAV inspected the business, including its trust accounts. Inspectors identified contraventions of the EAA and/or the Regulations. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
19.10.07	C.K. Link Pty Ltd t/a Cignall Tobacconist Yu Yue Min Pi Fan Liping	FTA	44	The proprietors of Cignall Tobacconist were found supplying ice pipes, which are subject to a Permanent Ban Order prohibiting the supply of dangerous goods. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
19.10.07	Xue Zhi Jian Xue Lan Feng t/a Xue Convenience Store	FTA	44	The proprietors of Xue Convenience Store were found supplying ice pipes, which are subject to a Permanent Ban Order prohibiting the supply of dangerous goods. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
19.10.07	Ngo Quang Lam t/a Lam Discount Smoke	FTA	44	The proprietor of Lam Discount Smoke was found supplying ice pipes, which are subject to a Permanent Ban Order prohibiting the supply of dangerous goods. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
26.10.07	Ranelagh Realty Pty Ltd	EAA EAR	39(b)1 59(1)(a)(i) 63 63(3)(b) 14(2) 23(2)(d) 35 36 47	CAV inspected the business, including its trust accounts. Inspectors identified contraventions of the EAA and/or the Regulations. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
8.11.07	Cotton on Clothing Pty Ltd	FTA	9 12(k) 32(m)	CAV conducted a retail compliance inspection of the company, and found its refund policy did not comply with the FTA. The company undertook to remove all signage, annotations or other statements in relation to the refund policy.
9.11.07	S G & P Real Estate Pty Ltd	EAA EAR	39(b)(i) 63(3)(b) 22 23(2)(d) 25 28 35(1) 36	CAV inspected the business, including its trust accounts. Inspectors identified contraventions of the EAA and/or the Regulations. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
9.11.07	Cambriph Pty Ltd t/a Balnarring & District Property Sales	EAA EAR	59(1)(a)(i) 63(1)(b) 63(1)(c) 27(2)(g)&(h) 47(1)(b)	CAV inspected the business, including its trust accounts. Inspectors identified contraventions of the EAA and/or the Regulations. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.

Appendix 3 - Enforceable Undertakings Accepted 2007-08 continued

Date	Party	Act	Section	Breach summary and nature of the undertaking
22.11.07	Yen Thi Tran t/a CTY Fashions	FTA BNA	12(k) 32(m) 5	CAV inspectors observed signage at the store that contained the words 'we exchange but sorry no refunds'. The business name had not been re-registered since 2006. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
22.11.07	VIP Petfoods (Aust) Pty Ltd	TMA	32(1)(a)	CAV inspected various supermarkets across Victoria, and identified 86 short-weight 'Vital Chicken and Pasta Dinner'. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
27.12.07	Fonterra Brands (Australia) Pty Ltd	TMA FTA	32(1)(a) & (b) 9(1) 10 12(n)	CAV inspectors tested Anlene No Fat 1 litre product which was offered for sale at a metropolitan supermarket. The testing indicated the product to be short measure. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
21.12.07	Ying Pik Kong	PCA	21(1) 17(1)(b) 9(1)(b) 7(3)(a)	CAV compliance inspections found the business trading as "The Rose Relaxation" had contravened various sections of the PCA. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
21.12.07	Garry Anthony Maxwell Gale	EAA	29B(2)(a), (b),(c),(d)	Garry Anthony Maxwell Gale, an officer in effective control (OIEC) of an estate agent, was found to have failed to fulfil some of the obligations of an OIEC under the EAA. He undertook to meet those requirements.
21.12.07	SportsCo Pty Ltd	FTA	9 12(k) 32(m) 83	CAV's compliance inspection of the store SportsCo found the company did not comply with various sections of the FTA. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
10.01.08	Wayne Sweeney & Associates (Footscray) Pty Ltd Dean Anthony Johnson	EAA FTA	47C(2) 47A(1) 12(n)	CAV inspectors identified three contraventions of the Acts in relation to advertising of properties offered for sale. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
16.01.08	NCR Australia Pty Ltd	TMA TMR	14(1)(b) 42(2) 47 93(2)	NCR Australia was found to have contravened various sections of the TMA and TMR by failing to seal measuring instruments, notify CAV of certifications, and conduct certifications with reference to standards of measures. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
7.02.08	Cigarette Kings Co Nguyen	FTA	44	Cigarette Kings was found supplying ice pipes, which are subject to a Permanent Ban Order prohibiting the supply of dangerous goods. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law. It also authorised the destruction of 1,079 seized ice pipes.
8.02.08	Cignall Cheltenham Chun Ren Ziyun Wang	FTA	44	Cignall Cheltenham was found supplying ice pipes, which are subject to a Permanent Ban Order prohibiting the supply of dangerous goods. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
26.02.08	Christopher Hood Marketing Pty Ltd t/a Stockdale & Leggo - Wodonga	FTA	12(j) 12(k) 12(n)	The company agreed to an enforceable undertaking after sending letters to their 452 tenants outlining a new policy, stating that they would no longer accept rental payments directly and a "rent card" would now be the standard method of receiving payments. This conduct contravened the FTA as it misled tenants into believing they were obliged to change their method of rental payment. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.

Appendix 3 - Enforceable Undertakings Accepted 2007-08 continued

Date	Party	Act	Section	Breach summary and nature of the undertaking
28.02.08	Selly Santoso	EAA EAR	55(3) 11(1) 11(3) 10	The conduct of Ms Santoso as an agent's representative breached the EAA, which prohibits agents from being beneficially interested in the purchase of real estate that the agency is commissioned to sell. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
3.04.08	Lovitt's Pty Ltd	TMA FTA	32(1)(a) 9(1) 10 12(n)	CAV inspectors tested Lovitt's products at various Victorian supermarkets, finding a large number were of incorrect quantity. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
3.04.08	Philip Pilven	RTA	49 480	Mr Pilven was landlord of a rental property. After a tenant vacated the premises, Mr Pilven took possession of the tenant's motor vehicle to satisfy alleged rent arrears. VCAT ordered Mr Pilven to return the vehicle but he did not comply. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
3.04.08	Salama Real Estate Enterprises Pty Ltd	EAR EAA	23(2)(d) 36 39(b)(i) 59(1)(a)(ii) 63(1)(c)	CAV inspected the business, including its trust accounts. Inspectors identified contraventions of the EAA and/or the Regulations. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
28.04.08	Peter de Vreede t/a Janke Pools	FTA BNA	19(1)(a) 12(n) 5(1)	CAV investigated the conduct of Mr de Vreede, trading as Janke Pools, in relation to building works, identifying contraventions of the FTA and the BNA. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
15.05.08	Wayne Parton director of Hilton Cabinets Pty Ltd	DBCA	11(1)(b) 29 31(1)	CAV investigated the conduct of Mr Parton, trading as Hilton Cabinets, in relation to building works, identifying contraventions of the DBCA. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
20.05.08	Durmaz Pty Ltd Sergio Durso Alfred Mazzaferro	FTA	33	CAV identified that the company was supplying children's toys, for children under three, that did not meet safety requirements. CAV executed a search warrant on the premises and seized 4,307 units of a children's toy called Magnetic Learning Set. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
20.05.08	Taha's Curtains Abir Taha	FTA	44	CAV identified that Taha's Curtains was supplying children's household cots that did not meet safety requirements, and subsequently seized three wooden-framed children's cots. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
20.05.08	Luxurious Imports & Exports Pty Ltd Ashraf Albatat	FTA	33 44	CAV identified that the company was supplying children's household cots and bunk beds that did not meet safety requirements. CAV seized nine wooden-framed children's cots and two bunk beds. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.

Appendix 3 - Enforceable Undertakings Accepted 2007-08 continued

Date	Party	Act	Section	Breach summary and nature of the undertaking
19.06.08	Glenroy Asian Food Centre The Vinh Tran Thi Ngoc Diep Tran	FTA	33 44	CAV identified the company was supplying toothpaste called Jiechibao containing more than 0.25% of diethylene glycol, contravening a Permanent Ban Order. CAV seized 21 tubes of the toothpaste. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
19.06.08	Lets Shop \$2 Plus Quoc Luong Tran Thieu Khuen Diep Tran	FTA	33 44	CAV identified the company was supplying toothpaste called Fresh Spearmint containing more than 0.25% of diethylene glycol, contravening a Permanent Ban Order. CAV seized 31 tubes of the toothpaste. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.
19.06.08	Foxico Australia Pty Ltd Xiao Fang Su	FTA	33 44	CAV identified the company was supplying petrol-powered mini bikes called Peewee 49cc and Superbike Pro 49cc that did not meet the braking system, steering and supplemental engine stop safety requirements. CAV seized two mini bikes and served with a notice placing an embargo on a further 152 mini bikes. The undertaking required that the conduct had ceased and that all necessary steps were to be taken to ensure future compliance with the law.

Appendix 4

Civil Litigation Concluded 2007-08

Date	Matter	Court	Act	Sec	Compensation	Costs	Other	Details
03.07.07	Braydon Gillis / Debonair House	VCAT	LCRA	3A 27 44 47				Mr Gillis has previously been granted an external footpath licence subject to the provision of a management plan. The applicant wanted to be allowed to have up to 15 standing patrons in the licensed area. The Director of Liquor Licensing's concern was maintaining public space amenity. On 7 September 2007, VCAT allowed 12 patrons in the area but the patrons were required to be seated, to ensure footpath access.
05.07.07	Nightingale Electrics Pty Ltd	SCV	FTA	151A 158		\$16,300		The Supreme Court of Victoria, by consent, made a series of declarations regarding the contravention of a Permanent Ban Order by Nightingale Electrics Pty Ltd. The declarations identified that Nightingale had in possession for the purposes of supply more than 350 mini-motorcycles that failed to meet the safety requirements in the Permanent Ban Order made by the Minister for Consumer Affairs in May 2005. In addition, the Court accepted undertakings from Nightingale that it would disassemble, disable and sell the components of these mini-motorcycles. Nightingale was ordered to pay CAV's costs.
06.07.07	Australian Leisure and Hospitality Group (Vale Hotel)	VCAT	LCRA	44				An application to review the decision of the Director of Liquor Licensing to refuse (in part) a licence variation application which concerned the licensing of the outdoor smoking area. The licence was granted with conditions.

Appendix 4 - Civil Litigation Concluded 2007-08 continued

Date	Matter	Court	Act	Sec	Compensation	Costs	Other	Details
09.07.07	Nicole Harding	VCAT	CCC	66				CAV received a decision from VCAT in the matter of Nicole Harding. In this matter, National Australia Bank had brought a strike out action against a borrower who had taken action in VCAT over a loan. The bank's strike out application raised questions of law, and VCAT invited the Director of Consumer Affairs Victoria to provide legal submissions. This was done, and VCAT accepted the Director's submissions that the bank's strike out application was flawed.
10.07.07	European Land Sales Partnership and Stephen James Cleeve	SCV	FTA	9 11	\$20,400	\$10,000		European Land Sales and Stephen James Cleeve were involved in buying rural land in England, subdividing the land and selling it to consumers on the basis that if it obtained planning permission to construct homes, the market value of the land would increase considerably. The defendants made representations that they had a "90 per cent success rate" in lobbying councils and planning departments in obtaining development planning permission, when they did not. On 10 July 2007, the Supreme Court of Victoria ordered declarations and findings of fact that a number of the defendant's representations were misleading and deceptive, and contravened sections 9 and 11 of the FTA 1999. The defendants were restrained from trading in Australia unless and until they implemented a rigorous compliance program. As a result of CAV's action, one consumer will receive a full refund of \$18,500 paid for a plot of land and another will receive a full refund of their \$1,900 deposit. CAV was awarded costs.
13.07.07	Giao T Cao	MMC	FTA	19 (1) (a) 149 153 158	\$1239.45	\$3,280		Giao T Cao used the website www.uberglam.com.au to sell skincare products, cosmetics and fragrances to the public. During the period 1 July 2006 to 1 March 2007, the defendant accepted payment from consumers to supply these products, but failed to supply them within the time specified, or failed to supply them at all. On 13 July 2007, CAV obtained permanent injunctions limiting the defendant to a cash-on-delivery business only and a declaration that the defendant had contravened section 19(1)(a) of the FTA 1999 (failure to supply). CAV also obtained orders for compensation of \$1,239.45 for affected consumers, and adverse publicity orders designed to identify further consumers who had suffered loss or damage as a result of similar actions by the defendant. The Court ordered the defendant pay CAV's costs.
15.07.07	Cash for Anything Pty Limited	VCAT	SHD & PBA	9B				A review of the decision of the Business Licensing Authority (BLA) to refuse a licence application for a second-hand dealer. The review application was withdrawn just prior to hearing, after CAV filed its case in VCAT.

Appendix 4 - Civil Litigation Concluded 2007-08 continued

Date	Matter	Court	Act	Sec	Compensation	Costs	Other	Details
16.07.07	Rhonda and Ian Duncan	VCAT	MCTA	32				An application for VCAT to review a decision by the Motor Car Traders Guarantee Fund Claims Committee (MCTGFCC) to pay a claim. The applicant (Rhonda Duncan) was granted leave to withdraw her application. The application by Ian Duncan did not proceed.
16.07.07	Octane Espresso Pty Ltd	VCAT	LCRA	44				A review of a decision by the Director of Liquor Licensing to refuse a licence application to a cafe situated in a public area of a shopping mall. The Director refused the licence on the grounds of adverse amenity. The licence was granted with conditions: limiting patron numbers to 24 and requiring patrons to be seated and served by waitstaff.
18.07.07	Paul Simmonds	VCAT	MCTA	29(1)(a)				An application to appeal a review decision of the BLA. The application was withdrawn.
18.07.07	David Brady	VCAT	PCA	54			\$300 penalty	An inquiry application to VCAT, alleging that Mr Brady provided misleading information to an inspector. He was reprimanded and ordered to pay a \$300 penalty.
19.07.07	Excelsior Hotel (BMG) Pty Ltd	VCAT	LCRA	44				A review application lodged against decisions of the Director of Liquor Licensing was withdrawn. The review was in relation to conditions placed on the licences following the introduction of new smoking laws.
19.07.07	Taverner Hotel Group	VCAT	LCRA	44				A review application lodged against decisions of the Director of Liquor Licensing was withdrawn. The review was in relation to conditions placed on the licences following the introduction of new smoking laws.
26.07.07	Chief Commissioner of Police	VCAT	LCRA	44				A review application of the decision of the Director of Liquor Licensing to grant a licence variation application. The licence application was changed to a limited licence, which was granted.
27.07.07	Australian Leisure and Hospitality Group Limited (Doncaster)	VCAT	LCRA	44				A review application lodged by the Australian Leisure and Hospitality Group on behalf of the Doncaster Hotel was withdrawn. The case involved a condition placed on the licence in relation to smoking.
31.07.07	Collins Five (Aust) Pty Ltd	VCAT	LCRA	44				This matter concerned refusal of a licence on the basis of amenity issues including patron numbers and footpath smoking, as the proposed licensed venue was situated between two residential towers. The applicant agreed to reduce patron numbers by 30 per cent, restrict noise to background music only and limit footpath smoking by the introduction of a docket system. In these circumstances, a licence was granted.

Appendix 4 - Civil Litigation Concluded 2007-08 continued

Date	Matter	Court	Act	Sec	Compensation	Costs	Other	Details
31.07.07	Glenn Andrew Wittingslow, Wayne Alan Aigner, Carol Margaret Gadsden, and Wayne Aigner Motors Pty Ltd	BMC	FTA	149		\$510		CAV received complaints from motor car traders in Benalla, the Victorian Automobile Chamber of Commerce and the BLA regarding alleged unlicensed motor car trading at premises in Benalla. CAV inspectors attended the premises in late June 2007 and found that a retail motor car trader was operating from the premises. The operators were found to be the Respondents, who held a wholesale motor car trader's licence. CAV inspectors advised the traders to cease trading until they obtained a retail licence. CAV inquiries confirmed that the Respondents had applied for a retail licence at the premises, which the Respondents believed would be granted imminently. CAV staff visited the premises in Benalla again following further complaints about unlicensed trading, and found the trader was still carrying on the business despite being advised to cease. Civil action led to an injunction under s149 FTA restraining the Respondents from trading motor cars, adverse publicity orders, and costs awarded to CAV.
10.08.07	Harald Ripplinger	VCAT	PCA	48			\$2000 penalty	An inquiry application into the conduct of the licensee, who failed to ensure the brothel was run by an approved manager or licensee at all times.
10.08.07	Xiao Yan Zhou	VCAT	PCA	48			\$3000 penalty	An inquiry application into the conduct of the licensee, who failed to ensure the brothel was run by an approved manager or licensee at all times.
27.08.07	Andrew Lukan	VCAT	MCTA	32				An application by Andrew Lukan to review the decision of the BLA to refuse to grant him a motor car trader licence. The case raised a number of issues, including the refusal of the applicant to provide full answers/documents in response to a BLA request. VCAT refused the application and affirmed the decision of the BLA.
27.08.07	Chris Wright and others	VCAT	LCRA	58 CA				A review application by nine licensees against the decision of the Director of Liquor Licensing to introduce a "lockout" into the Bendigo entertainment precinct. The lockout was introduced in an attempt to address high levels of street violence and amenity issues in the entertainment precinct between 1am and 4am. The licensees wanted the lockout to commence at 3.30am. The licensees agreed to a 2am lockout commencement time and withdrew their VCAT application.
27.08.07	King Rat Enterprises Pty Ltd	VCAT	LCRA	3a 22(1) (ca) 44				An application by a play centre operator for a renewable limited licence to enable after hours functions was refused, as the premises were intended to be primarily used by minors. The Tribunal affirmed the Director's decision.

Appendix 4 - Civil Litigation Concluded 2007-08 continued

Date	Matter	Court	Act	Sec	Compensation	Costs	Other	Details
05.09.07	Birdenlove Pty Ltd	VCAT	LCRA	44				An application to review the decision of the Director of Liquor Licensing to refuse a packaged liquor licence to a butcher shop in Yarrowonga. After a contested hearing, VCAT refused the application on grounds that it was an inappropriate licence for this particular premise. VCAT agreed with the position of the Director that a limited licence, which restricted small quantities of liquor to be purchased with the supply of meat, was more appropriate.
07.09.07	Sue Annette Rae	VCAT	LCRA	44				An application to review the decision of the Director of Liquor Licensing to grant a packaged liquor licence for the premises in Portland. The applicant objected to the licence on grounds of detriment to amenity and to misuse and abuse of alcohol. VCAT upheld the decision to grant a licence and the application was dismissed.
10.09.07	AAA Auscarts Imports Pty Ltd	VCAT	LCRA	44				An application to review the decision of the Director of Liquor Licensing to refuse to license a go-kart centre. The licence was granted with special conditions to prevent people driving go-karts unless they were under the 0.05 prescribed concentration of alcohol.
10.09.07	BGS Educational Services	VCAT	LCRA	44				An application to review the decision of the Director of Liquor Licensing to refuse to grant a licence on a school premises. The application was withdrawn.
10.09.07	Richard Sykes	VCAT	LCRA	44				A review application by an objector to the granting of a licence to a Queenscliff premises. The application was withdrawn.
12-14 .09.07	Black Rock Motors Pty Limited	VCAT	MCTA	32				A review of a decision of the BLA to refuse permission for the continuation of a motor car trader licence after a finding of guilty was recorded against the director for offences. VCAT affirmed the BLA's decision that permission in the circumstances of the case would be contrary to the public interest.
18.09.07	Michael Rimanic	VCAT	MCTA	29B				An application to review the decision of the BLA to refuse to grant permission for Mr Rimanic to be employed in the motor car industry. The application was withdrawn after CAV had filed its case.
21.09.07	X101 & Gabriels Hotel Group Pty Ltd, Body Corporate 3109443M, Ezard Restaurant (Adelphi Hotel)	VCAT	LCRA	44				A review of a decision of the Director of Liquor Licensing to refuse to grant a liquor licence. The subject premises were the top two floors of a building, with the remaining nine floors being accommodation. The Director's concern was to protect the amenity of residents, and some specific concerns about the operation of the two floors, which had an interface with the swimming pool area. After a compulsory conference in VCAT, and with the licence applicant agreeing to several licensing conditions aimed at the protection of the amenity of the area, the Director agreed to grant a licence.

Appendix 4 - Civil Litigation Concluded 2007-08 continued

Date	Matter	Court	Act	Sec	Compensation	Costs	Other	Details
26.09.07	Victoria Point Café Pty Ltd ("Café 23" at Docklands, Melbourne)	VCAT	LCRA	44				An application in VCAT to review the decision of the Director of Liquor Licensing to disallow minors on licensed premises. The premises were in the forecourt of Telstra Dome, where many underage and unsupervised minors would be present during events. The Director refused the application on harm minimisation grounds. VCAT allowed the application.
27.09.07	First and Last (BMG) Pty Ltd	VCAT	LCRA	44				An application to review the decision of the Director of Liquor Licensing to limit the licensing hours of a smoking deck that interfaced with domestic residence. The application was withdrawn prior to the VCAT hearing, after the Director filed her case.
01.10.07	Australian Leisure and Hospitality Group Ltd (Plough Hotel)	VCAT	LCRA	29				An application to review the decision of the Director of Liquor Licensing in relation to an outdoor smoking area. The decision of the Director was affirmed, with variation to the hours of operation of the licence.
02.10.07	Wayne Aigner Motor Pty Ltd	VCAT	MCTA	14				Application to review a decision of the BLA to impose a condition on a licence. The application was withdrawn prior to hearing.
03.10.07	Ante Filipovic	VCAT	MCTA	32				A review application against the decision of the MCTGFCC to partially refuse a claim on the fund. The applicant wanted to review the decision to reduce the claim by \$6,500. After cross-examination of the applicant in VCAT, the applicant withdrew his claim and the decision of the fund was affirmed.
08.10.07	Mustafa Siddiqui	VCAT	LCRA	44				An application to review the decision of the Director of Liquor Licensing to refuse to transfer a liquor licence to an unsuitable person because of a previous finding of guilt for an offence. The decision of the Director was affirmed after a contested hearing.
10.10.07	Hai Truong	VCAT	EAA	31C				An application to review the decision of the BLA to refuse permission to work as an agent's representative following a County Court conviction for an offence. After a contested hearing, VCAT affirmed the decision of the BLA.
19.10.07	Mount Beauty Country Club	VCAT	LCRA	44(1) 3A 29 120 44				An application to review the decision of the Director of Liquor Licensing to refuse to license the playing surface of a bowling club based on harm minimisation principles of removing direct intermesh between sport and the consumption of alcohol. The decision of the Director was affirmed, subject to a minor variation to their existing licensed area that allowed consumption of alcohol in a viewing area to the bowling greens.

Appendix 4 - Civil Litigation Concluded 2007-08 continued

Date	Matter	Court	Act	Sec	Compensation	Costs	Other	Details
29.10.07	Five Fingers Pty Ltd	VCAT	LCRA	44				A review of a decision by the Director of Liquor Licensing to refuse an application to license a footpath area in front of an inner-city residential building after amenity complaints from residents. The application was for trading hours to 11pm. VCAT varied the Director's decision but placed strict conditions on the grant, including limiting trading to 9pm Sunday to Thursday, limiting patron numbers to nine, requiring patrons to be seated in the footpath area, and the filing of a management plan.
02.11.07	Joseph Rutten	VCAT	PCA	56				An application to VCAT for a review of a decision made under the PCA. The BLA had decided to change one of the conditions under which Mr Rutten could operate a brothel. Mr Rutten wanted this decision reviewed. He was the owner of a brothel in South Melbourne but did not have the right to operate the brothel except under certain circumstances. Mr Rutten withdrew his application to review the decision.
13.11.07	Tri Nation Group Pty Ltd	VCAT	LCRA	44				An application to review the decision of the Director of Liquor Licensing regarding conditions of licence for the premises, in particular a condition that there be no public access to the roof top. The application was withdrawn.
15.11.07	Greg Stewart	VCAT	MCTA	32				An application in VCAT seeking leave to review a decision (out of time) by the BLA to refuse permission for a person to be employed in a customer service capacity in the motor car industry. The ineligibility of the applicant arose from a previous successful prosecution by CAV in relation to odometer tampering. The application was dismissed after a contested hearing.
20.11.07	Mark Sorensen	VCAT	LCRA	44				An application to review the decision of the Director of Liquor Licensing to refuse to vary a licence for the Café Martini, to allow consumption of alcohol off its premises. The applicant asked that his application be struck out and this application was granted.
22.11.07	Nova Cinemas	VCAT	LCRA	3A 29 120 44				An application for an on-premises licence with underage authority for a cinema complex of 11 cinemas. The Director of Liquor Licensing refused the licence on grounds that it would be conducive to abuse and misuse, and inability on the part of the operator to effectively monitor and control minors and intoxicated persons. The application was withdrawn.

Appendix 4 - Civil Litigation Concluded 2007-08 continued

Date	Matter	Court	Act	Sec	Compensation	Costs	Other	Details
27.11.07	Russell Ivill (Kyabram Club)	VCAT	LCRA	44				An application to review the decision to grant a planning permit. This was a planning appeal that the Director of Liquor Licensing joined as the issue involved amenity effects on local residents of a smoking deck at a licensed premises. Variation orders to the planning permit and to trading hours were imposed.
28.11.07	Marco Braun	VCAT	LCRA	3A 11 44				A review of a decision of the Director of Liquor Licensing to grant a packaged liquor licence. The application to review was withdrawn.
04.12.07	GMAC Australia LLC	VCAT	MCTA	32				VCAT struck out the application by GMAC Australia LLC to review the decision by the MCTGFCC to refuse its claim for payment of \$16,473.70.
23.11.07	McCrae Yacht Club Inc	VCAT	LCRA	44				The McCrae Yacht Club was granted a variation to its licence, but the Director of Liquor Licensing refused to extend the licence to cover the car park, boat shed and an area in direct interface with the McCrae public beach. The club amended its application to remove the areas of concern and VCAT ratified the amended application.
06.12.07	Totem Industries Pty Ltd	VCAT	LCRA	44				The Director of Liquor Licensing placed conditions on a licence for a "dance party" involving 20,000 young adults to be held at a showground. The Director placed a condition limiting the supply of liquor to "mid strength" alcohol of 3.5% or less. The promoter sought an urgent review of the decision. After a contested hearing, VCAT set aside the condition.
19.12.07	Merringtons Pty Ltd	SCV	FTA	9 12 19				The Court found Merringtons Pty Ltd, and Australian Ophthalmic Supplies Pty Ltd (in liquidation), trading as Merringtons Optometrists, had engaged in conduct that was misleading or deceptive; made false or misleading representations in relation to the supply of goods; supplied goods that were materially different from that agreed; accepted payment from consumers without being able to supply goods (including prescription spectacles and contact lenses as ordered) in contravention of the FTA. The Court found Merringtons Optometrists supplied their customers with prescription glasses that were unsuitable and different from those ordered and then refused or failed to pay refunds to consumers despite supplying faulty goods. It also found Merringtons Optometrists failed to meet the delivery date, or offer a reasonable timeframe to supply the prescription glasses, and encouraged or required customers to try new prescription glasses without thoroughly checking their suitability. The Court reserved the question of penalty.

Appendix 4 - Civil Litigation Concluded 2007-08 continued

Date	Matter	Court	Act	Sec	Compensation	Costs	Other	Details
20.12.07	Legion Quest Pty Ltd	VCAT	LCRA	9(2) (b) 3A 4 47				An application to review the decision of the Director of Liquor Licensing to refuse to authorise a section of the footpath to supply liquor. The application raised issues of serious amenity concerns, as the footpath area was opposite a primary school. The school, 80 residential objectors and the local council opposed the application. VCAT set aside the decision of the Director and granted a footpath authorisation subject to conditions designed to minimise and adverse amenity effects of allowing the consumption of alcohol on the footpath. The conditions included limiting patron numbers to eight, requiring patrons to be seated, limiting trading to 11pm, and requiring video surveillance of the area.
24.01.08	National Management Plus Pty Ltd	VCAT	LCRA	44				An application by National Management Plus Pty Ltd was settled with the applicant agreeing to a revised condition on their licence. The review was based on difficulty interpreting a planning condition affecting patron numbers. The Director's new condition removed uncertainty and protected amenity concerns by clearly identifying maximum patron numbers and the areas affected by patron capacity.
12.02.08	Yarraville Club Cricket Club Inc	VCAT	LCRA	44				An application to review the decision by the Director of Liquor Licensing regarding licence conditions for the club, in particular the licensing of an outdoor smoking area. The decision was affirmed, with a variation to the hours of operation.
18.02.08	Northcote Park Football Club Inc	VCAT	LCRA	44				An application to review the decision of the Director of Liquor Licensing regarding licence conditions of an outdoor smoking area. VCAT affirmed the decision of the Director with variations to the hours of operation.
22.02.08	UHB Group Pty Limited t/as Lou Lou	VCAT	LCRA	44				An application to review the decision of the Director of Liquor Licensing to refuse a licence in the outdoor area of the premises and a dispute over patron numbers. The patron numbers were set for an outdoor smoking area to stop overcrowding in the internal area. Once patron numbers were resolved, by the applicant providing a surveyor's report, the extended licence hours were granted.

Appendix 4 - Civil Litigation Concluded 2007-08 continued

Date	Matter	Court	Act	Sec	Compensation	Costs	Other	Details
22.02.08	Jellis Craig & Company Pty Ltd ACN 054 440 827 and Jellis Craig (Richmond) Pty Ltd ACN 110 376 988	MMC	EAA	47A 47C (2)		\$1,028		CAV took civil action against two licensed estate agents, alleging contraventions of the 'underquoting' provisions of the EAA. The court resolved these proceedings by accepting an undertaking from each of the companies that they would refrain from publishing or advertising Victorian real estate at a price which was less than the vendor's reserve price. The undertaking is to remain in place for three years. The court awarded costs to CAV.
25.02.08	Chapel Street Nominees Pty Ltd	VCAT	LCRA	3a 9 16 17 44				An application to review the decision of the Director of Liquor Licensing to limit the licensed hours of the smoking area. The licence was granted to 1am and the licensee wanted to trade to 3am. The Director's concern was in relation to patron noise affecting the amenity of the area. To address amenity concerns, VCAT granted the extended hours but set a low patron limit in the smoking area after 1am.
25.02.08	Michael Marcus Mooney	VCAT	LCRA	3a 9 16 17 44				An application to review the decision of the Director of Liquor Licensing to partially refuse a licence application. The matter was struck out, as the applicant did not attend.
25.02.08	Perin Holding Pty Ltd t/a Bridie O'Reilly's	VCAT	LCRA	3a 9 16 17 44				An application to review the decision of the Director of Liquor Licensing to vary the general licence to add to and/or enlarge the outdoor beer garden/smoking area. The application was granted with limitations to trading hours.

Appendix 4 - Civil Litigation Concluded 2007-08 continued

Date	Matter	Court	Act	Sec	Compensation	Costs	Other	Details
28.02.08	Geeveekay Pty Ltd	SCV	CCC	4 6				CAV successfully defended appeals by Geeveekay Pty Ltd and Geoffrey and Veronica Keogh against a 2006 VCAT determination that the Consumer Credit Code applied to their contracts. In dismissing the appeals, the Supreme Court ruled that a vendor terms contract used by the Keoghs to sell property to consumers was a credit contract regulated by the Uniform Consumer Credit Code. The decision was the first time a superior court had fully examined the question of the Code's application to vendor terms transactions. The contracts were promoted as a means of facilitating home ownership for those who could not obtain traditional home finance and involved 'mortgage wrapping'. Mortgage wrapping is where the vendor acquires land, enters into its own mortgage to finance the purchase, then on-sells the property to the consumer on terms, at a higher price and interest rate than that paid by the vendor. CAV had previously lodged civil proceedings in VCAT against the vendor terms operators in relation to 46 contracts they entered into, seeking civil penalties for alleged contraventions of key Code disclosure requirements. The matter is now proceeding through VCAT.
01.03.08	Valve Trading Pty Ltd	VCAT	LCRA	44				An application to VCAT following the Director of Liquor Licensing's refusal of a transfer application. The application was withdrawn.
04.03.08	Knox Club	VCAT	LCRA	3a 9 16 17 44				An application to VCAT to review the granting of a licence to an outdoor smoking deck. The issue was that the planning permit did not allow a licence for the times sought by the applicant. After the planning permit was amended, the licence was varied to allow trading with reduced operation hours.
06.03.08	Crown Melbourne Limited	VCAT	LCRA	44				An application for review of the decision of the Director of Liquor Licensing to not allow a new outdoor terrace balcony at Crown Casino to be licensed after 1am. Crown Melbourne had applied for a 24-hour licence. During the application, the Director became aware that the deck was being used as a live music entertainment area and sought conditions on the licence to limit live music to 11pm. The Director also sought to limit the amount of noise flowing on to the public area of Southbank promenade. The Director was concerned about damage to the amenity. VCAT granted the applicant the 24-hour licence, however, placed various conditions on the entertainment area.
17.03.08	Methodist Ladies College Limited	VCAT	LCRA	44				An application to review the decision of the Director of Liquor Licensing to refuse to grant a licence to Methodist Ladies College for a training restaurant for students. The decision of the Director was affirmed.

Appendix 4 - Civil Litigation Concluded 2007-08 continued

Date	Matter	Court	Act	Sec	Compensation	Costs	Other	Details
19.03.08	Ca De Vin	VCAT	LCRA	9 3A 4 47				Ca De Vin made an application to authorise the supply of liquor in an area of the Bourke Street Mall to be conducted in association with an existing licensed premises. The Director of Liquor Licensing refused the application as the Mall currently had no supply of liquor in the public space. Further, the area applied for was directly opposite the Myer windows which is an area attended by children at Christmas time to view the window display. VCAT granted the authorisation, however, placed substantial further conditions on the licence to address the amenity and harm minimisation concerns of the Director.
20.03.08	Aberfeldie Bowls Club	VCAT	LCRA	44				An application to review the decision of the Director of Liquor Licensing to refuse to license the playing surface of a sporting club, on harm minimisation grounds. The decision of the Director was varied to allow a licence for the playing surface.
26.03.08	City Finance Loans and Cash Solutions and its franchisees in Victoria	VCAT	CCC	101				An application to VCAT for disciplinary orders. The application was struck out.
31.03.08	Disco Knights Pty Ltd	VCAT	LCRA	44(3)				A review of a decision of the Director of Liquor Licensing to refuse a transfer application was set aside and the transfer granted. The matter settled after Victoria Police withdrew their objection to the transfer.
10.04.08	Ormond College	VCAT	LCRA	44 120 (2)(e)				A review of a decision to refuse an on-premises licence at a university college. The licence was granted with additional conditions requiring supervision.
14.04.08	Emine Enterprises Pty Ltd	VCAT	LCRA	44				A review of a decision of the Director of Liquor Licensing to refuse to grant an on-premises licence was set aside and the licence granted subject to conditions.

Appendix 4 - Civil Litigation Concluded 2007-08 continued

Date	Matter	Court	Act	Sec	Compensation	Costs	Other	Details
14.04.08	Craig Langley Pty Ltd (formerly Matrix Pilates & Yoga Pty Ltd) and Matrix Pilates & Yoga Pty Ltd	VCAT	FTA	163 (3)(c)				Matrix Pilates & Yoga Pty Ltd were found to be in breach of the FTA with regards, predominantly, to unfair contract terms in the new contracts carried by the company. A previous judgement by VCAT found an earlier set of consumer contracts carried by both Respondents to be in breach of the same sections. VCAT ordered the Respondents to cease using the declared terms and any similar terms, to send to each affected consumer a letter outlining the decision and the specific terms of concern and how the consumer and Respondents would continue with their existing contracts.
15.04.08	Elizabeth Talevska	VCAT	PCA	56				This was a VCAT review application after the BLA refused to grant a Prostitution Service Providers Licence. The issue involved the transparency of persons involved in the application and the ability of the applicant to conduct business. CAV filed a large amount of material with VCAT pending the hearing.
21.04.08	Karl Missen	VCAT	LCRA	44				A review to VCAT in which the Director of Liquor Licensing refused an application to transfer a general licence, for Lake Bolac Hotel, to the applicant due to a previous offence by the applicant. The applicant withdrew the application.
06.05.08	Raz Pty Ltd & SonRob Pty Ltd	VCAT	LCRA	44 42 (2)(a)				An application following the refusal of the Director of Liquor Licensing to grant an on-premises licence to Raz Pty Ltd and SonRob Pty Ltd, based on the unsuitability of the sole director of Raz Pty Ltd. The Director's decision was affirmed.
20.05.08	Neville Frost	VCAT	EAA	32				An application to review the decision of the BLA to refuse to grant an estate agent's licence. Mr Frost's licence had previously been cancelled for two years and three months after CAV initiated an inquiry application against him. In relation to this application, Mr Frost failed to file material in response to material filed by CAV. He did not appear on the day of the hearing and the matter was struck out and the decision of the BLA affirmed.

Appendix 4 - Civil Litigation Concluded 2007-08 continued

Date	Matter	Court	Act	Sec	Compensation	Costs	Other	Details
26.05.08	Inter-hampers Australia Pty Limited	VCAT	LCRA	44				An application to review the decision of the Director of Liquor Licensing to refuse to grant a limited licence to supply hampers with up to 4.5 litres of alcohol. A licence was granted with a reduced limit on the amount of alcohol to be provided.
05.06.08	Palace Cinema Nominees Pty Ltd	VCAT	LCRA	44 88 120 (2)(e)				An appeal to review the decision by the Director of Liquor Licensing to refuse a licence. The Director granted an application for an on-premises licence for foyer and refreshments service areas of Balwyn Cinema, but refused to grant underage authority under s120(2)(e) of the Act to enable unaccompanied minors to be present on the licensed area, on grounds it would be conducive to misuse and abuse of alcohol. VCAT granted the application, however, placed conditions on the operation of the area.
05.06.08	Frantas and Sitar Entertainment Pty Limited	VCAT	LCRA	44				An application to review the decision of the Director of Liquor Licensing to limit footpath trading hours to 11pm each night. The decision of the Director was affirmed, however, with a variation to the hours of operation.
16.06.08	Section 8 Bar Pty Ltd t/as Section 8 Bar	VCAT	LCRA	44				An application for VCAT to review a decision by the Director of Liquor Licensing to refuse a variation application that would remove a special condition about playing background music only. The applicant withdrew the application.
23.06.08	Steven Xerri	VCAT	FTA	146		\$831		Mr Xerri failed to comply with the terms of an undertaking given to and accepted by the Director of Consumer Affairs Victoria on 18 May 2007. Mr Xerri was ordered to pay costs.
25.06.08	Felix (St Kilda) Pty Limited	VCAT	LCRA	44				This matter involved two reviews of decisions to refuse a liquor licence transfer based on the suitability of the purchaser. In both cases the applications were withdrawn after the Director of Liquor Licensing had filed evidence in support of her decisions.
27.06.08	Leo Iacuone	VCAT	LCRA	44				Review of the decision of the Director of Liquor Licensing to allow a smoking area to be licensed until 1am. The application was withdrawn prior to the hearing and after CAV had filed its case.
30.06.08	Michael and Elizabeth Houlihan	VCAT	LCRA	44				Review of the decision of the Director of Liquor Licensing to grant a renewable limited licence. The application was withdrawn after CAV filed its case.

Appendix 4 - Civil Litigation Concluded 2007-08 continued

Date	Matter	Court	Act	Sec	Compensation	Costs	Other	Details
30.06.08	Nachos Mexican Cantina	VCAT	LCRA	14 26 44				An application to VCAT to review the decision of the Director of Liquor Licensing to refuse a renewable limited licence. VCAT varied the Director's decision on condition "that no liquor could be supplied unless food of \$15 is purchased". The licensee was required to submit subsequent sales figures for both on and off premises sales.
May-June 08	Lockout declaration -144 matters	VCAT	LCRA	58 CA				Application to review the decision of the Director of Liquor Licensing to issue a temporary late hour declaration ('lockout declaration') pursuant to section 58CA of the LCRA. A total of 127 affected licensees were granted a stay from the effect of the lockout declaration, provided they agreed to additional conditions on their licence for the period of the declaration. These conditions included increased number of crowd controllers, no smoking "pass outs", no serving of liquor in any authorised footpath/kerbside areas and refraining from advertising that they were excluded from the operation of the lockout. Seventeen other applicants withdrew their application.

Appendix 5

Prosecutions Completed 2007-08

Date	Matter	Court	Act	Sec	Counts	Conviction	Fines	Compensation	Costs
15.08.07	Dean Francis Page	MMC	FTA	19 (1) (b)	1	Yes	\$1,000	\$4,124	\$109.56
Mr Dean Page, also known as Mr Dean Finch, supplied and installed shade sails, entered into contracts for the supply of goods and services and accepted a deposit under the contract, however failed to supply the goods or services and refused to refund the deposit.									
17.08.07	Diane Fisher	SMC	DBCA	11(1) (a) 29 31(1)	3	Yes	\$500		
Mrs Fisher and her husband Bruce Fisher were building contractors who engaged in domestic building without being registered to do so. The defendant entered into a domestic building contract, took excessive deposits and did not provide a copy of the required building contract. She either failed to carry out the work, or in those instances where she did, it was of such a uniformly bad standard of workmanship that it had to be redone.									
17.08.07	Bruce Fisher	SMC	DBCA FTA BNA	11(1) (a) 29 31(1) 19(1) (a) 5	5	Yes	\$1,200		
Mr Fisher and his wife Diane Fisher were building contractors who engaged in domestic building without being registered to do so. The defendant entered into a domestic building contract, took excessive deposits and did not provide a copy of the required building contract. He either failed to carry out the work, or in those instances where he did, it was of such a uniformly bad standard of workmanship that it had to be redone.									

Appendix 5 - Prosecutions Completed 2007-08 continued

Date	Matter	Court	Act	Sec	Counts	Conviction	Fines	Compensation	Costs
17.08.07	Christopher George Steele	SMC	DBCA	11(1) (a) 29 31(1)	3	Yes	\$500	\$75,000	
Mr Steele was a building contractor who engaged in domestic building without being registered to do so. The defendant entered into a domestic building contract, took excessive deposits and did not provide a copy of the required building contract. He either failed to carry out the work, or in those instances where he did, it was of such a uniformly bad standard of workmanship that it had to be redone.									
17.08.07	Gloweave Consolidated Pty Ltd ACN 005 069 616	MMC	FTA	32M 12	2	No	\$400		\$600
Gloweave maintains a retail outlet that sells garments. When Consumer Affairs Victoria (CAV) inspectors attended the store in November 2006, the store displayed a CAV-approved sign setting out its refund policy. However, the store issued receipts that contained a non-compliant notation that refunds were only available if claims were lodged within seven days of purchase. The Court found misleading conduct by Gloweave in relation to its refund policy, placed Gloweave on a six-month bond and ordered the company to pay fines and costs.									
20.08.07	ESE Motors Pty Ltd	MMC	MCTA FTA	35 38 (1) 12	77	Yes	\$100,000		
ESE Motors Pty Ltd of Cheltenham was convicted and fined for tampering with odometers on cars it was selling, failing to maintain a dealings book, and making false representations with respect to odometer readings. ESE Motors Pty Ltd pleaded guilty to 77 charges under the MCTA and FTA.									
21.08.07	R and H Consulting Pty Ltd, Hoda Atiyeh	MMC	IAA	24(1)(f) 24(3) 25(1)(b) 27(1) 28(6) 29 32 33(1)	18	Yes (company) No (director)	\$12,000		\$850
Prosecution of an introduction agency (R & H Consulting Pty Ltd) and its sole director (Hoda Atiyeh) for breaches of the IAA. The company and its director pleaded guilty to 18 offences that mainly concerned not providing proper information to consumers prior to entering introduction agreements, and demanding and receiving more than 30 per cent deposits prior to entering into contracts. The company was convicted and fined \$10,000, and the director was fined \$2,000 without conviction and ordered to pay costs.									
27.09.07	Trio Brothers Trading Pty Ltd	MMC	FTA	44	6	No	\$6,000		\$1,800
The defendants sold and delivered a total of 2,900 ice pipes to six retailers between October 2004 and April 2007. Ice pipes are subject to a Permanent Ban Order prohibiting the supply of dangerous goods. The defendants were fined a total of \$6,000 without conviction and ordered to pay CAV's costs.									
27.09.07	Sammy Oliveri	BMC*	DBCA FTA BA	29 31(1) 19(1)(b) 176(2a)	4	No	\$2,000	\$14,000	\$2,000
Mr Oliveri was an unregistered building practitioner who used a non-compliant contract to carry out major domestic building work. His work was faulty and required rectification. Mr Oliveri was fined, ordered to pay a total of \$14,000 compensation to the consumer, and ordered to pay CAV's costs.									
17.10.07	Shamrock Roofing Corporation Pty Ltd	MMC	FTA	12(n) 19(1)(4) 19(1)(b)	3	Yes	\$6,000		\$2,066
The company carried out defective roofing repair work, made representations to consumers when it did not have the capacity to perform the work promised, and either did not do the roofing work, or failed to do it within a reasonable timeframe.									

Appendix 5 - Prosecutions Completed 2007-08 continued

Date	Matter	Court	Act	Sec	Counts	Conviction	Fines	Compensation	Costs
22.10.07	Jeton Asani t/as Prespa Carpentry & Cabinets	MMC	DBCA BA	11(1)(a) 29 31(1) 176(2A)	4	No	\$4,000		\$1,500
Mr Asani was an unregistered cabinetmaker who used incorrect domestic building contracts to carry out work. He also demanded and received an excessive deposit. Mr Asani was fined and ordered to pay CAV's costs.									
14.11.07	Tony Cheng	DMC	FTA	21(2)(f) 136	2	Yes	\$7,500		\$3,059
Mr Cheng distributed false Consumer Affairs Victoria letters to traders in the Springvale area using CAV letterhead and claiming to be a CAV inspector. The letter requested the recipient disclose details to Mr Cheng of his/her suppliers and/or wholesalers, to use for his commercial interest. Mr Cheng was fined \$7,500 and ordered to pay costs. He was also ordered to forfeit and destroy the computer and peripheral items seized by CAV under warrant.									
22.11.07	Upali Samaranayake	MMC	DBCA FTA BA	29 31(1) 32(1) 32(2) 11 12(n) 19 176(2a)	8	Yes	\$15,000		\$1,900
Mr Samaranayake, an unregistered builder, entered into a contract to do cladding and replace windows for a consumer at a cost of about \$17,000. The defendant used a non-compliant contract and there were numerous defects in the work that were never rectified. The defendant was convicted and fined a total of \$15,000 and ordered to pay costs.									
18.12.07	Russell Myers	MMC	DBCA FTA	11(1)(b) 29 31(1) 32(1) 32(2) 12(n) 19(1)(b)	7	Yes	\$25,000		\$2,226
Mr Myers was an unregistered builder/landscaper who used a non-compliant contract to carry out major domestic building work and demanded and received an excessive deposit. He made representations to consumers when he did not have the capacity to perform the work promised, and supplied faulty landscaping work that required rectification and demolition. Mr Myers was fined \$25,000 and ordered to pay costs.									
18.12.07	Samuel Halaseh aka Bassem Halaseh	MMC	DBCA FTA BA	11(1)(a) 29 11 12(n) 137 176(2a)	15	No	\$42,000		\$5,463.63
Mr Halaseh was a director of several companies, who entered into a number of contracts to build homes - the value exceeding \$1.2 million. He was an unregistered uninsured building practitioner who made representations to consumers when he did not have the capacity to perform the work promised. Fifteen charges representing breaches under the DBCA, FTA and BA were proved. He was fined \$42,000 and ordered to pay costs.									
04.02.08	Gerald Khee Hock Seah	MMC	PCA	22(1)(a) 22(1a)(a) 22(3)	2	No	\$4,500		\$10,000
Mr Seah breached the PCA by carrying on business as a prostitution service provider in breach of a condition of his licence. Mr Seah was fined \$2,000 and CAV was awarded \$10,000 in costs. CAV applied for and was granted a forfeiture order for money and a destruction order for goods seized (computer equipment used to run the brothel).									

Appendix 5 - Prosecutions Completed 2007-08 continued

Date	Matter	Court	Act	Sec	Counts	Conviction	Fines	Compensation	Costs
05.02.08	Joseph Frendo aka Joe Capri	MMC	DBCA FTA	11(1)(b) 29 31(1) 32(1) 32(2) 12(n) 19(1)(a) 19(1)(b)	9	Yes	\$160,000	\$11,400	\$2,000
Mr Frendo was convicted of carrying on business as a plasterer and cabinetmaker and entering into major domestic building contracts while he was an unregistered builder. Mr Frendo demanded and received an excessive deposit and the contract he used did not comply with legislation. He supplied defective plastering work, which he did not repair, and failed to supply goods and services paid for by the consumer. He was fined \$160,000 and ordered to pay compensation of \$11,400 and costs of \$2,000.									
08.02.08	Salih Osman	MMC	MCTA	7	1	No	\$2,500		\$1,800
Mr Osman was found to have breached the MCTA for having sold 25 cars in 12 months without holding a licence to do so.									
26.02.08	Dimmeys Stores Pty Ltd	MMC	FTA	44	1	Yes	\$15,000		\$2,571
Dimmeys Stores Pty Ltd pleaded guilty to breaching the FTA. The company contravened a Permanent Ban Order by supplying and offering certain candles for sale. Dimmeys Stores was convicted and fined \$15,000 and ordered to pay CAV's costs of \$2,571. The company was ordered to pay \$18,000 to publish a notice in <i>The Age</i> , <i>Herald Sun</i> and <i>Geelong Advertiser</i> , and on the Dimmeys website for three months. It was also ordered to include the advertisement in their next catalogue. The candles CAV seized were ordered for destruction.									
26.02.08	Stellios Constant- opoulos	MMC	PCA	22(1a)(a)	1	No	\$4,500		\$6,800
Mr Constantopoulos pleaded guilty to breaching the PCA by carrying on a business as a prostitution service provider without holding a licence. The matter was adjourned without conviction on condition Mr Constantopoulos be of good behaviour for 12 months and that he pay \$2,000 to the Prostitution Control Fund. Mr Constantopoulos was ordered to pay CAV's costs. Money totalling \$2,500 that CAV seized from the premises was ordered to be forfeited to the Prostitution Control Fund.									
28.02.08	Craig Lemon	MMC	DBCA BA	31(1) 16	2	No			\$1,839
Mr Lemon, a registered building practitioner, carried out major domestic building works without using a contract as required under the DBCA and without a building permit as required under the BA. Mr Lemon was ordered to pay CAV's costs and was placed on a 12-month Good Behaviour Bond.									
28.02.08	Graeme Ford	MMC	DBCA FTA	11(1)(b) 29 31(1) 32(1) 32(2) 12(n) 19(1)(b)	23	Yes	\$22,000	\$15,817	\$2,500
Mr Ford was convicted of charges against the DBCA and the FTA. Mr Ford was an unregistered building practitioner who worked as a concreter. He carried out major domestic building works without contracts that complied with the DBCA, demanded and received excessive deposits, made misleading and deceptive representations and failed to supply goods and services paid for by the consumer. Mr Ford was fined \$22,000 and ordered to pay compensation of \$15,817 and CAV's costs.									
11.03.08	Julie Ann Brown	CC	EAA	55, Reg 7	3	Yes, on one charge	\$1,000		\$3,927.5
Julie Brown was found to have breached the EAA and EAR. She was convicted on one charge and fined \$1,000. In relation to the remaining two charges, she was without conviction placed on a community-based order with conditions, including completing 60 hours of community work. Ms Brown appealed the findings and sentences of the Magistrates Court to the County Court, later withdrawing her appeal. The County Court imposed the same penalty orders.									

Appendix 5 - Prosecutions Completed 2007-08 continued

Date	Matter	Court	Act	Sec	Counts	Conviction	Fines	Compensation	Costs
13.03.08	Garry Edward Taylor	BMC**	MCTA	7	1	No	\$110,000		\$2,500
Mr Taylor was found to have breached the MCTA for having sold 19 cars in 12 months without holding a licence to do so.									
17.03.08	Saroush Saeedi	MMC	DBCA FTA BNA	29 31(1) 19(1)(b) 5	4	Yes	\$2,500	\$67,470	\$1,500
Mr Saeedi was convicted for breaches of the DBCA, FTA and BNA. Mr Saeedi was an unregistered builder, who worked as a painter under the unregistered business name of "Moona Painting and Maintenance". Mr Saeedi undertook major domestic work without a written contract, used an unregistered business name and failed to deliver or perform the agreed works or delivered or performed defective building works. The court placed Mr Saeedi on a 12-month Good Behaviour Bond on the condition he pay \$2,500 to the Court Fund, CAV's costs, and compensation of \$67,470. Mr Saeedi, as a pre-condition to the order, provided \$25,000 of this compensation amount by bank cheque on the day of his final court appearance.									
25.03.08	Renovic Pty Ltd	MMC	DBCA BNA	31(1) 5	2	No			
Renovic was trading with an unregistered business name and using contracts to carry out major domestic building works that were non-complaint with the DBCA. The court placed the company on a 12-month Good Behaviour Bond.									
28.03.08	Ivan Spiteri	MMC	DBCA	176(2a)	1	No		\$12,500	
Mr Spiteri was in the business of relocating homes. He entered into major domestic building contracts worth a total of \$44,000 for the purchase, removal and relocation of a home, and carried out building work, without being a registered building practitioner. Mr Spiteri was placed on a 12-month Good Behaviour Bond and ordered to pay the consumer \$12,500 by the close of business on the final day of proceedings.									
02.04.08	Chung Jiang Dong	MMC	DBCA FTA BA	11(1)(b) 29 31(1) 32(1) 32(2) 40(3) 11 12(n) 19(1)(a) 176(2a)	10	No	\$15,000	\$28,700	\$1,500
Mr Dong carried on business as a domestic builder under the business name "Jiamei". He entered into a major domestic building contract for work totalling \$115,000 while he was an unregistered building practitioner. He demanded and received an excessive deposit and used a contract that did not comply with the DBCA. He made misleading and deceptive representations and failed to supply goods and services he was contracted to supply. Mr Dong was fined, ordered to pay \$28,700 in compensation to the consumer and CAV's costs.									
02.04.08	Martin James Phillips	MMC	MCTA	7	1	No	\$2,000		\$2,000
Mr Phillips was an unlicensed motor car trader who sold 19 cars in 12 months without having a licence to do so.									
04.04.08 & 11.04.08	John Oliveri	MMC	DBCA FTA BA BNA	11(1)(b) 29 31(1) 32(1) 32(2) 12(n) 19(1)(a) 19(1)(b) 176(2a) 5	45	Yes	\$70,000	\$41,849	\$2,500
Mr Oliveri was trading as "Oliveri's Concreting" and "MJ Concreting". He entered into major domestic building contracts while he was an unregistered building practitioner, demanded and received excessive deposits, used contracts that did not comply the DBCA, made misleading and deceptive representations; and failed to supply goods and services paid for by consumers. Mr Oliveri was convicted and fined \$70,000, and ordered to pay \$41,849 in compensation to nine consumers and CAV's costs.									

Appendix 5 - Prosecutions Completed 2007-08 continued

Date	Matter	Court	Act	Sec	Counts	Conviction	Fines	Compensation	Costs
11.04.08	Robert Swan	MMC	EAA	91	42	42		\$75,293	\$1,200
Mr Swan was the director of estate agency Pro-Active (Frankston) who had a deficiency in the agency trust account. Mr Swan was convicted for Fraudulent Conversion and was sentenced to an 18-month community-based order with 125 hours of community work, to be completed within 12 months. He was also convicted for Deficiency and sentenced to six months' imprisonment, wholly suspended for 12 months. Mr Swan was ordered to pay costs of \$1200 and compensation of \$75,293.									
16.04.08	Yi Qian Zhuang	RMC	FTA	12	6	No	\$2,000		\$236.46
Ms Zhuang was prosecuted for making false representations in relation to selling underweight delicatessen products. She was placed on a two-year Good Behaviour Bond and ordered to pay costs and \$2,000 to the Court Fund.									
28.04.08	Troy Richards	MMC	DBCA BNA	11(1)(b) 29 31(1) 5	4	No		\$5,000	
Mr Richards was an unregistered builder who received an excessive deposit and used an incorrect contract to carry out building work in the Cranbourne and Lyndhurst area. Mr Richards was sentenced to a 12-month Good Behaviour Bond and ordered to pay compensation to two consumers totalling \$5,000.									
09.05.08	Les Hilton/ Hilton Air Conditioning	MMC	FTA	19(1)(a)	1	No	\$2,000		\$2,500
Mr Hilton accepted a payment of \$4,124 and then failed to provide the services he had been paid to supply. He was fined and ordered to pay costs.									
30.05.08	Suriya Das aka Zac Cannon	MMC	DBCA FTA	11(1)(b) 29 31(1) 19(1)(a)	5	No		\$1,050	\$750
Mr Das was a registered plumber who failed to carry out or complete roofing work and entered into a major domestic building contract to renovate a bathroom, while he was an unregistered building practitioner. He demanded and received an excessive deposit and used a contract that did not comply with the DBCA. Mr Das was ordered to pay compensation and costs.									
02.06.08	Andrew Caruana	MMC	DBCA FTA BA	11(1)(a) 29 31 19(1)(a) 176(2a)	12	Yes	\$3,000		
Mr Caruana was an unregistered building practitioner who demanded and received excessive deposits and did not use contracts that complied with the DBCA. He also failed to supply goods and services paid for by consumers. Mr Caruana was fined \$3,000.									
04.06.08	Raffaele Vavala aka Raff Vav	MMC	DBCA FTA BA	11(1)(a) 29 12(n) 19(1)(a) 176(2a)	7	Yes	\$45,000	\$49,000	
Mr Vavala was the sole director of Logo Builders Pty Ltd. The company entered into a major domestic building contract when its director was not a registered building practitioner. The company demanded and received an excessive deposit, and Mr Vavala made misleading and deceptive representations and failed to supply goods and services paid for by the consumer. The company was fined \$45,000 and ordered to pay \$49,000 compensation.									
04.06.08	Linda Khodr	MMC	MCTA	7	1	Yes	\$1,500		\$1,239.70
Ms Khodr was trading in motor cars without a licence to do so. She was fined and ordered to pay costs.									
06.06.08	GM Car Sales Pty Ltd	MMC	MCTA	7	1	No	\$2,500		\$1,000
GM Car Sales Pty Ltd was charged with unlicensed trading in motor cars. The company was fined \$2,500 without conviction and ordered to pay \$1,000 in costs.									

Appendix 5 - Prosecutions Completed 2007-08 continued

Date	Matter	Court	Act	Sec	Counts	Conviction	Fines	Compensation	Costs
06.06.08	Gilson Moreira	MMC	MCTA	7	1	Yes	\$1,000		
Mr Moreira, the Director of GM Car Sales Pty Ltd, was convicted and fined for unlicensed trading in motor cars.									
06.06.08	Samer Khodr	MMC	MCTA	7	1	No	\$2,500		\$1,200
Mr Khodr was trading in motor cars without a licence to do so. He was fined and ordered to pay costs.									
19.06.08	Best B Pty Ltd	MMC	FTA	33	5	Yes			\$1,500
The company was prosecuted for offering for sale children's toys that did not comply with prescribed safety standards. Best B Pty Ltd was convicted and sentenced to a 12-month Good Behaviour Order; ordered to engage an independent organisation that would within the next three months provide practical and verifiable compliance training to all relevant staff; publish a notice pursuant to section 153 of the FTA within 30 days in The Age or Herald Sun and a Chinese newspaper; and pay CAV's costs. The company was also ordered to forfeit and agree to destruction of 2,067 toys seized by CAV.									
19.06.08	David Sun	MMC	FTA	33	5	Yes			
David Sun, a Director of Best B Pty Ltd, was convicted and sentenced to a 12-month Good Behaviour Order. The company and director supplied goods that did not comply with prescribed safety standards.									
19.06.08	Ai Min Ling	MMC	FTA	33	5	Yes			
Ai Min Ling, a Director of Best B Pty Ltd, was convicted and sentenced to a 12-month Good Behaviour Order. The company and director supplied goods that did not comply with the prescribed safety standards.									
19.06.08	Bruce Wisby	MMC	FTA BNA	44 5	4	Yes	\$15,000		\$1,500
Mr Wisby offered for sale monkey bikes and ice pipes that contravened Permanent Ban Orders, and carried on business under an unregistered business name. Mr Wisby was fined and ordered to pay CAV's costs. He was ordered to forfeit and agree to destruction of the goods CAV seized.									

Appendix 6

Media Releases issued 2007-08

Date	Title	Date	Title
02/07/07	Inspectors record largest haul of dangerous goods	26/09/07	Consumer Affairs Victoria inspectors conduct sweep through Mildura
08/07/07	Foxtel telemarketers rung up by regulator	27/09/07	Consumer Affairs Victoria cracks down on ice pipe suppliers
15/07/07	Victorian consumers warned on making purchases on credit	17/10/07	Consumer Stuff challenge competition winners announced
16/07/07	Bracks Government calls for community feedback on residential accommodation	17/10/07	Primary school pupils get consumer savvy
24/07/07	Oakleigh students get a lesson in consumer affairs from the Minister himself	30/10/07	Bill proposes changes to benefit car buyers and sellers
26/07/07	Last call for Victorian Consumer Affairs Awards nominations	30/10/07	Bill strengthens consumer and investor confidence
02/08/07	Fake e-greeting card scam set up to net consumers	30/10/07	New liquor licensing laws introduced in Parliament
14/08/07	Car guide takes off in new direction	01/11/07	Public have chance to have a say on proposed lemon laws
22/08/07	Toys posing choking hazard removed from Royal Melbourne Show showbags	07/11/07	Victoria places ban on Bindeez Beads
06/09/07	Consumer Affairs Victoria wants Backloads to back down	16/11/07	Consumer advocates honoured at inaugural awards
06/09/07	Fitness centre not fair says Consumer Affairs Victoria	21/11/07	Consumer Affairs recovers millions for Victorians
06/09/07	Second fitness company challenged on contract fairness	04/12/07	Greater credit protection for Victorian consumers
24/09/07	Have your say on car lemon laws	06/12/07	Consumer Affairs inspectors out and about in Bairnsdale
		09/12/07	Consumer Affairs seizes more than 76,000 dangerous products

Appendix 6 - Media Releases issued 2007-08 continued

Date	Title	Date	Title
09/12/07	Santa's helpers - Consumer Affairs checks toy safety	07/04/08	CAV seizes unsafe mini bikes
12/12/07	High Court victory for Consumer Affairs	08/04/08	Fawkner builder ordered to pay \$12,500 in compensation
14/12/07	Robinson - do not get let down by toy jumping castles	08/04/08	CAV secures penalties for dodgy brothel operators
18/12/07	New laws combating alcohol fuelled violence begin New Year's Eve	11/04/08	Wonthaggi real estate agents admit breaches
19/12/07	Optometry chain Merringtons not trading fairly	11/04/08	Hungry canaries blow whistle on pet food manufacturer
19/12/07	Consumer Affairs weighs in on Christmas produce	12/04/08	National audit checks the check outs
27/12/07	Dollars and sense: remember your refund rights	15/04/08	Unregistered builder prosecuted on ten charges
31/12/07	Win for consumer against dodgy builder	15/04/08	Beware of scams targeting Chinese community
03/01/08	Consumers win against Kew builder	17/04/08	Unregistered Kilsyth concreter convicted of 45 charges
04/01/08	Don't get tangled in the web of love this Valentine's Day	17/04/08	Employee tips off Consumer Affairs on consumer rip-off
15/01/08	Shape up and read fine print	22/04/08	Beware of dodgy bitumen traders
15/01/08	Consumers warned about dodgy trader in Frankston	24/04/08	Surprise package for international parcel service customers
01/02/08	New African e-mail scam targeting unsuspecting consumers	24/04/08	Moving house without the stress
01/02/08	Homebuyers set to gain from new auction safeguard	27/04/08	VCAT decision a win for fitness club members
03/02/08	Parents warned about aggressive sales techniques	27/04/08	More Victorians than ever seeking advice from Consumer Affairs
03/02/08	Minister announces investigation into discount airline terms and conditions	03/05/08	New standards for hot water bottles keep consumers warm and safe this winter
03/02/08	Home goods the number one consumer issue for 2007	07/05/08	Consumer Affairs sinks concreter
08/02/08	Springvale brothel operator fined after Consumer Affairs Victoria investigation	07/05/08	Beware of dodgy bitumen traders in regional Victoria
08/02/08	Court orders Fawkner builder to pay \$173,400 in fines and costs	12/05/08	Geelong consumers to benefit from Law Week seminars
14/02/08	Advice available on energy bills	12/05/08	Consumer Affairs taking Law Week into their own hands
24/02/08	Robinson - scams target you - do not respond - dob fraudsters in	12/05/08	Consumer Affairs session to stop scammers
25/02/08	Students encouraged to study up on rental rights	13/05/08	Consumer Affairs reaching out to local community
28/02/08	Geeveekay credit appeal fails in Supreme Court	15/05/08	Spotlight on senior consumers during Law Week
03/03/08	Court takes dim view of Dimmeys ban order breach	16/05/08	Nominate your consumer champion
04/03/08	Book carefully to avoid holiday headaches	16/05/08	Getting down to business in Warrnambool
05/03/08	Qantas agrees to changes to Frequent Flyer terms and conditions	16/05/08	Consumers warned - alcoholic energy drinks may pose risks
05/03/08	Brothel operator pleads guilty after Consumer Affairs investigation	17/05/08	Victoria Racing Club first past the post on consumer rights
06/03/08	New tips for Victorians on staying in the black	19/05/08	Consumer Affairs signs MOU with ACCC
07/03/08	Consumer Affairs Victoria drops in on Ballarat this week	21/05/08	Latest liquor laws to come into force
27/03/08	Beware modelling agencies promising the world	22/05/08	Victoria leading the way at consumer meeting
28/03/08	Ballarat unlicensed motor car trader gets \$110,000 fine	26/05/08	Students get educated on gambling issues
31/03/08	Jeweller modifies advertising after diamond pressure	30/05/08	CAV welcomes NAB loans for low income earners
02/04/08	Top ten tenancy issues for 2007 released	06/06/08	Firewood sales a burning issue
03/04/08	Dodgy builder convicted of 23 breaches of law	06/06/08	Consumer Affairs inspects Phillip Island
04/04/08	Sham builder paints himself into a corner	13/06/08	Cruise line changes contracts for consumer benefit
06/04/08	Hotline to help parents choose toys wisely	16/06/08	Flaming fire footbags banned from public use
07/04/08	Harvey Norman building franchise caught out on contracts	24/06/08	Minister challenges young Victorian consumers
		25/06/08	Parents warned to lookout for dodgy toys
		25/06/08	Consumer Affairs Victoria checks out Chaddy
		27/06/08	On-the-spot fines trial for minor offences
		29/06/08	Online social networking craze leads to a new generation of scams

Appendix 7

Consumer Affairs Victoria Community Program 2007-08

Consumer Affairs Victoria provides funding to community-based agencies to deliver advocacy and specialist services, and to undertake special projects relating to consumer and tenancy issues. Approved funding for providing the Community Program in 2007-08 was \$1,456,591 (GST exclusive) comprising the following programs:

Advocacy Services

Consumer Affairs Victoria's Advocacy Program provides advocacy and tribunal support services for vulnerable and disadvantaged consumers and tenants in metropolitan Melbourne and regional Victoria.

Approved funding for the Advocacy Services Program was \$540,161 (GST exclusive) as follows:

Service Provider	Approved Funding *	Region
Advocacy & Rights Centre Ltd	\$48,392	Loddon Mallee
Community Connections (Vic) Ltd	\$15,805	Barwon South
Delatite Community Health Service	\$48,392	Hume
Grampians Housing Network (trading as PACT Community Support)	\$47,416	Grampians
Geelong Ethnic Communities Council (trading as Diversitat)	\$31,610	Barwon South
Quantum Support Services	\$47,416	Gippsland
Tenants Union of Victoria Ltd	\$301,130	Metropolitan
Total	\$540,161	

*Value is reported exclusive of GST representing the net cost to Government

State-wide and Special Projects

Consumer Affairs Victoria provides funding to state-wide specialist services for consumer and tenancy support, and education. Funding is also provided for specific projects on policy issues, training initiatives, consumer education, and research on a range of consumer and tenancy matters.

Approved funding for 2007-08 for all state-wide and special projects was \$916,430 as follows:

State-wide Projects	Value Approved *	Project Description
Tenants Union of Victoria Ltd	\$76,146	Specialist Tenancy Services
Consumer Credit Legal Service Inc.	\$386,250	Specialist Consumer Services
The Housing for the Aged Action Group Inc.	\$98,497	Specialist Aged Tenancy Services
Special Projects		
Tenants Union of Victoria Ltd	\$78,720	Legal Advice and Policy Advocacy – Private Tenancy.
Tenants Union of Victoria Ltd	\$100,237	Advocacy for Rooming House and Caravan Park Residents
Tenants Union of Victoria	\$40,000	Education and Research Projects
Peninsula Community Legal Centre Inc.	\$48,935	Young renters Program
Peninsula Community Legal Centre Inc.	\$20,000	Virtual Tenancy Project
Peninsula Community Legal Centre Inc.	\$67,645	VCAT Workshops Project
Total	\$916,430	

*Value is reported exclusive of GST representing the net cost to Government

Appendix 8

Consumer Affairs Victoria Financial Counselling Program 2007-08

Consumer Affairs Victoria provides financial counselling to low income families and individuals facing financial difficulty. During 2007-08, the Financial Counselling Program was delivered by 43 community-based not-for-profit agencies. The Program also funds the peak organisation for the financial counselling sector, the Financial and Consumer Rights Council Inc. Approved funding for providing the financial counselling in 2007-08 was \$ 5,277,285.94 (GST exclusive).

Funding to agencies for 2007-08 was as follows:

Agency Name	Total Funding 2007-08 ex GST*	Agency Name	Total Funding 2007-08 ex GST*
Anglicare Victoria (Eastern)	\$123,872.20	Goulburn Valley Community Health Service Inc	\$112,942.30
Anglicare Victoria (Gippsland)	\$242,279.45	Inner South Community Health Service Inc	\$46,998.57
Anglicare Victoria (North West)	\$354,493.09	Isis Primary Care Inc	\$62,300.43
Banyule Community Health Service Inc	\$ 63,029.09	Diversitat	\$202,567.48
Bass Coast Regional Health	\$61,936.10	Kildonan Child and Family Services	\$155,204.58
Benalla Rural City Council	\$12,022.89	Mallee Family Care Inc	\$100,555.08
Berry Street Victoria Inc	\$127,515.50	Mansfield Shire Council	\$21,859.80
Broadmeadows Uniting Care	\$266,689.56	Mitchell Community Health Services Inc	\$69,951.36
Camcare Inc	\$79,423.94	MonashLink Community Health Service Inc	\$71,408.68
Carlton Fitzroy Financial Counselling Service Inc	\$62,300.43	Port Phillip Community Group Ltd	\$70,315.69
Child & Family Services Ballarat Inc	\$184,715.31	Reach Out for Kids Foundation (R.O.K.) Inc	\$62,664.76
City of Darebin	\$75,416.31	Shepparton and Benalla Debt Counselling Service Inc	\$72,866.00
City of Knox	\$40,622.65	Southern Health	\$272,883.17
Moreland Community Legal Centre Inc	\$88,167.86	Springvale Community Aid and Advice Bureau Inc	\$79,059.61
Colac Area Health	\$128,972.82	St Luke's Anglicare	\$226,248.93
Community Connections (Victoria) Limited.	\$148,282.31	Sunbury Community Health Centre Inc	\$32,061.04
Dignity Financial Counselling Service Inc	\$120,957.56	Uniting Church in Australia Kilmany Family Care	\$91,811.16
Djerriwarrh Health Service	\$24,045.78	UnitingCare Connections	\$81,609.92
Eastern Access Community Health Inc.	\$222,058.99	Upper Murray Family Care Inc	\$106,384.36
Financial Counselling (Vic) Inc	\$173,785.41	Wimmera Uniting Care	\$78,695.28
Frankston City Council	\$75,051.98	Yarra City Council	\$ 91,082.50
Good Shepherd Youth and Family Service Inc	\$327,168.34	Sub total for 43 service agreements	\$5,112,278.56
		Financial and Consumer Rights Council Inc	\$165,007.38
		Total for 44 funding agreements	\$5,277,285.94

*Value is reported exclusive of GST representing the net cost to Government

Appendix 9

Consumer compensation claims admitted 2007-08

A statutory process exists to provide compensation to consumers who are financially disadvantaged from dealings with motor car traders licensed to operate within Victoria.

Motor car traders

The *Motor Car Traders Act 1986* provides for compensation to be paid from the Motor Car Traders Guarantee Fund to any person who incurs a loss from dealing with a licensed motor car trader, or someone who appears to be a licensed trader.

Claims relating to licensed motor car traders are considered by the Motor Car Traders Guarantee Fund Claims Committee.

Claims can be made on transactions involving motor cars, motorbikes and commercial vehicles.

The Committee can pay a claim if a motor car trader fails to:

- comply with bans on consignment selling, odometer tampering, or selling a trade-in car before the cooling-off period is over
- comply with the warranty provisions of the *Motor Car Traders Act 1986* (this applies to motor cars but not to motorbikes or commercial vehicles)
- transfer a good title to a motor car
- pay the purchase price for a motor car sold to the motor car trader
- pass on transfer or registration fees, or stamp duty, to VicRoads
- provide a Certificate of Roadworthiness or other documents necessary for the motor car to be registered
- pass on money for an insurance policy or warranty, and/or
- satisfy an order made by a court or the Victorian Civil and Administrative Tribunal relating to trading in motor cars

Claims on the Motor Car Traders Guarantee Fund are capped at a maximum of \$40,000 per claim.

Trader	Total amount paid
Auto Corporation Pty Ltd	\$30,000.00
Budget Group Australia Pty Ltd	\$19,930.96
Budget Group Australia Pty Ltd	\$11,410.00
Daniel Luke Pty Ltd	\$15,070.00
Dean Burke Motors Pty Ltd	\$80.30
Dean Burke Motors Pty Ltd	\$906.60
Dean Burke Motors Pty Ltd	\$438.84
Dean Burke Motors Pty Ltd	\$500.00
Dean Burke Motors Pty Ltd	\$16,758.38
Dean Burke Motors Pty Ltd	\$13,661.23
Dean Burke Motors Pty Ltd	\$9,840.00
Dean Burke Motors Pty Ltd	\$374.00
Dean Burke Motors Pty Ltd	\$773.30
Le Tissier Motors Pty Ltd	\$572.90
Leonard Ellis Hartley	\$6,000.00
Leonard Ellis Hartley	\$13,000.00
Motazone Pty Ltd	\$979.00
R.A.McDermott & Co (Sales) Pty Ltd	\$20,000.00
Spruceby Pty Ltd	\$615.60
Spruceby Pty Ltd	\$18,000.00
Spruceby Pty Ltd	\$77.00
Spruceby Pty Ltd	\$433.45
The Packard Motor Company Pty Ltd	\$199.73
The Packard Motor Company Pty Ltd	\$528.00
The Packard Motor Company Pty Ltd	\$516.70
The Packard Motor Company Pty Ltd	\$575.40
The Packard Motor Company Pty Ltd	\$873.51
Total	\$182,114.90

Appendix 10

Consumer Credit Fund grants approved 2007-08

The *Credit (Administration) Act 1984* allows the Minister for Consumer Affairs to make grants from the Consumer Credit Fund. On the recommendation from the Consumer Credit Fund Advisory Committee, the Minister may approve grants for the purposes of providing:

- education services about credit;
- education, advice or assistance to persons to whom credit has been, is or may be provided under credit contracts; or
- research about the use of credit.

Approved Funding for 2007-08 was \$635,367.42 (GST exclusive).

The grants approved by the Minister in 2007-08 are as follows:

Grant recipient	Value*	Description of funded program
The Smith Family	\$73,500.00	Delivery of financial literacy courses to selected Victorian communities
Brotherhood of St Laurence	\$38,666.00	Microfinance in Australia: Current Realities and Future Possibilities research project
Public Interest Law Clearing House	\$19,400.00	Homelessness Credit History advice and assistance project
Consumer Action Law Centre	\$26,120.00	No Limits: Upsizing Credit Card Debt research project
Financial & Consumer Rights Council	\$37,753.42	Directory of Banks & Finance Companies research and resource development project
Port Phillip Group	\$3,040.00	Managing your Credit Card Debt education program
Port Phillip Group	\$4,080.00	Credit Card Automatic Over-Limit Fees education sessions
New Hope Foundation	\$9,000.00	Issues for Newly-Arrived African National Communities research project
Continuing Education Bendigo Inc	\$30,000.00	Virtually Debt Free: research and development of educational tool for young people
Consumer Action Law Group/Deakin University	\$57,094.50	Selling Credit in the Home - Sales techniques and the Impact on Consumer Decision Making research project
Monash Centre for Regulatory Studies	\$86,367.00	Protecting Vulnerable Credit Consumers: Towards Fair and Effective Regulation research project
Consumer Affairs Victoria	\$138,846.50	Smart Shopping & Money Matters education program
Consumer Action Law Centre	\$111,500.00	Fringe Lending in Victoria – A Policy Toolkit research project
Total	\$635,367.42	

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

Payment of the above grants will extend over more than one year. Expenditure shown in Appendix 13 reflects part payment on these grants plus payments made in the 2007-08 financial year on grants approved in previous years.

Victorian Property Fund Grants Approved 2007-08

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 as follows:

- (a) community education, advice or information services regarding—
 - (i) the sale, purchase, lease or transfer of interests in real estate or businesses;
 - (ii) the provision of finance or credit for the purpose of the sale, purchase or lease of real estate or businesses;
 - (iii) the provision of finance or credit for the acquisition of any right to reside on land;
 - (iv) owners corporations;
 - (v) retirement villages;
 - (vi) residential tenancy rights and any other rights to reside on land;
 - (vii) other consumer protection matters relating to interests in land;
- (b) programs that promote the ownership of real estate;
- (c) the training of estate agents and agents' representatives;
- (d) dispute resolution and advocacy services in relation to disputes involving—
 - (i) the sale, purchase, lease or transfer of interests in real estate or businesses;
 - (ii) the provision of finance or credit for the purpose of sale, purchase or lease of real estate or businesses;
 - (iii) a resident, or proposed or former resident, of a retirement village regarding his or her residence right in that retirement village;
 - (iv) an owners corporation or a member of an owners corporation or an occupier of a lot arising in relation to the operation of an owners corporation;
 - (v) the provision of estate agency services or owners corporation management services;
 - (vi) other consumer protection matters relating to interests in land;
- (e) reviewing, reforming or researching the law and procedures or reviewing and researching the markets for real estate regarding—
 - (i) the sale, purchase, lease or transfer of interests in real estate or businesses;
 - (ii) the provision of finance or credit for the purpose of sale, purchase or lease of real estate or businesses;
 - (iii) owners corporations;
 - (iv) retirement villages;
 - (v) other consumer protection matters relating to interests in land;
- (f) projects facilitating—
 - (i) the registration of interests in land;
 - (ii) the compilation of other information relating to the ownership or use of land;
- (g) projects providing or facilitating housing assistance for low income or disadvantaged Victorians;
- (h) projects regarding—
 - (i) the development of environmentally sustainable housing;
 - (ii) the protection of Victoria's natural and architectural heritage.

The Minister makes his 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 thinks appropriate.

Grants approved by the Minister in 2007-08 are as follows:

Grant recipient	Value approved*	Description of funded program
Australian Livestock and Property Agents Association	\$156,436	Professional Development Program 2007-08
Department of Human Services	\$200,000,000	Boost to Public Housing 2007-11
Kids Under Cover	\$1,335,989	Demountable Bungalow Accommodation
Owners Corporations Victoria Forums 2008	\$95,091	Owners Corporations Public Information
Real Estate Institute of Victoria	\$489,287	Professional Development Program 2007-08
St George the Martyr Anglican Church, Queenscliff	\$167,801	Conservation and Restoration of Parish Hall
Sustainability Victoria	\$2,000,000	Energy and Water Task Force Expansion
Yarra Community Housing	\$2,200,000	Barkly Hotel Affordable Housing
Total	\$206,444,604	

*Value is exclusive of GST, representing the net cost to the VPF.

Payment of the above grants will extend over more than one year. Expenditure shown in Appendix 13 reflects part payment on these grants plus payments made in 2007-08 on grants approved in previous years.

The \$200 million grant to the Department of Human Services (Office of Housing) will fund a minimum of 800 new units of public housing accommodation over four years in accordance with the Office of Housing Asset Management Strategy 2007-08 to 2010-2011. The boost to public housing is targeted at disadvantaged and low-income Victorians in accordance with the Government's 2007-08 Budget commitment.

Appendix 12

Trust Funds managed by Consumer Affairs Victoria

Consumer Affairs Victoria manages eight distinct funds established by Acts of Parliament. Two of these funds relate to the Residential Tenancies Bond Authority. The details of these funds are as follows:

Fund	Act of Parliament	Capital or Source of Income	Expenditure Purpose
Consumer Credit Fund	Credit (Administration) Act 1984 Ss. 86AA – 86AC	Credit provider contributions Interest income	Grants relating to consumer credit education and research as permitted by s.86AB of the Act Secretarial support to the Consumer Credit Fund Advisory Committee
Domestic Builders Fund	Domestic Building Contracts Act 1995 S. 124	Part share of the Domestic Builder registration fees and the Domestic Building Dispute Levy collected by the Building Commission Interest income Fees collected by the Victorian Civil and Administrative Tribunal relating to the Domestic Building List Fines	Administration of the Act Costs relating to the Domestic Building List of the Victorian Civil and Administrative Tribunal
Motor Car Traders' Guarantee Fund	Motor Car Traders Act 1986 Ss. 74 - 75	Interest income Licensing fees Fines Recovery of claims paid	Administration of the Act Guarantee claims
Prostitution Control Fund	Prostitution Control Act 1994 S. 66	Interest income Licensing fees Fines	Administration of the Act
Residential Tenancies Fund	Residential Tenancies Act 1997 Ss. 491 – 498A	Transfers from Residential Bonds Investment Income Account Interest income Fees collected by the Victorian Civil and Administrative Tribunal relating to the Residential Tenancies List	Administration of the Act Costs relating to the Residential Tenancies List of the Victorian Civil and Administrative Tribunal
Victorian Property Fund	Estate Agents Act 1980 Ss. 71 – 91	Interest income received on real estate agent's trust accounts Interest income Investment income Licensing fees Fines Fees collected by the Victorian Civil and Administrative Tribunal relating to Owners Corporation disputes	Administration of the Act 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 Owners Corporation disputes and hearings
Residential Bonds Account	Residential Tenancies Act 1997 S. 435	Bonds lodged with the Residential Tenancies Bond Authority	Repayment of bonds
Residential Bonds Investment Income Account	Residential Tenancies Act 1997 S. 436	Interest income received from the investment of the Residential Bonds Account and Residential Bonds Investment Income Account.	Administration of the Residential Tenancies Bond Authority Any amount declared as an additional amount to be added to the bond upon repayment Transfers to Residential Tenancies Fund

Appendix 13

Consumer Affairs Victoria (CAV) - Financial Information 2007-08

Consumer Affairs Victoria Revenue	Consumer Credit Fund	Domestic Builders Fund	Motor Car Traders' Guarantee Fund	Prostitution Control Fund
Revenue recognition from Estate Agent trust accounts				
Revenue recognition from Residential Tenancy Bonds				
Appropriations				
Interest income	292,331	497,071	97,465	33,155
Transferred from Building Commission Victoria (Note 1)		7,647,152		
Fees income			2,508,020	788,343
Unrealised loss on investments				
Penalty income		2,299	38,624	11,496
Recoveries related to claims previously paid			34,996	
Other revenue			2,660	3,023
Transfers				
Total CAV Revenue	292,331	8,146,522	2,681,765	836,017
Consumer Affairs Victoria Expenditure				
Audit services				
Claims on consumer guarantee funds			152,445	
Consumer Utilities Advocacy Centre				
Contractors, consultants and professional services	(7,934)	85,055	73,998	25,048
Departmental governance and support costs				
Employee related costs		3,190,524	1,863,082	699,879
Grants paid	475,532			
Information technology		53,450	23,215	6,218
Occupancy costs		120,184	167,872	63,018
Other operating costs		732,294	196,525	89,293
Outsourced contracted costs		11,588	23,146	
Total CAV Expenditure	467,598	4,193,095	2,500,283	883,456
Victorian Civil and Administrative Tribunal (VCAT)(Note 3)				
Fees revenue offset		(231,171)		
Employee related costs		1,644,467		
Other operating costs		586,568		
Net VCAT Expenditure		1,999,864		
Total CAV + Net VCAT Expenditure	467,598	6,192,959	2,500,283	883,456
Trust Funds, opening equity 1 July 2007	4,202,702	6,158,832	820,729	296,002
Current year operating surplus /(deficit), CAV + VCAT	(175,267)	1,953,563	181,482	(47,439)
Adjustments (Note 4)		(1,947)	(1)	
Trust Funds, closing equity 30 June 2008	4,027,435	8,110,448	1,002,210	248,563

Residential Tenancies Fund	Residential Bonds Investment Income Account	Victorian Property Fund	Trust Funds Total 2007-08	Consumer Affairs Victoria Appropriations & Other 2007-08	Consumer Affairs Victoria Total Output 2007-08
		62,711,783	62,711,783		62,711,783
	29,738,297		29,738,297		29,738,297
				40,321,216	40,321,216
2,612,424		19,798,931	23,331,377		23,331,377
			7,647,152		7,647,152
		2,041,108	5,337,471		5,337,471
		(5,070,680)	(5,070,680)		(5,070,680)
			52,419		52,419
			34,996		34,996
		30	5,713		5,713
22,300,000	(22,300,000)				
24,912,424	7,438,297	79,481,172	123,788,528	40,321,216	164,109,744
	7,020		7,020		7,020
		68,342	220,787		220,787
				538,000	538,000
251,916	673,066	1,175,539	2,276,688	2,148,527	4,425,215
				4,405,180	4,405,180
4,875,516	897,664	5,062,247	16,588,912	15,754,442	32,343,354
463,684		57,748,133	58,687,349	1,065,016	59,752,365
121,090	19,916	77,512	301,401	1,123,441	1,424,842
390,960	7,205	384,389	1,133,628	2,512,374	3,646,002
1,232,952	616,238	2,037,154	4,904,456	4,462,051	9,366,507
349,905	4,246,026	5,537	4,636,202	7,101,051	11,737,253
7,686,023	6,467,135	66,558,853	88,756,443	39,110,082	127,866,525
(1,855,059)		(6,948)	(2,093,178)		
7,440,173			9,084,640		
1,788,813		5,262	2,380,643		
7,373,927		(1,686)	9,372,105		
15,059,950	6,467,135	66,557,167	98,128,548		
33,134,639	1,051,201	345,739,137	391,403,242		
9,852,474	971,162	12,924,005	25,659,980		
(35,575)	(3,630)	(8,777)	(49,930)		
42,951,538	2,018,733	358,654,365	417,013,292		

Note 1 – Domestic Building Dispute Levy and Registration Fees

Note 2 - The CAV Total Output for 2007-08 was \$127,866,525, which includes \$50m grant to OoH for public housing (2006-07 was \$70,137,499) Note 3 VCAT activities are partly supported by the CAV trust funds

Note 4 Assets written down due to change in asset threshold policy.

Contact us

Consumer Helpline 1300 55 81 81
(for the cost of a local call from anywhere in Victoria)

Call the Consumer Helpline for all enquiries, or call these numbers to go directly to the service you need. For enquiries about:

Telephone:

General enquiries including fair trading Motor cars Residential accommodation and renting Owners corporations (formerly bodies corporate) Retirement villages	1300 558 181
Credit and debt	1300 558 181
Domestic building Building Advice and Conciliation Victoria (BACV)	1300 557 559
Business names, incorporated associations, co-operatives, partnerships, registration of retirement villages	1300 361 673
Bond lodgements, transfers and claims Residential Tenancies Bond Authority (RTBA)	1300 137 164
Real estate matters Estate Agents Resolution Service (EARS)	1300 737 030
Licensing of estate agents, agents' representatives and auctioneers	1300 135 452
Feedback about Consumer Affairs Victoria staff and processes	1800 008 194
Liquor Licensing	1800 650 072
Liquor Licensing – proof of age	1300 650 367
Toy and Nursery Safety	1300 364 894
Trade Measurement	1300 365 500

Multicultural/Indigenous – all enquiries

Mandarin, Cantonese	1300 726 656
Vietnamese	1300 855 110
Arabic	1300 655 503
Indigenous	1300 661 511

Email

consumer@justice.vic.gov.au

Visit

www.consumer.vic.gov.au

Postal address

Consumer Affairs Victoria, GPO Box 123, Melbourne VIC 3001



Victorian Consumer & Business Centre

113 Exhibition Street, Melbourne

Office hours Monday–Friday 8.30am–5pm (except public holidays)

Regional offices

Office hours Monday–Friday 9am–5pm (except public holidays)

For mobile service timetables see www.consumer.vic.gov.au and follow links from ‘Contact Us’ menu

Barwon South West (Geelong & Warrnambool)

Main office: 65 Gheringhap Street, Geelong

Telephone: 5224 8072

Mobile service to: Camperdown, Colac, Corio, Drysdale, Queenscliff, Winchelsea

Sub office: 192 Liebig Street, Warrnambool

Telephone: 5561 3631

Mobile service to: Casterton, Hamilton, Heywood, Mortlake, Port Fairy, Portland

Grampians (Ballarat)

Office: 11 Sturt Street, Ballarat

Telephone: 5331 6074

Mobile service to: Ararat, Bacchus Marsh, Beaufort, Daylesford, Edenhope, Horsham, Meredith, Nhill, St Arnaud, Warracknabeal

Loddon Mallee (Bendigo & Mildura)

Main office: 60 Mitchell Street, Bendigo

Telephone: 5444 2038

Mobile service to: Castlemaine, Echuca, Kerang, Kyneton, Maryborough, Swan Hill, Wedderburn, Wycheproof

Sub office: 122 Ninth Street, Mildura

Telephone: 5022 1735

Mobile service to: Ouyen, Robinvale

Hume (Wangaratta)

Office: 62-68 Ovens Street, Wangaratta

Telephone: 5723 6402

Mobile service to: Alexandra, Benalla, Cobram, Corryong, Euroa, Mansfield, Myrtleford, Rutherglen, Seymour, Shepparton, Wodonga

Gippsland (Morwell)

Office: 25 Ann Street, Morwell

Telephone: 5116 5706

Mobile service to: Bairnsdale, Churchill (Monash University), Cowes, Korumburra, Sale, Warragul, Wonthaggi, Yarram

Thank you to all the consumers, stakeholders and Consumer Affairs Victoria staff who we photographed and quoted in this annual report. This report was printed on 100% recycled paper using vegetable inks. As part of our commitment to sustainable consumption, this year we reduced the number of printed copies of this report. Copies of this report, and other years’ reports, can be downloaded from our website. Publications and fact sheets listed in this report are only a selection of the numerous resources that can be downloaded from our website. Visit www.consumer.vic.gov.au for a full listing.

Authorised by the Victorian Government, 121 Exhibition St, Melbourne VIC 3000

Printed by Red Rover, 53 Brady St, South Melbourne VIC 3205



Victorian Consumer & Business Centre
113 Exhibition Street
Melbourne 3000
Telephone 1300 55 81 81
Facsimile 8684 6295
Email consumer@justice.vic.gov.au
Website www.consumer.vic.gov.au