

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2009–10

Melbourne — 21 May 2009

Members

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Ms J. Munt
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Witnesses

Mr T. Robinson; Minister for Consumer Affairs;
Ms P. Armytage, Secretary,
Dr C. Noone, Executive Director, Consumer Affairs Victoria; and
Mr T. Lee, Executive Director, Community Operations and Strategy, Department of Justice.

The CHAIR — I welcome Dr Noone and Mr Lee of the Department of Justice. I now call on Tony Robinson, the Minister for Consumer Affairs, to give a brief presentation of no more than 5 minutes on the more complex financial and performance information relating to the budget estimates for the consumer affairs portfolio.

Overheads shown.

Mr ROBINSON — We have a number of slides here. With respect to Consumer Affairs Victoria, the role of the agency is to protect and promote the interests of consumers, and the agency plays a significant role as a leader in the national reform of consumer protection frameworks.

CAV's main goal in achieving its vision of an informed and responsible body of consumers and traders is to empower consumers via a competitive, fair and safe trading environment and to protect vulnerable and disadvantaged communities. It engages with consumers and businesses to help make markets work better.

Victorian consumers have the highest level of protection in Australia because of our leadership in consumer policy. That has been over a number of years. We work in modernising our consumer protection framework with a view in the next 12 months in particular of maintaining that level of protection, but actually reducing the number of acts that we are responsible for.

Over the last year we delivered services to more than 500 000 Victorians. As I said, we are committed to reducing the regulatory burden to improve Victoria's competitiveness and ensure modern consumer protection laws. One of the real achievements in the last 12 months was getting the commonwealth to acknowledge the strength and the utility of our unfair contract terms embedded in our Fair Trading Act and agreement that would be part of the national consumer law. That has been a very major achievement.

Moving to the next slide on funding, in 2009–10 the consumer affairs output cost target is 3.8 per cent of the department's total output cost target — that is, \$144.2 million. Of that, almost \$102 million comes from our trust funds. The rest, some \$34 million, is sourced from appropriations. I think consumer affairs probably ranks as the most self-sufficient of all the agencies going around.

On the next slide: liquor reform is the biggest project under way within the agency at the moment. In May last year the Premier announced the release of the \$37.2 million Alcohol Action Plan, which is about restoring the balance. It outlines a suite of measures to address alcohol misuse. DHS is the lead department for the Alcohol Action Plan, but the implementation of various acts is the responsibility of a number of departments, including Department of Justice.

Responsible Alcohol Victoria was established in 2008 to provide leadership across the government on alcohol policy reform and to administer the Liquor Control Reform Act. RAV incorporates the liquor licensing branch, which was formerly part of the CAV.

A key initiative within the Alcohol Action Plan is the new liquor licensing compliance directorate that will become operational midyear, with at least 30 new compliance inspectors. Its work will free up police work. For a long time they have had the responsibility of enforcing the law. We think, as a government, that the police are better placed concentrating on serious breaches of the liquor licensing laws and other public safety issues in and around licensed venues.

The directorate will have a coordinated approach to various licensees and a differential response to levels of risk. What we are going to oversee in the next 6 to 12 months is apportioning risk more directly across the licensees. This is not something that has been a feature of Victoria's licensing system; but we think it is now required. Over time, as evidence and outcomes data is collected, segmentation will become more sophisticated and will be based on the licensed premises proven risk characteristics and specific performance. Compliance activities will concentrate on high-risk premises and those of potential high risk.

Some of the activities the compliance directorate will be targeting in the coming financial year include inspections — they will be conducting up to 25 000 inspections per year to ensure that licensees are complying with their obligations; risk management — they will be working with licensees to address risks specific to a licensed premises; and enforcement activities — they will be supporting police.

I should just say that I had a meeting with licensees this morning. I think there is a shift going on amongst licensees, who I think now do more readily as a group accept the obligations and the responsibilities they have, and it was very pleasing this morning to see them embrace the Championship Moves program of the government. They were also very good at a recent forum held by the City of Melbourne. I think they are getting the message and wanting to be part of the solution.

Slide 5 outlines some other work on Victoria's leadership in consumer policy reform. Victoria has been the lead state in the past 18 months to two years. There are a number of features mentioned here. The Australian consumer law — last year a major submission by the Victorian Productivity Commission's review of consumer protection laws were acknowledged by the productivity commission, and Victoria got more out of that process than any other state. We are continuing to influence the detailed design of the new national law and operation of protocols with other jurisdictions. As I said earlier, the unfair contract terms that are a Victorian creation are going to be incorporated into the new national law.

Separately, we have a modernisation project within the department. We are aiming to reduce business regulation and repeal redundant Victorian legislation. Our aim — it is a little ambitious — is to repeal ultimately about 20 acts related to consumer affairs. That can be done in a number of ways. We had a discussion paper released late last year that relates to five pieces of legislation that we believe could be largely repealed, and we will continue our work on that.

Credit transfer is an important area that is emerging. Consumer affairs ministers last year agreed nationally that we would agree to the commonwealth taking over credit. In my view it should have been done a long time ago, but we have made terrific progress there. There are some issues that we are continuing to discuss with the commonwealth on credit, and I will be happy to allude to those in more detail later.

Product safety reforms continue. We reached agreement with the commonwealth last year over a new product safety regime where the states will maintain, but in a more unified way, their interim safety ban powers, but the commonwealth will assume the permanent safety ban power. That is something we have been pleased to see the commonwealth do some work on recently by allocating resources to the ACCC and, importantly, personnel. It is not as easy as job as people might think, but we are confident the commonwealth understands how that works.

Finally, we focus on service delivery. I do not want to speak too much about that, but clearly in the coming year we have got more to be done on the work we have done so far in relation to student accommodation; we made some progress last year on that. Residential caravan parks and rooming houses — I know that is a contentious point in the state at the moment.

We have new financial counselling programs that I alluded to, with a \$2.8 million additional allocation for the next 12 months, and we will revisit that at the end of the year. We are hopeful the commonwealth might also join the party on financial counselling. There was some additional funding provided as well via the bushfire response in a number of key areas. We are also going to continue our work in relation to itinerant traders, and the director might like to add a bit more to that at the appropriate time during questions, because we did pilot some programs in the country and city areas last year that I think showed some good results. Chair, I think that is probably enough from me.

The CHAIR — Thank you, Minister. I am still trying to work out what the photo on the front of the presentation means in terms of consumer affairs.

Mr NOONAN — Minister, you touched on in your presentation the important area of credit transfer and the potential commonwealth takeover in this area. I am keen to understand what work consumer affairs will do in the area of consumer credit over the forward estimates period in this particular area.

Mr ROBINSON — Consumer affairs will work very closely with the commonwealth over the coming 12 months with respect to the transfer of credit from a series of state-based regimes to a unified national scheme. This has been talked about for years. When banking services and some other financial services went off to the commonwealth in the early 1990s, for some reason, and I cannot explain it, credit was left behind.

What that has meant is that we have a very disjointed system of credit regulation across the country — different regimes, gaps in consumer protection and really something that I think panders to worst practice rather than best practice and does allow the less conscientious credit providers to simply move around to exploit those gaps.

We are very pleased to work with the commonwealth on credit. The commonwealth came out recently with draft legislation about how it will regulate credit provision. We support those moves. There is a lot more detail to be worked out. One area in particular that we have been concerned about is payday lenders, small suburban-type credit providers, and I do need to reference the member for Preston, Mr Scott, here.

A number of jurisdictions have sought to tackle payday lenders in different ways. Whilst most jurisdictions maintain caps on lending rates, some of these caps are inclusive of all charges, and some are not. This is an area where evidence is very sparse as to what actually works. We have had a view that we will work with the commonwealth on a comprehensive system. We are not beholden to whether caps should or should not be inclusive, because our position is that we have failed to see any evidence that says one means is better than another.

What I asked the member for Preston to do early last year was to investigate whether we could not get a higher standard of performance from payday lenders. To his credit he knuckled down to that work with CAV and the payday lending sector and managed to get them to reach an agreement that they should adopt a code of practice. The member might correct me, but I think that is the first time anywhere in Australia that payday lenders have actually agreed that that is a way forward.

There is a bit of arm-twisting to go on. We have since had the commonwealth announce how it is going to regulate credit providers, so we have had discussions with the commonwealth about how we might get codes of conduct to effectively be part of a licensing system. There are a few ways that could be done; it may be via a code or it might be codified licensing conditions. Either way, the work of the member for Preston is informing this discussion and I think will contribute to a better outcome.

We have circulated his report to other jurisdictions, and certainly the commonwealth is aware of it. There are simple things like how we get a better result with payday lenders and utility providers, and the report has really been a torch shone in that area. In respect of one of the credit providers, a surprisingly high number of loans were provided to people who were using them to pay utility bills, even though utility providers in Victoria are obliged to provide interest-free terms.

We are not quite sure why this behaviour has emerged. It may be that people are simply too proud to acknowledge that they have got a problem, and they would rather go to a payday lender; we are not sure. But the report has shown a light on how we can get some behavioural change in that area. I think in credit we are going to see some very substantial changes going forward in the culture of business in that sector, and I want to acknowledge the work of the member for Preston in that area.

Mr DALLA-RIVA — I refer the minister to budget paper 3, page 287 and then page 159. Page 287 mentioned the Victorian alcohol action plan, which I understand was an initiative reported in the previous budget update, but in the forward estimates there is for the ‘accelerated implementation of the compliance directorate’ \$3.5 million and then \$0.4 million. In terms of page 159, you see ‘inspections, compliance monitoring and enforcement activities’ and a footnote which I have referred to, and a substantial increase from 7750 inspections up to 33 250.

What I am seeking in terms of the forward estimates is the number or percentage of that total that relates to liquor licensing: will all of that increased target be met by the government’s new civilian compliance directorate with, as I understand, 30 inspectors and six lawyers or does the target include activity by Victoria Police? How much additional revenue does the government expect to receive as a consequence of the proposed increase in enforcement activities relating to liquor licensing? It relates essentially to the revenue base and, as I outlined, the other bits.

Mr ROBINSON — I think I can best answer that, Mr Dalla-Riva, by indicating that overwhelmingly the majority of that increased number of activities is accounted for by the anticipated activity of the compliance unit. It does not include police activities, because I am not responsible for those directly, but we would imagine that the police would continue to be involved.

In fact we have indicated in the legislation that supports the establishment of the compliance unit, and the police, that they will be able to discharge a lot of the jobs that police currently do but not all of them, so the banning notices and other things would still be the province of police.

Going beyond what we anticipate as to how much of the activity we could finetune, we envisage, going forward to 2010-11, that that depends in part on the reaction, the response and the support we get from licensees, because principally the compliance unit will be dealing with licensees. We are going to create a compliance unit which puts a premium on best practice. We would hope that licensees would work constructively and cooperatively with the compliance unit.

In recent weeks I have been pleased with the attitude of licensees. Members might recall we attended a recent forum at the City of Melbourne, organised by the Lord Mayor for licensees. I went into that forum with some trepidation. I thought it would be an exercise in people pointing the finger and blame, but in fact it was a very constructive forum. I think the attitude of licensees as a whole has moved on in the last year.

There were some very constructive observations made there. For example, licensees are looking to have higher standards of training for security staff that they hire. They have alluded to problems that have got out of hand because, in their view, the security staff or security attendant did not have the requisite skills to deal with a particular circumstance. I think that is a very constructive observation.

They also talked positively about their desire to have not only good relations with the compliance unit but also to establish more consistent and ongoing relations with police. That was a positive initiative. It is difficult to estimate beyond the immediate establishment of the compliance unit precisely what volume of work they will be doing. To some degree that will be a reflection of the moves and the progress of licensees in accepting fully the responsibility that they have — that is, to operate their businesses and their practices under the law in a very responsible manner.

The CHAIR — Did you have any more information on the make up of the 33 250 — I think that was the other part of the question?

Mr ROBINSON — What we are alluding to there is that we are estimating some 25 000 inspections by the compliance directorate and 8250 audits, inspections, investigations and civil, criminal and administrative proceedings and processes. They will not be, however, sent out as a compliance unit to fill a quota. I am not suggesting, 'Here is the number; go out and fill it'.

The CHAIR — This is an indicative judgement?

Mr ROBINSON — Yes. Liquor is one of those areas. As I said, liquor and gaming are probably the two most heavily regulated businesses anywhere in the country and amongst the most heavily regulated in the world. You could sit there and find fault on everything, if you wished, but the compliance officers' job will be largely to get a culture of best practice up. The estimates going forward, though, I think are quite reasonable.

Ms MUNT — Minister, I refer to page 141 of budget paper 3 — Department of Justice. Under the heading 'Departmental mission statement' it states:

The department provides a policy and organisational management focus for the vision of a safe, just, innovative and thriving Victoria, where rights are respected and diversity is embraced.

How does that relate to the national harmonisation program?

Mr ROBINSON — As I think members would be aware, in May last year the final report of the Productivity Commission's review into Australia's consumer policy framework was delivered. The report provided much-needed analysis of Australia's existing consumer policy framework and considered recommendations for reform. That was considered by the Ministerial Council on Consumer Affairs. In August the ministerial council agreed to a series of proposals for far-reaching consumer policy reform.

I should acknowledge that the last time we met the director was Dr David Cousins. The Productivity Commission does not give praise lightly, but at the meeting in May last year — which I think followed my PAEC appearance last year — the commission gave him rare praise. Of all the submissions that they received

on the consumer law framework report, the one person they praised extensively was Dr Cousins and the Victorian presentation. I said to him that was a pretty fair tribute for his time in that role.

The Council of Australian Governments has also been involved. In October 2008 COAG agreed to a new national consumer policy framework to enhance consumer protection, to reduce regulatory complexity for businesses and encourage the development of a seamless national economy. You have actually got the ministerial council working very constructively — a great relationship with the federal minister, Chris Bowen.

You have also got COAG giving directives. I think COAG is identifying that this is probably the forum beyond all others in which real progress is being made. I wanted that acknowledged — that is, that no more progress has been made in any other forum than this one in the last 12 months.

A very cooperative approach is adopted here. The PC has estimated that a series of recommendations it proposed could result in benefits to Australian consumers between \$1.5 billion and \$4.5 billion a year.

Consumer Affairs Victoria is currently involved in eight major reform areas; I would suggest that there is no other agency involved in as many as that. We are regularly proposing to the commonwealth, and we proposed as recently as a couple of weeks ago in Hobart, that we would be prepared to work with them on an occupational licensing matter and some conduct provisions. No-one else is doing as much as we are.

I should say that our role has been very well recognised by the commonwealth. Indeed federal Minister Bowen launched his discussion paper and the indicative legislation for a national consumer law here in Melbourne. We have a very good relationship with the commonwealth. This was not always the case, I might say, in consumer affairs, but we think this is a great opportunity to advance in a very profound way consumer law in this country to get a more consistent consumer framework and still allow us to advance our claims on things like lemon laws, which I know you are very interested in.

Ms MUNT — I am.

Mr ROBINSON — We discussed this recently in Hobart, and the minister has given quite specific undertakings that, as a consequence of our representations last year — that we wanted our lemon law work continued on within that national law context — he would use his advisory council, which goes by the acronym CCAAC to undertake some work on the Trade Practices Act 'Implied warranties' heading.

As you would appreciate from the work you did, lemon laws and other things are all about implied warranties — what is a fair deal for someone — so he has given commitments that he will come back to us with a report on that, and we are very confident that ultimately we will get the lemon laws protection that you have been so passionately championing — we will get them not just in Victoria but across the country.

Ms MUNT — That would be the best implementation, so that there is no lemon laundering between states, and could I also put on the record my thanks to Consumer Affairs Victoria for their wonderful support while I was doing that community consultation.

Dr SYKES — Minister, I would like to get some information on liquor licensing fees. The government increased liquor licensing fees by between 20 per cent and 81 per cent on 1 January 2009. I am interested to know, for a start, how much additional revenue will be raised as a result of that increase?

You also indicated that that would be a two-staged approach, so I am interested to know when the next stage fee increase will occur and how much money will be involved? Then, armed with that background, you have indicated that the intention of the fee increase is to reduce alcohol-related harm, particularly violence in and around licensed premises, and I wonder how increasing a fee on a fully licensed RSL club, by about 49 per cent, will help achieve that goal?

Related to that is: do you have many issues with alcohol-related violence around RSL clubs and if not, are they therefore paying an unfair fee increase?

Mr ROBINSON — It is a fair question, Dr Sykes, and I am happy to answer it. What we did last year was to recognise that the liquor licensing fee structure needed to be updated, because for some time the cost of the system has exceeded what is paid in fees. So as of last year the administration of liquor licensing in Victoria was costing something like \$15 million, of which only \$9 million was being recovered.

Before we even get to the position of how we will tackle antisocial activity there is a fundamental point here that licensees should pay their way. Whilst we maintain a system where the cost of the licensing regime exceeds what is paid by almost 50 per cent, it is very difficult to say how you will tackle these things.

Therefore, we said it has to be about cost recovery. That is not an alien principle — I think most people would accept that if a system costs \$15 million to run, then licensees should be paying \$15 million. So that resulted in the increases that you saw, that were posted out late last year, and they were payable by the end of January. Of that \$15 million, I do not know that the whole amount has been recovered but pretty much we would anticipate that \$15 million would be recovered through the course of this year.

What we have said beyond that, to tackle the second part of the question — and I do acknowledge that with RSL clubs, you would not say that they were the epicentres of antisocial activity — what we said was that we needed to build into the licensing system segmentation that better identifies risk, and again historically the liquor licensing system has not done that. That system goes back to a framework of the 19th century where liquor consumption was a very hot topic, and in Victoria and elsewhere a whole series of licence types have evolved; but they have not, at any real point in time, identified risk. The point you are making is one we are very conscious of — that across venues that are licensed, there are clear distinctions in risk.

Intuitively you would say that the small restaurant that shuts at 11 o'clock in a quiet country town is not nearly as risky as a large nightclub in King Street. So what we are attempting to do this year as a second, follow-on phase is to devise new licence categories that better reflect the risk, and then try to build an evidentiary base — and this is stage 2 — and to get to a system where those who contribute more harm or risk are more likely to pay more for their licences.

That is not an easy thing to do. You have to build up an evidentiary base because ultimately licensees have a right to challenge certain things, so we have to be confident that when we send — not the small RSLs you are alluding to — prospectively to a large nightclub in an inner city area a licence fee that might be beyond what it currently is, that club understands that this is because of the risk profile.

I do not want to give a specific number as to what amount of fees we would recover under the second stage, but it will be more than \$15 million, because there will be more work involved and the recurrent costs will rise, but we will make that available later this year.

That will be subject to a regulatory impact statement, as indeed last year we did an RIS; but the move towards a more transparent indication of risk within the licensing system and within the premiums paid is what most Victorians would say was an appropriate step.

Dr SYKES — Just clarifying that, I understand you are not ready to divulge how much is involved in the second step; but in the first step you are saying you have about \$15 million to come in?

Mr ROBINSON — Yes. This year we aim to recover \$15 million. The licensing system works on a calendar year, not on a financial year, but there is the difference there, but we hope to recoup \$15 million which is equivalent to the costs of administering the system as it existed late last year and early this year. As the cost goes up because of the greater workload that goes into differentiating risk, the revenue will increase in line so that we can maintain cost recovery.

The CHAIR — Thankyou, Minister. I am sure you will not need to ask the minister assisting the Premier in veterans affairs about the RSL clubs.

Mr SCOTT — Thank you, Chair. Firstly, Minister, with the Chair's indulgence, thank you for your kind words earlier.

I refer the minister to budget paper 3, pages 159 and 160 and I ask the minister to explain to the committee future plans to improve housing conditions and protection for disadvantaged Victorians.

Mr ROBINSON — For some time Consumer Affairs Victoria has been undertaking a review of residential tenancy matters, and I know you are aware of this, Mr Scott, because I visited your electorate where a rather prominent residential park operates.

The CHAIR — A caravan park?

Mr ROBINSON — It is a combined caravan/residential park, which in itself is a reflection of the changing dynamic in housing provision in Victoria; and for the benefit of the committee, perhaps I could explain that what we have seen over time are new housing forms emerging which do not automatically gain recognition in the legislation.

Residential parks are really an evolution of caravan parks. You have transportable units — mobile homes or prefabricated cabins, I guess — which the resident owns, but they are actually located on land that they lease, effectively. This is a departure from caravan parks, and from time to time it throws up, as it has thrown up at Summerhill, issues about how the law protects residents and what is an appropriate level of protection. We have done a series of pieces of work and continue to be involved in this space.

I suppose our work falls into three categories. The first is in relation to overseas students who face particular pressures. We are almost at the point — when the Parliament passes the bill, hopefully — of being able to provide some greater assistance with the tightening of the current exemption under the RTA, which for years has effectively allowed people to self-exempt and say, ‘I am providing an educational accommodation facility. Therefore, I exempt myself from the act’. That will be harder to achieve. That is the first piece of work. We have some more work to do for overseas students, and that will progress through the course of the year.

In respect of rooming houses and boarding houses, as you would be aware that is also an issue. We are conscious of the complaints which emerge which often cover building matters, health matters, and amenity issues. Different agencies have different powers. We are doing a number of things here.

One is that we have amended the health regulations to give councils greater ability to intervene under their Health Act powers, and that is by virtue of lowering the threshold as to what constitutes a boarding house under the Health Act. It used to be about five or six rooms; we have lowered that to four. That is giving councils some additional power.

We have also worked on a pilot compliance program involving councils, health department people and CAV inspectors. They have gone around in a coordinated way to look at the totality of provisioning in those houses and to report on them. That has been quite a successful program. There have been some mixed results. I think in one municipality all of the boarding houses they visited satisfied the legal requirements.

We think there is more work to do there. I should say that one of the things we are planning to do this year through the property fund, which I oversight, is to work with the Office of Housing — in fact over the next two years — to make available up to \$10 million for boarding and rooming house support. Previously Consumer Affairs Victoria had worked in an opportunistic way with the Office of Housing, so where an opportunity comes up to secure a boarding house — and we are dealing with one in Altona at the moment — the assistance of the property fund is sought. I actually wanted to formalise that, and use the property fund for strategic purposes so we can get out not just opportunistically but systematically to try to make additional boarding house and rooming house provision. I think most of that is going to be run either by the Office of Housing or by community providers.

That is probably a snapshot of where we are at with boarding houses. The third piece of work is residential parks, and we will be releasing an options paper shortly that looks at some options for improving the recognition in the first instance and the protections available to residents.

The CHAIR — Thank you, Minister. The members want to ask three more questions before we finish, so you may need to be quick.

Ms PENNICUIK — Page 160 of budget paper 3 and your slides mention the \$144 million total output costs, of which \$102 million is from trusts or from revenue. The outputs are quite high — 598 000 for information and advice to consumers and traders. It seems that most of this is involved in liquor licensing and the registration of business names, et cetera.

There are reasonably high targets, and I assume they are mainly in those areas. My question is: what proportion of the appropriation fund, I suppose, is given to key consumer protection activities such as improving the motor car traders industry, which is one of the most highly complained about by consumers, or monitoring door-to-door energy sales, which is also the subject of a high volume of complaints, and other general consumer complaints?

The CHAIR — If you do not know the exact answer, you can take it on notice.

Mr ROBINSON — I guess more specifically I could let Dr Noone answer or just put that one on notice. I am not sure I agree entirely with your assessment, and I do not mean any disrespect in that. Certainly liquor licensing is a big component of CAV's work, as is business name registration, but they are not the mainstays.

I think the mainstay is tenancy issues. As I have been around to the regional offices almost consistently they say that about 45 per cent of the inquiries relate to tenancy matters, overwhelmingly from tenants although occasionally they get landlords ringing in. The call centre deals with half a million calls a year — an extraordinary number — and they are about everything. I spent some time down there earlier this year, and it is quite extraordinary to see what comes in. It covers a very wide range of activities. I would be happy to give you a breakdown if you like.

The CHAIR — That would be good. Take that one on notice because we still want to do a couple more questions.

Ms HUPPERT — I refer you to page 159, budget paper 3, outputs, in relation to inspections, compliance monitoring and enforcement activities. Could you please outline for the committee what Consumer Affairs Victoria is doing in the forward estimates period to protect consumers from scams, and especially from online dealings which I understand have been increasing?

The CHAIR — The emails Commonwealth Bank scam seems to be well and truly alive and well at the moment, with probably about five a day.

Mr ROBINSON — Yes.

Ms HUPPERT — I have to admit that since I entered the Parliament I have had a number of interesting requests for assistance from places in Africa.

Mr ROBINSON — I would like to be able to tell the committee that there was a simple way of dealing with this, but I am afraid there is not. As the internet and internet-based devices become more and more a part of our lives, we are all going to be subjected to more and more approaches. Indeed, the ingenuity of people who involve themselves in internet-based scams knows no bounds.

Indeed I was recently with the member for Mordialloc, and we were discussing a scam that is deviously brilliant, where someone gets an email from someone purporting to be a personal friend, saying, 'I am stuck in country X. My passport has been lost. Please send me some money'. This is a new scam.

Ms MUNT — From their own email address?

Mr ROBINSON — We are not quite sure how it is done. It involves some untoward computer technology and a little cookie somewhere, but it is an entirely new scam. We will have to refine how it is we get warnings out very quickly about these things. Increasingly, Consumer Affairs Victoria is required to put out warnings on these sorts of things. We work quite well with other partners on some of these matters, and we discuss these things quite regularly at ministerial forums. I do not have a simple answer for you, I might say.

In 2008 we recorded in excess of 3500 calls and complaints about scams. I can give you an assurance that what we will continue to do is to put out warnings to people. It is a simple message: if it sounds too good to believe, it almost always is. Internet scams today are a modern manifestation of the old door-to-door tactic with older people who are inclined not to think that this could be anything other than a genuine approach. It is a challenging issue. CAV in the next 12 months will devote more resources to it. But I think it is partly about getting a really rapid response so that when the member for Mordialloc or the member for Benalla rings in and says, 'I have heard of this scam', we can actually get warnings out to people more quickly.

The CHAIR — Thank you, Minister. A final question, Mr Rich-Phillips?

Mr RICH-PHILLIPS — Minister, on the same output measure — inspection and compliance monitoring enforcement activities, in relation to retirement villages there seems to have been an increase in complaints about them. With respect to the current 2008–09 year, can you tell the committee how many legal proceedings

have been initiated by CAV this year in relation to the Retirement Villages Act? And with respect to the new target of 33 000 compliance activities next year, how many relate to the Retirement Villages Act?

Mr ROBINSON — I cannot give you that specific detail. Retirement village complaints would be a relatively minor proportion of the total complaint load that CAV receives, but that is not to diminish in any way the significance of them. CAV has some well-developed protocols as to how to deal with those but as happens sometimes with incorporated associations, these end up being about personality disputes which CAV is unable to reconcile. I am familiar with some of these. I think the member for Carrum had some particularly difficult retirement village issues, and I am certainly aware of the effort that Consumer Affairs Victoria makes.

We will get you some more information on that. But, as I say, sometimes they do become intractable by virtue of — and I am sure you have probably come across these — the long, existing predispositions towards each other which even Solomon with all his wisdom could not solve. So we will get you some information about that.

The CHAIR — That concludes consideration of budget estimates for the portfolios of gaming and consumer affairs. I just want to make sure that the department provides the committee with information on federal grants and funding, both output and assets, for the portfolio departments and agencies. I thank the minister and departmental officers for their attendance today. Where questions have been taken on notice, the committee will follow up with you in writing at a later date. The committee requests that written responses to matters be provided within 30 days.