

Annual Report

2019–20



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Letter to the Minister



The Hon. Melissa Horne MP
Minister for Consumer Affairs,
Gaming and Liquor Regulation
Minister for Ports and Freights
Minister for Fishing and Boating

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 2020.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nicole Rich', enclosed in a thin black rectangular border.

Nicole Rich

Executive Director, Regulatory Services &
Director, Consumer Affairs Victoria

Director's foreword

Consumer Affairs Victoria's work in 2019–20 has been underpinned by our focus on achieving our vision of a fair and competitive marketplace in Victoria, and delivering key outcomes for the community.

With the onset of the coronavirus (COVID-19) crisis, CAV responded quickly to support the community in a time of uncertainty and distress. The *COVID-19 Omnibus (Emergency Measures) Act 2020* introduced new measures to protect Victorian tenants and landlords from the economic impact of the pandemic, and CAV has played a key role in implementing the measures and helping Victorians navigate the new business landscape. In particular, together with our colleagues in the Department of Justice and Community Safety we quickly established and ran the Residential Tenancies Dispute Resolution Scheme, helping tens of thousands of Victorians reach agreements on reduced rent and access various relief schemes.

Despite the shift to remote working practices and the establishment of the new Residential Tenancies Dispute Resolution Scheme, we continued to deliver our functions to enable a competitive and fair marketplace for business and consumers, although we needed to restrict some consumer and business phone services from March as a result. We enforced regulations to protect consumers by ensuring businesses complied with consumer laws. In 2019–20, CAV undertook a range of enforcement actions against businesses for unfair practices, across a broad range of industries. We achieved significant court outcomes in matters involving sale of land, retirement village administration, and motor car trading.

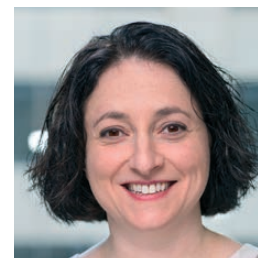
We expanded our financial counselling program to provide support to Victorians impacted by bushfires during the unprecedented 2019–20 fire season and responded to the Royal Commission into Family Violence by adding specialist roles to provide specialised family violence financial counselling.

We also commenced implementing the Victorian Government's important reforms to the Victorian rental market, to strengthen the rights of renters in houses, caravan parks and crisis accommodation across the state. While the health crisis put a temporary halt to the broader rental reform implementation, significant progress was made in the first half of the year, including the passing of legislation making it easier for tenants to keep pets in their homes.

The projects and work highlighted in this year's annual report reflect the commitment of our people to regulatory excellence and achieving positive outcomes for the Victorian community. I would like to take this opportunity to recognise their integral role in our achievements over the past 12 months.

I acknowledge the leadership and contribution of my predecessors Sam Jenkin and Michelle Osborne, during a uniquely challenging year. Sam and Michelle spearheaded key CAV initiatives and led CAV through the challenging times of the onset of the COVID-19 crisis, ensuring CAV was able to retain most of its core functions and also mobilise quickly and efficiently to launch new programs in response to the pandemic, most notably the Residential Tenancies Dispute Resolution Scheme.

As we move through the health crisis, we will need approaches and reforms that continue to ensure safety and fairness in the marketplace for consumers and tenants while supporting businesses and community groups recover and contribute to the economy and community. Looking ahead to 2020–21, CAV is committed to playing this important part in the government's efforts to reenergise the economy and our community.



Nicole Rich

Executive Director, Regulatory Services &
Director, Consumer Affairs Victoria

About us

We are Victoria's consumer affairs regulator, operating within the national consumer protection framework. We are part of the Regulation, Legal and Integrity Group of the Department of Justice and Community Safety (DJCS).

Our values

As part of DJCS, we promote and embrace the department's values of:

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

These values inform the way we do business and are demonstrated every day through the actions of our staff.

Our vision

A fair and competitive marketplace in Victoria.

Our outcomes

- Businesses comply with consumer laws.
- Victorians exercise their consumer rights.
- A fair and safe rental market for Victorians.

Our functions

We help Victorians to be responsible and informed businesses and consumers. To do this we:

- provide information and advice to consumers, renters, businesses and rental providers about their rights, responsibilities and changes to relevant laws
- register and license certain businesses and occupations
- enforce compliance with consumer laws
- review and advise the Victorian Government on the consumer protection framework.

We also provide administrative support to several statutory offices and bodies. These include the:

- Business Licensing Authority
- Estate Agents Council
- Motor Car Traders Claims Committee
- Residential Tenancies Bond Authority.

Our regulatory approach

Our regulatory approach is intelligence-led, risk-based and outcome-focused. This enables us to target the conduct posing the highest risk to Victorians, making the best use of our available resources. Our compliance operating model ensures the approach is embedded in our day-to-day work.

Intelligence-led

A core element of our regulatory approach is the effective use of intelligence to inform decision-making.

Intelligence gathered in the course of our regulatory operations is supplemented by other sources, including:

- national information shared among Australian Consumer Law (ACL) regulators
- local councils
- law enforcement organisations
- industry stakeholders
- online forums and social media
- business reporting requirements.

For example, information provided from auditors' reports on estate agent trust accounts alerts us to businesses that may have problematic practices, allowing us to prioritise inspection activity.

We also receive reports from consumers and their representatives about business conduct or potential breaches of the law. While we do not pursue all of these individually, we use them as an important source of intelligence to help assess risks and take action as appropriate.

Risk-based

Where possible, we aim to identify and treat risks before they lead to actual consumer harm.

Regulatory risks are market behaviours that:

- represent non-compliance with the laws we administer
- present potential or realised consumer harm
- impact on our ability to be an effective regulator
- require a regulatory response due to public concern.

We monitor markets and use evidence to shape a targeted compliance program, focusing on those issues that pose the highest risk to Victorians. Risks can be posed by:

- a product
- a business's conduct
- a new or emerging business practice
- the conduct or business model of an entire industry.

Outcome-focused

We use a range of compliance tools, underpinned by a compliance strategy that ultimately seeks to affect market outcomes. We make decisions on compliance actions to achieve outcomes that deter unlawful conduct and promote future compliance.

We take enforcement action to serve the public interest. We exercise discretion, focusing on actions that benefit all consumers. We do not take action on behalf of individuals to obtain redress.

The nature of the problem and the desired outcome determine which compliance and enforcement approach we use. Where appropriate, we seek voluntary compliance.

Importantly, we have a full range of tools, including civil and criminal actions, infringements and public warnings to protect the Victorian community by holding businesses accountable for unlawful conduct.

Our performance

The coronavirus (COVID-19) pandemic changed the Victorian landscape and impacted the services we delivered in 2019–20.

Some of our performance measures, which are demand-driven and vary across business activity levels, decreased accordingly. We focused our efforts to provide services which were crucial to Victorians during the crisis and protected the rights of vulnerable groups during a time of upheaval.

We provided increased support for financial counselling to family violence victims during a period when the risk of family violence was heightened.

We enabled tens of thousands of Victorians to reach reduced rent agreements and therefore avoid evictions which would have had devastating impacts on both tenants and landlords.

We continued to deliver thousands of licensing and registration services and, where required, compliance and enforcement activities.

We updated our key community interface, the consumer.vic.gov.au website, to provide important information and advice during a time of great uncertainty.

We are proud to have mobilised quickly and efficiently to provide Victorians with the necessary support and protections required during our time of crisis.

This year, our performance was measured against target outputs specified in Budget Paper 3 2019–20.

Outputs are those goods and services provided to government by departments, agencies and statutory bodies, and through funding provided to others, such as community agencies.

Table 1: Performance against targets for output measures

	Unit of measure	2017–18 actual	2018–19 actual	2019–20 target	2019–20 actual
Quantity					
Information and advice provided to consumers, tenants and businesses: through telephone service ¹	number	304,048	295,955	302,900	234,623
Information and advice provided to consumers, tenants and businesses: through other services including written correspondence, face-to-face and dispute assistance ²	number	118,309	115,216	115,700	142,695
Number of court and administrative actions ³	number		1,309	850	1,061
Transactions undertaken: registration and licensing	number	93,186	94,826	95,500	91,637
Transactions undertaken: Residential Tenancies Bond Authority (RTBA)	number	461,137	467,431	476,000	492,822
Victims of family violence assisted with financial counselling ⁴	number	2,421	3,024	3,750	3,439
Dispute resolution services provided by Domestic Building Dispute Resolution Victoria ⁵	number	5,981	6,003	6,000	6,619
Quality					
Rate of compliance with key consumer laws ⁶	per cent	99.3	91.5	95	94.5
Timeliness					
Regulatory functions delivered within agreed time frames ⁷	per cent	97.7	97.8	95	94.4
Proportion of high priority breaches resulting in regulatory response	per cent		100	100	100
Cost					
Total output cost	\$ million	140.6	146.9	140.6	127.4

- 1 The actual is lower than the target due to the prioritisation of Residential Tenancies Dispute Resolution Scheme services and the restriction of other telephone-based services put in place as part of the COVID-19 response.
- 2 The actual is higher than the target due to both increased consumer enquires, driven by the rental eviction moratorium, and the restriction of telephone-based services put in place as part of the COVID-19 response.
- 3 The actual is above target, due to the increased numbers of official warnings and infringement notices issued, which has been driven by targeted profiling of businesses. This is notwithstanding a decrease in business activity in the last quarter due to COVID-19 restrictions.
- 4 The actual is below target, as increasing client complexity continues to impact on client numbers, with existing clients requiring support for longer periods.
- 5 The actual is above target due to unusually high volumes of multiple party and multiple dwelling applications, 602 of which related to one development.
- 6 The result is the rate of compliance with the following key consumer laws: estate agents and conveyancers trust accounting laws, rooming house gas and electrical safety standards, and residential park legislation.
- 7 The result is the percentage of completed transactions made within agreed grade-of-service targets. It is calculated based on the average of three types of service; conciliation, registered entities and licensed occupations.

Our achievements

Our achievements are presented under each of our outcomes, including data on our outputs and case studies highlighting our work.

Outcome 1 – Businesses comply with consumer laws

A key to achieving a fair and competitive marketplace is ensuring businesses comply with consumer laws. We focus on achieving high levels of business compliance by working with relevant industry bodies and other partners. We continue to support businesses to be compliant by giving them information and resources. Under our integrated, risk-based approach to compliance, we act quickly against businesses and organisations that are causing the most harm, to protect consumers before there is significant detriment.

Table 2: Compliance, registration and licensing activities¹

	2017–18	2018–19	2019–20
Compliance			
Inspections ²	5,972	4,324	1,929
Investigations	71	90	214
Parties to criminal proceedings, appeals and re-hearings	6	9	8
Parties to civil proceedings	35	19	16
Parties signed to enforceable undertakings	8	5	1
Official warnings and infringement notices issued ³		1,145	948
Registration and licensing			
Annual returns, updates or cancellations processed for incorporated associations, fundraisers and co-operatives	55,217	54,786	53,451
Total registration and licensing transactions	91,135	94,826	91,637

1 Data in Table 2 varies between years based on our regulatory risk priorities, government policy, the nature of our compliance program and the cyclical nature of our integrated compliance approach.

2 The significant drop in numbers for inspections can be attributed to the inability to conduct on-site, in-person inspections due to COVID-19.

3 Measure was not reported on prior to 2018–19.

Underquoting

Underquoting is an illegal business practice which causes distress to individuals and undermines consumer confidence in the real estate industry. In 2019–20 CAV undertook a range of compliance and enforcement activities against businesses involved in underquoting. Our enforcement activities start with investigations: if we decide to

investigate an agent’s conduct, we may ask them to justify any pricing information they gave to a seller or buyer. If we find that agents have not complied with underquoting laws, the agents risk a penalty of more than \$31,000. For more serious offences – such as advertising a property below the estimated selling price – agents may also lose any commission received for selling the property.

We regularly inspect businesses to check that they are complying with the law, or to investigate when there are signs that a business may not be doing so. In 2019, we investigated Hoskins Maroondah and initiated court proceedings. The Federal Court found that between 2015 and 2016, Hoskins Maroondah advertised 24 properties for sale at prices lower than the company believed they would actually sell for. The estate agency also told vendors that their properties would sell for much less than the agency believed they would, enabling them to claim ‘incentivised commissions’.

Hoskins Maroondah and its Director, Brent Peters, were ordered to pay \$860,000 in fines, \$29,550 compensation to two vendors, and \$10,000 in costs. The agency was also ordered to publish adverse publicity notices about its illegal conduct, and to implement a three-year compliance program. The compliance program included training agency staff about their legal obligations under the Australian Consumer Law and appointing a compliance officer to ensure the program was effectively designed, delivered and maintained.

Unlicensed motor car trading and auction houses

Some motor car traders licensed under the *Motor Car Traders Act 1986* have an official endorsement to sell vehicles by auction.

A common risk in the industry is that these sellers, also known as auction houses, may involve illegal motor car trading, where they act as a supply source for people selling cars unlawfully. Consumers who buy from unlicensed traders are left exposed, as vehicles will not come with a cooling-off period and other protections available to buyers when dealing with a licensed motor car trader.

Our compliance and investigations activities led to the conviction of four individuals involved in illegal motor car trading, under

the Motor Car Traders Act. Our inspections of vehicle auction house records found the four individuals had bought an unusually high volume of cars, prompting the investigation. The investigation found that all four individuals had been on-selling cars bought at auction houses to unsuspecting consumers. In March 2020, all four individuals were convicted and financial penalties handed down, with fines ranging from \$12,500 to \$30,000, as well as legal costs.

Making it easier to comply

We are committed to making it easier for Victorian businesses to interact with us and comply with the law. This year we continued our work in creating a single, modern information technology system to support our regulatory functions and those of the Business Licensing Authority.

myCAV is our online portal that allows Victorian businesses to apply for a licence or registration and manage their obligations, with instantaneous updates and lodgements. Following the successful implementation of myCAV for incorporated associations, estate agents, rooming house operators, owners corporation managers and conveyancers, the system was further expanded in October 2019 to manage fundraising registrations.

In 2019–20 myCAV has been well-used, with more than:

- 114,900 transactions completed
- 99,200 accounts created since its launch.

In 2020–21, myCAV will be expanded to support the Professional Engineers’ Registration Scheme.

Towards zero defalcations

Trust account defalcations, meaning the misuse of trust funds, are a significant threat to the stability of the real estate industry and the safety of consumers. Estate agent trust account defalcations are a serious

offence and in 2019–20, we set up Project TOD (Towards Zero Defalcations). The project aim was to improve processes and activities so that we detect, respond to and deter trust account defalcations in a rapid, coordinated and effective manner.

We worked closely with industry stakeholders and implemented continuous improvement initiatives to strengthen our compliance approach towards estate agent trust account defalcations.

We increased our proactive compliance monitoring and sought to improve our timely and systematic response to non-compliance.

We introduced a pilot program for new ways of detecting non-compliance and leveraged process improvement outcomes to reduce the length of defalcation investigations.

As at 30 June 2020, we saw a 38 per cent reduction in the average age of defalcation investigations, compared to the previous year. We also completed an outstanding proportion of investigations, bringing closure to stakeholders awaiting outcomes.

We engaged with industry stakeholders in multiple ways. We communicated with key stakeholder the Real Estate Institute of Victoria (REIV) to alert the industry to upcoming compliance activity, and conducted a review of online information for estate agent trust accounts. As a result, we updated content on our website, issued a media release, and directly mailed out communications to estate agents and auditors advising them of their trust account management and reporting obligations.

With greater stakeholder engagement and continuous process improvements, we will continue to work towards minimising estate agent trust account defalcations, increasing industry and public confidence in the Victorian marketplace.

Professional Engineers' Registration Scheme

The Professional Engineers' Registration Scheme is designed to ensure that highly-qualified and experienced engineers develop and oversee Victoria's most important projects – including the Metro Tunnel, West Gate Tunnel and Level Crossing Removal projects. Despite the complex nature of engineering work and the pivotal role engineers play in ensuring public safety, many engineers are currently not required to hold a formal registration or a licence as many other professionals are.

In August 2019, Parliament passed the *Professional Engineers Registration Act 2019*, introducing a state-wide mandatory registration system to ensure professional engineers are appropriately qualified and experienced to practise, with the aim of improving safety, allowing Victorians to make informed choices about the engineer they engage and giving Victorians greater confidence in local engineering services, knowing they meet solid industry benchmarks.

We began engagement with professional industry bodies to design the scheme for engineers due under the legislation to commence in 2021, with an extensive transition period to ensure there is no disruption to engineers or businesses. We designed the scheme to meet industry needs, including the promotion of continuing professional development for practitioners.

The scheme will initially include five categories of engineering – structural, civil, mechanical, electrical and fire safety – and is designed to allow expansion to further categories of engineering in future. The Victorian Government will continue to work with other states and territories to develop a nationally consistent registration framework for the engineering industry.

Enforcement actions

We took a range of enforcement actions in 2019–20. Actions completed or in progress as at 30 June 2020 are outlined in the tables below.

Enforceable undertakings

Parties signed to enforceable undertakings

Legislation	Parties
<i>Australian Consumer Law and Fair Trading Act 2012</i>	In Touch Fashions and Gifts Pty Ltd

Court and tribunal matters finalised in 2019–20

Criminal prosecutions finalised

Legislation	Parties
<i>Estate Agents Act 1980</i>	David Alexander Scott Steel Realestate Property Pty Ltd John William Petsinis
<i>Fundraising Act 1998</i>	John O'Hanlon Elderly Citizens Help Organisation Inc Michael Nazzari
<i>Retirement Villages Act 1986</i>	Stephen Snowden
<i>Motor Car Traders Act 1986</i>	Taleb Youseff

Civil proceedings finalised (including disciplinary inquiry and appeals)

Legislation	Parties
<i>Estate Agents Act 1980</i>	Property Express Pty Ltd Dean Anthony Johnson Darren James Dean Irena Tsan
<i>Residential Tenancies Act 1997</i>	Lee Young v J & A Masini (DCAV joined) Bintu Turay v Michael Wright (DVCAT joined) Matthew Hunter (DCAV joined)
<i>Australian Consumer Law and Fair Trading Act 2012</i>	Hoskins Maroondah Pty Ltd Brent Robert Peters
<i>Second-Hand Dealers and Pawnbrokers Act 1989</i>	Aaron Ladner
<i>Freedom of Information Act 1982</i>	Colin Rounds
<i>Motor Car Traders Act 1986</i>	Bo Li

Administrative/judicial review completed on behalf of the Business Licensing Authority (BLA)

Legislation	Parties
<i>Estate Agents Act 1980</i>	Vipin Khatri Diana Powney Sanjeet Pahil Ismail Cengiz

Ongoing court matters as at 30 June 2020

Criminal prosecution

Legislation	Parties
<i>Estate Agents Act 1980</i>	Ranelagh Realty Property Helen Sly
<i>Motor Car Traders Act 1986</i>	Zehar Saoud
<i>Residential Tenancies Act 1997</i>	Omry Shani
<i>Conveyancers Act 2006</i>	Eric Hans Richmond

Civil proceedings (including disciplinary inquiry)

Legislation	Parties
<i>Estate Agents Act 1980</i>	Surinder Saran The Sarain Pty Ltd Thomas Aloysius Tsun Ngai Lee
<i>Australian Consumer Law and Fair Trading Act 2012 and ACL</i>	Vic Solar Technologies Pty Ltd Sunny Srinivasan Colliers International (Victoria) Pty Ltd
<i>Freedom of Information Act 1982</i>	Samuel Cyprys
<i>Residential Tenancies Act 1997</i>	Elhan v Teoh (DCAV joined)
<i>Fundraising Act 1998</i>	Pets Haven Foundation Limited (× 2 proceedings)

Administrative review on behalf of the BLA and Motor Car Traders Claims Committee (MCTCC)

(Reviews on behalf of the MCTCC are indicated by asterisk)

Legislation	Parties
<i>Estate Agents Act 1980</i>	Harald Simon Michaelis Borg Erdal Karaagac
<i>Second-Hand Dealers and Pawnbrokers Act 1989</i>	Aaron Ladner
<i>Motor Car Traders Act 1996</i>	Western Auto Exchanges Pty Ltd* Simon Ogle* Rajinder Kumar

Registers we administer

These are outlined in Table 3.

Table 3: Registers administered by Consumer Affairs Victoria

	New applications lodged			Total on register		
	2017–18	2018–19	2019–20	2017–18	2018–19	2019–20
Estate agents	1,800	1,850	1,733	14,133	15,039	15,643
Motor car traders	143	111	148	2,008	1,983	1,991
Incorporated associations	2,006	2,226	1,964	41,296	40,813	41,706
Co-operatives	33	40	14	577	524	514
Fundraisers	778	886	761	1,953	1,916	2,007
Second-hand dealers and pawnbrokers	346	379	246	3,650	3,545	3,373
Patriotic funds	1	0	2	550	485	415
Limited partnerships	31	15	10	384	398	406
Conveyancers	136	189	125	961	1,093	1,161
Owners corporation managers	80	103	110	673	668	674
Retirement villages	14	14	12	453	456	465
Funeral service providers	8	7	32	453	473	506
Sex work service providers (licensees)	9	7	5	121	115	112
Sex work brothel managers	192	121	81	656	616	558
Rooming house operators	664	151	143	859	1,002	1,099

Outcome 2 – Victorians exercise their consumer rights

We empower Victorians to exercise their consumer rights by providing information and support. We continue to work with partner organisations to improve our services, and to target groups with specialised information needs.

Table 4: Information, advice and assistance provided to consumers

	2017–18	2018–19	2019–20
Information and advice			
Calls answered ¹	304,048	295,955	234,632
Advice provided to resolve disputes			
Disputes finalised ²	6,827	6,752	12,826
Digital			
Website visits ³	3,603,610	3,675,683	4,466,428
Letters, emails and online enquiry form contacts ⁴	65,378	62,860	90,252
Twitter followers	10,175	10,240	10,466
Facebook page likes	42,600	45,657	46,932
YouTube video views ⁵	371,759	94,206	234,978
Community information			
Information sessions ⁶	936	629	344
Face-to-face or intensive assistance (funded community services)			
Victorians assisted under the Consumer Assistance and Advocacy Program	618	828	562
Clients assisted with financial counselling ⁷	32,839	32,489	28,999

1 Calls answered are lower than in 2018–19 due to the prioritisation of the Residential Tenancies Dispute Resolution Scheme and the restriction of other telephone-based services as part of the COVID-19 response.

2 The number of disputes finalised is significantly higher than in previous years due to the establishment of the Residential Tenancies Dispute Resolution Scheme.

3 These figures are higher than in the previous years due to both increased consumer enquiries, driven by the rental eviction moratorium, and the restriction of telephone-based services put in place as part of the COVID-19 response.

4 As above

5 YouTube views increased over the year due to higher than normal activity providing education on online scams.

6 Community education has been on hold (and remains on hold) during the COVID-19 pandemic so that staff can assist in Residential Tenancies disputes.

7 This includes both general financial counselling and specialist family violence financial counselling.

Know your rights as Victorians adapt to coronavirus

The outbreak of the coronavirus (COVID-19) pandemic saw a significant increase in malicious activity surrounding coronavirus, including misinformation made to appear to be from trusted sources such as government agencies and media outlets.

We responded by alerting consumers via our website to be vigilant, providing advice on avoiding scams and directing consumers to our page dedicated to reporting scams. Our website also advised consumers not to pay exorbitant amounts to people reselling hygiene and other products, resulting from the panic buying in March and April of 2020.

We published information online about the rights and responsibilities of Victorians impacted by state-mandated Stay at Home restrictions, including rights relating to rental arrangements during the COVID-19 pandemic.

Urgent response group

The COVID-19 pandemic created a complex and changeable environment for consumers and businesses.

In March 2020, Consumer Affairs Australia and New Zealand (senior officers from consumer affairs agencies across Australia and New Zealand) implemented a COVID-19 Urgent Response Group (URG) to coordinate regulatory responses to consumer issues resulting from the pandemic across Australian Consumer Law (ACL) regulators.

The URG has enabled ACL regulators to understand the challenges and pressures caused by the pandemic, both locally and nationally, and to implement efficient and effective responses. A key piece of work for the URG has been the development of best practice guidance for the travel industry to inform businesses' responses to cancellations resulting from COVID-19 restrictions.

We played a critical role in the URG's operations by providing information on how COVID-19 was impacting Victorian consumers and businesses, and quick identification of emerging issues. We shared intelligence on businesses of national interest to inform regulatory responses by ACL regulators, worked with other jurisdictions to ensure consistent messaging for consumers, and provided input into the development of industry guidance, such as the best practice guidance for the travel industry.

Ballarat GovHub

The Ballarat GovHub will be an integrated public sector workplace, as part of the Victorian Government's commitment to invest in regional Victoria. Our Information and Dispute Services Centre (IDSC) will be formally established as part of Ballarat GovHub in April 2021, with extensive planning and staged implementation underway, to minimise disruption to service delivery and our people.

We have maintained quality customer service, and minimised the disruption of this transition, by setting up a Ballarat-based staging post to support a phased transfer of function and roles, prior to the formal transition to the Ballarat GovHub.

We commenced operations at the Ballarat staging post in July 2019. By opening a regional staging post before the closure of the Melbourne IDSC office, local recruits were able to benefit from the guidance and mentorship of existing IDSC team members in Melbourne and ensure that they will be ideally placed to provide accurate and timely advice to consumers, following the 2021 closure of the metro office.

The transition to Ballarat provided further unexpected benefits during the COVID-19 pandemic. During periods of limited functionality of remote telephony services, there was some limited ability for Ballarat employees to work at the staging post. This meant that critical services continued without interruption, including the crucial TIS (Translation and Interpreting Services) phone line for culturally and linguistically diverse Victorians experiencing tenancy issues, a vulnerable demographic during the COVID-19 crisis.

Financial Counselling Program

Our Financial Counselling Program supports the provision of free and independent telephone or face-to-face counselling sessions delivered by community agencies across Victoria, to support financially disadvantaged and vulnerable Victorians. Financial counsellors offer a range of support, including providing advice about rights and responsibilities, negotiating with a creditor, or working out a realistic payment plan for debts.

In 2019–20, the Financial Counselling Program supported 25,560 Victorians with confidential financial counselling support.

We expanded our capabilities in January 2020, mobilising resources and staff expeditiously, to provide timely support to Victorians impacted by bushfires in the Outer Gippsland and Ovens and Murray service areas.

We also increased funding for specialist family violence financial counsellors in response to the 2015–16 Royal Commission into Family Violence. 3,439 Victorians accessed the specialised family violence financial counselling service in 2019–20.

Outcome 3 – A fair and safe rental market

As the Victorian regulator of rental laws, we work to achieve fair and safe rental housing. This includes increased collaboration with partners so we can continue to improve our understanding of the needs of a modern market and make positive changes across the sector.

Table 5: Information, advice and service delivery to tenants, landlords and agents

	2017–18	2018–19	2019–20
Information and advice			
Website page views - renting section	2,174,527	2,238,743	2,724,521
Calls answered – residential tenancies	67,813	64,118	67,678
Calls answered – RTBA ¹	71,378	73,446	55,225
Compliance			
Rooming house inspections (including repeat visits) ²	738	406	267
Rooming houses registered	1,256	1,340	1,400
Transactions			
Bonds lodged	241,534	244,756	253,650
Bond repayments	219,603	219,297	239,175
Bonds transferred	87,848	81,698	83,305
Bonds held	644,229	669,688	684,163
Value held	\$1.13 billion	\$1.22 billion	\$1.27 billion
Total transactions (bonds lodged and repaid) – RTBA	461,137	464,053	492,822
Face-to-face or intensive assistance			
Funded community services			
Tenants assisted under the Tenancy Assistance and Advocacy Program	6,893	8,195	8,067
Residential tenancy inspection advice provided			
Repair reports	1,050	1,049	910
Goods left behind reports	3,223	3,133	2,336
Rental reports	1,373	1,518	1,258

1 The drop in numbers for 2019–20 was caused by the RTBA call queue being closed since March, in response to the COVID-19 pandemic. RTBA enquiries have been addressed via emails and online enquiries.

2 The drop in numbers for inspections can be attributed to the inability to do on-site, in-person inspections, due to COVID-19 restrictions.

Supporting tenancies through the coronavirus crisis

New temporary laws were introduced during the year to protect Victorian tenants from the economic impact of the coronavirus (COVID-19) pandemic. The *COVID-19 Omnibus (Emergency Measures) Act 2020*, which received Royal Assent on 24 April 2020, inserted a new Part 16 (COVID-19 temporary measures) into the *Residential Tenancies Act 1997*.

The laws implement a moratorium on evictions (except in specified circumstances), suspend rent increases, and establish a new dispute resolution process for residential tenancies (discussed below). The laws also provide for tenants to end a tenancy early in cases of severe hardship and to be exempt from paying lease break fees in these cases. Tenants experiencing family violence can terminate their tenancies and apply to the Victorian Civil and Administrative Tribunal (VCAT) for a tenancy agreement on the same terms. Listings on residential tenancies databases are prohibited for payment breaches due to COVID-19 related financial hardship.

To complement the legislative measures, rent relief grants are available to eligible tenants experiencing COVID-19 related financial hardship and who have reached an agreement regarding rent reduction with their landlord. Land tax relief is also available through the State Revenue Office for landlords.

The measures ensure that landlords and tenants who cannot reach agreement on reduced rent terms have access to support to do so, through the Residential Tenancies Dispute Resolution Scheme, which launched in April 2020. This scheme is designed to help landlords and tenants reach agreement quickly, and in a manner tailored to their needs.

The dispute resolution scheme established a single point of entry for residential tenancy disputes related to COVID-19, providing advice and information to landlords and tenants, as well as dispute resolution services. It registers reduced rent agreements negotiated by landlords and tenants. Support is provided to ensure that the dispute resolution process is fair and reasonable and provides fair and appropriate outcomes to all parties.

We partnered with the Dispute Settlement Centre of Victoria to deliver the scheme, creating a process that quickly delivers effective outcomes for landlords and tenants.

At 30 June 2020, over 16,900 rent reduction agreements were registered with us, with an average 27 per cent reduction in weekly rent payable. More than 5,400 disputes between landlords and tenants were resolved, and over 2,000 matters were referred to VCAT for resolution. In addition, over 1,600 matters were referred to the scheme's Chief Dispute Resolution Officer with more than 400 of these matters completed through alternate dispute resolution.

We ensured that vulnerable groups had access to the dispute resolution scheme, by including information translated into a number of languages, and establishing a dedicated hotline for culturally and linguistically diverse communities.

Residential tenancies reform

The *Residential Tenancies Amendment Act 2018* (Amendment Act) passed the Parliament in September 2018, with a package of more than 130 reforms focused on strengthening renters' rights. Implementation of the reforms commenced with early reforms including the introduction of long-term leases, an electronic 'red book' and limiting rent increases to once every 12 months for rented premises.

Laws making it easier for tenants to keep pets have already come into effect. Landlords may now only refuse permission for pets with approval from VCAT.

The full implementation date of these reforms has been delayed from the original date of 1 July 2020, reflecting the significant disruption caused by the COVID-19 pandemic and the importance of the rental reforms across the community. Implementation of the remaining reforms is expected to commence on 29 March 2021. We continue to consult with key stakeholders to develop regulations, forms and guidelines required to support implementation of the new laws.

Victorian Property Fund in 2019–20

The *Estate Agents Act 1980* allows the Minister for Consumer Affairs to make grants from the Victorian Property Fund (VPF) for certain purposes.

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

We administer the VPF grants program. This includes evaluating applications, making recommendations about proposals to the Minister, and administering the grants awarded.

In 2019–20 the Real Estate Institute of Victoria (REIV) received a grant of \$175,385 to carry out professional development training for estate agents, helping to build their knowledge and understanding of tenancy laws and regulations. The training covers a range of consumer-protection related topics, including reforms to the *Residential Tenancies Act 1997* and best-practice methods for property managers to support tenants experiencing family violence.

We managed 19 VPF grants in 2019–20 for community housing organisations (CHOs), totalling \$58.2 million. VPF housing grants help fund CHOs carry out social housing development projects that increase the number of safe and affordable housing units available for low income and disadvantaged persons. VPF housing grants also enable CHOs to build to a higher environmental standard, reducing utility bills and increasing thermal comfort for tenants.

This year HousingFirst broke ground on its St Kilda Apartment project, a major social housing development adjacent to the St Kilda Botanical Gardens. Part-funded by an \$8 million VPF grant, the \$19 million project involves the redevelopment of a heritage-listed building and will deliver fifty new self-contained units to accommodate vulnerable women and their children fleeing family violence. An on-site support hub will allow residents to access social support services and clinical care, including programs to help keep children in school and assist families stay together.

Another event saw Launch Housing install the first of 48 transportable studio units on a number of vacant sites in Footscray. Part-funded through a VPF grant of \$3 million, this innovative project demonstrates how government land reserved for future road widening purposes can be flexibly used to accommodate low-income singles who have been priced out of the private rental market. The architecturally designed modular housing units have a lifespan of approximately 50 years and can be transported numerous times.

Table 6: Grants made from the Victorian Property Fund in 2019–20

The table below details grants made in 2019–20 only; grants which were made in previous years, and involve payments throughout 2019–20, are not included.

Recipient	Description of funded program	Value (ex GST)
Real Estate Institute of Victoria	Professional development training for estate agents, helping to build their knowledge and understanding of tenancy laws and regulations. The training covers a range of consumer protection-related topics, including reforms to the Residential Tenancies Act and best-practice methods for property managers to support tenants experiencing family violence.	\$175,385

Trust funds managed by Consumer Affairs Victoria

We manage eight funds established by Acts of Parliament. The funds, and their expenditure purposes, are reflected in Table 7.

Table 7: Trust funds we administer

Trust fund	Expenditure includes
Domestic Builders Fund	Administration of the <i>Domestic Building Contracts Act 1995</i> , costs relating to the Victorian Civil and Administrative Tribunal (VCAT) Building and Property List and Domestic Building Dispute Resolution Victoria (DBDRV).
Motor Car Traders Guarantee Fund	Administration of the <i>Motor Car Traders Act 1986</i> , guarantee fund claims.
Residential Bonds Account	Bonds held on trust for Victorian tenants and landlords.
Residential Bonds Investment Income Account	Administration of the Residential Tenancies Bond Authority, transfers to the Residential Tenancies Fund.
Residential Tenancies Fund	Administration of the <i>Residential Tenancies Act 1997</i> , costs relating to the VCAT Residential Tenancies List.
Sex Work Regulation Fund	Administration of the <i>Sex Work Act 1994</i> .
Victorian Consumer Law Fund	Administration of the <i>Australian Consumer Law and Fair Trading Act 2012</i> Part 7, Division 2, s.102A to E, orders for payment to non-party consumers, special purpose grants.
Victorian Property Fund	Administration of the <i>Estate Agents Act 1980</i> and other real estate related legislation as permitted by s.75 of the Act, grants relating to property and housing as permitted by s.76(3) of the Act, operation of the Estate Agents Council, trust fund claims, costs relating to the VCAT Owners Corporation List.

Reducing red tape

In June 2019, the Minister for Consumer Affairs issued a reducing red tape Statement of Expectations (SOE) to Consumer Affairs Victoria and the Business Licensing Authority for 2019–21.

This SOE sets out the Minister's expectations for our continued contribution to the government's Regulation Reform Program to reduce red tape affecting businesses, not-for-profit organisations, government service providers and households by promoting greater efficiency and effectiveness in the administration and enforcement of regulation. This SOE also outlines key governance and performance objectives and targets aimed at improving the administration and enforcement of regulation and thus reducing its cost impact on business and the community.

The projects identified in the SOE fall under the three broad objectives of improved timeliness, risk-based strategies, and compliance-related assistance and advice.

Improved timeliness

We made it easier for licensees and registrants to submit their required information, check on their application status and remain compliant with their obligations via online systems. For more information, see ['Making it easier to comply'](#) on page 11.

We engaged directly with multiple industries to improve their compliance experience. This included identifying the systems and business process changes required to implement the Professional Engineers Registration Scheme, working closely with the Victorian Building Authority.

We developed business and technology frameworks that include functionality for registered charities to notify us of their charity status, an enhancement which will benefit charities who fundraise in Victoria by reducing the current fundraising administrative burden.

Risk-based strategies

We embedded our compliance operations, to ensure that risk is at the centre of compliance decision making. Our regulatory approach enables us to focus on areas of greatest risk to the achievement of regulatory outcomes.

We refined our compliance model by strengthening the risk assessment process and enhancing compliance intelligence to inform inspection targeting. See ['Our regulatory approach – Risk-based'](#) on page 7 for more details.

Compliance related assistance and advice

We provided easy to navigate, online advice in relation to the early release of the *Residential Tenancies Act 1997* reforms, including information and access to prescribed forms.

We improved delivery of user-focused information through our website, new digital prescribed products and CAV's other communications channels.

Financial information 2019–20

	Victorian Consumer Law Fund	Domestic Builders Fund
CAV trust funds revenue		
Revenue recognition, estate agent and conveyancer trust accounts		
Revenue recognition, residential tenancy bonds		
Fees income		675,601
Interest income	52,314	233,988
Transferred from the Victorian Building Authority ¹		19,166,535
Other revenue	255,715	3,797
Penalty income	335,079	
Transfers		
Total CAV trust funds revenue	643,108	20,079,921
CAV trust funds expenditure		
Audit services		
Claims on consumer guarantee funds		
Contractors, consultants and professional services		326,153
Employee related costs		10,181,527
Grants paid	212,454	3,908,252
Information technology		63,586
Occupancy costs		36,470
Other operating costs		1,036,282
Outsourced contracted costs		
Total CAV trust funds expenditure	212,454	15,552,270
Trust funds, opening equity 1 July 2019	4,828,730	21,221,873
Current year operating surplus/(deficit)	430,654	4,527,651
Trust funds, closing equity 30 June 2020	5,259,384	25,749,524

1 Domestic Building Dispute Levy and Registration Fees

Note that Consumer Affairs Victoria also receives funding through appropriations to perform its functions each year. Annual reporting against that expenditure is contained in the Department of Justice and Community Safety Annual Report.

Where a trust fund does not have sufficient funds to support the work relating to the administration of the relevant Act, we will sometimes supplement the trust fund with the necessary funding from appropriations.

Motor Car Traders' Guarantee Fund	Residential Bonds Investment Income Account	Residential Tenancies Fund	Sex Work Regulation Fund	Victorian Property Fund	Trust Funds Total 2019-20
				12,305,330	12,305,330
	23,049,092				23,049,092
3,106,820		2,337,038	489,206	7,175,541	13,784,206
52,313	436,379	515,942	8,911	2,257,363	3,557,210
					19,166,535
	13,829	183,423		102,984	559,748
27,404		18,373	28,000	52,135	460,991
	(15,000,000)	29,500,000	350,000	(14,500,000)	350,000
3,186,537	8,499,300	32,554,776	876,117	7,393,353	73,233,112
	19,110				19,110
164,397				1,367,397	1,531,794
67,649	897,227	403,481	56,221	969,801	2,720,532
2,094,339	2,348,228	10,976,809	1,076,767	11,331,892	38,009,562
		18,856,951		10,329,477	33,307,134
51,282	51,672	218,801	29,101	273,933	688,375
4,231	21,279	12,728	4,143	20,072	98,923
485,592	648,198	1,958,396	219,797	1,637,640	5,985,905
	5,560,685				5,560,685
2,867,490	9,546,399	32,427,166	1,386,029	25,930,212	87,922,020
4,921,675	34,353,282	42,681,874	1,038,545	187,221,861	296,267,840
319,047	(1,047,099)	127,610	(509,911)	(18,536,859)	(14,688,907)
5,240,722	33,306,183	42,809,484	528,634	168,685,002	281,578,933

Acts and regulations administered by CAV: passed, commenced and revoked in 2019–20

Acts passed

Name	Date of royal assent
<i>Consumer Legislation Amendment Act 2019</i>	3 December 2019

Regulations commenced

Name	Date commenced
Residential Tenancies (Specialist Disability Accommodation) Regulations 2019	27 August 2019
Estate Agents (Education) Interim Regulations 2019	23 October 2019
Second-Hand Dealers and Pawnbrokers (Fees) Regulations 2019	23 November 2019
Sale of Land (Exemption) Regulations 2020	1 March 2020
Residential Tenancies (COVID-19 Emergency Measures) Regulations 2020	12 May 2020
Sex Work (Fees) (Amendment) (Refunds) Regulations 2020	16 June 2020

Regulations revoked

No regulations were revoked in 2019–20.

Appendix

The list below details the legislation administered by Consumer Affairs Victoria as at 30 June 2020:

Associations Incorporation Reform Act 2012

Australian Consumer Law and Fair Trading Act 2012

Business Licensing Authority Act 1998

Business Names (Commonwealth Powers) Act 2011

Chattel Securities Act 1987 Company Titles (Home Units) Act 2013

Consumer Credit (Victoria) Act 1995

Conveyancers Act 2006

Co-operatives National Law Application Act 2013

Co-operatives National Law (Victoria)

Credit Act 1984

Credit (Administration) Act 1984

Credit (Commonwealth Powers) Act 2010

Domestic Building Contracts Act 1995
– except Part 5 (administered by the Attorney-General)

Estate Agents Act 1980

Fundraising Act 1998

Funerals Act 2006

Goods Act 1958

Motor Car Traders Act 1986

Owners Corporations Act 2006

Partnership Act 1958

Residential Tenancies Act 1997:

- Sections 23A–25, 27, 32, 33, 45–48, 74–77, 82, 90, 91, 91A, 102, 102A, 103, 104(1), 104(4), 104(5), 104(6), 105(2), 105(2A), 105(3), 124, 128, 130–134, 141–142B, 142D–212, 213AA–215, 230, 232–234, 241, 277, 289A, 291–327, 329–333, 335–339, 341, 343–366, 373–376, 385, 388, 388A, 390, 390A, 395–398, 399A–439M, 480, 486–499, 501–504, 505A–510C and 511
- Section 66(1) jointly administered with Minister for Housing
- Section 142C jointly and severally administered with the Minister for Housing
- Part 12A and section 511 jointly and severally administered with the Minister for Disability, Ageing and Carers, and the Minister for Housing
- The RTA is otherwise administered by the Attorney General, Minister for Housing and the Minister for Planning.

Retirement Villages Act 1986

Rooming House Operators Act 2016

Sale of Land Act 1962

Second-Hand Dealers and Pawnbrokers Act 1989

Sex Work Act 1994

Subdivision Act 1988:

- Part 5
- Section 43 (insofar as it relates to part 5)
- The Act is otherwise administered by the Minister for Planning.

Travel Agents Repeal Act 2014

Veterans Act 2005:

- Part 4 (the Act is otherwise administered by the Minister for Veterans).

Warehousemen's Liens Act 1958

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

Authorised and published by the Victorian Government, 1 Treasury Place, Melbourne.

October 2020

ISSN 2209-5489

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Accessibility

If you would like to receive this publication in an accessible format, please visit consumer.vic.gov.au

Ordered to be published

Victorian Government Printer
October 2020
PP 162, Session 2018-2020

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Justice
and Community
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