



Minister for Consumer Affairs

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Our ref: CD/13/251226

Mr David Morris MP
Chair, Public Accounts and Estimates Committee
Parliament House
Spring Street
EAST MELBOURNE VIC 3002

Dear Mr Morris,

2013-14 BUDGET ESTIMATES FURTHER INFORMATION

Thank you for your letter of 20 June 2013, in which you asked me to provide information to the Public Accounts and Estimates Committee in relation to the questions taken on notice at the Budget Estimates hearing held on 24 May 2013, regarding my Consumer Affairs portfolio.

I am pleased to attach my responses to these questions. I note that there were no questions relating to the Arts and Women's Affairs portfolios.

I trust this information is of assistance to the Committee.

Yours faithfully,

HON. HEIDI VICTORIA MP
Minister for Consumer Affairs

2013/14 Budget Estimates – Further Information

Consumer Affairs Portfolio

Minister for Consumer Affairs

QUESTION 1

Please break down the 2012-13 expected outcome figure for the performance measure 'Information and advice provided to consumers and traders delivered by Consumer Affairs Victoria (CAV)' (501,850) into how many instances were responses to consumer inquiries and how many were responses to trader inquiries.

RESPONSE

The CAV enquiries line provides a range of information and advice to consumers and traders. The provision of information and advice is not currently recorded in a way that distinguishes whether a call is made by a consumer or a trader. Although the current system does not provide this level of detail, the issues raised by the caller provide CAV with a reasonable indicator.

Based on an analysis of issues raised, CAV estimates that based on current year-to-date actuals:

- 49 per cent represent responses to consumers seeking advice and assistance
- 42 per cent represent responses to a combination of traders and consumers in resolving disputes
- 9 per cent represent traders seeking advice and assistance.

QUESTION 2

1. How many residential parks (caravan parks) are being examined by CAV; and
2. How many residential parks (caravan parks) have been verified by CAV to comply with part 4A of the Residential Tenancies Act?

RESPONSE

1. Between September 2011 and September 2012, CAV contacted 620 residential parks (caravan parks) as part of an Information and Education Campaign to assess the parks' level of compliance with Part 4A of the *Residential Tenancies Act* 1997 (the Act). As at 24 May 2013, this process identified two parks as being at risk of non-compliance. CAV is currently working with these traders to achieve compliance.
 2. Of the 620 residential parks (caravan parks), CAV is working with two traders to achieve compliance with the Act, 449 have been verified to comply with Part 4 of the Act, and 169 are not subject to Part 4 of the Act.
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QUESTION 3

Please indicate whether CAV has issued a template for written site agreements to all operators of residential parks.

RESPONSE

CAV has not issued a template for written site agreements to operators of residential parks. Section 206F(1) of the Act enables regulations to be made to prescribe the form and content of a site agreement. The purpose of prescribing the form and content of a site agreement would be to provide clarity or consistency in site agreements, or to prevent the use of unjust contractual terms. At this stage, there has been insufficient evidence of a need to prescribe such a site agreement.

QUESTION 4

Please advise staff levels (Full-Time Equivalent - FTE) for CAV for 30 June 2011, 30 June 2012 and expected for 30 June 2013.

RESPONSE

Staff levels for the periods specified by the question are as follows:

- The staffing establishment level for 30 June 2011 was 513.3 FTE, including 52.9 regional staff
- The staffing establishment level for 30 June 2012 was 501.4 FTE, including 52.9 regional staff
- The staffing establishment level for 30 June 2013 was 433.2 FTE, including 54 regional staff.

QUESTION 5

Please reconcile the output costs for the 'Promoting and Protecting Consumer Interests' output between 2011-12 and 2012-13, and 2012-13 and 2013-14, detailing the factors that have contributed to the changes, including the dollar impact on the output cost of:

- Funding for the Fire Services Levy Monitor;
- Transfers of funding for financial counselling from the 'Gambling and Regulation and Racing Industry Development' output; and
- Any other factors that have contributed.

RESPONSE

The difference in output costs for the time periods specified by the question is set out below. A more detailed breakdown of the different output costs is also provided at Table 1.

Movement from 2011-12 to 2012-13

The Published Budget output cost for the Promoting and Protecting Consumer Interests output was \$114.2 million in 2011-12, compared to \$78.1m in 2012-13, a reduction of \$36.1m. The reduction is due to:

- a reduction in Victorian Property Fund grants announced in the 2012-13 Budget, with an impact of \$14.0m in 2012-13 (this reduction was to replenish the working capital of the fund and secure its long-term future)
- appropriation savings of \$3.9m announced in the 2012-13 Budget
- the transfer of the Liquor function to Gaming, reducing the Budget by \$17.8m
- a further \$1.7m reduced from the output's share of corporate allocation as a result of this transfer
- movements in section 29 revenue retention arrangements of \$1.4m.

Partly offsetting these reductions are increases for:

- Indexation, accounting for \$0.4m
- Movements in Trust Funds of \$2.2m (largely driven by the Victorian Property Fund and Residential Tenancies accounting for \$1.2m and \$0.6m, respectively)
- A review of the corporate allocation methodology further increased the output's corporate allocation by \$0.1m.

Movement from 2012-13 to 2013-14

The Published Budget output cost for the Promoting and Protecting Consumer Interests output was \$78.1 million in 2012-13, compared to \$88.0m in 2013-14, an increase of \$9.9m. The increase is due to:

- Transfer of Financial Counselling from Office of Gaming and Racing to Consumer Affairs Victoria – \$5.8m
- SACS (Social and Community Services) Wage Award funding of \$0.5m
- Fire Service Levy Monitor funding for 2013-14 of \$4.4m
- Movements in Trust Funds of \$3.8m (largely driven by the Victorian Property Fund and Residential Tenancies accounting for \$1.9m and \$1.1m, respectively)
- Movement in appropriation savings announced in the 2012-13 Budget of \$0.2m
- Indexation, accounting for \$0.4m.

Partly offsetting these increases are reductions, as below:

- A further reduction in Victorian Property Fund grants announced in the 2012-13 Budget, with an impact of \$5.0m in 2013-14
- A review of the corporate allocation methodology and other minor administrative movements reduced the output's corporate allocation by \$0.2m.

Table 1: Detailed breakdown of output costs

	2011-12 Published Budget	Movement 2011-12 to 2012-13	2012-13 Published Budget	Movement 2012-13 to 2013-14	2013-14 Published Budget
	\$m	\$m	\$m	\$m	\$m
Base Appropriation indexation and section 29 movements	21.7	-1.0	20.8	0.3	21.1
2012-13 Budget savings to appropriation	0.0	-3.9	-3.9	0.2	-3.7
Fire Services Levy Monitor	0.0	0.0	0.0	4.4	4.4
Transfer of Financial Counselling Function from Gaming	0.0	0.0	0.0	5.8	5.8
Transfer of Liquor Function to Gaming	17.8	-17.8	0.0	0.0	0.0
Transfer of Liquor Function to Gaming (Corporate allocation)	1.7	-1.7	0.0	0.0	0.0
Social and Community Services Wage Award	0.0	0.0	0.0	0.5	0.5
Minor and administrative movements and Corporate allocation	8.4	0.1	8.5	-0.2	8.3
Sub-Total Ex Trust Funds	49.7	-24.3	25.4	11.1	36.5
Consumer Affairs Victoria Trust Funds					
Licensed Motor Car Trader Fund	3.8	0.5	4.3	0.1	4.4
Sex Worker Regulation Fund	1.4	0.1	1.5	0.0	1.6
Residential Tenancy Fund & Residential Tenancies Bond Authority	19.7	0.6	20.3	1.1	21.4
Victorian Consumer Law Fund	0.4	-0.4	0.0	0.0	0.0
Domestic Builders Fund	7.5	0.2	7.7	0.7	8.4
Victorian Property Fund - base	31.7	1.2	32.9	1.9	34.8
Victorian Property Fund Grant reduction - 2012-13 Budget	0.0	0.0	-14.0	-5.0	-19.0
Sub-Total Trust Funds	64.5	-11.8	52.7	-1.2	51.5
Total Promoting and Protecting Consumer Interests output cost	114.2	-36.1	78.1	9.9	88.0

