

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Budget Estimates 2017–18

Melbourne — 31 May 2017

Members

Mr Danny Pearson — Chair

Mr David Morris — Deputy Chair

Mr Steve Dimopoulos

Ms Fiona Patten

Ms Sue Pennicuik

Ms Harriet Shing

Mr Tim Smith

Ms Louise Staley

Ms Vicki Ward

Witnesses

Ms Marlene Kairouz, Minister for Consumer Affairs, Gaming and Liquor Regulation,

Mr Greg Wilson, Secretary,

Mr Simon Cohen, Deputy Secretary, Regulation, and Director, Consumer Affairs Victoria, and

Ms Cate Carr, Executive Director, Liquor, Gaming and Racing, Department of Justice and Regulation.

The CHAIR — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2017–18 budget estimates. All mobile telephones should now be turned to silent.

I would like to welcome the Minister for Consumer Affairs, Gaming and Liquor Regulation, the Honourable Marlene Kairouz, MP; Mr Greg Wilson, Secretary of the Department of Justice and Regulation; Mr Simon Cohen, Deputy Secretary, Regulation, and Director of Consumer Affairs Victoria; and Ms Cate Carr, Executive Director, Liquor, Gaming and Racing.

All evidence is taken by the committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Comments made outside the hearing, including on social media, are not afforded such privilege.

Witnesses will not be sworn but are requested to answer all questions succinctly, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given today is being recorded by Hansard, and you will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, presentations and handouts will be placed on the committee's website as soon as possible.

All written communication to witnesses must be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way and cannot photograph, audio-record or video-record any part of these proceedings.

Members of the media must remain focused only on the persons speaking. Any filming and recording must cease immediately at the completion of the hearing.

I invite the witness to make a very brief opening statement of no more than 10 minutes. This will be followed by questions from the committee.

Visual presentation.

Ms KAIROUZ — Thank you, Chair, and thank you for giving me the opportunity to present to the committee on the 2017 state budget initiatives and ongoing work in my portfolio. As you can see my portfolio has output costs totalling \$83.5 million for gaming and liquor regulation and \$139.7 million for consumer affairs. I will start with consumer affairs, or CAV.

CAV is a modern regulator. It is intelligence led and risk based in its approach to achieving a fair and competitive marketplace for Victoria. CAV administers 30 acts of Parliament. In 2017–18 CAV expects to provide information and advice to more than 400 000 Victorian consumers, businesses, renters and rental providers over the phone, via email and face to face. In line with the digital-first approach of the Victorian government, CAV increasingly interacts with the community via its website. There will be more than 3.5 million visits in the coming year, and CAV continues to see increases in its social media following.

CAV expects to complete over 9000 compliance and enforcement activities and more than 555 000 registration, licensing and bond transactions. A large number of these will occur through myCAV and RTBA online, which provide the Victorian community with fast, reliable, 24/7 access to CAV services. Earlier this year the value of bonds held on trust by CAV exceeded \$1 billion, demonstrating the significant growth of the rental market and the volume of transactions processed.

Over the past year we have made significant progress towards several of our election commitments. The Rooming House Operators Act commenced in April this year. This reform introduced the fit and proper person test for rooming house operators as part of the licensing scheme, better protecting Victorian tenants who are most in need.

Domestic Building Dispute Resolution Victoria commenced last month and provides consumers and builders with a fair, fast and free dispute resolution process. Reforms such as mandatory conciliation and binding dispute resolution orders will help to resolve building disputes faster and more affordably.

Reforms to the Estate Agents Act to stamp out the practice of underquoting in the real estate market also came into effect this month. Underquoting causes significant frustration and disappointment for potential buyers, and I am pleased that these important reforms are now in place to ensure potential buyers do not spend time and money on properties they cannot afford and estate agents are appropriately penalised when they flout the law.

Scams continue to pose a risk to our community. In the lead-up to Valentine's Day this year I warned people about romance and dating scams. Our focus on warning the Victorian community about travelling con men continues with CAV's partnership with Crime Stoppers to raise awareness.

In October 2016 CAV obtained a \$330 000 judgement against Hocking Stuart Richmond for breaches of the Australian Consumer Law and Australian Consumer Law (Victoria) for contraventions of the act relating to misleading sales practices, including underquoting. The agency was also required to publish public notices and develop a program to ensure it complies with Australian Consumer Law. In mid-2016 four unregistered builders were ordered to pay a total of close to \$35 000 in fines, refunds and costs following court cases prosecuted by CAV. The builders were caught out for failing to complete jobs, charging excessive deposits and even harassing clients. In December 2016 one of Victoria's largest rooming house operators was found guilty of 126 charges for failing to comply with requirements under the Residential Tenancies Act. These court outcomes highlight our commitment to appropriate enforcement action and ensuring a fairer, safer marketplace for Victorians.

The 2017–18 budget provides funding for CAV to continue its work in supporting Victoria's consumers and ensuring businesses are aware of their obligations. The government will spend \$39 million on projects for Victorians needing assistance, including \$8.6 million to provide financial counselling to 32 000 people experiencing financial hardship; an additional \$1.5 million to fund 10 full-time family violence financial counselling positions; \$4.3 million for community agencies to deliver advocacy services to around 8200 vulnerable consumers and tenants across Victoria, which is an increase of \$1.1 million per annum with over \$18 million to be invested over the next four years; and \$25 million to provide more affordable housing to people who are on low incomes or living in difficult circumstances through grants from the Victorian Property Fund.

In the coming year we will continue to implement our reform agenda. Safe, affordable and secure housing is a priority for this government. As part of this we are in the process of considering housing-related issues through the review of the Residential Tenancies Act. The reform package aims to promote a modern and dynamic rental market that meets the needs of the Victorian community now and into the future. We are also considering a long-term tenancy agreement, which will be available to tenants and landlords next year, offering greater stability and certainty to those interested.

We are reviewing a number of acts that affect the way people buy and sell property, as the modern property market has changed significantly over the past 50 years. I am happy that we are contributing to the government's community safety statement with our proposal to ban the payment of cash for scrap metal. This is an important step in responding to the risks of organised crime infiltration.

Consumer Affairs Australia and New Zealand (CAANZ), a body made up of consumer affairs officials across Australia, delivered its final report on the Australian Consumer Law review to commonwealth, state and territory consumer affairs ministers in April. The report contains 19 proposed legislative reforms to strengthen and clarify the ACL in order to improve consumer wellbeing, including increasing the financial penalties for ACL breaches, making it easier for consumers to get a refund for a faulty product and adding in new requirements for extended warranties.

I will now move on to discuss the government's work in gambling and liquor regulation. The 2017–18 budget provides \$11.3 million to the Victorian Commission for Gambling and Liquor Regulation over four years, which will enhance its capacity to address the risk of gambling and alcohol-related harm.

In relation to the major projects, my department is currently undertaking a review of gaming machine arrangements that will apply after the expiry of the current gaming machine entitlements in 2022. This review, at such an early stage, will allow government to make decisions well before 2022, providing industry and the community with greater certainty about future gaming machine arrangements.

On 1 December 2016 my department released a consultation paper seeking feedback on how gaming machine harm minimisation measures could be improved. The consultation period closed on 16 January 2017, and we

received 61 submissions. I will consider advice from my department about the outcomes of this consultation and will have more to say over the coming months.

My department has recently led the efforts in developing new responsible service of gaming training, which commenced on 1 January 2017. This training will provide a consistently strong approach to responsible gambling to ensure that Victoria has best practice training for gaming room staff.

I am currently considering advice from my department about the outcomes of the government's public consultation around static betting advertising. The proposed reforms would ban sports betting advertising in locations that are near schools or on public transport infrastructure.

My department is also considering conducting the current process for awarding a new public lottery licence to commence on 1 July 2018. Public lotteries are expected to generate \$438 million in revenue in 2017–18 and approximately \$4 billion over the full 10-year licence, which expires on 30 June 2018.

On 4 November 2016 my department released terms of reference and a consultation paper for the review of the Liquor Control Reform Act. The review gives consideration to the importance of Victoria's liquor industry, while also considering family violence and alcohol-related harms. The consultation period closed on 16 December 2016, and we received 65 submissions. Our consultation with family violence stakeholders as part of this review has acquitted recommendation 93 of the Royal Commission into Family Violence. Thank you again, Chair, for giving me the opportunity to present to the committee.

The CHAIR — Thank you, Minister. We will start with government questions. At the outset I wish to state that, as disclosed in my register of interests, my wife is the chair of the Business Licensing Authority. Minister, if I could bring your attention to slide 4 of your presentation in relation to underquoting, can you provide the committee with a bit more detail on the reforms that have been implemented and if they have been supported by industry in terms of tackling underquoting?

Ms KAIROUZ — Thank you, Chair, for that question. We know that buying a house is one of the biggest financial decisions people make, and prospective buyers often experience significant frustration and disappointment. Prospective buyers also spend significant time and money on inspecting properties that they could never realistically afford, and estate agents must comply with laws governing their conduct, including the Estate Agents Act 1980 and the Australian Consumer Law.

These laws set out standards for agents' conduct in buying, selling or letting property, including requirements for handling trust money, such as sales deposits. Most estate agents want to do the right thing and comply with their legal requirements. The government has focused on improving poor practices that cause significant detriment to those who interact with agents, including buyers, renters, sellers and landlords. Reforms to the Estate Agents Act 1980 to stamp out the practice of underquoting in the real estate market came into effect on 1 May this year. Under these changes estate agents are now required to provide an information statement to prospective buyers that sets out the details of three comparable properties, the agent's estimated sale price and the median price for the suburb. Agents are restricted to advertising a single price range or a range of up to 10 per cent as well as being banned from using qualifying words or symbols such as — —

The CHAIR — What are the penalties for non-compliance? Has there been any action undertaken by Consumer Affairs Victoria in relation to breaches of the act?

Ms KAIROUZ — Mr Chair, there has been significant action undertaken by consumer affairs towards real estate agents who have been found to be underquoting. In 2015 CAV established Taskforce Vesta to conduct a thorough examination of 200 properties for sale and monitored their progress from first listing until post-auction. In the six months to 31 December 2016 CAV conducted 142 inspections relating to auctions and to underquoting. In October 2016 CAV obtained a \$330 000 judgement against Hocking Stuart Richmond for breaches of the Australian Consumer Law relating to misleading sales practice, including underquoting. The agency was also required to publish public notices and develop a program to ensure that it complies with Australian Consumer Law. In December last year as well consumer affairs launched legal action in the federal court against two further agencies for underquoting in breach of the Australian Consumer Law.

In addition to that CAV commenced an inquiry into further corporate agents and their directors for contraventions of the Estate Agents Act 1980 and accepted enforceable undertakings from a further eight estate

agents. For example, in March this year, Mr Chair, Next Gen Real Estate, trading as Harcourts Wantirna, and its director and officer in effective control, Mr Achilles Mantsos, offered the director of consumer affairs an enforceable undertaking following an investigation by CAV's underquoting taskforce, Taskforce Vesta. In offering this undertaking, Harcourts Wantirna agreed to contribute \$60 000 to the Victorian Consumer Law Fund, implemented a compliance program and also agreed to display a notice in their reception and on their website acknowledging the contravention. So I welcome these significant outcomes which reflect the impact of this dodgy practice and the impact that it can have on our community, and I want to take this opportunity to assure Victorians that we will continue to focus on underquoting as part of our commitment to stamp out this poor practice by estate agents.

The CHAIR — In terms of the implementation of the new regulatory regime, have you or the department been working closely with the industry in terms of monitoring its implementation or working with industry to bed down the implementation?

Ms KAIROUZ — Consumer affairs is working with industry stakeholders — for example, the REIV and the Property Council of Australia — in conjunction with the broader community to ensure that underquoting laws are understood. The information on our website is available for both estate agents and property buyers, which explains the new underquoting laws, and sessions are being held across Victoria for real estate agents and their sales staff to assist them to understand the underquoting law changes that now apply.

These sessions were developed in consultation with the Real Estate Institute of Victoria, who are delivering these sessions to their members, to ensure consistency and clarity, and estate agents are being kept up to date through SMS, direct mail and e-newsletters, as well as ensuring that our most recent information and documentation is available on the CAV website. I would also like to take this opportunity to thank and congratulate the REIV, who have been fantastic in helping us implement these new laws and educate real estate agents about them.

Ms WARD — Welcome, Minister. Happy PAEC — happy first PAEC. Minister, I wanted to talk to you about Domestic Building Dispute Resolution Victoria. You referred to it in your presentation. You are probably familiar with the situation I have got right on the border of my electorate that I share with Danielle Green, with the Rangeview Estate in Diamond Creek, where in 2015 we had 30 home owners taking their developer to VCAT, looking at around about \$7.6 million worth of changes and repairs that needed to be done to buildings there, and they are currently doing a class action against the Victorian Building Authority. I can only imagine how hard this has been for those people who have bought those properties and the challenges that they have had to endure in trying to make their homes livable. It is just horrendous the amount of pain and so on that they would have to go through. The cost is one thing, but the emotional and intellectual torture is another, I think.

Minister, in the presentation you indicated CAV's achievement in implementing stronger domestic building protections, and now this action has commenced to strengthen domestic building consumer protection. Has this action so far benefitted consumers? Will we find ourselves in a position where people like those in Diamond Creek now actually have an avenue to get to a resolution?

Ms KAIROUZ — Thank you, Ms Ward, for that question. Not only is building a home one of the largest financial decisions that people make, but renovating a home is also one of the biggest financial decisions Victorians make, so it is really important that protections for building consumers are strong and disputes can be resolved quickly if they arise. Many Victorian builders are small businesses who also need fast, fair dispute processes, and significant reforms to protect building consumers were passed in the Parliament last year.

One of the key reforms was the establishment of the new dispute resolution service known as Domestic Building Dispute Resolution Victoria, or DBDRV, to replace Building Advice and Conciliation Victoria and provide building consumers and builders with a fair, fast and free dispute resolution process. Conciliation at DBDRV is now mandatory before a domestic building dispute can be lodged at a court or at a tribunal, and DBDRV —

Ms WARD — So they have got to go through this process even before they get to VCAT?

Ms KAIROUZ — That is right. It is compulsory. DBDRV can also issue binding dispute resolution orders which can, for example, require a builder to rectify or complete building work or require a party to pay money. So this new service, which commenced on 26 April this year, comprises of a chief dispute resolution officer,

Gina Ralston, conciliators and technical assessors, and I am pleased to announce the commencement of the service went smoothly, with the website, online application form, case management system and building information line functioning as planned.

I will talk a bit more about how the public have taken to DBDRV shortly, but I do note reports about the potential legal action against Victoria's building regulator, the Victorian Building Authority, in relation to that townhouse development that you just spoke about earlier on. The matters appear to relate to concerns about building work that was not compliant with building codes, where the VBA is accused of not taking significant or sufficient action to make sure building works were compliant. Given the matter is currently before the courts, Ms Ward, it would be inappropriate for me to comment at this date, and any questions about the conduct of the VBA should be directed to the Minister for Planning.

But in terms of requiring builders to give consumers an information statement before they enter into a domestic building contract, this started from 1 September last year. This information statement sets out important information about the roles of the builders, the surveyors and consumers, and about dispute resolution, and these reforms respond in part to criticisms made by the Victorian Auditor-General in his 2015 report on domestic building consumer protection.

I understand that the response to DBDRV in its opening weeks has been extraordinary. In fact since opening its doors on 26 April this year approximately 1000 disputes have already been lodged, which I understand —

Ms WARD — From outside of Melbourne as well, so across Victoria?

Ms KAIROUZ — I will ask the deputy secretary to respond to that one.

Mr COHEN — Yes, the service is for right across Victoria.

Ms KAIROUZ — So these 1000 disputes are of course a much higher demand on the service than was forecast, but we are certainly putting things in place to ensure that these disputes are resolved as quickly as possible.

Ms WARD — A thousand is an incredible amount in just a few months.

Ms KAIROUZ — That is exactly right. Clearly there was a need for Domestic Building Dispute Resolution Victoria. It will be led by Gina Ralston, who I am sure will do an outstanding job.

Ms STALEY — Minister, I refer to BP 3, page 295, which is the consumer affairs outputs. Recently there have been reports of a number of illegal brothels being detected in Melbourne, generally working behind the shopfront of a massage parlour or hairdressing salon and located near to a construction site. In March of this year an illegal brothel was identified by police operating next to a Kip McGrath learning centre for children in Balwyn North. The non-profit organisation Project Respect estimates that there are 500 illegal and unregistered sex premises currently operating in Melbourne. Minister, how many inspections are planned in 2017–18 to identify and deal with illegal brothels?

Ms KAIROUZ — Thank you very much for that question. In Victoria sex work is legal if it occurs within the licensing and the registration frameworks established by the Sex Work Act 1984 and that does not otherwise contravene the act. In 1984 Victoria was the first state in Australia to move from suppression to regulation of sex work by enhancing legislation that removed the prohibition on brothels. So shortly thereafter, following the Neave inquiry into prostitution, a legislative framework was put in place to regulate sex work in Victoria.

The broad objective of the act is to minimise social harm from sex work, including by reducing potential criminal involvement. A distinct approach is taken to the regulation of sex work that occurs privately or in brothels via escorts and on the street in recognition of particular harms associated with each of these reforms of sex work. So planning, occupational health and safety and public health and wellbeing laws also apply to the sex work industry.

Ms STALEY — Minister, I have given you 2 minutes because it is your first go. Can I have an answer to my question please? How many inspections are planned for 2017–18?

Ms KAIROUZ — Thank you. In relation to inspections, consumer affairs regulates the licensed sex work industry, including by monitoring compliance with and where necessary enforcing the act and associated regulations. CAV also provides administrative support for the Business Licensing Authority decision-making. Victoria Police are responsible for enforcement against the illegal sector — for example, prosecuting unlicensed brothels and criminal offences relating to underage sex.

Ms STALEY — So you are suggesting that you have no role in inspecting probable or possible illegal brothels?

Ms KAIROUZ — All sex work that takes place outside of a licensed sex work business or registered business is not under consumer affairs; Victoria Police are actually responsible for that.

Ms WARD — So asking the police minister would be helpful.

The CHAIR — Order! Ms Ward.

Ms KAIROUZ — That is exactly right.

Ms STALEY — Minister, there are reports from the sex industry that women working in these illegal brothels often do not speak English and are not aware of the regulations that are in place to protect sex workers and their customers, including the mandatory use of condoms. This poses a great risk to these women who are unaware that these regulations, which you are responsible for regulating, exist. So I am asking: what work is being undertaken by Consumer Affairs Victoria to better control the sex industry and protect these vulnerable women?

Ms WARD — In illegal brothels?

Ms PATTEN — Support for the legal workers would be to uphold the illegals.

Ms KAIROUZ — That is right. So in terms of the legal sex industry, again consumer affairs regulates the licensed sex work industry. In terms of the illegal sex work industry, I think your question is best referred to the Minister for Police.

I would just like to say that in Victoria we certainly recognise that the potential exists within the market for specific social reforms, and also that prohibition is unlikely to result in the abolition of prostitution; it is more likely to expose vulnerable people to circumstances that are dangerous or exploitative. We certainly base our approach on reducing harm. We promote public health and seek to protect sex workers from violence and exploitation, and the community from the amenity impacts. The Victorian model that we have currently imposes strict criminal controls to prevent child and forced prostitution and a licensing scheme to prevent criminal involvement in the ownership and management of businesses and their planning.

Ms STALEY — Thank you, Minister. What advice have you received to improve the situation of the sex industry that you regulate from the Sex Work Ministerial Advisory Committee?

Ms KAIROUZ — Thank you very much for the question. It is in fact a conversation that Ms Patten and I have had just recently about this. Victoria's regulation of sex work we know reduces harm, promotes public health, protects sex workers from violence and exploitation and minimises the impact on the community. The Sex Work Act is the main statute that governs prostitution. It imposes strict criminal controls to prevent child and forced prostitution, as I have mentioned before, a licensing scheme to prevent criminal involvement in the ownership and the management of businesses, and a planning system to determine the location of the brothels. The Sex Work Ministerial Advisory Committee is an independent statutory body — —

Ms STALEY — Who is on it, Minister?

Ms KAIROUZ — I will get to that. The committee's role includes advising the minister for consumer affairs about issues related to regulation, control — —

Ms STALEY — Control and general operation of the sex.

Ms KAIROUZ — Correct.

Ms STALEY — You are reading the website, so perhaps you could now tell me who is on it.

Ms KAIROUZ — Currently the committee is not operating because it does not have any work to do it. So should I, as minister — —

Ms STALEY — Minister, did you just say the committee is not operating because it has no work to do?

Ms KAIROUZ — That is correct. And should I, as minister, require any advice in the future in relation to the sex industry, I would certainly seek to re-establish the committee.

Ms STALEY — Do you not think that the fact that this committee exists under statute as an advisory body to advise the government in relation to the sex industry, and there is increased prevalence of illegal brothels which are putting women at risk, would be a reason to establish this committee?

Mr DIMOPOULOS — Chair, I think the minister made it abundantly clear that she looks after a regulated sex industry not an illegal sex industry.

Ms STALEY — Is this a point of order or are you just talking?

The CHAIR — Order! Is there a point of order, Mr Dimopoulos?

Mr DIMOPOULOS — Oh, I am so indignant that I was interrupted — sorry.

Ms STALEY — Perhaps if you can answer my question, Minister.

Ms KAIROUZ — As I mentioned earlier on, CAV provides a regulatory role with the sex work industry and Victoria Police is responsible for enforcement against the illegal sector.

Ms STALEY — I move to inspections, BP 3, page 293. Could you please identify the projected cost of inspections of liquor and gaming venues for this year?

Ms KAIROUZ — What page did you say?

Ms STALEY — Page 293, which will be the output for gambling and liquor.

The CHAIR — Third line item down in the chart, Minister.

Ms KAIROUZ — So third one down on page 293, liquor and gambling inspections completed by the VCGLR. Metropolitan?

Ms STALEY — Well, we will start with them all, shall we? How much are they going to cost?

Ms KAIROUZ — The 2017–18 budget provides \$11.3 million to the Victorian Commission for Gambling and Liquor Regulation over four years. The extra funding will assist the commission to meet its performance targets, particularly in regard to compliance and licensing activities. The commission's 2016–17 target for determining liquor and gambling approvals, licences, permit applications and variations is 46 000. I am advised, as of 30 April this year, that the commission has made 42 272 determinations and is on track to meet this target.

Ms STALEY — What do they cost?

Ms KAIROUZ — I will just get to that in a minute. The commission's 2016–17 target for liquor and gambling information and advice is \$128 000, which is measured by the number of telephone calls and emails received by the commission and visits to the front desk. The commission is on track again to meet this target, and I am advised that by 30 April this year the commission had received 107 318 requests for information and advice. The commission's target for 2016–17 is to complete 11 400 inspections.

Ms PATTEN — Not surprisingly, following on from a number of Ms Staley's questions, I take note that no CAV money is spent on compliance regulation of the illegal industry. It is only spent on compliance of the legal and registered industry. I would just like to make a comment that if reducing social harm is part of the objective of the act, then addressing the illegal industry, I would have thought, would have been within the remit of that. However, the Sex Work Regulation Fund raised about \$1.9 million in 15–16 and 1.5 million of that was spent.

The line items are, I would say, kind of unclear. It says 166 000 was spent on contractors, consultants and professional services, and then there was 225 000 spent — although it was listed as 2.25 million I know it is 225 000 — on other operating costs. I guess it would — —

Ms KAIROUZ — Ms Patten, can I just interrupt you for a second. Where are you getting those from?

Ms PATTEN — I am referring to the consumer affairs annual report that forms part of the budget. I suppose it is a somewhat general question as to the money that you raise through the licensing of legal brothels and escort agencies. What do you spend that money on? As I mentioned, there are line items saying ‘contractors, consultants and professional services’ and line items just saying ‘other operating costs’, which is a quarter of a million dollars.

Ms KAIROUZ — I might get the Deputy Secretary to respond.

Mr COHEN — Thank you for the question. When you think about consumer affairs in the context of the Sex Work Act, I think that there are probably four main areas where we have a role. The first is we provide information to the community about the Sex Work Act through our website and through our contact centre. The second is that we support the Business Licensing Authority in undertaking the licensing of brothels and managers and the recording of exempt providers. In that respect, I think particularly for the licensed part of the sector, there is a great deal of rigour that is applied in relation to making decisions about whether people should be permitted to own brothels or should be permitted to manage them, so extensive background checks, extensive criminal record checking and the like, to make sure that those are appropriate people to be involved in that area. The third, then, is an inspection function that we have in relation to the licensed sector, and that inspection function focuses in particular on compliance with the health and safety matters set out in the Act and in the regulations. We often do those inspections in conjunction with police, sometimes in conjunction with immigration, sometimes in conjunction with WorkSafe — —

Ms PATTEN — Thank you. I appreciate that information. When we talk about \$225 000 being spent in other operating costs or \$166 992 spent on contractors and consultants, is that people that you contract to do these inspections or people you — —

Mr COHEN — I must say, Ms Patten, I am not entirely familiar with the figures that you have got — —

Ms PATTEN — Maybe I could take that on notice, then.

Mr COHEN — Perhaps I can take that on notice.

Ms PATTEN — Thank you.

Mr COHEN — I would also note that we have an extensive monitoring function, so we do look to see if we can identify that people who are advertising, for example, have the correct requirements in relation to — —

Ms PATTEN — And what do you do when they are not, because I can tell you now I could find you 900 ads of people who are not complying, quite a few of them in Bourke Street?

Mr COHEN — We would work in conjunction with VicPol in those matters — —

Ms PATTEN — So you would have a reporting to VicPol on that?

Mr COHEN — We have regular meetings with VicPol in relation to our shared and distinct responsibilities in relation to the Sex Work Act. I suppose the other part of our service is that we do provide policy advice to the minister. For example, in relation to the remaking of the Regulations last year, we undertook the RIS requirements in relation to that and did the relevant policy work in relation to that.

Ms PATTEN — Just turning to budget paper 3, page 78, which looks at the \$1 million being put in per annum — so \$4 million in this budget — for Pathways to Exit. This is funding to support assertive outreach. This is money to be spent, \$1 million to be spent, on assertively — your word — assisting sex workers to stop working. I have to say that is fairly loaded. I would be flummoxed to know of any other business, any other industry or worker, that gets that sort of assertive outreach attention. What I want to know is: who is doing that

assertive outreach program to exit these women out of sex work — you are spending \$1 million a year on it — and is any of that money going to Project Respect, which is a vehemently anti-sex worker organisation?

Ms KAIROUZ — Thank you for that question, Ms Patten. The output initiatives relating to the project that you just mentioned — the Department of Health and Human Services are responsible for that project, so I do not have the details available to me.

Mr WILSON — I can chase that up, if you like, through my colleague at DHHS and come back to you with the details.

Ms PATTEN — Thank you. If we could have that on notice, that would be really appreciated. Going back to some of the questions that Ms Staley mentioned — that CAV does not do any compliance work apart from, as you say, looking at advertising and reporting on advertising of illegal establishments — the illegal operators far outweigh the legal operators, and I am wondering if CAV has given any consideration to lost earnings from not licensing the illegal operators.

Mr COHEN — We really do focus our activities in relation to the licensed sector. If we come across intelligence that indicates a premises may not be licensed, we would refer that to the appropriate regulatory authority, VicPol — —

Ms PATTEN — How often would you do that?

Mr COHEN — I know that we meet with — when I say ‘we’, I mean both consumer affairs and the Business Licensing Authority — the sex industry part of VicPol — —

The CHAIR — Order! Ms Ward until 3.37 p.m.

Ms WARD — Sorry; if you wanted to finish your sentence, please do so.

Mr COHEN — Thank you, Ms Ward. Often — and I can take perhaps on notice the precise number of meetings that we have had.

Ms PATTEN — Thank you very much.

Ms WARD — Minister, if I can get you to come back to building dispute resolution, you have spoken regarding the Domestic Building Dispute Resolution Victoria; has CAV implemented any other measures to protect consumers during the domestic building process?

Ms KAIROUZ — Thank you very much for your question. As I went through the process, we were talking about how it is compulsory for both parties to participate in a dispute resolution process and how it can undertake independent inspections at no cost to the parties, and where non-compliance with building codes are identified this must be reported to the Victorian Building Authority for consideration of regulator action — for example, for disciplinary action. DBDRV can make binding orders to resolve disputes, but I might ask deputy secretary Simon Cohen to comment further on this as well as on strategies that might mitigate the high demand of this new service.

Mr COHEN — The high demand for the service we think reflects the need for this type of dispute resolution. The chief dispute resolution officer is at the moment both looking at issues around streamlining the process, around ensuring that consumers and builders have had an opportunity to resolve disputes before they come, and in relation to — —

Ms WARD — Is it also open to people who are neighbours, for example, not the individual consumer, who have not gotten into a contract with the builder but when the builder has affected neighbouring properties?

Mr COHEN — No, that would not be something that would be within the remit of the organisation, but there are a couple of other things that we have been doing in this space. One is that we have been working collaboratively with the Victorian Building Authority and the Victorian Managed Insurance Agency to create a single building tool for Victorian consumers, so that if they want information about building insurance or building registration or the like, there is one place that they can go to and they can follow through a structured decision tree to get them to the right place on any of our websites to find information in relation to that. The

second matter that we have been doing is working to establish the domestic building legal advice service, so for disputes that cannot be resolved — —

Ms WARD — So this is if the conciliation does not work and it needs to then go on to VCAT?

Mr COHEN — That is precisely right, Ms Ward — that there be a service available to home owners in those circumstances so that they would be able to get legal advice and representation in limited circumstances as well.

Ms WARD — Is that free?

Ms KAIROUZ — You are probably aware of this, Ms Ward. This is a Labor government election commitment. It was one of our commitments to consider the establishment of the building rights advocate, and we have established the legal advocacy service to provide additional assistance to home owners where a dispute is not resolved through DBDRV. So where disputes do unfortunately extend beyond the domestic building dispute resolution, the government has been keen to ensure options for appropriate additional support to building consumers and preparing them for VCAT hearings.

To this end I am pleased that following a request for service process Justice Connect — I am sure a firm you are familiar with — has been selected to deliver DBLAS. That is from this year, mid-2017. The service model to be implemented by Justice Connect makes use of a pool of qualified and very generous lawyers who are giving their time pro bono for the benefit of Victoria. It is a fantastic — —

Ms WARD — A really good resource.

Ms KAIROUZ — Yes; it is great. I am confident that this new service will provide assistance to those in need and will strongly complement our government's reforms in this space.

Mr DIMOPOULOS — Minister, I might ask you about the Victorian Responsible Gambling Foundation. BP3 page 271 has funding for three years from the Victorian responsible gambling trust. You touched on responsible gambling in your presentation. Can you unpack a bit more about what this funding — this investment — will deliver, particularly in addressing obviously problem gambling?

Ms KAIROUZ — Thank you very much for your question. Is it about the Victorian Responsible Gambling Foundation?

Mr DIMOPOULOS — Yes; sorry. That is right. The acronym is too hard to say.

Ms KAIROUZ — And there is another one, there is a VCGLR as well, so I was not sure. The government acknowledges the vital work of the Victorian Responsible Gambling Foundation, particularly in reducing gambling-related harm. In 2015–16 the government committed \$148 million over four years for problem gambling initiatives. The budget allocation of \$148 million continues to represent one of the largest funding commitments to address problem gambling in Australia. Our continued commitment to this substantial funding for the foundation will ensure that the services it provides to Victorians having issues with gambling are the best and most effective in the country.

In 2016–17 the foundation has funded gamblers help services, research communication campaigns and education and training for counsellors and health professionals. The foundation has also run a number of campaigns that focus on prevention, on community awareness and on behavioural change.

Mr DIMOPOULOS — Minister, just on those campaigns, what about targeting young people?

Ms KAIROUZ — Yes, absolutely, there are. If I could just mention that the foundation's advertising and campaign budget is quite significant. It is \$7.33 million, and this includes an allocation of \$5.83 million for media advertising and \$1.5 million on campaign costs and of course creative and market research.

In September 2016, Mr Dimopoulos, the foundation launched the Love The Game, Not The Odds campaign. This campaign responds to community concerns about normalisation of gambling in sports, particularly amongst young children.

In October 2016 the foundation launched Responsible Gambling Awareness Week. This is an annual event that was run in conjunction with the Victorian government, with local councils and representatives from the gambling industry, sporting clubs and community groups. The theme for Responsible Gambling Awareness Week was how to gamble responsibly and to avoid gambling harm. This theme was chosen because of the increasing number of ways people can gamble, and it is aimed at building resilience in the community towards gambling.

Mr DIMOPOULOS — I think the Love The Game, Not The Odds — I think that is what it is called — is excellent. It is amazing how insidious gambling in the sport context is, because when you hear that you realise, ‘Oh, yeah, that’s right. Everything I hear is about “Place a bet here” or “What are the odds?”’. Even in your footy tipping, at the end of it you can actually have a bit of a gamble.

Minister, we do not have much time left but just maybe on notice, you mentioned research before — that the investment also funds research. I would be interested to know how deep that goes in terms of intergenerational gambling, so when a kid grows up with gambling parents or whatever. If you could give us some information, I would love that.

Ms KAIROUZ — Sure, not a problem.

Mr DIMOPOULOS — I would be very interested in the research but also subsets. In the community that I represent there are particular cultures — I will not necessarily name them — that have a higher prevalence of problem gamblers. Do you have any insight into that in the research, or could you provide some of that as well?

Ms KAIROUZ — I will be happy to provide that information to you. But in terms of the Love The Game campaign that you were talking about earlier and in terms of targeting young people, the foundation has a school education program.

Mr DIMOPOULOS — I would like to know more about that too. Thank you, Minister.

Mr T. SMITH — Welcome, Minister. Budget paper 3, page 295, consumer affairs outputs: you recently changed legislation regarding underquoting in the real estate industry. Since this change was implemented, the opposition has received a number of complaints regarding conflicting information being used by Consumer Affairs Victoria, and agents, vendors and buyers are very confused about your attempt to improve illegal underquoting by agents. Minister, do you know whether the vendor’s or the agent’s appraisal is advertised? Some CAV employees state that it is the buyer’s price and others the vendor’s price. Which is it?

Ms KAIROUZ — Thank you for your question, Mr Smith. The laws set out standards for agents’ conduct in buying, selling or letting property, including requirements for handling trust money and of course sales deposits, and as we know most agents want to do the right thing and most of them comply with their legal requirements. The reforms to the Estate Agents Act stamp out the practice of underquoting in the real estate market and, as I mentioned before, they came into effect on 1 May this year. We do know that underquoting causes significant frustration and disappointment for potential buyers. Prospective buyers certainly spend a lot of time and money on prepurchase inspections for properties that they cannot afford so we are wanting to stamp that out as well.

Under these changes, real estate agents are now required to provide an information statement to prospective buyers that sets out the details of three comparable properties, the agent’s estimated selling price and the median selling price in that suburb. Also, as I mentioned earlier, agents are now restricted to advertising a single price or up to 10 per cent — —

Mr T. SMITH — So it is the agent, not the buyer.

Ms KAIROUZ — Correct.

Mr T. SMITH — Sorry, the seller.

Ms KAIROUZ — It is the agent.

Mr T. SMITH — It is the agent, okay.

Ms KAIROUZ — Also, Mr Smith, they are unable to use qualifying words such as ‘starting from’ or the plus symbol. That will be prohibited. If agents receive a written offer and the seller rejects that written offer, agents are now promptly required to advertise that rejected offer.

Mr T. SMITH — Okay. Have there been any penalties so far under the new regime?

Ms KAIROUZ — This has been in place for 30 days, from 1 May this year. We are certainly wanting to stamp out unfair sales tactics of underquoting through these new laws, which have been in effect for only 30 days, and early feedback from Victorians, Mr Smith, has been overwhelmingly positive, particularly around these new measures. We certainly expect underquoting laws to give transparent pricing information to prospective buyers.

Mr T. SMITH — So why was CAV advising that it was not necessarily the vendor’s price that was the quoted price for your new legislation?

Ms KAIROUZ — I am sorry; where did you get that from?

Ms SHING — Where were they doing that?

Mr T. SMITH — There have been a lot of complaints to us with regard to — —

Ms WARD — Who is us?

Mr T. SMITH — The opposition — with regard to which price is the advertised price as per this new legislation.

Ms SHING — That bit has been answered. Have you got source material for the comment?

Mr T. SMITH — I do actually, but again, Chair, this is emails and whatnot from people who do not necessarily want to be named in public.

The CHAIR — I think the minister has answered that previously in terms of those issues. Does the minister have anything further to add?

Ms KAIROUZ — I can get Mr Cohen to elaborate a little bit more about that and talk about the indicative selling price as well.

Mr T. SMITH — That would be helpful. Thank you.

Mr COHEN — Certainly during the introduction of the legislation there were some requirements that applied immediately — that is, the advertising rules — and there were some requirements that only applied where an agent entered into a contract to sell the property with the vendor from 1 May, and that related to the statement of information that the agent has to make available when advertising the property. That statement of information requires the agent to include the indicative selling price, which cannot be lower than the agent’s estimated selling price or any written offer received by the agent or any requirement by the vendor for a minimum price for the property. So there are three separate elements. The indicative selling price in the statement of information cannot be lower than any of those to ensure that there cannot be any underquoting.

Even in a circumstance where an agent does not advertise the price for the property in an ad, they still have to include the statement of information that would have that indicative selling price included in it.

Mr T. SMITH — Okay. We will move on to the consumption tax on gambling, Minister, if we could. Referring to budget paper 5, page 156, can you identify extra income that will be generated through a consumption tax on gambling?

Ms KAIROUZ — Thank you for your question, Mr Smith. Sorry, what budget paper are you referring to?

Mr T. SMITH — Budget paper 5, page 156.

The CHAIR — Mr Smith, I am not trying to interrupt your flow, but I think in previous evidence provided by the Treasurer he indicated that this is a matter of some discussion at the moment at a treasury level through a

ministerial committee and that those discussions are ongoing. The Treasurer in his evidence was not able to provide that level of detailed breakdown information because no agreement had been reached. I just want to indicate for the minister's benefit that this has been asked of the Treasurer previously. The minister may wish to add something additional, but I do not think, based on what the Treasurer has advised the committee previously, the minister is going to be in a position to say much more.

Ms KAIROUZ — That is correct, Chair, but just for the benefit of Mr Smith, on 24 March this year commonwealth, state and territory treasurers all agreed to develop a common national approach to examining the place of a consumption tax for online gambling. Any further information that relates to the place of a consumption tax — the Chair is right — is a matter for the Treasurer.

Mr T. SMITH — So have you spoken to stakeholders about a potential consumption tax?

Ms KAIROUZ — I speak to stakeholders about a range of things.

Mr T. SMITH — Yes, I am sure you do, but have you spoken to them about a consumption tax?

Ms KAIROUZ — Yes.

Mr T. SMITH — And what has the response been?

Mr DIMOPOULOS — If you want to be a minister, get elected.

Mr T. SMITH — God, you are a fool.

Members interjecting.

The CHAIR — Order! I do not think it is fair and reasonable for the minister to be commenting on private conversations she might have with stakeholders, Mr Smith. Is there — —

Mr T. SMITH — I think it is a fair question, Chair, about what feedback stakeholders have given the minister on this new consumption tax idea.

Ms Ward interjected.

The CHAIR — Order!

Ms KAIROUZ — Look, I am happy to respond to Mr Smith. What I have just outlined to you about the Treasurer's position is exactly the same thing that I outlined to stakeholders.

Mr T. SMITH — Okay. Fair enough. Now, if we can move on to packaged liquor, you released a substantial family violence package in the budget. Given that packaged liquor makes up 80 per cent of liquor consumed in Victoria, will the government restrict the number of new packaged alcohol retail outlets to assist with combating domestic violence?

Ms KAIROUZ — Thank you for your question, Mr Smith. You are probably aware that we are in the process of reviewing the Liquor Control Reform Act. We want to ensure that Victoria has the right laws to support our liquor and our hospitality industries, including our attractive cafe, restaurant, pub, club, bar and night-life culture, and I would like to acknowledge the significant contribution — —

The CHAIR — Order! Ms Patten until 3.55 p.m.

Ms PATTEN — Thank you, Minister. I would like to turn to gambling, and page 293 of budget paper 3, looking at the regulation of gambling. I did note recently that it seems fantastic that the gambling industry organisation Responsible Wagering Australia — run by our dear friend ex-Senator Stephen Conroy — their agenda looking at national gambling consumer principles has been agreed to by yourself and other ministers as a way forward to the regulation of gambling. I guess when you have got someone like Stephen Conroy in a position of such power in a lobby group promoting gambling, I am wondering if you can tease out how you protect yourself from being influenced by that, given that it seems quite remarkable that the industry proposal is what the government believes is a good way to regulate gambling.

The CHAIR — Just before the minister answers, I am just not sure, Ms Patten, what Senator Conroy's involvement is in relation to the forward estimates.

Mr T. SMITH — He is no longer a senator, Chair.

The CHAIR — Sorry. My apologies, Mr Smith.

Ms PATTEN — Mr Conroy is heading up Responsible Wagering Australia, which set out some guidelines for responsible gambling that have been adopted by the government as acceptable measures, and I am just trying to tease out how the head of a gambling industry association can develop protocols that — —

Ms Shing interjected.

Ms PATTEN — Exactly. Yes, exactly.

Ms SHING — Integrity protocols.

Ms PATTEN — Yes. Mr Conroy is obviously known to us all.

Ms KAIROUZ — Thank you for your question, Ms Patten. I think it is extraordinarily important that I point out a couple of things. One of them is that I conduct myself and my office in the most professional way and with the highest standards of integrity, and also I adhere to the strictest probity rules at all times. That is what the Premier expects, that is what my colleagues expect, and I am sure that is what you and other Victorians expect as well.

In terms of Mr Conroy, I have not met with Mr Conroy and I do not have an intention to meet with Mr Conroy. However, if he seeks a meeting from me or vice versa, I will ensure that there is an independent witness available at all times to protect myself. Hopefully that answers your question.

Ms PATTEN — I think it does. Maybe it is an amazing alignment that the gambling industry has put forward principles that are seen as suitable for responsible gambling given the acknowledged problem we have with problem gambling in Australia and in Victoria specifically. But I am happy to accept that everyone is on the same page at this stage.

With gambling revenue in Victoria — and, again, this is budget paper 5, page 19 — we are set to increase our gambling revenue by \$107 million over the next four years. Do we know — —

Ms KAIROUZ — What page was that, sorry.

Ms PATTEN — Pardon me, budget paper 5, page 19. It is looking at the gambling revenue that the state estimates to receive, and obviously our population is increasing so that would obviously play a significant part in that. Do you have any idea about the current estimates of annual losses for Victorian gamblers? The revenue is 107 million, but how much of that is from the Victorian gambler?

Ms KAIROUZ — Thank you very much. If I can just start off by talking about the total taxation revenue, so I can paint a picture for you, particularly from electronic gaming machines. The total taxation revenue from gaming machine taxation is forecast to drop from 5.2 per cent in 2017–18 to 4.6 per cent in 20–21. This continues the strong trend showing the proportion of total taxation revenue derived from gaming machines as declining over time, having fallen from 10.3 per cent in 2001–02 — —

Ms PATTEN — But would that not mean there just might be more gambling in other areas?

Ms KAIROUZ — It also means that population is growing — —

Ms PATTEN — Yes, and they are gambling on the races and at the casino — —

Ms KAIROUZ — Yes. The proportion of total government revenue from gaming machine taxation has dropped from 4.2 per cent in 1999 to just 1.8 per cent this financial year. Most gambling taxation revenue is transferred by a special appropriation to the Hospitals and Charities Fund, the Mental Health Fund and the Community Support Fund, which is primarily used for alcohol and drug treatment services, and the Responsible Gambling Fund. The latter provides funding for the responsible gambling foundation to tackle problem

gambling. Earlier on you would have heard me outline just some of the things that they are doing and the campaigns that they are running with the funding that is available to them.

Despite gambling being a legitimate recreation activity — people choose to gamble, it is perfectly legal to do so — —

Ms PATTEN — Absolutely. I am just looking at what the losses are in that number.

Ms KAIROUZ — In Victoria we impose some of the strictest restrictions on the operation of gaming machines in Australia. Victoria is just one of two Australian jurisdictions that do not allow ATMs in their gaming venues, the other being Tasmania. Victorian gaming machine density has decreased from 7.76 machines — —

Ms PATTEN — I am conscious of the time. Is there a current estimate of the annual losses by Victorian gamblers in that? So we are looking at that revenue — —

Ms KAIROUZ — No. I have just been advised that we have just got the revenue data for government, not the losses.

Ms PATTEN — So that is an unknown figure in Australia?

Ms KAIROUZ — I will probably get Ms Carr to answer that.

Ms CARR — If you are talking about global losses from all gambling products —

Ms PATTEN — In Victoria, yes.

Ms CARR — in Victoria, you could probably calculate it based on the tax rates, but we do not have that data to hand.

Ms PATTEN — Base it on the tax rates?

Ms CARR — We know the proportion of player loss that goes to government in tax.

Ms PATTEN — What is that number? Maybe that would help me.

Ms CARR — It varies according to product, so the highest tax rate is for lottery — —

Ms PATTEN — Is that information you could provide to us on notice?

Ms CARR — Yes, certainly.

Ms SHING — Thank you, Minister and witnesses, for your attendance and the evidence you have given today. Minister, I would like to continue the discussion in relation to advice and advocacy services to vulnerable Victorians, in particular in the area of tenancy advice and advocacy and also in the context of retirement housing and advocacy. This is an area not just particular to the region of Gippsland, which I am one of a number of members to represent, but throughout regional Victoria. A number of people in the retirement housing space pay very, very considerable amounts of money, often to move in close to their friends and to be with a cohort that they have often known for many, many years, and there has been a lack of rigour, at least as far as the evidence is concerned, around the terms of contracts and the way in which they enter into these contracts, accountability and measures for oversight and complaints mechanisms where in fact there are significant costs associated with the delivery of those services in those villages.

To that end I would like to see some further information around the retirement housing advice and advocacy program targeting those vulnerable and disadvantaged Victorians, who I believe have to be over the age of 55 to access retirement housing, and the way in which that can assist people in that village environment or residents of residential parks, and then we will move on to tenancy after that.

Ms KAIROUZ — Thank you, Ms Shing. First of all, the tenancy and consumer program 2017–18 was established following an extensive review which concluded in 2016, and a select request for service opened in December 2016 to determine TAAP and CAAP providers— TAAP is the tenancy assistance and advocacy

program and CAAP is the consumer assistance and advocacy program. This program targets financially disadvantaged Victorians and those that are also experiencing family violence. The tenancy service's focus is in particular on at-risk tenancies in the private sector. Over \$18 million will be invested in these services over the next four years.

In 2017–18 the program funding will increase by \$1.1 million per annum to \$4.3 million to provide the following services: like the TAAP program, which is a place-based service in 17 areas in Victoria and also in the region that you represent, Ms Shing; the Tenancy Central Service is a statewide service as well; the Retirement Housing Assistance and Advocacy Program, RHAAP, which is also a statewide service; and the Consumer Assistance and Advocacy Program or CAAP — one that I just mentioned before — is also a statewide service. The community agencies that will provide the tenancy and consumer programs from 1 July were appointed in response to an open tender process. In 2017–18 it is estimated that approximately 8220 vulnerable tenants and landlords will receive information, assistance with negotiating with landlords and with traders, and where required support and advocacy for VCAT hearings. By partnering with community agencies the government can target resources and reach a greater number of vulnerable Victorians.

Ms SHING — Can I just pick you up there? In relation to retirement villages, from an operational perspective, and Mr Cohen may be placed to answer this, we have got significant population growth that is anticipated — an additional 3 million people between now and 2050 — and an ageing population as well, which will increasingly be decentralised around regional locations. One of the great challenges in that is making sure that people who are accessing a retirement village environment are receiving a consistent standard of care and treatment and resource and amenity, and that in the event that they are not, they have access to a complaints mechanism, dispute resolution — and a resolution that has a minimum impost on them. We are talking about old people, frail people, often poor people, often people for whom English is a second or perhaps third language. So from an operational perspective, how will these measures assist with people in that particular group as the population builds and as that need grows over time? Or in fact Minister — I am happy for anyone to answer it.

Ms KAIROUZ — Thank you, Ms Shing. I am happy for Mr Cohen to respond.

Mr COHEN — Thank you, Minister, and thank you, Ms Shing. The points you make, I suppose, are in some ways reflected in the submissions that were received by the upper house inquiry in relation to retirement living, and the government of course is still considering its response to those recommendations. In terms of the changes to the TAAP and CAAP program, the Retirement Housing Assistance and Advocacy Program will have two particular elements to it. One element is a worker who will actually assist people who are in retirement living to provide a direct advocacy service, and a second element is actually about policy advocacy to government in relation to retirement living more generally.

Ms SHING — When you talk about front-end advocacy, is that geared toward helping people to better understand their rights, entitlements and corresponding obligations before entering into a contract? Because that has been one of the really significant challenges in making sure that people do not simply sign something away at the kitchen table whilst not knowing that that means that their entire estate, for want of a better term, is then eaten up as a consequence of terms they did not properly understand.

Mr COHEN — I think a lot of the concerns of current residents of retirement villages in relation to entering contracts that they did not understand relate to a period before 2014, when legislative changes were brought in. There were two really significant elements of those changes that I think have improved the situation for new and prospective residents of retirement villages. The first was through standardising the format of contracts so people could actually compare contracts one to another, and there was a standard form that Consumer Affairs Victoria had the responsibility to prescribe. The second was to give information at one, two and five years about somebody's outgoing amount that they would receive from their incoming contributions to reflect what are called deferred management fees, a term which I think sometimes people who entered retirement villages did not really understand.

Ms SHING — Well, it is a pretty unique species of contract.

Mr COHEN — It is. So this brings transparency to those contracts so people know what they will get if they leave their village at those specified periods of time.

Ms SHING — To what extent does that enable people to engage with family members or legal representatives in the course of understanding whether to enter into a contract in the first place?

Mr COHEN — I think the key part of this, and it was reflected earlier in your question, is that these are contracts of some complexity. There is no getting away from that.

Ms SHING — As a contract lawyer I have been through a number of them, and I find them often ambiguous — and that is putting it highly.

Mr COHEN — I think the second element is that they are actually very high cost. People are spending literally hundreds of thousands of dollars to enter into these retirement village contracts. So while steps can be taken to bring transparency to those contracts, our view — CAV's view — is that before anybody enters into one of those contracts they should get legal advice in relation to them, they should talk to their family about them and they should understand the nature of those contracts and what they actually mean to them in terms of ingoing contribution, in terms of what they are going to be charged every week while they are in the home and in terms of what happens when they want to leave, what their outgoing amount will be and what liability they will have for any ongoing charges in relation to those matters.

Ms SHING — What is proposed in relation to the level of community education around what to do in the event of a problem? I know there has been a lot of work done in the tenancy space around the residential tenancies tribunal and remedies and redress that are available under that scheme, but what about for retirement villages?

Ms KAIROUZ — I would be happy to answer that question.

Ms SHING — In the 30 seconds we have less, otherwise the remainder of it on notice would be fantastic.

Ms KAIROUZ — I am happy to provide that, but just to make you aware about the Consumer Policy Research Centre, it is a broad-based research centre to help drive policy development and to better protect consumers. This is supported by \$4.6 million over four and a half years. The centre will undertake research and policy development on consumer protection issues, as I have just mentioned, and of course this is for the public benefit — —

The CHAIR — Order! Maybe take that on notice.

Ms STALEY — Minister, I am going to return to the issue of pack liquor and family violence, which we were asking about earlier. Will the government consider limiting purchases of packaged liquor by individuals?

Ms KAIROUZ — I am sorry; I did not get that last bit.

Ms STALEY — I am returning to the issue of pack liquor and family violence — BP2, page 11 — that we were talking about earlier. Will the government consider limiting purchases of packaged liquor by individuals?

Ms KAIROUZ — Thank you. I think Mr Smith —

Ms STALEY — He started on this, yes. He did.

Ms KAIROUZ — started, and I was halfway through my response and I was talking about the Liquor Control Reform Act review. The reviews of the terms of reference were released on 4 November last year, and that coincided with the release of the public consultation paper seeking community and stakeholder feedback on the operation of the act. The consultation period closed on 16 December, and 65 submissions were received. In addition to the consultation paper my department conducted face-to-face meetings with major liquor policy stakeholders, and these included industry peak bodies, community stakeholders and public sector organisations as well as researchers. We also consulted with family violence stakeholders, which acquitted recommendation 93 of the Royal Commission into Family Violence regarding the review.

Ms STALEY — After all of this review and consultation, is the government considering limiting purchases by individuals of packaged liquor?

Ms KAIROUZ — We are still currently undertaking the review. All the submissions that we received will be considered, but until then I will be unable to provide any further comments.

Ms STALEY — Okay. I will just move briefly back to where I was right back in the first one, which was BP3, page 293, about the inspections of liquor and gaming venues. I just wanted to ask: what are the benchmarks for late-night visits as opposed to other times? I preface that by saying the Auditor-General's report found that 90 per cent of these inspections are done before 10.00 p.m.

Ms KAIROUZ — Again, thank you for your question. We certainly welcome VAGO's report, and we certainly welcome the report that was tabled in the Parliament on 8 February this year. It is important to note that findings outlined in the VAGO report are based on an audit that only commenced 15 months after we returned to government, and I think this is due to the mess that we inherited from the previous government in relation to the botched merger between the two independent regulators, and these things, Ms Staley, as you would know, take time to fix. But despite this the report that was tabled highlights significant progress to date, and it states that the VCGLR's recent focused attention on improving the way it manages, develops and deploys staff, particularly compliance inspectors, is encouraging. In fact the audit found that the VCGLR's plans and actions to further develop its risk-based approach to licensing and compliance are largely sound. So we attribute much of this progress to our government's strong commitment to providing the best possible leadership.

Ms STALEY — If you have done all of that, you must have come up with some benchmarks to inform how many late-night visits you are going to do after 10.00 p.m.

Ms KAIROUZ — As you can see in budget paper 3, there are targets in place, and as I said earlier, I am advised that as of 30 April this year the commission has made significant progress in meeting its targets and providing information and advice. But I should point out that in terms of the inspections in metropolitan Melbourne and in regional Victoria, there were 11 260 inspections in metropolitan Melbourne and 1440 inspections in regional Victoria. Although this has fallen slightly short of the target, I am advised that this is due to the new inspector training program that was introduced just recently, which involves the retraining of staff who undertake these inspections. Because of the retraining, they have fallen short slightly because of the time that they are spending in the training rather than conducting their inspections. So the commission is making every effort to increase the number of inspections conducted in the remainder of the 2016–17 year, and an increase in the funding in the 2017–18 budget will certainly assist the commission to improve its compliance.

Ms STALEY — Thank you, well read.

Mr MORRIS — Minister, BP3, page 295, but in particular the review of the Residential Tenancies Act that is on foot at the moment. Certainly I know my office has received many submissions opposed to many of the recommendations in the review. Collectively I am sure opposition members have received hundreds and hundreds of complaints. There is also an online petition established by the REIV which has almost 4000 signatures on it, and the thrust of the concerns that are expressed is that something like 80 per cent of the recommendations would effectively shift some power from the property owner in the direction of the tenant. Now, you may or may not think that is a good thing, but the key sector leaders in the property area, including the REIV, are very concerned that if the recommendations are adopted in full, the consequence of that will be a massive reduction in the number of properties available in the rental market and people will simply take properties out of market. Obviously that will boost demand if supply is curtailed, and there will be a consequent flow-on of rent increases across the state. So can I ask: why is the government being so supportive of recommendations that are likely to simply put further pressure on the cost of living?

Ms KAIROUZ — Thank you, Mr Morris, for your question. The Andrews government's plan for fairer, safer housing outlines a vision for ensuring everybody has access to safe, secure and affordable housing, and as part of the plan, we commenced a comprehensive, evidence-based review of the Residential Tenancies Act in June 2015. This review seeks to rebalance the rights and responsibilities of both landlords and tenants. Market conditions have changed substantially in Victoria since the Residential Tenancies Act was passed almost 20 years ago, and one of the key changes is that more and more Victorians are choosing to rent, and they are renting for longer periods of time. This means that while almost 30 per cent — —

Mr MORRIS — So any boost in the cost of rent and in the cost of putting a roof over people's heads is going to impact on more Victorians.

Ms KAIROUZ — Well, we have not determined our position on that yet. The consultation just closed at the beginning of this year in terms of reviewing the Residential Tenancies Act. There were a number of stages related to the Residential Tenancies Act review. The first stage commenced in 2015 and ended in February this year, but I might ask Mr Cohen to elaborate a little bit more on the review.

Mr MORRIS — Given we are limited for time, could we concentrate on the next steps and when we are likely to get a decision, rather than the history lesson, because we understand the history?

Ms KAIROUZ — We are in the process of reviewing all of the submissions that were made, and just like you, Mr Morris, I also received several hundred emails about this.

Mr MORRIS — I would imagine, yes.

Ms KAIROUZ — But let me reassure you and everybody that sent me an email and made a submission that we are considering all of the submissions and we are wanting to ensure that for both landlords and tenants we strike a balance between both. One of the things that I have learned, Mr Morris, is that you get some stakeholders dragging you to the left, others dragging you to the right, and if you are somewhere in the middle, and if they are unhappy —

Mr MORRIS — That is what we are interested in — which way the balance is likely to shift.

Ms KAIROUZ — you are about right. But we have not determined what our — —

Mr MORRIS — Is there a time frame?

Ms KAIROUZ — It is still ongoing. We are hoping that legislation will be introduced into the Parliament sometime next year.

The CHAIR — I would like to thank the witnesses for their attendance, the Minister for Consumer Affairs, Gaming and Liquor Regulation, the Honourable Marlene Kairouz; Mr Wilson; Mr Cohen; and Ms Carr. The committee will follow up on any questions taken on notice in writing. I believe there were six questions taken on notice in the hearing. Ms Pennicuik has also supplied some questions to the secretariat, which will be passed on to you. The response answering the questions in full should be provided in writing within 10 working days of the committee's request.

Committee adjourned.