

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Budget Estimates 2016–17

Melbourne — 20 May 2016

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Witnesses

Ms Jane Garrett, 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 2016–17 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 Jane Garrett, MP; Mr Greg Wilson, Secretary of the Department of Justice and Regulation; Mr Simon Cohen, Deputy Secretary, Regulation, Department of Justice and Regulation, and Director, Consumer Affairs Victoria; Ms Cate Carr, Executive Director, Liquor Gaming and Racing; and in the gallery is Mr Shaun Condron, Chief Finance Officer of the department.

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.

Questions from the committee will be asked on a group basis, meaning that specific time has been allocated to members of the government, opposition and crossbench to ask a series of questions in a set amount of time before moving onto the next group. I will advise witnesses who will be asking questions at each segment.

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 videorecord any part of these proceedings. Members of the media must remain focused only on the person speaking. Any filming and recording must cease immediately at the completion of the hearing.

I now 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 GARRETT — Thank you, Chair, and I thank the committee for the opportunity to make this presentation and to take questions. We are starting with consumer affairs, gaming and liquor regulation. I begin my presentation regarding Consumer Affairs Victoria and the activity overview.

Consumer Affairs Victoria: 29 acts of Parliament are administered by CAV, and 478 500 Victorians are provided with information and advice. We have had 3 million-plus visits to CAV's website; 9600 inspections, compliance monitoring and enforcement activities; over 541 000 registration and licensing transactions; 35 500 financial counselling sessions; and advocacy services for 6400 vulnerable Victorians.

CAV is a modern regulator. It is intelligence-led and risk-based in its approach to achieving a fair and competitive marketplace in Victoria. In 2016–17 CAV expects to provide information and advice to more than 478 500 Victorian consumers, businesses, tenants and landlords — over the phone, email and face to face.

In line with the digital first approach of the Victorian government, CAV is increasingly interacting with the public via its website. As stated, there will be more than 3 million visits in the coming year, and CAV continues to see increases in its social media following. CAV expects, as stated, to complete over 9500 compliance and enforcement activities and more than 540 000 registration and licensing transactions. A large number of those will occur through myCAV.

The budget initiatives in 2016–17 are \$33.3 million for Victorians in need. This provides significant funding for CAV to continue its work in supporting Victoria's consumers and ensuring, most importantly, that businesses are aware of their obligations. This money will be spent on a range of projects, including \$7.9 million for financial counselling to 35 500 people experiencing financial hardship; 3.4 million for community agencies to deliver advocacy services to around 6400 vulnerable consumers and tenants across Victoria. These services include important advice and advocacy at VCAT and outreach support for metropolitan rooming house residents. There is \$22 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.

I think it is important to note some of the key achievements of Consumer Affairs Victoria over the past year. We have made significant progress towards several of our key election commitments. We have introduced legislation that establishes a new building conciliation service. Once up and running, Domestic Building Dispute Resolution Victoria will assist consumers and builders to quickly and simply resolve disputes. We know how important this is, given when people have had issues regarding disputes with their builders they can become an absolute quagmire, both financially and emotionally, and we needed to fix the system.

The Rooming House Operators Act was given royal assent in May. Once the act commences, this reform will introduce the fit and proper person test for rooming house operators as part of a licensing scheme to protect those Victorians most in need. Importantly, I have asked CAV to inspect all 1176 rooming houses in Victoria, and we are on track for completion. A rooming house that fails to meet the standards will face repeat inspections and ultimately prosecution if the issues are not resolved. Currently CAV is prosecuting a rooming house operator with 158 charges before the court, showing that we will use the full force of the law where there is non-compliance.

We have amended the Road Safety Act, preventing car park operators obtaining details of vehicle owners through the courts. We know that this was a particularly oppressive mechanism that caused people a lot of, again, not just financial but emotional grief, so we are very proud of that.

Finally, Victoria has led the way in removing unsafe hoverboards from sale. We contributed to — in fact we called for — the national interim ban on these potentially dangerous products after not only injuries but serious fires occurring here in Victoria and elsewhere, with people leaving these hoverboards on chargers in their home.

To look ahead for CAV, we have got extremely significant reforms that we are pursuing: fairer, safer housing for Victorians; the property laws review; our crackdown on underquoting is well advanced; and the Australian Consumer Law review.

Safe, affordable and secure housing is a priority of this government and it is a whole-of-government priority, so many different departments are working on this and we are playing our role. We are considering housing-related issues through the review of the Residential Tenancies Act. We are also reviewing a number of acts that affect the way people buy and sell property. We know the modern property market has changed significantly over the past 50 years. We will introduce changes to the law to increase penalties applied to estate agents who engage in underquoting. We have undertaken our comprehensive program of inspections from end to end — around 200 inspections, we have reviewed more than 1200 sales files in this financial year to ensure good practices. There are currently 12 major investigations underway and court proceedings as well. We took court action 16 times in response to professional malpractice by estate agents in the second half of 2015, with a focus on the proper management of trust accounts and record keeping, and that work has been seen quite publicly recently with some high-profile issues around L. J. Hooker. We will also consider a review of the Australian Consumer Law across all jurisdictions.

To move to gaming and liquor regulation and achievements, reforming the VCGLR — our submission to the O'Farrell review and the reinvigoration of the Responsible Gambling Ministerial Advisory Council are but some of the highlights that we point to. The gaming and liquor portfolios create, we know, tens of thousands of jobs across the state. They are an important feature of our state's economy and our state's cultural life. Our hospitality sector is a significant factor in Victoria, now becoming the no. 1 destination for tourists. We are the cultural, the culinary, the cool capital of Australia, and the backbone of this industry in Victoria is our growing and vibrant and quite unique restaurant, cafe and pub scene, which employs so many people, including many, many young people.

We know that it is vital, however, in these industries to make sure that there is a strong regulatory framework and that services are in place to minimise the harm that can come for people who do have an issue regarding alcohol misuse or problem gambling. That is why we have had a real focus in our reshaping of the VCGLR to put inspectors back out on the beat — actually doing their job in the venues to make sure that both our liquor and gaming venues are complying with the toughest regulatory environment in Australia.

We also understand the importance of treatment services for people that suffer harm from problem gambling. That is why we have made the world-leading investment in the Victorian Responsible Gambling Foundation. It has undertaken some key work this year. Campaigns such as the Bet Regret social media and TV campaigns highlight an important responsible gambling message. The foundation plays a not just nation-leading but

world-recognised role in leading the way to understand the drivers for gambling and gambling-related harms and the manner in which to best assist people.

We have moved quickly to fix the botched mess that was the VCGLR when the two bodies were smashed together by the previous government. Dr Bruce Cohen has undertaken, at my request, an extensive review of the commission's governance and decision-making processes. I have received that report and will be able to table some of those recommendations today. Of course the issues around gaming and liquor-related harm and how do we deal with it, particularly around gaming and the changes in which people are using their gambling dollar — the explosion of internet, the connection between sports and gambling advertising — these have really changed the shape of gambling in this country over the last few years in particular.

It is really important that we approach these issues at the federal level, with a strong contribution of course from Victoria but many of these issues lie in the federal sphere. We provided a comprehensive submission to the federal government review regarding the impact of illegal offshore wagering, which was undertaken by Mr Barry O'Farrell, and we also know recent research that has suggested sports betting advertising may have a negative impact on vulnerable groups. We have called on the federal government to develop options for national consistency and standards for advertising online gambling products. I have written to my federal colleagues. The ministers for communications and social services are calling for a national discussion and approach. It is really important that we act on this, but that we do that in a manner that provides certainty to industry and also certainty to citizens.

We have reinvented the responsible gambling ministerial council, and we have committed to working with the industry, community and problem gambling experts to prevent harm. To this end, we have expanded the representation of the Responsible Gambling Ministerial Advisory Council, having recently appointed Ms Susan Rennie of Victorian Primary Care Partnerships, Mr Sundram Sivamalai of the Ethnic Communities Council — this is an extremely important appointment, given that we know that there can be extremely negative impacts in some of our ethnic communities and that asking for help is something we need to assist people to do within their own communities and in their own languages. We are currently in the process of appointing Mr Jason King of the Victorian Aboriginal Health Service Co-operative, again making sure that we are targeting and responding to our communities right across Victoria, particularly vulnerable people.

With respect to gaming and liquor regulation and some major projects which are very significant projects for the state of Victoria, the public lottery licensing process, the gaming machine arrangements review and YourPlay are major, major, major projects. With respect to the public lotteries, this is expected to generate \$420.7 million in lottery taxation revenue for Victoria in 2015–16 and approximately \$420 billion over the — \$42 billion?

Ms CARR — That is right, the full term.

Ms GARRETT — over the full licence term. My department is currently conducting a process for awarding a new public lottery licence in accordance with the Gambling Regulation Act, with the new licence to commence on 1 July 2018. That is progressing well, overseen of course by the independent review panel to make sure that it is conducted with the highest of ethical and probity standards.

Gaming machine entitlements held by clubs and hotels with gaming machines will expire in late 2022, so my department is currently undertaking a review of the gaming machine regulatory framework to enable the government to make informed decisions about gaming machine arrangements that will apply when these entitlements expire in 2022. Again, the independent review panel, which is led by the Honourable Geoffrey Giudice, AO, as the chair, has been established to oversee the integrity, transparency and fairness of the lottery licensing and gaming machine processes.

YourPlay is Australia's first networked precommitment scheme for gaming machines, and that commenced statewide on 1 December 2015. It is an important harm minimisation and consumer protection measure which is available, really significantly, on all gaming machines across Victoria, whether you are in the casino or whether you are at your local RSL. This means it gives players greater protection and greater choice about how and when they spend their time and their money. It allows people to make informed decisions; it allows them to give their own personalised messages. The preliminary data that we have been briefed upon demonstrates a significant uptake in the use of the scheme for gaming machine players, and we are, of course, conducting a comprehensive review and analysis, which I will be receiving shortly, about how this has gone over these last months. I thank the Chair for the capacity to make the presentation.

The CHAIR — Thank you, Minister, and congratulations on the quality of your presentation. I think this would be the first presentation at PAEC where a hoverboard has been mentioned.

Ms GARRETT — There is plenty more to come. On your last day, hey?

The CHAIR — As a devotee of *Back to the Future*, I salute you.

Mr DIMOPOULOS — Good morning, Minister and officers. Just in relation to BP3, page 285, ‘Regulation of the Victorian consumer marketplace’ and taking from your presentation, Minister, where you talked about underquoting a couple of times and malpractice — there were 16 cases, I think, you mentioned that the state took against individuals for malpractice. I am just wanting to get a sense, both in terms of this budget but even more broadly, of what the government is doing to ensure a fair and transparent real estate market. It is obviously a market that interacts with most Victorians.

Ms GARRETT — Thank you very much for that question. We do know real estate is a very, very hot topic right around Australia, but particularly in Victoria and Melbourne. It is vital to ensure that our estate agents are meeting the highest of standards, and I would take this opportunity to say that the vast majority of estate agents do absolutely the right thing. But where they do not, we are all over it, both in terms of regular reporting and monitoring requirements and then on taking action where things have gone terribly wrong.

We are focused on improving poor practices that cause significant detriment to those who interact with agents and with renters, buyers and landlords. Importantly, the sweeping review of laws that I mentioned before, around residential tenancies, real estate agents, conveyancing, owners corporations and land sales, is really, really critical to those issues. To take you quickly to the residential tenancies review, we have already gone through stage 1. We are in stage 2 in progress and I will go to that later on if of course asked.

We do have a significant issue regarding underquoting in this community. We have signalled that we will make significant reforms in this sector. Under the proposed reforms estate agents will be required to do several things: provide an information statement to prospective buyers with information about three comparable properties, estimated sale price, and the suburb’s median price. They will have to advertise a single price range or a range of up to 10 per cent, without qualifying phrases such as ‘starting from’ or ‘plus’; update their advertised price within one business day if an offer that is higher than the advertised price is rejected at any time.

There is not a person amongst us in the community that has not personally had an experience of feeling that they have had underquoting or who knows somebody who has. Particularly for younger people now trying to get into the market, it is a really heartbreaking thing to go around week after week, trailing around in your car or on public transport, dreaming about your dream home only to find that you have been absolutely priced out before you even walked through the door. That is why we are making these reforms. It is also why we are doubling penalties to more than \$30 000, with agents also risking losing commission and their fees. The director of consumer affairs, who is with me here, will have new powers to issue notices requiring agents to justify their estimates, advertised prices or comparable properties. We will be introducing this legislation to Parliament later this year.

As important I believe is the crackdown that we have taken on underquoting currently within our existing powers. What I asked CAV to do was a comprehensive crackdown, go without notice to estate agents in our hotspots — particular hotspots for underquoting — and inspect their files without notice. From that we have 12 major investigations underway; we have one high-profile agent in the court system, which of course we will not comment on, around underquoting; there are 1200 files open. That work of course we did in the spring and the autumn.

All of our evidence back through the industry body, back through discussions shows that not only is that impacting on the 12 files that have been opened and on those estate agents but that it is having a significant effect in changing the agents’ behaviour across the board.

Mr DIMOPOULOS — Minister, thank you. That was a very, very comprehensive response. I appreciate it.

Ms GARRETT — I could go on.

Ms SHING — Minister, thanks for coming today and for your presentation. In relation to compliance activities and compliance assistance through to court actions, I note in your opening presentation you indicated

CAV's objective to facilitate a fair and competitive marketplace in Victoria and that budget paper 3, page 285, contains a measure around compliance activities through to court. What is the action that is being undertaken to ensure that Victorians are aware of false and misleading claims, including claims such as those made by people like Belle Gibson?

Ms GARRETT — Again, Belle Gibson is one of those really heinous, difficult cases around where people have been misled, particularly on health promotion products. I know that my colleague the Minister for Health is doing a huge amount in this area around cracking down on people making those claims, through her health portfolio. We of course are using the full force of our consumer protections to also make those people accountable. There is a clear example with the Ms Gibson case. We have commenced action. I might even ask Mr Cohen to go through that process. That was a very, very thorough and detailed investigation. What is important to note in these matters is that obtaining information from people who are alleged to have done the wrong thing is of itself quite the process, and Mr Cohen may comment. These things do take some time but we are very pleased that we have filed applications in the Federal Court.

Most importantly too around Ms Gibson's case is using our capacities in innovative ways. We also as part of this case settled a matter with Penguin, the publisher, where Penguin undertook to absolutely overhaul its processes to make sure — it accepted that it had published this material without proper medical evidence. It undertook for that not to happen again. It paid some restitution of tens of thousands of dollars to the consumer advocacy law body to promote people's rights. But importantly it is about using every suite, every tool available to you, to not only go after those who have alleged to have done the wrong thing, to educate the community, but also to look at ways — who is publishing this material and how do we change the way in which that occurs? It was a terrific outcome. It has obviously got a way to go, but I think it is highlighted within the community.

Mr D. O'BRIEN — Good morning, Minister.

Ms GARRETT — Good morning.

Mr D. O'BRIEN — Minister, budget paper 5, page 25, indicates the government will receive \$22 million in liquor licence fees in 16–17. Recommendation 93 of the Royal Commission into Family Violence states:

The Victorian government ensure that the terms of reference of the current review of the Liquor Control Reform Act ... consider family violence and alcohol-related harms. The review should involve consultation with people who have expertise in the interrelationship between family violence and alcohol use.

Can you tell me where the current review is funded in the budget?

Ms GARRETT — The current review is being initiated within my department as we speak in conjunction with our various advisory bodies that work with us. Again, what an extraordinary outcome for Victoria, what a leading way for the Premier to have instituted the commission and for the Minister for the Prevention of Family Violence to have that considerable funding and policy response to it. So our role around the review of the Liquor Control Reform Act, which is being funded from within our DJR budget, will respond to recommendation 93. And we have seen that recently with the case of the packaged liquor outlet in Cranbourne, which caused some interest. We had a decision out of the independent VCGLR regarding what its capacity is when it is granting licence applications around amenity and public amenity and the like, and you will be well aware of that decision.

So part of our review will be looking at particularly how we deal with the issue of the explosion of package liquor outlets. This is not an easy thing to do. It is a complicated question, like all of these issues are where you have a legal product, but certainly regarding the comments made by Dr Cohen in that decision, we are going to have to as a community do our utmost to be honest to be about these issues to address them. To address them through a regulatory framework is not always an easy thing to do and will not always deliver a perfect outcome, but that is certainly what we — —

Mr D. O'BRIEN — Can I ask on that, in relation to Casey? You have been on the record as saying that you cannot overturn the decision of the commission, that you cannot intervene at all to stop that liquor facility going ahead despite the opposition of the council and the police. Why have you said that when government does have power to make decisions about the number of outlets in particular localities?

Ms GARRETT — On this particular issue, like on any individual application or licence granting, there is a range of factors. So the initial permit for that outlet was granted by the previous planning minister back in 2013, which allowed for the development of an outlet which would include liquor sales. Then of course once that permit was granted, you have no capacity to intervene in a validly obtained permit. With that validly obtained permit, the permit holder then made an application to the VCGLR for the licence to act on that planning permit and that licence was granted. Again, I do not have control over that individual planning permit.

Mr D. O'BRIEN — But do you accept that the government can intervene on these issues in a planning context?

Ms GARRETT — The government has tools available to it in a more broader context around the planning schemes that cover each municipality. This was not the case where we were amending the planning scheme of an individual municipality and nor had that municipality asked for the planning scheme to be amended, and again that would be a matter for planning.

Mr D. O'BRIEN — Have you had any discussions with the planning minister about these issues more generally?

Ms GARRETT — Certainly the planning minister and I speak regularly. This will form part of how we focus on the Liquor Control Reform Act: does the regulator have the regulatory, the legislative, framework to do its job properly independently of government? That is what we will be looking at, but definitely these individual and council planning schemes and the like are definitely, firmly, within the Minister for Planning's purview. But we do know that there have been a considerable number of new packaged liquor licensing applications made and approved. Certainly in the term of the previous government there were some 262, which included 11 for the Dan Murphy stores, so this is not a problem or an issue unique to any particular government. It is a community problem that we need to address.

Mr D. O'BRIEN — Can I go back to the review? Have the terms of reference for that review been signed off?

Ms GARRETT — We are working through those terms of reference with our advisory group. Certainly it was important that we understood the recommendations of the family violence royal commission.

Mr D. O'BRIEN — Have we got a time frame for when? Presumably the terms of reference will be released?

Ms GARRETT — Absolutely, we will have a time frame; we will work that through. None of these things happen in a one-week time frame. We have to do this carefully and methodically. If we are going to make changes, they have to be changes that work, so we will be consulting widely around that. Again, I would hasten to make the point that while you have a legal product, such as the sale of alcohol, there is not going to be one single easy answer to these issues.

Mr D. O'BRIEN — Can I just ask on that: will the review take submissions from industry and liquor-related businesses?

Ms GARRETT — There will certainly be wide consultation, including from industry.

Mr D. O'BRIEN — So they be able to make submissions to the review?

Ms GARRETT — That would be my understanding.

Mr D. O'BRIEN — Okay. Can you perhaps give us a bit more background on what sort of consultation there will be? Is it going to be a 12-month process? Are there forums?

Ms CARR — The terms of reference, as the minister indicated, have not been finalised yet, and that will include the process that the department will go through in consulting with industry. But as you probably know, Mr O'Brien, the usual government process is to release some kind of consultation or discussion paper, take submissions and then allow the department to work through those with stakeholders.

Mr D. O'BRIEN — So we can assume the usual government process then will be followed with this as well?

Ms GARRETT — Absolutely.

Mr D. O'BRIEN — Okay. Minister, are you able to give a guarantee that licence fees will not rise as a result of any changes to the act?

Ms GARRETT — That certainly would be a matter firmly within the Treasurer's purview, but I would not expect there would be licence fees rising.

Mr D. O'BRIEN — Thank you. I will just move on. Again, the budget paper reference is page 25 of BP5. Gambling taxes are set to rise by about \$50 million this coming year. Where is this extra money or where in the budget can I find where any of this extra money will go to increase support for problem gambling treatment services?

Ms GARRETT — Certainly with respect to problem gambling treatment services we have a very, very comprehensive program for dealing with those. I point to the \$150 million foundation whose very work it is to respond to issues of gambling-related harm, which is extremely significant.

Mr D. O'BRIEN — Is it correct, though, to say that the foundation has actually had its funding cut since the previous government was in power?

Ms GARRETT — No, that is not correct. We have had \$150 million; \$2 million of that went to making sure people had the communication and understanding around what is an important initiative of YourPlay, which I mentioned in my opening. It is vital that people have the opportunity to take up and make decisions about their time and money spend on gambling, so this was a very important problem gambling initiative.

The foundation is exceptionally well funded. Its funding is on par with that terrific organisation VicHealth, which does such a fine job in health prevention and response. We see them on a very similar footing. Again, it is a world first really, the foundation, and it provides and funds Gambler's Help services, research, media campaigns and education and training for counsellors and health professionals. We also have our other initiatives, as we pointed out, in consumer affairs regarding financial counselling for people who get into difficulty, so there is a whole-of-government approach to this.

Again out of the royal commission we have had huge amounts of money go into social and support services for people seeking housing in difficult times, so there is a range of initiatives right throughout the budget. We have advocacy services and the like to make sure that where people do have a problem they are getting the support that they need.

Mr D. O'BRIEN — Thank you, Minister. Perhaps a question to the secretary or maybe Ms Carr. Page 285 of budget paper 3 has a performance measure on the number of Gambler's Help clients who receive a service within five days, and it is a percentage. Could we get, and I am happy to take this on notice — in fact we would need to take it on notice, I am sure — the actual number of clients that received services for 14–15, 15–16 and the prospective for 16–17?

Ms CARR — I am happy to take that on notice and provide you that information.

Mr D. O'BRIEN — That would be great. I would assume — and perhaps help me out here — would that be exactly the same as those who seek assistance?

Ms CARR — Sorry, could you repeat that for me?

Mr D. O'BRIEN — I am also after the number of people who seek assistance; so not just those that come through Gambler's Help or who get it within five days, but the number of Victorians who actually seek —

Ms CARR — I am happy to provide both sets of data.

Mr D. O'BRIEN — That would be great, thank you. In the minute to go, Minister, again, budget paper 5, page 25, shows revenue from EGMs increasing by \$85 million between now and 2020. What arrangements

have you got outlined in the budget papers for the allocation of future EGM entitlement arrangements? I know you touched on it in your opening submission.

Ms GARRETT — Yes, I will just get those details for you. We have done the independent review panel, so the department is undertaking a review of that out of the department budget to enable it to make informed decisions. It is important to note — —

The CHAIR — Order! Dr Carling-Jenkins until 9.42 a.m.

Dr CARLING-JENKINS — Thank you, Minister, and welcome to our last day of PAEC.

Ms GARRETT — Thank you. You must be so happy — a long two weeks.

Dr CARLING-JENKINS — Perhaps it has been, yes.

Dr CARLING-JENKINS — I thank you for your presentation. You obviously have a very broad portfolio, and you certainly work with many vulnerable Victorians. I sense that you have a real heart for that area. I would like to follow on from Mr O'Brien's questions around gambling — budget paper 3, page 284 — and particularly around the activities of the Victorian Commission for Gambling and Liquor Regulation, and the Victorian Responsible Gambling Foundation in regard to problem gambling and harm minimisation. This is, I think, as you acknowledged, a problem in our society. This is not at all tied to four-year political cycles.

Recently here in Parliament we had the opportunity to watch the documentary *Ka-Ching*. That was very eye opening. I have always been aware of the problems around pokies in particular, but that showed that real harm that comes from poker machines. I notice that in Victoria we lost \$2.6 billion from poker machines this past year. That is a significant amount of money and they are not, obviously, spread evenly over the population. A big segment of losses in poker machines are concentrated on small sections of our population, as you would be well aware, and I would invite you to comment on that.

I just wonder if you could outline for the committee in a little bit more detail than you were able to in your answer to Mr O'Brien's question what your government is seeking to do in this particular area. I look particularly at your presentation around, for example, the gaming machine arrangements review and what impact you believe that might have in this area.

Ms GARRETT — Thank you, Doctor, and I appreciate your commitment as well. I know how you have worked tirelessly around these issues. It is very difficult when people develop a problem with gambling, with drugs or with alcohol. There is no question about it — it devastates lives. I would like to say at the outset that there are plenty of people who do enjoy gambling and do enjoy poker machines, and it is a legal product. So I think it is really important as a community that we are not just doing a blanket 'everything's a disaster'. It employs tens of thousands of people, and for a lot of people their local pub or club is the community hub within which they socially engage and enjoy themselves. I think that is an important point to make.

Of course where harm does arise we have to be there as a community to do what we can, both in prevention of that problem arising and then also of course in response. We have a low gaming machine density compared to many other states, and there has been a significant decline in that density, given our growing population. So where we had density of 7.76 per 1000 — excuse me for these sorts of stats, but they are important —

Dr CARLING-JENKINS — Sure. No, they are very important stats.

Ms GARRETT — back in 99 and 2000. We now have 5.65 to every thousand adults, gaming machines. So it has got the lowest density of all clubs and pubs right across Australia with the exception of Western Australia, which does not have any EGMs outside of its casino.

We also have regional caps on the number of EGMs in 20 regions. There are 11 fully capped regions, so no more machines can go in, and there are 9 partially capped regions. They are based on density, the average annual player loss per adult and the socio-economic status of the particular areas in Victoria as based on the ABS socio-economic indicators for areas. But importantly, with our EGM arrangements review, part of what we will be looking at is we have had over 200 submissions to that review and many of those have gone to the issues of harm minimisation and ensuring those measures that we have are appropriate — again highlighting

that we are the most heavily regulated jurisdiction in Australia around poker machines — where they can be, how they operate. That does not mean we cannot always get better.

The foundation is really important in that. It is also — and I give credit where it is due; the previous government set up the foundation — not that old, so it is working its way through. I think it is doing some terrific work, but again to use the analogy with VicHealth — that has been a body that has been established for a long time that has made incredible efforts — I see the foundation going very much in that way. I also think it is really important when we are discussing problem gambling that we do not just look at the poker machines. Again, these are heavily regulated industries. There are inspectors out there on the beat making sure that pubs and clubs are doing the right thing. There is a range of regulatory measures involved around signage, around support for people, around access to services. Again, yes, we can always improve, but that is part of the work of the independent foundation which we have given a policy and advocacy role to this year through legislation, so that gets even more.

But we have to look at this as a broader national issue. While we have the focus on poker machines, we have this explosion of online gambling which has no or very limited regulation. There are people in the privacy of their own home simply betting at any hour and any time of the day.

Dr CARLING-JENKINS — Absolutely.

Ms GARRETT — We have no reach or we have inadequate reach into that, again, to go back to the national conversation around that and the borderless nature of the internet. There is a sporting event or there is something going on, a poker event happening at any given time, at any given second, all round the world.

Dr CARLING-JENKINS — It just opens up a whole new level of challenges, doesn't it? Yes.

Ms GARRETT — It does. It opens up a new level of challenges, whereas we have restricted access to poker machines for people under 18. Again, they are heavily regulated, they are taxed — —

Dr CARLING-JENKINS — But unrestricted through the internet.

Ms GARRETT — Yes. We are really grappling with those issues and I think it is important, certainly our responsible gambling advisory council has been looking at these things — —

The CHAIR — One minute.

Ms GARRETT — Sorry, you might have another question!

Dr CARLING-JENKINS — That is okay. I did not realise the time was flying so quickly. If I could just ask a very, very quick question, and I am happy for you to take it on notice then, you spoke in your presentation about expanding the responsible gambling ministerial council, I commend your efforts on working with people from different backgrounds and I anticipate from that there will be a number of calls going in to the VCGLR. Budget paper 3, pages 284 and 285, show that the numbers for liquor and gambling information and advice provided repeatedly exceeded the targets. I just wonder if that was an indication that demand for these gambling information services is, obviously, going up. I would like some discussion around that level that the current resource allocations perhaps are struggling to meet and what action you will be able to take in the future to support the additional provision of services given that it looks like, the way you are planning, you will actually be generating even more interest in that area.

Ms GARRETT — Certainly, and I am more than happy to take that on notice and provide information to the committee, but again what is good about that is the education and the discussion with the community —

Dr CARLING-JENKINS — It is fantastic.

Ms GARRETT — then gets people who need help to come forward.

Dr CARLING-JENKINS — Absolutely. Thank you, Minister.

Ms WARD — Welcome, Minister. Apologies for missing your presentation.

Ms GARRETT — I will give it to you later, if you like!

Ms WARD — Thank you very much. Minister, what I am interested in is in budget paper 3, page 284, and if I can get you to have a look at the Victorian Commission for Gambling and Liquor Regulation. Does this organisation work in isolation, or has it got partnerships? How does it operate? What types of things has it been actually engaging in?

Ms GARRETT — Thank you for the question. One of the things I am really pleased about around the VCGLR is the work of Dr Cohen and the direction now. As I mentioned, and I certainly mentioned last year, there were some serious issues when the two bodies, the liquor and the gaming regulators, were brought together. There were serious disharmony. There was a focus on, you know, paper audits rather than actual on the beat — again, similar in consumer affairs. With the VCGLR we are focused on people out on the beat. In terms of working with other bodies, I am really pleased you asked the question because part of getting an effective response around particularly alcohol-related harm is making sure that we have inspectors out at the times that they should be out but also that they are working closely with Victoria Police, which clearly has a huge role to play around these issues.

We introduced a new performance measure regarding our liquor inspections. The performance measure requires the commission to report against a target of 20 compliance operations with co-regulators, such as Victoria Police, to identify licensees supplying alcohol to minors or persons who are intoxicated. This is really important. These are our two big issues, if you like: supply to people who are already well on their way or beyond on their way, and to minors who are getting their hands on alcohol and all the damage that can cause to immature brains and immature actions. These joint operations, we are pleased to have exceeded that target. As at 30 April 2016 we have we have undertaken 33 joint operations.

Ms WARD — So what kinds of operations are they attending?

Ms GARRETT — Some examples of this — which you will be pleased to know are from both the regions and the inner city — we had the Warrnambool racing cup, where inspectors focused on providing a visible presence at the TAB Warrnambool May Racing Carnival and the licensed premises in the Warrnambool regions. One of the things that became clear after the regional inspectors were put back into Melbourne was that there was a lack of presence in our regions and events like this, which not only is a visible presence at these events, but also the work behind the events, the liquor accords and the like.

Ms WARD — Do they go to these events with Victoria Police?

Ms GARRETT — Yes, so joint operations. For example, we had the university O Week inspections. Now there are some issues at university O weeks, I am sure people would be stunned to know, but making sure that we had a visible presence on the ground around intoxication and minors.

Ms WARD — There seems to be a big focus on alcohol and on intoxication.

Ms GARRETT — Well, yes, there is alcohol-related harm. So the two issues that we have focused on through the work of the experts is, as I said, giving alcohol to intoxicated persons, the violence that can result and the personal harm; and of course to minors. But the breaches during these operations, I think it is important for the community to understand, included serving liquor outside where liquor was supposed to be served — outside the red line, if you like — exceeding patron capacity, and the service of liquor —

Ms WARD — So what happens when you breach these laws or these guidelines? What happens when you do go outside the line?

Ms GARRETT — These operations have contributed to warnings and 333 infringement notices. There is a range of penalties under the act for breaches of this, and of course there are criminal sanctions if violence or damage to property results. But again I think the really important thing is the focus not just on having people on the beat and out there, but at the high-risk times. The focus has been, 'Let's go to these places between 1 and 6 in the morning', not rocking into a pub at 1 in the afternoon and clocking that down as an inspection or a visit.

Ms WARD — So real visits, not just token gestures?

Ms GARRETT — Real visits, real operations, serious responses resulting in considerable amounts of action. And again, like the underquoting, having this visible presence does then impact on broader behaviour. We also work very well with all of the stakeholders, with Victoria Police. I think that is why Melbourne and our

regions have such a vibrant night-life. We are going in the right direction. Of course we have to address the harms where they arise.

Mr DIMOPOULOS — Thank you, Minister. Can I take you now to residential tenancies and BP3, page 286, which lists or tries to measure the interactions, I think, and support provided by CAV to tenants. I understand a significant number of the calls and the interactions relate to housing arrangements. Can you give me a sense of what that actually means and what is the main sort of concern for tenants?

Ms GARRETT — Again, with the changing nature of our community, how people can afford housing, the purchase thereof — it is out of a lot of people's reach — and how we are doing that, other people are pulling many different levers in their different portfolios, but the issue of a roof over your head is clearly one of the basic issues facing individuals and families. With increasing rentals going for a lot longer than they had, perhaps people are going to rent for life or they are going to rent for a lot longer as they save for ever-increasing deposits.

The Residential Tenancies Act is 20 years old, so the sorts of complaints we are getting — you know, security of tenure, bond, disputes with the estate agents, being turfed out, what are your rights and responsibilities, what are the responsibilities of landlords to keep places up to scratch, what are the responsibilities of tenants, property condition standards, pets, smoking, all of these issues. We have a range of issues, with living differently. There are lots of people now living in apartments rather than on the quarter-acre block. People are moving around. How do we deal with this? Mr Cohen, I do not know if you wanted to add anything further on the sorts of complaints, but I can talk a bit to what we are doing now.

Mr COHEN — The types of complaints that we receive, the primary issue relates to bonds, so return of bonds, but the other issues that we see relate to repairs, both urgent and non-urgent repairs, and then more generally about rights and responsibilities of tenants and landlords.

Mr DIMOPOULOS — Sure. Thank you, Mr Cohen. Minister, in the remaining couple of minutes, can you just take us through the review, where it is at and how it will address — in fact, when we will see it.

Ms GARRETT — We have had a terrific response to this review. Stage 1 has been completed. It involved public consultation on a paper that described characteristics and trends in the Victorian rental market. That is being used to inform our stage 2, which is a series of six discussion papers. That is in progress, and these discussion papers tie directly to the issues I have talked about. Four have currently been released, but we have got papers on security of tenure; rents, bonds and other charges; renting rights and responsibilities; alternative forms of tenure; property conditions and standards; and dispute resolution. Then stage 3 will be public consultation, with options on how we reform.

One of the big-ticket items was around: is a 12-month lease arrangement going to be appropriate for all circumstances now? What do we have in the situations; do we need to have longer options — 10 years, 5 years — so families are not being evicted and having to find new accommodation if they are long-term renters? How does that impact on the landlords, though — what are their rights and responsibilities in that? It is looking at other jurisdictions that are the New Yorks of the world and the like and coming up with an act that reflects the modern way in which Victorians are seeking and living in housing. So it is a really, really important piece of work, and we are looking forward to the results, but the response has been outstanding from individuals.

Mr DIMOPOULOS — What are the time frames, Minister? When do you think this will come to Parliament?

Ms GARRETT — We have given ourselves a good couple of years on this. This is — —

Mr DIMOPOULOS — Pretty comprehensive.

Ms GARRETT — Yes. You are going to overhaul an act like this, which impacts on so many people — —

The CHAIR — Order! Mr O'Brien until 10.02 a.m.

Mr D. O'BRIEN — Minister, can I just go back to where we were when we got cut off before with respect to EGMs and the process? Could you just go back to outlining what is being done to set up the process for the next entitlement phase?

Ms GARRETT — Yes, I might hand to Ms Carr.

Ms CARR — Thank you for the question. I can explain to you the arrangement that the department has got in place. As you are aware, the entitlements that enable clubs and hotels to operate gaming machines expire in 2022. The government has asked the department to conduct a review of the current arrangements that were introduced in 2012 when the Tatts and Tabcorp duopoly was dismantled. So we now have a system whereby clubs and hotels need a gaming machine entitlement to operate each gaming machine in their venue. Those entitlements were issued for a period of 10 years.

So we have set up a project in my office, and we released a discussion paper last year. We received a substantial number of submissions in relation to the issues that were canvassed in that paper. They included things like: should the number of entitlements that are issued remain the same; what should the term of any future entitlements be; were the current tax arrangements appropriate; some other regulatory issues around how many machines should be available for clubs versus machines available for hotels; and some of the other regulatory settings around the operations of the entitlements.

Mr D. O'BRIEN — So can I just ask: will the next process require legislation?

Ms CARR — That depends on decisions that the government makes. We are in the process of reviewing all of the submissions and doing the policy work around how the current arrangements have fared, and what the outcomes of that have been against the objectives that were set at the time for the new arrangements. We will provide our advice to the government, and they will make their decisions accordingly.

Mr D. O'BRIEN — So, Minister, on the time frame, what can we expect as to when the industry will know what the process is. Is it this year, next year?

Ms GARRETT — This would be not before next year.

Mr D. O'BRIEN — Not before next year — so next year?

Ms GARRETT — Next year at the earliest.

Mr D. O'BRIEN — Next year at the earliest. Okay, thank you. Given the previous process was fairly widely condemned as being messed up, and we have since had at least one club — the Bendigo club — go into receivership because they cannot meet their entitlements, can you tell us how many other clubs and pubs have also defaulted on entitlements?

Ms GARRETT — So the figures here are, as at 30 April 2016, we have had 337 gaming machine entitlements that have been forfeited to the state; 65 of those were hotel entitlements and 272 were club entitlements.

Mr D. O'BRIEN — Sorry, 65 hotel, and 2 — —

Ms GARRETT — Two hundred and seventy-two.

Mr D. O'BRIEN — That was for what period? That is since the 2012 auction?

Ms GARRETT — Yes.

Mr D. O'BRIEN — Okay, thank you. Given that figure and, as I said, the widespread unhappiness with the previous process, what are you doing to provide some confidence to the industry going forward?

Ms GARRETT — Well, certainly we are conducting this new review. So that has had 200 submissions, oversight by the independent probity team. But we will be making sure that when this comes before government that the decisions we will make will look at all of the issues that are of relevance to both the community and industry.

Mr D. O'BRIEN — Okay. Can I go back to the question that I asked about handing back the entitlements. How many have actually defaulted on repayments?

Ms GARRETT — We have written off 2.1 million owed by venue operators for forfeited entitlements because there was no prospect of recovering the debt. We are owed a further 3.5 million, and the department is seeking to recover those debts in accordance with established processes.

Mr D. O'BRIEN — Can you tell me how many clubs or pubs that actually relates to?

Ms GARRETT — I might take that on notice.

Mr D. O'BRIEN — That would be great if we could get that, thank you. Moving on to liquor licence fees: last year in these hearings, Minister, we asked you about whether there would be an increase in liquor licence fees for big box packaged liquor outlets, and you said at the time — and I quote — you were considering advice from your department on those matters and would have more to say about it in the coming months. So the 22 million that is outlined there is the liquor licence fees on page 25 of BP5. Does any of that include increases for those big box outlets?

Ms GARRETT — No.

Mr D. O'BRIEN — None at all. Have you considered or have you received any advice on doing so and, as per the previous government, handing the revenue back to the Salvation Army's Youth Street Teams?

Ms GARRETT — We are considering all options. We have this review which we are setting up as we speak. We have the recommendations of the family violence royal commission. These factors will all be looked at.

Mr D. O'BRIEN — Okay. Minister, budget paper 5, page 107, refers to the operating performance, which shows a decrease of 8 million in the operating performance, which is listed as being due to lower forecast investment returns and the interest rate return on things such as the Victorian Property Fund and the Residential Tenancies Fund. Are you satisfied with the performance of those funds and this overall performance outcome?

Ms GARRETT — I might pass to Mr Cohen on those matters.

Mr COHEN — Thank you for the question. We have been challenged by the low interest rate environment that is currently in place in Australia. That is impacting upon the financial returns, but we have a robust governance process in place in relation to those trust funds. That includes a trust fund governance committee that is advised by independent investment advisers in relation to those trust funds. Just this year we have taken steps to, for example, move the residential bond funds into higher yielding term deposits. That is a step that we have just had approved and propose to take in the next short period of time. We also have a diversified portfolio in relation in particular to the Victorian Property Fund and we target achieving investment returns on those funds that are greater than CPI by some points.

Mr D. O'BRIEN — Minister, just with respect to the Victorian Property Fund — and I think you may have mentioned this before — do you have an idea or can you tell us how much out of that will be used to assist people in relation to the recent L. J. Hooker saga?

Ms GARRETT — Certainly. I am glad you have raised that, because L. J. Hooker is a really important example of the work that CAV does. This is a very large investigation that is being conducted. As is right, anybody who comes forward and has lost money as a result of the actions relating to the six branches that have been closed will be compensated through the Victorian Property Fund in full, and that work has already commenced and hundreds of thousands of dollars have already been given.

Mr D. O'BRIEN — Could you give us a figure on exactly what has been paid out so far and an estimate of what it might be in the future?

Mr COHEN — We have paid out three claims so far. The amount is just over \$250 000. We currently have 15 claims that we are assessing in addition to that. Our investigators are working assiduously through all of the materials in relation to the investigation, so at this time I am not in a position either to indicate in all the number of property sellers and landlords who might have lost money or the total amount of compensation. I think the

other thing I would note is that the other side is getting back money that has been taken away. So we will be looking at options as part of our investigation to ensure that we can actually claw back some of that money.

Mr D. O'BRIEN — We have just a short time, but are the claims relating to deposits lost, bonds, those sorts of things, or what are they?

Ms GARRETT — Both.

Mr COHEN — So the claims relate to both deposits and also to rental payments — —

The CHAIR — Ms Pennicuik until 10.10 a.m.

Ms PENNICUIK — Good morning, Minister, secretary and deputy secretaries. Thanks for coming today.

Ms GARRETT — Thank you.

Ms PENNICUIK — There is a lot of activity in these portfolios and, as you were saying, Minister, these portfolios and the activities in them have a direct effect on many Victorians — and vulnerable Victorians in particular. I would just like to take you to 'Statement of Finances', budget paper 5, page 145, and ask you to comment. What you said in your presentation was that there are currently 5.6 EGMs per 1000 people, which I think is very high, but you made the point of course that it has reduced from seven something or other — —

Ms GARRETT — Seven point seven six.

Ms PENNICUIK — It is good to see it has reduced, but I think in anyone's language 5.5 per 1000 is a lot. Under the statement of finances the revenue for EGMs will go up by 112 million or 10 per cent from the current financial year to 19–20. Can you comment on how that is going to come about? Why is there an expected increase in that revenue from EGMs?

Ms CARR — My understanding of that, Ms Pennicuik, is that those are Treasury forward estimates. My understanding is that they base it on inflation and other factors, but more detail on that is a matter for the Treasurer.

Ms GARRETT — I would make the point, however, that we are a rapidly growing population and we are the no. 1 tourist destination in Australia. Well done, Minister Eren.

Ms PENNICUIK — Yes, a rapid population but a falling number of EGMs. It seems to be counterintuitive if there are less per population, that the revenue would be growing, but anyway, I am not going to get too much further on that one by the look of it. Sorry, Minister, I took quite a lot of notes on your presentation — —

The CHAIR — Ms Pennicuik, maybe if you could just move your microphone a little bit closer so we can hear.

Ms PENNICUIK — Yes, I know. Thank you, Chair. I am trying to juggle bits of paper, the minister's presentation, budget papers and the microphone —

The CHAIR — You are doing a wonderful job, Ms Pennicuik.

Ms PENNICUIK — and all the notes I have taken of the minister's presentation. Minister, you mentioned the YourPlay review that is being undertaken; you mentioned that briefly?

Ms GARRETT — Yes.

Ms PENNICUIK — This is of great interest to us. You just said that preliminary data indicates a high uptake, so I wonder if you have any more detail that you can tell us about the high uptake, when this review might be completed et cetera.

Ms GARRETT — Yes. I do have some initial figures on that and they will of course be subject to change as the review goes on. It was rolled out everywhere, as stated, on 1 December 2015. Preliminary data provided to me shows that there have been 818 654 gaming machine sessions using YourPlay; 2.5 million responsible gambling messages have been displayed; there have been 8130 registered YourPlay cards issued; 15 274 casual

cards activated; and 1731 players who have set a personalised message to be displayed when they approach their playing limit. We will of course continue to gather that data. I am having an interim report handed to me towards the end of 2016 and a final report in 2017.

Ms PENNICUIK — In terms of percentage, what sort of percentage of people using EGMs do you think that uptake is?

Ms CARR — The data is very preliminary and it is very high level. We cannot tell from the data what percentage of all gaming machine players are using YourPlay. What we can tell is how many cards have been activated, how many accounts have been created and how many sessions there have been. Our evaluation is being independently conducted by the South Australian Centre for Economic Studies. They have collected some baseline data and they are currently in the field going back and collecting some more data since the introduction of YourPlay. When we get the outcome of that research it will give us a much richer dataset and we will have a much better understanding around who is using the system and what benefits they see and whether or not there has been any behaviour change created by YourPlay.

Ms PENNICUIK — Thank you. When were you expecting that sort of — —

Ms GARRETT — I will get an interim report towards the end of this year. These are complicated exercises doing this kind of research and, you know, talking to people, as you would be well aware. But we are getting a final report in 2017.

Ms PENNICUIK — Thank you, Minister. I just wanted to move to licensing or permits for EGMs. You would be aware of the controversial decision regarding the Langwarrin Hotel, which was awarded by the regulator another 10 poker machines, ostensibly because it had agreed to build a children's playground, and this has been a very controversial decision and worrying decision. I know that, Minister, you have said that you cannot intervene in that decision. We know that the Frankston area has a higher percentage than the state average of use of EGMs. I am just wondering whether there is any scope in the regulations to dissuade this type of reward for building what I would consider to be a fundamental thing in the hotel and then being rewarded with extra gaming machines in such an area.

Ms GARRETT — Certainly decisions around these things are for the independent regulator. I certainly take your point around the children's play areas, which is why the new guidelines for new venues have strict application around children's play areas and visibility to machines and the like. We do have an issue around where existing venues occur and their application, so I have asked the department to provide me with advice as to how we could amend the guidelines to cover both existing and new venues to deal with this very sensitive issue, as we should. So that work is being undertaken, and we will have further to say.

Ms PENNICUIK — I think the concern has been about the hotel seemingly being rewarded with extra gaming machines for this particular activity. Minister, before the Chair cuts me off, you mentioned earlier that you would be tabling some recommendations today from the Cohen review. Is that correct? Did you say that?

Ms SHING — Will you take that on notice, Minister?

The CHAIR — Yes, perhaps take that on notice. Ms Shing until 10.20 a.m.

Ms GARRETT — The O'Farrell review? Oh, yes. Sorry, yes.

Ms SHING — Thanks, Minister. Scams and dangers are some of the pitfalls involved in the level of trust that people often place in service providers, cold callers and visitors to their homes. It is an area where people are particularly vulnerable often to significant financial loss and often to a loss of dignity and of pride in the same process, and it is an area that I have a particular interest in, often because regional Victorians and people from Gippsland have fallen for these sorts of problems in the past and continue to do so. So I take you to budget paper 3, page 286, in relation to 'Information and advice provided to consumers, tenants and businesses'. Lots of consumers do fall victim to scams and product safety shortcomings, and I know there is a lot of work that goes on with Victoria Police and others to spread the word around being more aware and more savvy in the choices that we make as consumers, but what work is being undertaken by CAV to educate Victorians?

Ms GARRETT — Thank you very much for the question, and in this job you come up close to a lot of terrible things people do to each other.

Ms SHING — It ruins lives.

Ms GARRETT — It absolutely ruins lives, and it seems there are never-ending new and innovative ways to destroy people's lives and take money from them, and it is usually people who can least afford it. So the range of scams is just breathtaking. We would have seen recently in media reports vulnerable women, elderly people, at home being called by people saying they are from a government department and, 'If you don't pay this tax bill now, then we're coming to take you to jail'. Where that sounds slightly far-fetched, these people are excellent at what they do. We have had a situation where the latest scam involving Victorians is them buying iTunes cards where a woman spent \$5000 she simply could not afford on iTunes cards and gave the numbers across the phone to the person claiming to be from the ATO.

Ms SHING — So it is pea and thimble in the 21st century with technology and with all sorts of sophisticated approaches.

Ms GARRETT — Unbelievable, and of course these people are often all over the world. They are using disposable phones. Catching them after the fact — again we have had terrible stories around the romance scams where people have lost hundreds of thousands of dollars. It is about education, because it is very difficult to catch up with people. Take the romance scams — you have people who are in other countries, and because they are so good at what they do they are swindling really heartbroken people out of their life savings, hundreds of thousands of dollars. The ACCC reports that Victorians are losing about 20 million year to scammers, and nearly 7 million of that is dating and romance scams. So again in terms of the education that CAV does on this, we have a lot of education in different languages, we have got the social media, we have our stories. It is really important people tell their stories, and that is brave, because it is embarrassing.

Ms SHING — How do we actually deal with that? The shame is a very huge component, particularly of emotional vulnerability and particularly for people who live in isolated areas or small communities. So how do we overcome that in relation to the information and the assistance that is provided around reporting, because I suspect under-reporting is one of the features of this industry?

Ms GARRETT — Absolutely. These are just the tip of the iceberg, because with a romance scams or with an ATO scam or with a travelling conman scam — I have met people who have been victims of all of these scams and personally sat with them, and they do feel a shame — our aim, as a community, is to say, 'This is not you. It's not your fault. These are really evil people out there who are very good at taking people on and milking them out of their savings'. So one of our biggest issues is to say, 'It is much better to come forward. We can help you in our services'. We can obviously refer matters to the police. With travelling con men, I have met people who, you know, come and say, 'We are going to do your roof' —

Ms SHING — Absolutely. The roof painting and fixing scandal.

Ms GARRETT — and then it can turn very nasty, and they say, 'If you don't pay us the money'. Often these are people living alone or they are elderly people or they are not tech savvy or whatever. Or they might be very tech savvy. It can happen to anybody. Again, education is the best protection.

We have received 700 reports of scams just in the last six months — July and December 2015. A lot of that is travelling con men, false billings, investment and financial scams. Where we can, of course, we prosecute, and our most recent enforcement action was in relation to an employment scam; a Mr Petrovski was convicted under the Australian Consumer Law last month for making misleading representations and was fined tens of thousands of dollars. Of course we take action where we can, but again, as we have highlighted, getting in before, educating, and as a community, if you have got your parents or your mum living alone or a friend who is on the dating websites, as most people are these days, there are protections you can take. We have got easy tips on all of these things.

Ms SHING — And where can people access that information online?

Ms GARRETT — Absolutely. You might talk about that — —

Ms SHING — Yes, just briefly, because I would like to move on to — —

Ms GARRETT — Sorry.

Ms SHING — No, no. That's all right.

Ms GARRETT — Yes. Online, and — —

Ms SHING — Mr Cohen? Online that information is available?

Mr COHEN — At consumer.vic.gov.au.

Ms SHING — Fantastic. Thank you very much for that information. Minister, with the time we have left, I would like to talk about regional inspections. You touched on that earlier in relation to answers I think you gave to Ms Pennicuik or perhaps Dr Carling-Jenkins. I would like to take you to budget paper 3, page 284, and the measure in relation to regional inspections and how that work is being undertaken to ensure that there is actually an even spread of compliance activities. I know that that was one of the areas of criticism levelled at the former model before that was unpacked and reformed. Also what other changes in the policy at the VCGLR level have actually been implemented to measure and also undertake inspections that ensure we are mitigating harm in relation to alcohol as well as broader obligations?

Ms GARRETT — I think one of the really good news stories out of the budget and out of the VCGLR's performance does relate to regional inspections and getting back on the beat. We have still got work to do on that as to the appropriate model, and I will talk to that, but I think it is worth noting that we are already 48 per cent over our BP3 target of 1600 and we have hit 2364 inspections in regional Victoria. With liquor regional inspections we have seen a 21 per cent increase in 2015–16 compared to 2013–14 and a 45 per cent increase in the total number of liquor inspections. Under our government, the Andrews Labor government, inspectors physically attend licensed premises and gaming venues, as I have spoken about before. Whereas the concerns in the previous era — where they were simply the desktops or dropping a letter off, and that was reported as an inspection. Again, I think it is important, and I know I am restating it, but the reshaping of the compliance activities to conduct more inspections between 12.00 a.m. and 7.00 a.m., that has gone up considerably. We have now a new target of 8 per cent to better identify high-risk areas.

So then the next phase of this is to progress the development of regional hubs to support the commission's compliance efforts in regional Victoria. That is going to be the next stage — where should people be located and how does that work? But very gratifyingly already we are seeing a very large result of inspections and compliance. We are back talking to the local communities. This is about prevention and response — —

Ms SHING — And staff numbers? To accommodate the additional or the increased number of inspections that are happening on the ground, how have staff numbers been changed to reflect that, if at all?

Ms GARRETT — At this point what the focus has been on is absolutely refocusing the commission's activities.

Ms SHING — So working smarter?

Ms GARRETT — Absolutely. Part of what Mr Cohen's review has been really detailed around is the compliance division, moving from behind the desk to on the beat. That is where we see the big change. If we do need to look at more inspectors down the track, of course that will be part of budget processes.

Ms SHING — Once that review has been completed?

Ms GARRETT — But most importantly we are back doing what we should be doing, which is out and about amongst it right across Victoria.

Mr D. O'BRIEN — Minister, I think you are being modest, too, in talking about matchmaking services, because you have not mentioned your own skills in that area.

Ms GARRETT — In what?

Mr D. O'BRIEN — Matchmaking services. I understand — —

Ms GARRETT — Well, correct! There is no romance scam in my office. He has got the ring to prove it!

Mr D. O'BRIEN — Secretary, a couple of questions to you. We did not get the chance with other ministers. This is relating to operating expenses, so BP5, page 109. Could you provide to the committee the cost to the department, in breakdown terms, of flights, accommodation and other expenses for departmental officials undertaking overseas travel in 15–16, on notice?

Mr WILSON — We could do that. Yes, I would be happy to do that.

Mr D. O'BRIEN — Likewise, another one which we have also been asking other departments: could you provide us with data on the number of reported incidents of bullying that have been reported to your HR team — perhaps a breakdown as well on the types of bullying that there may well be, including whether they are identified by gender, sexuality, physical or other?

Mr WILSON — I am happy to give you what we can, on notice.

Mr D. O'BRIEN — Thank you very much. That would be great. Minister, could I go back to BP3, page 285. It refers to regulation of the Victorian consumer marketplace and lists here compliance activities. The number for 15–16 is considerably down on the target. The explanation for that is it is due to a shift from compliance assistance to inspections in the regions. Could you explain in a bit more detail as to why that was fairly dramatically down?

Ms GARRETT — It is lower, but that is, as stated in the papers, because we have taken — again similarly to the VCGLR — a 'let's get out there amongst it' approach, rather than sitting behind a desk, which of course requires a considerable effort and engagement beyond the phone call-type activity. I think what we can demonstrate throughout that if you are getting better results for the community, then that has been a worthwhile activity. Again, to go back to some of the major activities we have undertaken, with the rooming house inspections, inspecting every rooming house across Victoria; our work in underquoting; and our work in taking dodgy products off the shelves. We have had blitzes right throughout this year, including on hoverboards and — to bring in another exciting thing — on monkey bikes. Again, in taking these dodgy products off the shelves, that is about our inspectors out and about on the beat doing an outstanding job. The real estate underquoting, also our activities like with L. J. Hooker, like with Belle Gibson, it is about where we are putting our activity and our energies and our resources. I think we are seeing an unprecedented workload from consumer affairs and a very high-profile one. They have done an outstanding job.

Mr D. O'BRIEN — So the figure is 2327 lower than the actual 14–15 figure. Is there a lack of resources as well, and can I ask also: is one of the explanations inspectors having to work two-up rather than one-up?

Ms GARRETT — I might ask Mr Cohen to speak.

Mr COHEN — So the undertaking of physical inspections rather than some of the compliance monitoring activities does require further time. They are more thorough, and one of the things that has happened as a consequence of this change of approach has been the need to badge-up many more of our staff. So we have increased badged officers over the past couple of years from 66 to 96, and what we have seen is an uplift in the number of inspections that we have undertaken over that period of time as well from 2713 in 13–14 to a projected 5665 in 16–17.

Mr D. O'BRIEN — So that is a disaggregation of that data that is in the budget papers?

Mr COHEN — That is exactly right, yes.

Mr D. O'BRIEN — Right, okay.

Mr COHEN — Because of the time it has taken to uplift those and also to develop up the tools to assist our inspectors, like inspection checklists, and to develop the programs around seven key areas — estate agents, product safety, domestic building, rooming houses, motor car traders, residential parks and sex work — I think we are much better positioned going into 16–17, having put in all of those steps, to be able to deliver strongly against the program.

Mr D. O'BRIEN — Are inspectors being required to work two-up now?

Mr COHEN — No. They sometimes will go out two-up. It will depend on the nature of the inspection that they undertake.

Mr D. O'BRIEN — Okay. Minister, can I move on. BP3, page 89 has an allocation of \$10 million for rooming house upgrades to facilities in Ascot Vale, Flemington and St Kilda. Can you tell us who actually owns those properties? Are they government; are they private?

Ms GARRETT — Just give me a moment. I may need to take that one on notice.

Mr COHEN — Sorry, Mr O'Brien, could you repeat the question?

Mr D. O'BRIEN — The rooming house upgrade program refers to three existing rooming houses: Ascot Vale, Flemington and St Kilda. I just wanted to know who actually owns them, whether they are government, whether they are not-for-profits, private?

Ms GARRETT — We will have to take that on notice, but more than happy to provide you with that.

Mr WILSON — It is DHHS. It is page 89?

Mr D. O'BRIEN — Yes, that is right. It is. You are right, Secretary. It is a different department, but it is obviously relevant to rooming houses.

Ms GARRETT — DHHS. Yes, okay. We will take that on notice and get the information from the relevant department.

Mr D. O'BRIEN — If you could provide that on notice, that would be wonderful. Thank you. Also on the same topic, the phasing for this shows 1.5 million in 16–17, but *Labor's Financial Statement* had it as 2 million for 16–17. There is a \$500 000 difference. Again, I appreciate that might be not within your remit, but perhaps when you are asking the other department whether they could —

Mr WILSON — While I am there?

Ms GARRETT — While he is there.

Mr WILSON — I am happy to follow that up for you as well.

Mr D. O'BRIEN — seek an explanation as to why the figure has changed. That would be great, thank you. Minister, can I just go back to the electronic gaming machine question. The question I asked before — how many pubs and clubs have defaulted on repayments — was that one you said you would take on notice?

Ms CARR — I actually found the information.

Mr D. O'BRIEN — Okay.

Ms CARR — If you just bear with me, I will hunt it up again and I can answer your question in very general terms.

Mr D. O'BRIEN — Great, thank you.

Ms GARRETT — Yes, we have found that, so just one moment.

Members interjecting.

Ms CARR — Mr O'Brien, the answer to your question is that there is a total of 18 venue operators that forfeited gaming machine entitlements since 2012.

Mr D. O'BRIEN — No, sorry. This question was about who has defaulted on repayments.

Ms CARR — I beg your pardon.

Ms GARRETT — Sorry, we have got that too.

Mr D. O'BRIEN — You gave us the numbers.

Ms CARR — I cannot give you the detailed information around which particular venue operators. That is protected information.

Mr D. O'BRIEN — I understand that, but just how many. You gave us the dollar terms of what you have written off and what you are still chasing. I just wanted to know how many actual venues that involves.

Ms CARR — There is a mixture. There are venue operators that have defaulted to the extent that they have forfeited their entitlements, and there are 18 of those. Then there are other venue operators who may have missed a payment but have not forfeited their entitlements. There are also venue operators who may have missed a payment and sought an extension of time. We have a hardship scheme that operates, and the minister has delegated decision-making under that scheme to me. For instance, there have been 39 venue operators who have been given a two-year extension on their payment terms. So they are venues who have been able to demonstrate that their financial situation and their cash flow in particular is such that they have had difficulty making their instalments.

Mr D. O'BRIEN — Yes, I know that Community Clubs Victoria has said there are 12 to 14 clubs that are having issues with cash flow, and I would like to know — again I do not need to know who they are — just a number, and again am happy for you to take on notice how many.

Ms CARR — As I said to you, there have been a total of 39 extensions that I have granted, and 37 of those are club venues and 2 of them are hotel venues.

Mr D. O'BRIEN — Okay, thank you. A very short amount of time left. Minister, have you been advised whether you are going to have all your portfolios going into the future?

Ms WARD — You are so cute, Mr O'Brien.

The CHAIR — Order! I would like to thank the witnesses for their attendance: the Minister for Consumer Affairs, Gaming and Liquor Regulation, Mr Wilson, Mr Cohen, Ms Carr and Mr Condron. The committee will follow-up on any questions taken on notice in writing. A written response will be provided within 14 calendar days to that request.

Witnesses withdrew.