Letter to the Minister

Dear Minister,

In accordance with the Australian Consumer Law and Fair Trading Act 2012, the Credit (Administration) Act 1984 and the Veterans Act 2005, I am pleased to present the Consumer Affairs Victoria Annual Report for the year ending 30 June 2017.

Yours sincerely,

Simon Cohen

Director, Consumer Affairs Victoria Deputy Secretary, Regulation,

Department of Justice and Regulation

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

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Director's foreword

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

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

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

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

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

While our website and telephone information services meet the needs of most, it is increasingly important to make sure the most vulnerable Victorians can access information and advice to exercise their consumer rights. This year, we completed a review of our Tenancy and Consumer Program, resulting in a 30 per cent increase in funding and supporting 22 full-time equivalent tenancy workers across Victoria. We also commenced 10 additional full-time equivalent family violence financial counsellors as part of the Government's response to the recommendations of the Royal Commission into Family Violence. And we have funded Justice Connect to provide a new legal service to assist building owners who cannot resolve their disputes.



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

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

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

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

Consumer Affairs Victoria: Annual Report 2016–17

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Consumer Affairs Victoria is the state's consumer affairs regulator, operating within the national consumer protection framework.

- 4

A core element of our regulatory approach is the effective use of intelligence to inform decision making about how to manage key compliance laws.

Intelligence gathered in the course of our regulatory operations is supplemented by other sources, including national information shared among Australian Consumer Law (ACL) regulators, and from local councils, state regulators, law enforcement, and industry stakeholders, online forums and social media. For example, information provided from auditors' reports on estate agents trust accounts alerts us to businesses who may have problematic practices, so we

This section provides a report of our performance against targets speci ed in the Budget Paper Number 3 2016–17.

For budget purposes, outputs are de ned as those goods and services provided to government by departments, agencies, statutory bodies and through funding provided to others, such as community agencies.

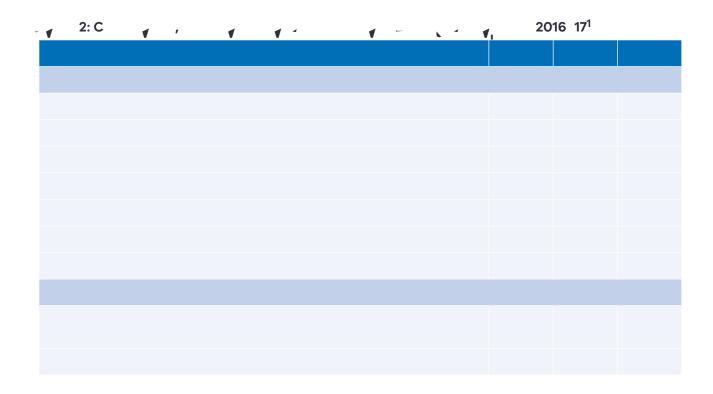
Table 1: Performance against targets for output measures

| Unit of measure | 2014–15 Actual | 2015–16 Actual | 2016–17 | |
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Our achievements are presented under each of our corporate goals, providing data on our outputs and case studies highlighting our work.

Goal 1: Businesses are compliant with consumer laws

The key to achieving a fair and competitive marketplace is ensuring that businesses comply with consumer laws. We focus on achieving high levels of business compliance



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Enforcement actions

We took a range of enforcement actions in 2016–17. Actions completed or in progress at 30 June 2017 are outlined in the tables below.



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| Australian Consumer Law (Victoria) | John Stanley Heath ADG Windows Pty Ltd Illawong Retirement Group Pty Ltd Illawong Lakeside Retirement Pty Ltd Vladymir Martyniuk David James Donald Hocking Stuart (Richmond) Pty Ltd |
| Conveyancers Act 2006 | Bonzi Group Pty Ltd Meganita Marranu |
| Estate Agents Act 1980 | Michael Andrew John Hoban Joel Phillip Murray John Talia Secretary to the Department of Justice and Regulation v Century 21 Australia Pty Ltd LMG Commercial Property Services Pty Ltd Leo Mark Grogan |
| Residential Tenancies Act 1997 | Ben Alexander Strachan HouseShare Melbourne Pty Ltd Strachan Research Pty Ltd |



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| , , , , B, | A, . |
| Estate Agents Act 1980 | Colin Dixon Lawfords Real Estate Pty Ltd William Lawford Robert Wilkinson |
| Second-Hand Dealers and Pawnbrokers Act 1989 | Aaron Ladner v Business Licensing Authority |
| Sex Work Act 1994 | Anthony Booth v Business Licensing Authority |
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| Motor Car Traders Act 1986 | Lawpoint Mortgages Pty Ltd |



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| Conveyancers Act 2006 | Bonzi Group Pty Ltd Meganita Marranu |
| Domestic Building Contracts Act 1995 | Cain Robert Padman |
| Estate Agents Act 1980 | Ranelagh Realty Pty Ltd Helen Sly Melbourne Deluxe Real Estate Pty Ltd Paul Pfeiffer Judy Nguyen Joseph Ngo |

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| • | → ✓ |
| Australian Consumer Law (Victoria) | Fair Group Global Pty Ltd Fair Financial Pty Ltd Bluebell Conveyancing Australia Pty Ltd Anthony Lee Melbourne South Eastern Real Estate Pty Ltd Domain Register Pty Ltd The Reject Shop Ltd |
| | Annabelle Natalie Gibson Daiso Industries (Australia) Pty Ltd Origo & Co Pty Ltd Fletcher & Parker (Balwyn) Pty Ltd Manningham Property Group Pty Ltd Kenneth Chappell Anastasios Adgemis Big Aussie Deals Pty Ltd Steven Petkovski Tim Phan Inkerman Road Nominees Pty Ltd |



We empower Victorians to exercise their

Show travelling con men the door

Travelling con men are dodgy tradesmen who knock on doors of homes and small businesses, offering to do maintenance work. They appear more frequently during warmer weather and after natural disasters such as floods, fires and storms, when vulnerable people are cleaning up or repairing their properties.

Travelling con men ask for cash before starting work and frequently disappear as soon as you pay them. If they do any work, it is often unfinished or of a poor standard. They move quickly and usually only give a first name and mobile number – so contacting them afterwards is difficult.

In October 2016, Consumer Affairs Minister Marlene Kairouz launched a campaign aimed at helping people identify and turn down travelling con men. The campaign, in partnership with Crime Stoppers Victoria, ran until March 2017 across TV, radio, print and social media. The message was simple: if you suspect a travelling con man is at your door, ask them to leave. If they refuse, they are breaking the law.

We work hard to educate Victorians to recognise and avoid travelling con men, and alert communities when travelling con men are in a particular area. Travelling con men often target vulnerable consumers and residents who speak little or no English, so key messages of the campaign were translated into eight languages.



We took successful court action against David Donald, the operator of a door-todoor Reservoir cleaning business. As a result of our action, he was restrained by the Supreme Court of Victoria from entering into unsolicited consumer agreements (including door-to-door sales) in consumers' homes for a period of five years. He was ordered to pay \$10,000 in legal costs, \$1,950 in refunds to elderly consumers and \$1,512 in damages to one consumer. The court also ordered Mr Donald to pay a \$3,900 pecuniary penalty.

These consumers were among many elderly Victorians and their family members who contacted us about Mr Donald's high-pressure sales tactics and disregard for consumer protection laws relating to agreements made in consumers' homes.

New online tool – understanding the building process

Building or renovating your home can be complex. Victorians planning to build or renovate now have a handy addition to their tool kits.

In October 2016, we launched a new self-service online domestic building tool which streamlines access to building and renovating information to help people make informed decisions, understand their legal rights and obligations, and resolve issues such as defects or delays. The tool helps reduce the complexity in the building area, so that consumers can access clear, comprehensive and timely information in one place, enabling them to understand and assert their rights.

Users can find answers about their building needs, with the tool directing them to appropriate information on the Consumer Affairs Victoria, Victoria Building Authority, Victorian Managed Insurance Authority and Domestic Building Dispute Resolution Victoria websites.

Developed jointly by these agencies, the online tool helps consumers navigate insurance, consumer information, dispute resolution and the regulatory framework.

Topics include builder registration, contracts, insurance, plans and permits, information for owner-builders and advice on resolving problems.

Since its launch, over 20,000 people have utilised the tool.

Financial counsellors supporting family violence victims

In June 2017, Minister Kairouz visited Good Shepherd Youth and Family Service in St Albans, where family violence financial counsellors have so far supported 65 women living in Brimbank and Melton. Good Shepherd clients are dealing with a range of issues including abusive partners incurring fines and utility debts in their name.

Good Shepherd is funded as part of our new specialist family violence financial counselling service, which has helped almost 1,700 victims across Victoria since its launch in October 2016. This service is an extension of our existing Financial Counselling Program, which provided over 31,000 free, independent and confidential phone or face-to-face counselling sessions in 2016–17, delivered by community agencies across Victoria.

Family violence perpetrators can trap their victims in violent relationships by taking control of their finances, making them financially dependent on the abuser. The financial counsellors help vulnerable women access financial hardship programs and negotiate with creditors and debt collectors to protect assets from repossession.

Victoria is the first state government in Australia to fund financial counsellors specifically for family violence victims, an initiative that is already improving the lives of those who need it most.

Scam Savvy – if you have any doubt, don't

Unfortunately, scams continue to pose a risk to our community, especially to older Victorians.

We released a survey in June 2017 which showed nearly one in five older Victorians has fallen for a cyber scam. The survey found that 92 per cent of respondents received a scam invitation, with email the most common method of delivery. The Australian Competition and Consumer Commission (ACCC) also reported that people aged 55 and over made 45 per cent of all scam reports across Australia last year, losing almost \$26 million.

Scams cause both financial and emotional distress. To give older Victorians the tools to avoid online scams, we launched a new awareness campaign, in partnership with Crime Stoppers Victoria, the Council on the Ageing Victoria, and the Public Libraries Victoria Network. To get the message out, we advertised on Facebook, relevant websites, The Senior magazine, and culturally and linguistically diverse publications.

Older Victorians attended education sessions at their local public library and put their scam knowledge to the test through our Scams Quiz. More than 4,400 consumers completed the quiz this financial year, helping build awareness of how to be scam savvy.

Goal 3: A fair and safe rental market

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

Highlights

Residential tenancies continue to be one of the main reasons Victorians contact us. In 2016–17 we assisted 69,472 callers with residential tenancy matters and 77,847 callers to the Residential Tenancies Bond Authority (RTBA). The most viewed section of our website was renting, with 1.8 million visits, an increase of more than 300,000 visits compared to last year.

The number of bonds held in trust by the RTBA increased by almost 29,000 in 2016–17 to a total of over 622,000, and their total value exceeded \$1 billion for the first time. While bonds held continue to increase, telephone enquiries to the RTBA are decreasing, mostly due to tenants and landlords using our digital services to obtain information regarding their rights and responsibilities.

Table 5 provides more details about our activities related to residential tenancies in 2016–17.

Our review of the Residential Tenancies Act 1997 continued and in April this year we launched a new licensing scheme for rooming house operators to better protect residents.

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| | 2014 15 | 2015 16 | 2016 17 |
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| Website sessions – renting section | 1,236,289 | 1,552,271 | 1,878,001 |
| Calls answered – residential tenancies | 73,791 | 69,365 | 69,472 |
| Calls answered – RTBA | 99,325 | 90,224 | 77,847 |
| RentRight app downloads | 16,591 | 6,567 | 7,780 |
| C | | | |
| Rooming house inspections (including repeat visits) | 679 | 1,252 | 621 |
| Rooming houses registered | 1,129 | 1,157 | 1,184 |
| - 1 1 | | | |
| Bonds lodged | 228,955 | 236,971 | 241,489 |
| Bond repayments | 203,614 | 210,963 | 212,749 |
| Bonds transferred | 73,639 | 79,258 | |
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Residential Tenancies review

In 2015 we began a major review of the Residential Tenancies Act 1997 to examine how well Victoria's rental laws work in the modern market. The review is examining issues across a broad range of areas including security of tenure, landlord and tenant rights and responsibilities, rent and bonds, property conditions, alternate tenures and dispute resolution.

The review aims to strike a balance between the rights and responsibilities of tenants and landlords to meet both their needs.

It will also support the improvement of housing outcomes for victims of family violence by implementing recommendation 116 of the Royal Commission with the Government's Family Violence Implementation Taskforce. A lack of financial security can jeopardise a victim's ability to maintain a safe and secure tenancy, and implementation of this recommendation — part of a suite aimed at promoting financial recovery for family violence victims — will help address this.

Consultation for the review involved comprehensive stakeholder engagement, including the release of discussion papers for public comment via a website <www.engage.vic.gov.au/fairersaferhousing> dedicated to engaging the public and enabling their input into the review. The main phase of consultation has now concluded. More than 4,800 public comments were received, including 508 written submissions. This input will inform the development of the government's reforms. The review is scheduled to conclude in 2018.

Long-term lease agreements

Families are the most common renters in Victoria and there are many who would benefit from a long-term lease arrangement in order to be able to lay down roots – to find a local job, enrol their kids in school and establish themselves in a community.

Many Victorians want the certainty and stability provided by a longer term tenancy agreement. Changes will be made to the Residential Tenancies Act 1997 to cover leases for longer than five years with a new, optional long-term tenancy agreement to be developed in 2017.

Long-term leasing agreements are part of the Victorian Government's Homes for Victorians housing strategy and support the government's Plan for Fairer, Safer Housing, which committed to support longer-term leases between interested parties.

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

New standards for rooming house operators

We commenced a new licensing scheme, with the Rooming House Operators Act 2016 coming into effect in April 2017. This scheme will foster professionalism in the rooming house sector.

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

Anyone who owns, leases or manages a rooming house now has to be licensed and

To be an effective regulator, our consumer law framework must continue to evolve with the changing market. We lead and participate in policy and legislative reviews, and work in partnership with other regulators and organisations, to ensure our consumer law framework supports a fair and competitive marketplace.

Highlights

We implemented new laws to address underquoting on properties for sale, with the implementation of the Estate Agents Amendment (Underquoting) Act 2016 in May 2017.

The Consumer Acts Amendment Act 2017 received royal assent in May 2017. This legislation will amend the Associations Incorporation Reform Act 2012, enabling the Consumer Affairs Minister to exempt an incorporated association or class of associations from annual financial reporting requirements if they are also registered with and reporting to another regulator. We intend to use this new provision to remove separate reporting requirements where incorporated associations are registered with the Australian Charities and Not-for-profits Commission.

Significant reforms to strengthen the domestic building consumer protection framework were introduced, with Domestic Building Dispute Resolution Victoria (DBDRV) commencing in April 2017.

We are currently considering stakeholder feedback in developing policy proposals arising from the Consumer Property Law Review to reform the Owners Corporation Act 2006, Sale of Land Act 1962, Estate Agents Act 1980 and Conveyancers Act 2006.

Significant activity was undertaken in the review of the Australian Consumer Law and the Residential Tenancies Act 1997, which will continue in 2017–18.

We launched the Consumer Policy Research Centre, an independent and not-for-profit centre to research issues important to Victorian consumers and inform the development of policy and services.

Simplifying house prices for buyers

The Estate Agents Amendment (Underquoting) Act 2016 took effect in May 2017, delivering on a government commitment to improve estate agents' practices.

The new laws include requirements for how estate agents estimate and advertise selling prices, ensuring prospective buyers are given clear information about comparable and recent property sales in the same area.

Under these changes, estate agents are now required to provide an information statement to prospective buyers, setting out the details of the three most comparable properties, the agent's estimated sale price and the median price for the suburb. Fines of more than \$30,000 and loss of sales commissions are among enforcement options intended to deter estate agents from the dodgy practice of underquoting.

We worked with industry stakeholders and >>BDC 0 -e12.9

New services to help builders and building owners

For many home owners, building a house is the biggest project they will undertake; and for builders, these projects are their livelihood.

In April 2016, the Building Legislation Amendment (Consumer Protection)
Act 2016 was passed to strengthen the domestic building consumer protection framework. One of the key reforms was the establishment of Domestic Building Dispute Resolution Victoria (DBDRV). This free service has been established to help builders and home owners resolve their disputes, without the cost and time often associated with courts and tribunals.

DBDRV is an independent agency that conciliates disputes between builders and homeowners. Replacing Building Advice and Conciliation Victoria, DBDRV operates under a new legislative scheme, with expanded powers and a broader scope, including the authority to issue binding orders. These include orders to compel builders to fix or finish work, or force owners to pay their bills.

Under this new service, accredited and trained dispute resolution officers are assisted by independent building experts to help parties reach an agreed resolution. As a mandatory conciliation service, DBDRV aims to significantly reduce the number of claims submitted to other agencies, such as the Victorian Civil and Administrative Tribunal (VCAT).

Over 1,500 applications for DBDRV's dispute resolution service were received by 30 June 2017.

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

Driving evidence-based policy development for a fair marketplace

The Consumer Policy Research Centre launched in 2017 as an independent and not-for-profit centre. It will undertake research and policy development on consumer protection issues for the public benefit, and monitor grassroots consumer issues, focusing on disadvantaged consumers and regional and rural Victorians.

The Victorian Government has committed \$4.95 million of funding over four and a half years to the Centre, to research issues important to Victorian consumers and inform the development of policy and services. The Centre has engaged widely to formulate its research agenda and will shortly commence its research program.

Review of the Australian Consumer Law

In March 2017, Consumer Affairs Australia and New Zealand (CAANZ), a body of senior officials from consumer protection agencies, including Consumer Affairs Victoria, delivered its final report on the Australian Consumer Law review to consumer affairs ministers. This followed a year-long public review process drawing on feedback from consumers, businesses, advocacy groups, lawyers and other stakeholders.

The final report sets out a package of 19 proposed legislative reforms to strengthen and clarify the law to improve consumer wellbeing. These range from increasing the maximum penalties available for breaching the law, to making it easier for consumers to get refunds for faulty products. The report also sets out a forward program of research and policy work for consumer affairs agencies over the next four years.

Consumer affairs ministers around the country will respond to the report after considering it at the Legislative and Governance Forum on Consumer Affairs, held in August 2017.

Consumer Property Law Review

A sweeping review of consumer property laws has been underway since August 2015. The laws under review include the Sale of Land Act 1962, Estate Agents Act 1980, Conveyancers Act 2006 and the Owners Corporation Act 2006. Each of these Acts affects the way people buy, sell and manage their property.

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| Estate Agents Amendment (Underquoting) Act 2016 | 2 November 2016 |
| Consumer Acts Amendment Act 2017 | 10 May 2017 |

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| Retirement Villages (Contractual Arrangements) Amendment Regulations 2016 | 1 July 2016 |
| Conveyancers (Qualifications, Experience and Fees) Amendment Regulations 2016 | 19 July 2016 |
| Subordinate Legislation (Retirement Villages (Contractual Arrangements) Regulations 2006) Extension Regulations 2016 | 26 July 2016 |
| Estate Agents (Retirement Villages) Regulations 2016 | 31 July 2016 |
| Residential Tenancies Amendment Regulations 2016 | 30 September 2016 |
| Residential Tenancies Further Amendment Regulations 2016 | 30 September 2016 |
| Australian Consumer Law and Fair Trading (Code of Practice for Fuel Price Boards) Regulations 2016 | 30 November 2016 |
| Motor Car Trader Amendment Regulations 2017 | 3 April 2017 |
| Domestic Building Contracts Regulations 2017 | 22 April 2017 Reg 14: 26 April 2017 Reg 6: 1 August 2017 |
| Rooming House Operators Regulations 2017 | 26 April 2017 |
| Residential Tenancies Amendment (Notices to Vacate for Rooming Houses) Regulations 2017 | 26 April 2017 |

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| | 1 - 1 |
| Estate Agents (Retirement Villages) Regulations 2006 | 31 July 2016 |
| Domestic Building Contracts Regulations 2007 | 22 April 2017 |

Goal 5: A sustainable and innovative regulator

Efficient and effective internal operations are critical to our ability to be a modern and effective regulator. We continue working on new ways to develop our capability, technology and approach to collaborating with our partner agencies.

Highlights

We continued to implement a digital first approach with the launch of our new website in June 2017, adding new features and content which provides greater access for Victorians. We are also in the process of making significant enhancements to myCAV, the online portal for businesses who transact with us, which will be delivered later this year.

We continued our contribution to the Government's Regulation Reform Program to reduce red tape and improve regulatory practices.

Through effective management of our trust accounts, in accordance with relevant legislation, we allocated over \$26 million from the Victorian Property Fund to important affordable housing projects.

We enhanced our approach to collaboration with our regulatory stakeholders through the launch of a new partnership strategy.

Extending our capabilities through partnerships

We delivered on a commitment to develop mutually beneficial partnerships with organisations that extend our capabilities and embed partnerships as a core organisational tool.

Our new partnership strategy incorporates an annual Consumer Forum, a series of industry-specific reference panels, the development of stakeholder relationship plans and improved information management with our stakeholders.

The Consumer Forum brings together a number of organisations representing the interests of consumers, to develop a set of recommendations for us to consider when developing our annual priorities for the coming year. To ensure that consumer organisations are properly represented, an independent consumer industry representative was appointed to co-chair the forum. This was further supported by a working group to assist in the development of an agenda and key issues to be discussed at the Forum. Work is currently underway on the second Consumer Forum, to take place in late 2017.

In 2016–17, the first two of the reference panels were piloted, covering real estate and funded services. These reference panels brought together key industry participants in the areas of the sale of land and funded service delivery.

In the coming year we will continue work on the development of further reference panels, stakeholder relationship plans and better management of stakeholder information and engagement.

myCAV

We are committed to delivering a digital first approach to the way we transact and interact with Victorian businesses and consumers. In 2015 we launched myCAV, our web-based, online transaction portal for incorporated associations to manage their obligations, such as updating contact details and lodging annual statements.

During 2016–17 significant development activity was undertaken on myCAV to expand it to other schemes we regulate. In 2017 we launched myCAV for the new rooming house operators licensing scheme, and progressed further expansion of myCAV for estate agents. When launched in late 2017, it will provide access to over 13,000 licensed estate agents, enabling them to instantly transact with us.

Our new website

We launched our new responsive websitt00

Reducing red tape

In June 2016 the Minister for Consumer Affairs issued a reducing red tape Statement of Expectations to Consumer Affairs Victoria and the Business Licensing Authority for 2016–17, which is an extension of the Statement that was in place for the previous two financial years. This Statement sets out the Minister's expectations of our continued contribution to the Government's Regulation Reform Program to reduce red tape and improve regulatory practices.

The Statement encouraged us to continue with our risk-based approach to regulation and to identify key areas of governance and operational performance where there are opportunities to make improvements that reduce the cost of regulation for business, not-for-profit organisations, government

Trust funds managed by Consumer Affairs Victoria

We manage eight funds established by Acts of Parliament. The funds, and their expenditure purpose are reflected in Table 9.

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Grants from the Victorian Property Fund in 2016–17

The Estate Agents Act 1980 allows the Minister for Consumer Affairs to make grants from the Victorian Property Fund (VPF) for the purposes specified in section 76(3) of the Act.

The Minister makes her decision on grants after consultation with the Estate Agents Council, Consumer Affairs Victoria and any industry associations, government departments and other organisations as appropriate.

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

To improve sector awareness of VPF housing funding opportunities, this year the Minister authorised the introduction of annual grant funding rounds for housing development projects, with the first round held in 2016–17. The funding rounds make VPF housing grant opportunities more transparent and open

to competition, enabling project proposals to be assessed together on the basis of competing merit. The funding rounds also allow better targeting of VPF housing funding to government housing priorities.

Each funding round consists of two stages, involving an initial expression of interest process followed by invitations for formal applications. The first round targeted community housing organisations who develop and manage long-term community housing in Victoria. Four new housing grants were awarded totalling \$14.9 million. The grants will fund six development projects that are expected to add 84 housing units.

In 2016–17, the Minister approved a total of six grants from the fund, totalling over \$26.4 million. These are outlined in Table 10.

Value is reported exclusive of GST, representing the net cost to the fund.

Expenditure shown in the financial information section of this report reflects part payment of these grants plus payments made in 2016–17 for grants approved in previous years.