





Far left Sheriff's Officer Annie Bright (left) and Senior Sheriff's Officer Chris Moore (right) undertaking enforcement work in Bendigo

Left Public information session on changes to gambling regulations conducted by Victorian Commission for Gambling Regulation

Below Country race meeting at Dunkeld



### Outcomes

Ensure consumers are protected through appropriate regulation and education  
Promote responsible conduct

### Goals

Increased access to consumer protection services, particularly for the vulnerable and disadvantaged  
Increased levels of civil compliance and community confidence in regulatory institutions  
Reduced road deaths and serious injuries

## Regulation and Enforcement

### The Department aims to protect consumers from misleading, deceptive or unfair trading practices by:

- ensuring that businesses comply with the legislation that prescribes accountable and transparent business practices and taking enforcement action when appropriate
- promoting greater awareness of consumer rights, to empower consumers to seek help when required
- providing flexible and responsive dispute resolution that can be easily accessed across the state.

### The Department also aims to promote responsible conduct by:

- developing targeted and cost-effective initiatives that regulate the gambling, racing, liquor, legal and licensed industries
- enforcing the road safety laws in conjunction with Victoria Police.

### Key achievements

The Department has completed a work program which supports the Government's legislative, policy and program commitments and in 2004–05 has:

- introduced the *Legal Profession Act 2004* to regulate the legal profession, reduce duplication of responsibilities and streamline complaints
- improved consumer protection service by piloting a new consumer and tenancy model in the eastern metropolitan and north eastern regions

- released a new strategy to ensure Victorians and visitors to the 2006 Commonwealth Games are advised of their rights and protected against unfair trading practices
- amended the *Fair Trading Act 1999* to promote and encourage balanced and transparent trading practices
- reviewed other consumer protection legislation
- banned monkey bikes, dangerous novelty children's dummies and baby bathing aids that do not carry mandatory safety warnings.
- established the Victorian Commission for Gambling Regulation and managed a smooth transition from the previously fragmented regulatory arrangements
- reviewed the state's lotteries licence and announced the framework for awarding licences post-June 2007
- amended the *Gambling Regulation Act 2003* to make provision for the new state lottery licensing process and to regulate the activities of commercial raffle organisers
- implemented a range of initiatives to support the ongoing viability of the racing industry, such as funding country race clubs through the Living Regions Living Suburbs program and supporting projects related to development and participant welfare
- completed the ex-gratia payments to compensate drivers who lost their licence because of speeding fines issued on the Western Ring Road by faulty cameras and processed 99.9 per cent of requests for refunds
- successfully trialled random roadside drug testing to help reduce the road toll.



Left Minister Thomson congratulating students from Bellarine Secondary College on their knowledge of consumer rights

Right The CAV multicultural consumers unit in the community

Far Right Consumer protection strategy for the Commonwealth Games



## Protecting the Victorian community

The Department plays an important role in protecting the Victorian community from unfair business practices. This is achieved through business regulation and by enforcing consumer affairs legislation that promotes fair business practices.

### Improved delivery of consumer protection services

The *Way Forward* report recommended a new model of service delivery for consumer and tenancy services in Victoria. The new model was piloted in the north-eastern\* and the eastern metropolitan# regions, with a new regional office being opened in Wangaratta and the provision of a mobile service throughout the north-eastern region.

In the north-eastern region, positive results included:

- an increase in enquiries and complaints from consumers
- an increase in advocate referrals
- provision of a mobile service and an active community education program.

In the eastern metropolitan region, positive results included:

- an increase in complaints from consumers and an increase in advocacy referrals
- the delivery of an active community education program.

The new service delivery model will be implemented across Victoria from 1 July 2005.

\* The north-eastern region includes the shires of Alpine, Towong, Indigo, Moira, Murrindindi, Strathbogie, Mitchell, Mansfield, the City of Greater Shepparton, and the Rural Cities of Wangaratta and Benalla.

# The eastern metropolitan region covers the local government areas of Boroondara, Monash, Whitehorse, Manningham, Maroondah, Knox, and the Shire of Yarra Ranges.

### Protecting consumers across Victoria

Under powers granted in the *Fair Trading Act 1999*, the Director of Consumer Affairs instigated a number of activities throughout the year to protect consumers, which included:

- carrying out inspections of traders around the state to promote and enforce Victorian consumer laws and to educate businesses about their rights and responsibilities
- undertaking court action on behalf of consumers who had borrowed money from Australian Finance Direct (AFD) to attend property investment seminars run by Henry Kaye. Both the Victorian Civil and Administrative Tribunal

and the Supreme Court found that AFD had breached a key disclosure requirement of the Uniform Consumer Credit Code

- undertaking court action against SJS Imports Pty Ltd, which restricted the nature of the company's business activities and those of its directors.

Other achievements included:

- introducing bans on miniature motorcycles and dangerous novelty children's dummies
- introducing non-removable labels for baby bath supports warning about the dangers of drowning
- running a tsunami appeal donation campaign advising donors to deal with a registered fundraiser
- a new resource, Health and Wellbeing, was added to the Consumer Education in Schools Program suite of resources available to teachers of maths, commerce and English in Victorian secondary schools
- warning consumers about a number of scams including wealth seminars, unwanted office supplies, junk email, and clairvoyant scams
- taking successful legal action against the perpetrators of the David Rhodes chain letter scam
- reviewing mobile phone, car hire and fitness centre contracts for unfair terms. Some companies changed their contracts, further negotiations are underway with others and legal action was taken against AAPT in December.

### Reviewing consumer protection laws

The Department regularly reviews consumer protection legislation and programs to ensure that the regulation of consumer markets is relevant and effective.

The Department commenced or continued reviews of the following regulations and legislation in 2004-05:

- body corporate legislation
- the *Associations Incorporation Act 1981*
- the *Motor Car Traders Act 1968*
- the *Fundraising Appeals Act 1998*
- the *Domestic Building Contracts Act 1995*
- conveyancing regulation
- consumer credit regulation.

The Department implemented the following legislation in 2004-05 to further protect the community:

- the *Fair Trading (Enhanced Compliance) Act 2004*



- the *Liquor Control Reform (Underage Drinking and Enhanced Compliance) Act 2004*
- the *Retirement Villages (Amendment) Act 2005*
- the *Gambling Regulation (Further Amendment) Act 2004*.
- the *Petroleum Products (Terminal Gate Pricing) (Amendment) Act 2004*.

#### **Protecting visitors to the Commonwealth Games**

Victoria is hosting the Commonwealth Games in March 2006. The Department released its Consumer Protection Strategy in April 2005 to protect consumers from unfair practices during the Games. One of the central principles of the strategy was to establish partnerships with key agencies, industry and consumer organisations to share information and reduce opportunities for unfair trading practices.

#### **Ensuring transparency in raffles**

The following initiatives were introduced in 2004-05 to improve the transparency and probity of raffles run in Victoria:

- legislation was amended to ensure that raffle ticket buyers are made aware when proceeds will benefit a political party
- amendments to the *Gambling Regulation (Further Amendment) Act 2004* now require commercial raffle organisers (businesses that promote and conduct raffles on behalf of community and charitable organisations for a fee) to obtain a licence.

#### **Improving access to information about gambling regulation**

The Victorian Commission for Gambling Regulation implemented new practices to ensure its procedures were more transparent and accessible, including:

- conducting local public hearings about increasing the numbers of gaming machines in particular communities
- conducting free information sessions about gaming legislation changes
- holding weekly public meetings at the Commission's offices at 35 Spring Street, Melbourne.

#### **Educating businesses and community about consumer affairs issues**

To promote responsible conduct and ensure customers are protected, the Department plays an active role in:

- promoting discussion about business issues
- educating businesses and the community about regulation in Victoria.

Several campaigns, education programs and conferences

were coordinated in 2004-05 to educate businesses and the community about regulation in Victoria, including:

- refunds education for retailers
- a Fair Trading Compliance Conference
- a real estate campaign
- a consumer education in schools program to provide students with the skills to make informed decisions and be confident consumers
- the second national Consumer Credit Conference
- providing Responsible Serving of Alcohol training to 39,285 hospitality students and staff.

### **Promoting responsible industry conduct**

The Department plays an active role in promoting responsible business practices in the gambling, racing, liquor, legal and licensed industries. This is achieved through extensive legislative reviews and stringent regulation of the industries in conjunction with a range of information and customer services.

#### **Creating a responsible and robust gaming industry**

Several initiatives were undertaken to:

- create greater accountability and transparency in the gambling sector
- reduce the harm created by problem gambling
- strengthen the regulation of the gambling industry.

Initiatives included:

- establishing a Responsible Gambling Ministerial Advisory Council (RGMAC)
- developing new arrangements for commissioning gambling research, informed by the RGMAC and guided by an independent peer review panel
- conducting a review of the state's major gambling licences, commencing with the State lotteries licences which expire in 2007
- developing legislation to deliver the government's policy agenda for the gambling industry
- undertaking a range of activities to raise awareness of gambling-related harm and promote a responsible gambling environment, including meetings with local government, attending community forums and meetings with affected people, service providers and peak bodies working in the field of gambling-related harm.



### Contributing to the community

All gaming venue operators were required to supply Community Benefit Statements for the first time in 2004-05. The statements have increased the transparency of the gaming industry and provided information about how revenue raised from gaming machines benefits the community. Analysis of the statements shows that:

- clubs provided more than 27 per cent of gaming revenue for community benefit, which exceeded the legislative requirement of 8.33 per cent
- hotels provided 14 per cent of gaming revenue to the Community Support Fund, which exceeded the legislative requirement of 8.33 per cent.

The following table presents information about contributions made by clubs and hotels to the community, and where they were directed:

	Clubs \$ '000	Hotels \$ '000	Total \$ '000
Category 1 employment expenses	127,248	137,975	265,223
Category 2 gifts of funds	4845	828	5673
Category 3 sponsorships	2192	442	2634
Category 4 gifts of goods to community	769	306	1075
Category 5 voluntary services to community	14,206	104	14,310
Category 6 volunteer expenses	496	2	498
Category 7 activities subsidised	7815	1848	9663
Category 8 fixed assets provided	27,618	28,056	55,674
Category 9 direct and indirect costs	25,707	47,472	73,179
<b>Total</b>	<b>210,896</b>	<b>217,033</b>	<b>427,929</b>

### Regulating the racing industry

The Government introduced a number of initiatives to make the racing industry vibrant, accountable and transparent, including:

- supporting the ongoing viability of country racing by providing country race clubs with grants of \$375,000
- improving occupational health and safety in the racing industry (in part by providing support for education, training and promotion), particularly for country and picnic racing
- introducing effective strategies to prevent and control equine disease outbreaks
- supporting Tourism Victoria in its development of a Racing Tourism Action Plan which will increase the tourism benefits associated with racing in both metropolitan Melbourne and regional Victoria
- working with other jurisdictions to address integrity and revenue leakage issues arising from unauthorised cross-border betting.

### Liquor licensing reforms

The Department provides administrative services to support the Director of Liquor Licensing in administering the *Liquor Control Reform Act 1998*. One of the key objectives of this Act is to help minimise the harm caused by the misuse and abuse of alcohol in the community. A number of such reforms were achieved in 2004-05, including:

- the *Liquor Control Reform (Underage Drinking and Enhanced Enforcement) Act 2004* was passed to address community concerns about underage drinking and to help police enforce liquor laws
- a total of 39,285 hospitality students and bar staff were trained in the responsible serving of alcohol.

The use of online services for liquor licensing also continued to increase, enabling the Department to provide these services more efficiently and cost-effectively.

### Improving regulation in the legal profession

Regulation of the legal profession through the *Legal Profession Act 2004* is one of the Attorney-General's Justice Statement initiatives that aims to modernise the justice system.

This initiative is the result of extensive national consultation with the legal profession and will come into effect later in 2005. The Act abolishes the Legal Practice Board, the office of the Legal Ombudsman and the Legal Profession Tribunal and replaces them with a regulatory framework that avoids duplication of responsibilities and streamlines the complaints process.



Far Left Advertising of gaming machines was banned on 1 January 2005  
 Left Car going through a red light  
 Right Accident resulting from ignoring red light



### Streamlining enforcement processes and protecting the disadvantaged

The PERIN (Penalty Enforcement by Registration of Infringement Notice) Court is an automated system for processing unpaid infringements that avoids the more costly and time consuming alternative of Magistrates' Court hearings.

These infringements generally have fixed penalties and include parking, driving and litter offences, and are usually uncontested and indisputable.

For vulnerable and disadvantaged people, such as people with a mental illness or an intellectual disability, the PERIN Court cases are fast tracked so that they can be heard by a magistrate rather than be handled by the automated system.

Approximately 5016 PERIN matters were referred to a magistrate during 2004-05. The diversion of vulnerable people has been successful and is being extended throughout Victoria in 2005-06.

### Confiscating assets and reducing debts

The Department reformed the *Confiscation Act 1997* to enable goods or funds to be seized even if a person is not convicted of an offence. The form into which the goods or funds have been converted does not affect the seizure. The Act also enables authorities to apply to the Supreme Court to restrain property which they reasonably suspect was derived from criminal activity or was used in relevant criminal activity. This means that it will be harder for criminals to gain financially from their activities.

The Department implemented a range of systems to improve debt recovery, including:

- analysing outstanding debt patterns and implementing targeted warrant execution strategies
- working with the Victoria Police mobile data network to link the Sheriff's warrant data base to the Victoria Police data base so that warrant searches can be conducted whenever vehicles are intercepted
- introducing a system of targeting priority warrants where recent address details are located
- piloting a system of providing facilities for people to pay warrant fines on the spot
- working with other agencies, such as VicRoads and local councils, to update the database and obtain more accurate address details.

### Arrive Alive!—trial of random roadside drug testing

Nearly a third of motorists killed in Victoria in 2003 tested positive for drugs other than alcohol. The Department responded by working with Victoria Police and VicRoads to introduce a trial of random roadside drug testing to help reduce Victoria's road toll.

The tests detect THC, the active ingredient in cannabis, and methamphetamine (speed), both of which are known to be factors in a significant proportion of road crash casualties. In 2004–05 one in 48 drivers tested positive for either THC or methamphetamine, compared with one in 230 people who tested positive for an illegal concentration of alcohol.

This initiative will help maintain the significant road toll reduction achieved over the past few years, and promote responsible conduct. Driving under the influence of drugs will continue to be an offence until July 2006, to allow for the trial to be completed and for a formal evaluation to be undertaken. The Government will then determine whether or not to remove the sunset clause in the legislation.

### Speed and red light cameras

The first combined red light and speed cameras for use at high risk intersections around Victoria became operational in December 2004. The remaining cameras (at 78 intersections) will be rolled out during 2005.

The cameras were introduced to change driver culture; providing a focus on speeding and driving through red lights with the aim of reducing road deaths and serious injuries. The intersections were chosen on the basis of accident statistics covering the period 1995-2004.

### Enhanced powers under the *Fair Trading Act 1999* to increase consumer protection

Significant amendments to the *Fair Trading Act 1999* came into effect in December 2004. These amendments established a wider range of legal powers for the Director of Consumer Affairs to ensure and enforce compliance with all the consumer protection acts. They also increased enforcement measures for the protection of consumers and enable the Department to act promptly to put a stop to offending behaviour and allow the Department to pursue financial redress for consumers in the courts.