

CORRECTED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2011–12

Melbourne — 18 May 2011

Members

Mr N. Angus

Mr P. Davis

Ms J. Hennessy

Mr D. Morris

Mr D. O'Brien

Mr M. Pakula

Mr R. Scott

Chair: Mr P. Davis

Deputy Chair: Mr M. Pakula

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Witnesses

Mr M. O'Brien, Minister for Consumer Affairs,

Ms P. Armytage, Secretary,

Mr S. Condron, Chief Finance Officer,

Dr C. Noone, Executive Director, Consumer Affairs, and

Ms C. Gale, Executive Director, Community Operations and Strategy, Department of Justice.

The CHAIR — I now welcome Dr Claire Noone, executive director, consumer affairs, Department of Justice; and Ms Carolyn Gale, executive director, community operations and strategy, Department of Justice. I now call on the minister 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 M. O'BRIEN — The coalition government's approach to consumer affairs is that we believe in helping consumers to be aware of their rights and helping traders to be aware of their responsibilities to consumers, and in doing so we will aim to promote compliance and minimise disputes. In liquor licensing, we believe liquor licensing should reflect community attitudes and values while respecting that there is a diversity of views. We support the right of Victorian adults to consume alcohol responsibly but recognise the need to regulate distribution to prevent alcohol-related harm as much as possible.

In relation to the budget breakdown, Consumer Affairs Victoria has a budget of \$114.16 million in 2011–12, or 2.6 per cent of the overall DOJ budget. Responsible Alcohol Victoria represents \$19.55 million of that. The CAV total of \$94.61 million is sourced from appropriations and trust funds such as the Victorian Property Fund.

The government's election commitments will be implemented through resources in CAV. Moving to the budget targets, the set budget targets for 2011–12 are: in terms of information and advice provided to consumers and traders, 606 350; in relation to inspections, compliance, monitoring and enforcement activities, 9075; registration and licensing transactions, 600 000. I can also advise the committee that at this stage it is expected that Consumer Affairs Victoria will meet or exceed its targets for the 2010–2011 budget year.

The mix of the activities that CAV is undertaking will change to reflect the government's agenda. We are very keen on having improved access to information for consumers, particularly in rural and regional Victoria and flood-affected areas. We believe the use of modern technology is a great opportunity to get more information out to consumers and to traders in relation to their rights and responsibilities, and to do so in a timely way and also in a way which reduces cost. We think there are better ways to get messages out there, and use of new technology is one of the ways in which we can deliver that outcome.

CAV has a number of initiatives to boost service delivery, including increasing community engagement and mobile services; increasing compliance assistance for business; and a new unlicensed motor car trader strategy. Of course there has been a big change with the Australian Consumer Law taking effect from 1 January this year. That is essentially a nationwide law to provide a consistency of rights and obligations for consumers in relation to their dealings with businesses right across the country. We still have a Fair Trading Act in Victoria, but many elements of that are now consistent right across the country. It does not make sense for somebody in Albury to have different rights in dealing with a trader than somebody in Wodonga. There are some basic standards that consumers should be able to rely upon wherever they live in this country. This is an example of where you can have some cooperative federalism, where Victorians will actually benefit from having a consistency of approach and consistency of standards applying through the Australian Consumer Law.

CAV has been particularly active in relation to the Victorian floods that occurred earlier this year. There were 370 telephone inquiries for advice; CAV has visited 19 towns over five days; over 300 people received direct advice about renting, repairs, con men and scams. There was help at Mildura and outreach in Swan Hill and Charlton. There was also a bit of administrative flexibility shown — a reprieve for organisations that were struggling to meet licensing or registration requirements. I think that is a sensible approach when people, frankly, had more important things to worry about. Obviously we do need to ensure that people comply with regulations, but a little bit of administrative common sense goes a long way, and I am pleased that CAV was able to offer that. We also send regular web updates and Twitter updates as well.

In relation to Responsible Alcohol Victoria, this has been a very significant area of policy initiatives for the new government. We have already seen legislation passed through Parliament to provide for new offences and increased penalties to combat public drunkenness and maintain public order. That was in the Justice Legislation Amendment Act. We have already seen the passage of secondary supply legislation to give parents more control and more influence over how their children may be exposed to alcohol. We think that is a very important step to provide parents with that opportunity to be able to have more influence and more say over

how their kids are exposed to drinking. That legislation has already passed through the Parliament and been gazetted, I understand.

In the budget we also announced \$800 000 for the organisation 'Step Back. Think.', which arose out of the tragic events that involved James Macready-Bryan, a young man who has suffered permanent brain damage as a result of a violent attack in Melbourne's CBD. A lot of James's friends understood there is a need to get the message out that one punch can kill, one punch can change a life irreparably. The 'Step Back. Think.' organisation is terrific, because it is young people speaking to young people. Frankly, they can do it better than a politician in a suit. We are very pleased to be able to support 'Step Back. Think.', with \$800 000 over four years announced in this budget.

I have previously made reference to the bringing together of liquor and gambling regulation in a new regulator, the joint Victorian Commission for Gambling and Liquor Regulation. That will have some benefits for business as well.

We will be introducing a demerit point system. We think the community at large is frankly fairly sick of the idea that licensees who act like cowboys and who consistently break the law should be able to keep doing so because the legal process takes such a long time and fines may be relatively small in some cases. We think that a demerit point system which operates on the same fundamental basis as a drivers licence demerit point system will be able to have a more immediate impact. It means that if you have recidivist offenders, once they reach a certain threshold, they will have their licence suspended for a period of time automatically, and we think that will have a real impact on the culture of some venues and some venue operators, which is its intent.

We are also keen to engage in packaged liquor licence reforms. That is a difficult area. At the moment there is one standard, flat fee for packaged liquor outlets. That means that an enormous liquor supermarket is essentially paying the same liquor licence fee as a tiny little mixed grocer. It does not seem to be very equitable, but more importantly it is not risk based. We are looking to see how we can try to improve the system. There are some constitutional issues there, which I understand the previous government came up against, so I am not going to underestimate the strength of the challenge we face, but we are determined to work through that and to deliver the best outcome we can.

We will also be having more training and enforcement focused on late-night venues. We have extended the freeze on any new late-night venues in Melbourne, in terms of Stonnington, the city of Yarra, the city of Melbourne and the city of Port Phillip. That freeze has been extended to 30 June 2013. We are undertaking an audit of late-night liquor venues in terms of their security conditions, and we will be introducing a 5-star rating system to provide a form of reward for those venues with long track records of good behaviour.

Just briefly referring to budget outcomes, BP 3 measures, we have 68 000 as a target for information and advice provided to consumers and traders; we have 16 000 as the target for high-risk premises in relation to inspections, compliance monitoring and enforcement, and 69 000 is the target for registration and licensing transactions. You will note that liquor licence fees were reduced by a cumulative \$2.3 million as a result of the implementation of the government's election commitment to cut liquor licence fees for low-risk venues.

If you look at the next slide, you can see the scale of that fee for a number of different low-risk venue types. Restaurants and cafes essentially had their fees halved, as did restricted club licences, as did vigneron, as did limited renewable licensees, as did BYO and as did full club without gaming.

Going to the next slide you can see that over 11 000 businesses, most of them small businesses, have benefited from the government's liquor licence fee reforms. Whereas previously liquor licence fees went up significantly, which caused a lot of hardship for small businesses, we have identified there are a number of low-risk businesses that should not have been caught in that net, and we have taken considerable action to reduce their liquor licence burden. You can see the numbers there for yourself, Chair.

It is a very busy policy agenda in consumer affairs, particularly in relation to alcohol licensing. We have already established a number of pieces of legislation through the Parliament, but there is more to be done.

The CHAIR — Thank you, Minister. We have about 35 minutes for questions on the consumer affairs portfolio, and I ask: how have predictions concerning population growth shaped the budget for 2011–12 and the out years for the consumer affairs portfolio?

Mr M. O'BRIEN — Thank you, Chair. The ageing profile of the population poses some significant challenges for consumer affairs, because consumer affairs is responsible for the regulation of retirement villages. As we see new retirement villages created and as we see new forms of retirement living being developed, getting the regulatory framework right is going to be extremely important. At the moment nearly one-quarter of Victoria's population will be over 65 by 2056, which is a very significant amount. Victoria's regional population is ageing faster than that of Melbourne. In terms of getting the regulatory frameworks right — because for many people, whether it is retirement villages or other forms of aged-care housing, it is a very significant financial decision that they have to make. I think there is probably broad agreement that the current system is not perfect — I do not think there is any system that is perfect — but we do need to do more, particularly in relation to ensuring that there is better disclosure of contractual terms and conditions. It has to be not just disclosure in terms of, 'Here's a telephone book of a legal contract', but disclosure in a way that people can actually understand.

We think that a lot of disputes that we see through CAV in relation to the operation of retirement villages and other aged-care homes could be dealt with if people had a clearer idea at the outset of what they were agreeing to, and that applies to both village operators as well as village tenants. We will be undertaking a project to review the way in which we have disclosure for contracts for retirement villages and other forms of aged-care accommodation. We think that getting that right is going to be very important.

I know there has been a push in some quarters for standard contracts. I think the difficulty with a standard contract is that we are seeing a flourishing of different types of aged-care accommodation, and trying to distil all that into a one-size-fits-all contract is likely to be very problematic and could actually stop a lot of innovation that might benefit consumers. I am not sure that having standard contracts is the answer, but having better disclosure and in a way that leads to better understanding of people's rights and obligations when they enter one of these villages is, I think, very important, so that is something that will be very much a priority for CAV.

Mr PAKULA — Minister, when I peruse the justice output funding on pages 54 and 124 of budget paper 3 there do not appear to be any obvious new output dollars for consumer protection measures. You have election commitments that you say you are implementing to crack down on drunken behaviour, ban the bong, increase compliance and inspection for legal brothels, improve the regulation of the real estate industry and ban violent drunks from all licensed venues, bars, restaurants and cafes for two years. That all sounds like a huge increase in workload for both liquor licensing inspectors and Consumer Affairs Victoria inspectors. Is it right that that is meant to occur without any new funding source? Is that just a workload increase or is it that not all of those commitments are going to be delivered over the next four years?

Mr M. O'BRIEN — What I would say in response is that in relation to additional resources one of the things we have already done is to introduce some new offences and new powers for police in relation to dealing with antisocial troublemakers. This government has committed to 1700 additional police over the course of the budget — 1700 extra police officers. Having those extra police officers on the ground being able to enforce laws and giving them better and more effective powers so that they are able to deal with this antisocial behaviour is a demonstration of the government's commitment to not only giving appropriate powers and authorities but also putting more resources into tackling these issues.

I have made reference before to the new gambling and liquor licensing regulator. As I have indicated, you had this bizarre situation where gaming inspectors could observe breaches of liquor licensing laws and effectively be powerless to do anything about them. Similarly, liquor licensing inspectors could witness breaches of gaming laws and be powerless to do anything about them other than putting in a phone call. By ensuring that we have regulators who deal with gaming and liquor, essentially we are doubling our reach because our gaming inspectors can now identify liquor licensing issues and vice versa.

Ms HENNESSY — They are not going to deal with real estate agents and brothels and bong confiscation. Who is going to do that?

Mr M. O'BRIEN — It is actually about working smarter.

Mr SCOTT — Working smarter.

Mr PAKULA — Working smarter.

Ms HENNESSY — Tory boy!

Mr M. O'BRIEN — In addition to that, there will be 1700 new police officers on the ground. If that is not a very significant increase in funding, I am not quite sure what is.

Mr PAKULA — Minister, it seems that you have confirmed that it is going to be the police who do all the additional CAV and liquor licensing work; nevertheless, you did not quite answer my question about whether all those election commitments are still going to be implemented. Can I take you to one in particular, because it does seem to be one that would be very resource intensive and one that I do not think the police could have anything to do with — that is, the one of banning violent drunks from all licensed premises — bars, restaurants and cafes — for two years? Do you remain committed to that?

Mr M. O'BRIEN — That was a government election commitment. It is a matter for the Attorney-General, as it is a penalty for a breach of a criminal law. It is not within the liquor licensing provisions.

Mr PAKULA — It is a liquor licensing policy.

Mr M. O'BRIEN — I defer to my erstwhile colleague, the Attorney-General, who has responsibility for that matter.

Mr MORRIS — Minister, can we turn to budget paper 3, page 256, under the heading 'Promoting and protecting consumer interests'. There is a number of new measures in there, but I focus on the second one down, relating to information and advice provided to consumers and traders by CAV. Can you outline for the information of the committee the government's activities in consumer and trader education?

Mr M. O'BRIEN — It so happens that this is an area where the government has been very active since it was sworn in. I refer members of the committee to the slide on the screen. We did promise in our election policy better use of electronic communication. We think that is a way of getting more information to targeted people in a timely way. We are already using that. We have refreshed our website. We have information available in up to 29 languages to provide consumer information. Given that one of our strengths in Victoria is our multicultural basis, we think is very important that we provide information to people in languages that they can easily understand. I am very pleased that the CAV website does that.

We have also established Twitter updates, and there have more than 630 tweets. That seems to be very effective in getting the message out. There is an interactive online scam quiz, which I was pleased to launch at Northcote High School earlier this year. This was not just focusing on young people, although young people are perhaps more vulnerable to online scams than people of other generations. It was terrific to go to Northcote High School and see the students being put through their paces and understanding the difference between what looks like a scam and what looks like it is genuine. I have to say they did a terrific job in their response. They were better than me, but you would hope they would be. Having these interactive online scam quizzes actually encourages consumers to understand in an entertaining way the sorts of dangers that exist on the internet and gives them advice about how they can be on their guard.

We have also seen the MyShopRights smartphone application, which I launched on Boxing Day last year in the Bourke Street mall. It was a timely occasion with everyone going back to the shops and looking at the sales or returning the Christmas gift they wanted to return. The MyShopRights application provides information about how the new Australian consumer laws, which took effect from 1 January this year, operate. It does not just tell consumers about their rights, it also educates traders about their rights and responsibilities — for example, something as basic as whether somebody has the right to exchange an item that they have purchased simply because they have changed their mind. The answer is no, they do not, unless there has been some particular local representation to that effect. But if something is not fit for the purpose for which it was sold, then absolutely people have a right to return goods. Because you bought something on sale does not mean you have lost your consumer rights.

Using new electronic platforms such as iPhone applications — we have an Android version as well, which has been downloaded 6000 times so far since December — is an innovative way to get information out to consumers and traders about their rights and responsibilities, because we want to see better education. If people understand their rights and responsibilities, they will be far less likely to wind up in disputes down the track, and that is an outcome we can all work for.

Mr SCOTT — Minister, I refer you to page 256 of budget paper 3 and the various outputs there for protecting consumers. The minister would be aware of the package of reforms introduced by the previous government to protect rooming house residents. Minister, I note that you have been very quiet in this space since taking office, and I further note that as far as I could ascertain your presentation had no reference at all to protecting consumers in the real estate industry. Given that the targets for output measures for inspections and compliance have barely increased in this year's budget — and I understand the CAV website has no update on inspections and compliance — can you confirm for the committee that compliance and inspection work for rooming houses is proceeding and will not be reduced to cater for other compliance and enforcement work?

Mr M. O'BRIEN — I can assure the committee that the Minister for Housing and I have been actively involved in matters of developing appropriate standards for rooming houses in response to the work of the previous task force. There has been more work undertaken — not just by CAV, because this is not an area where CAV has sole responsibility, but local councils have responsibility as well. I am advised that since July 2009 CAV, together with local government, has conducted nearly 1000 rooming house inspections in this state. CAV has worked collaboratively with 27 local councils in conducting these inspections. Since October 2009, to date, the number of rooming houses registered by local government under the Public Health and Wellbeing Act 2008 has increased from 511 to 839, which represents a 64 per cent increase.

We are in the process of developing standards that can apply to rooming houses. We need to strike the right balance. Speaking to the social welfare groups, they are very keen to make sure that the government does not impose standards that will lead to the precipitous closure of rooming houses and cause homelessness. We need — and I think this was the position of the former government as well — to make sure we get this done in a way that does raise the standards for rooming houses but not in such a way that we cause homelessness in the process. We are getting that balance right and working with the peak groups. CAV has been working with housing on this; I have been working with Minister Lovell on this. We are certainly very active, and there will be a lot more to say about that in the coming weeks and months.

Mr SCOTT — I am heartened to hear of the impact of the previous government's policies in increasing registrations of rooming houses. You made some vague references to plans for the future, and I would like to know whether there are any specific actions you could outline for the committee that have been planned over the estimates period by you as minister.

Mr M. O'BRIEN — I have flagged that announcements will be forthcoming. They will be announced when they are ready to be announced. As I said, this has been something that has been done jointly between the Minister for Housing and me.

Ms HENNESSY — Thanks for that clarity, Minister.

Mr SCOTT — I did not know Sir Humphrey was appearing.

Ms HENNESSY — I thought he was at an AC/DC concert.

Mr M. O'BRIEN — I appreciate the committee's interest, and I will be sure to inform them when we are in a position to announce those reforms.

Mr PAKULA — We might try the Minister for Housing later today.

Mr D. O'BRIEN — We will see how our announcements go compared to yours.

The CHAIR — That was a very enlightened response, Minister.

Mr PAKULA — 'I'll tell you when I tell you'.

Mr D. O'BRIEN — Desal. That was a great announcement.

Mr SCOTT — What was that? Some rooming houses are not interesting and some vague, cheap shot about the desal?

Mr ANGUS — Minister, I refer you to page 256 of budget paper 3 and the output target regarding 'Information and advice provided to consumers and traders delivered by Consumer Affairs Victoria'. Can you

elaborate for the committee on the unlicensed motor car trader strategy that you mentioned in your presentation?

Mr M. O'BRIEN — We take the issue of unlicensed motor car trading very seriously because it is one of those areas where consumers can be greatly at risk in terms of the amount of money they stand to lose if the transaction goes wrong. There are certain consumer protections that are provided when you buy a car from a licensed motor car trader. In most cases there is access to a cooling-off period after you sign a contract. There are also roadworthy certificates. You can have an assurance of clear title to the car, and there is also access to the motor car guarantee fund if there is an issue down the track.

If you deal with an unlicensed motor car trader as a consumer, you are very exposed in what is often a very significant financial purchase. We think there is more that can and should be done. Later today I will be launching an unlicensed motor car trading hotline with the Victorian Automobile Chamber of Commerce. This new hotline will allow anyone to call up free of charge and report any car trader that they suspect may be operating without a licence. The Motor Car Traders Act is very clear. If you sell four or more cars within a 12-month period, you are deemed to be a motor car trader and are therefore required to have a licence.

Mr PAKULA — How come you are not interjecting that this is not about the budget estimates?

Mr M. O'BRIEN — We think that ensuring that consumers and the industry have an easy way to be able to provide information to Consumer Affairs Victoria regarding suspected unlicensed motor car traders will certainly help CAV to get on the scent of where these people are operating. Obviously with the expansion of the internet and various car sale websites it can be harder for consumers to know who they are really dealing with. The person who appears to be selling a private car but is selling a private car every week is probably an unlicensed motor car trader, so we think there needs to be a way in which consumers and the industry — the legitimate industry — are able to get information to CAV quickly and cheaply. Launching this new hotline today is going to be part of our strategy to do that. For the record, the number will be 1800 351 591.

Ms HENNESSY — Minister, I take you to page 256 of budget paper 3 and the various outputs for protecting consumers. You would be aware of commitments made by your government prior to the election in political advertisements, including one on 16 November 2010 in the *Mountain Views Mail* featuring Liberal Party candidates committing your government to 'keep ... supermarket prices down'. Given your responsibility for protecting consumers, could you just point out for me in the budget papers any initiative that directly implements that commitment to keep supermarket prices down?

Mr SCOTT — He is the consumer affairs minister.

Mr M. O'BRIEN — The government is very committed to ensuring vigorous and fair competition in Victoria, because in a market economy vigorous, fairly enforced competition will benefit consumers, and the benefit will go right through the chain, including to supermarkets. What we are very keen to do as a government is to ensure that we have strong competition laws that are vigorously monitored and enforced. That will deliver outcomes for all Victorians.

The CHAIR — Within 'a strong economy', as I recall, was the preamble to the advertisement.

Mr PAKULA — Chair, we know you want to be a minister.

Mr D. O'BRIEN — Yes, that is right. That is the discussion we were having the other day about all this. Strong government and strong economy; we are well managed.

Ms HENNESSY — Minister, you have been in power for 6 months. When I go to Aldi on my way home, how much will cornflakes have gone down because of a direct initiative that you have adopted? How much will milk have gone down because of a direct action implemented by the Baillieu government?

Members interjecting.

Mr D. O'BRIEN — And with your federal lot in we are not doing much better there either. Why don't you ask Ms Gillard what she is doing with the \$70 carbon tax? Is it going to be \$40 or \$70 for the carbon tax? Why don't you ask Ms Gillard what is happening with the carbon tax? How is that going to help consumers? What is that going to do to the cost of living?

Mr ANGUS — That's right. What about the budget last week — what a shambles!

Members interjecting.

The CHAIR — Ms Hennessy!

Ms HENNESSY — I think the minister has fudged the question, and that further illuminates another broken election commitment.

Members interjecting.

Mr D. O'BRIEN — Like a carbon tax. Broken election commitments! Like a carbon tax or like a myki that is meant to be working.

The CHAIR — I think that we have had a lot of discussion on this particular advertisement, and as I recall it has been well pointed out previously that this advertisement did not relate specifically to this portfolio.

Ms HENNESSY — Perhaps the minister could take it up as misleading and deceptive conduct under the Fair Trading Act on behalf of a registered political organisation.

Mr PAKULA — Every minister has given a different answer.

The CHAIR — The ministers need to be presented with the advertisement, don't they?

Mr PAKULA — It has been tabled, Chair.

The CHAIR — Indeed. Why do you not table it for this minister as well?

Mr PAKULA — All right. There you go.

The CHAIR — Thank you very much.

Mr SCOTT — I have a point of order.

The CHAIR — What is your point of order?

Mr SCOTT — If I was understanding the Chair's contribution, which I am not sure was a ruling, a guidance or a comment to the minister, is it your contention that keeping supermarket prices down is unrelated to consumer affairs, because, as I heard the minister, I do not believe that was the minister's contention.

The CHAIR — I have heard your point of order. I am not contending that, but I am ensuring that the committee has before it all of the information that the member was alluding to in the question. The advertisement that the member was referring to says specifically, and I quote, 'a strong economy to help keep utility bills and supermarket prices down', and I think that is the response that ministers have previously made. I am moving on. I will ask Mr O'Brien to ask a question.

Mr SCOTT — Protecting the minister.

Mr D. O'BRIEN — I ask Minister O'Brien if you could turn to page 256, budget paper 3 — —

Mr PAKULA — Now there are three words you like to hear: Minister O'Brien.

Mr D. O'BRIEN — I tell you what you will not be hearing for a while, and that is Minister Pakula.

Members interjecting.

The CHAIR — It is a lively morning. Mr O'Brien, to continue with the question to Minister O'Brien.

Mr D. O'BRIEN — I am always happy when the minister opens his mouth, because it is always very sensible policy. Minister, I take you to budget paper 3, page 256, regarding the 68 000 target for information and advice provided to consumers and traders by Responsible Alcohol Victoria, and I ask: what action has the government taken to improve the regulation of late-night licensed venues?

Mr M. O'BRIEN — I thank the member for his important question. On 18 March this year I announced the implementation of the government's election commitment to extend the freeze on late-night licences in the four municipalities of Melbourne, Stonnington, Port Phillip and Yarra. The government's statement of policy prevents the issuing of new licences to trade past 1 a.m. in those areas until 30 June 2013 unless the applicant demonstrates exceptional circumstances. Community clubs, restaurants and cafes are not affected, but the freeze applies to general on-premises and limited licences. There are already 454 current late-night licences in those four affected municipalities, and those figures are as of 17 May. Those figures include Bar 20, which will not formally lose its licence until the 28-day period for an appeal has expired.

The government has extended its freeze, as our election commitment indicated. We have introduced new legislation to provide licensees and police with more powers, new offences and tougher penalties to tackle antisocial behaviour, particularly in these late-night entertainment precincts. We have seen the director of liquor licensing establish two new designated areas, which then triggers more police powers. We have seen Docklands and the City of Greater Dandenong both be designated by the director of liquor licensing, which means that police can then issue banning notices from those two particular areas.

We are also undertaking an audit of late-night licences in relation to their security conditions. This will take place over this year. We expect that 1000 venues will be audited. Basically the intent of the audit is to determine whether the current security conditions are still appropriate. There may be venues where there need to be tougher conditions. There may be venues where conditions are not applicable any more. We want to make sure that it is not just a question of a venue getting a licence and the conditions being there forever. We think there is an obligation on government to review these licence conditions to ensure that they remain appropriate for the particular venues at the time.

I can provide the committee with an update on a matter which was of some interest. The Exford Hotel is a hotel in the Melbourne CBD. The then director of liquor licensing granted an application that was initiated by Victoria Police to reduce the trading hours of the packaged liquor outlet that was connected to the Exford Hotel from 24 hours to a closing time of 11.00 p.m. That decision was made following a number of issues with the management of the licensed premises and growing concerns about public drinking and antisocial behaviour late at night in the CBD area. The licensee of the Exford Hotel exercised his rights and appealed to the Victorian Civil and Administrative Tribunal against the director's decision.

On 9 March 2010 VCAT set aside the director's decision and determined that it was not possible to find that antisocial behaviour in the vicinity of the Exford Hotel was directly related to the trading hours of the packaged liquor outlet. On 5 May 2010 the then director appealed this ruling to the Supreme Court of Victoria. I understand that the Supreme Court has just handed down its decision and has determined that there was an error of law made by VCAT, and on the basis of the error of law in the VCAT decision the Supreme Court has held that the matter should be remitted back to VCAT.

Until this matter is decided by VCAT I am unable to make any further comment, and the trading hours of the packaged liquor outlet at the Exford Hotel will remain unchanged for the time being. This was certainly a significant legal issue. It was appropriate for the director to take this to the Supreme Court. On the very brief information I have been able to receive this morning it appears that the Supreme Court has agreed that VCAT did err in law, and as a result of that error the matter has been remitted back to VCAT for further consideration.

Mr PAKULA — I want to refer back to the promoting and protecting of consumer interests outputs on 256 and 257 of budget paper 3 and the issue of price-plus advertising. You would be aware that the previous government had a commitment to introduce a ban on price-plus advertising. The previous government had a view that that would make it easier for consumers to properly compare properties for sale and take away some of the confusion that exists around the current different pricing methodologies. As I understand it, the minister would be aware that REIV still is supportive of the ban on price-plus advertising. Could you advise whether it is your intention to implement a ban on price-plus advertising and what recent activity CAV has undertaken or is undertaking to crack down on the practice of underquoting?

Mr M. O'BRIEN — The Deputy Chair is right that the former government said it was going to implement a ban on price-plus advertising. At the time there was considerable commentary as to whether or not that proposal was soundly based in evidence. There seemed to be a lack of supporting evidence for that proposition. Certainly

price-plus advertising is not misleading or deceptive per se. It is not misleading or deceptive in every circumstance.

Mr PAKULA — A lot of consumers would disagree with you.

Mr M. O'BRIEN — To ban an entire form of quoting which may not be misleading or deceptive would appear to be a move which did not make a lot of sense from an evidentiary point of view.

I have asked my department to undertake some examination of this issue, the potential of price-plus advertising and price-plus quoting to be able to mislead, whether there are particular instances where price plus may be perfectly fine or there might be particular instances where it can be misleading. I will wait until I receive the evidence from my department in terms of the work it is doing. The government will make a decision based on evidence.

Mr D. O'BRIEN — Yes, a good way to do things.

Mr PAKULA — Just to follow up, whilst you are receiving that advice, is your department also looking into the issue of agents that quote a range but where the ultimate reserve price is beyond the extremities of the range — so if the range is 7 to 750 but the reserve is 8? Is that part of your review?

Mr M. O'BRIEN — My understanding is that essentially the definition of underquoting is where a price or price range is quoted which is less than the sales authority or less than the figure that is in the sales authority. It would depend on the circumstances as to whether a particular range that has been quoted differed from the figure that was in the sales authority that had been provided to the estate agent. That is a matter of the interpretation of current legislation. It is not a question of in all circumstances having a range is going to be misleading or deceptive. If the range is consistent with the figure that is provided in the sales authority, then there is no indication that legislation will be contravened.

Mr PAKULA — Every weekend.

The CHAIR — I refer you to BP 3, page 256, regarding the government's activities in protecting consumers. I ask you, Minister: can you provide details to the committee on the government's activities in helping Victorians who are targeted by scam artists?

Mr ANGUS — The previous government.

Ms HENNESSY — There are just too many good interjections here, Chair. I will restrain myself.

Mr M. O'BRIEN — Scam artists are very switched on. They are very willing to try to separate unwitting consumers from their money. The government is focused on trying to empower consumers to identify scams so they will have a better chance of not falling victim to them. There has been the old Nigerian advance fee scam, which is one that has been around for some time. Variations of that still proliferate. Unfortunately some Victorians still get caught. The message is, and I hope this is a bipartisan message, if it looks too good to be true, it is, and don't fall for it.

In relation to particular work we are undertaking to try to help with education, we did promote an online scam quiz, which I referred to earlier. We launched this at Northcote High School. This has been a very popular and successful way to get information about identifying online scams out to consumers, particularly younger consumers, who are frankly a lot more internet savvy than I am and possibly some other members of this committee are. We are trying to tailor our message according to the platform to reach the targeted audience, because we need to make sure that consumers are getting messages in languages they understand and can relate to. The online scams quiz has been effective in terms of targeting younger people.

We have again run the Travelling Conmen ad campaign. There has been a number of, unfortunately, instances where itinerant groups will travel from Queensland, through to New South Wales and down to Victoria. They will turn up at somebody's doorstep. They will offer to fix a roof or offer to repave a road. They will usually say, 'Look we've finished a job. We've got some extra materials. It is for today only'. There is this sort of high-pressure sales tactic. Through our Travelling Conmen ad campaign we are trying to get the message out that you should only deal with reputable tradespeople. Don't be pressured into signing up for anything on a particular day, because those high-pressure tactics are generally related to dodgy tradespeople. Unfortunately

people have been ripped off entirely either with paying money up front and no work getting done or paying money and very shoddy work gets done, which then has to be repaired.

We are also doing more in relation to enforcement. The government had a commitment to try to do more front-line services delivery when it comes to Consumer Affairs Victoria, so we do think enforcement is important. There have been a number of instances. I will give one to the committee. In February 2001 a gentleman by the name of Louis Balfour allegedly posed as a tradesman. He approached a 98-year-old woman to fix a hole in the roof of her Newport home. The victim offered to pay \$50 for his services, but Mr Balfour took her to the local post office and she withdrew \$1900 as payment.

In mid-March Mr Balfour was arrested. CAV gave authorisation under the Fair Trading Act for Victoria Police to prosecute offences under Australian Consumer Law. There were charges in relation to making false and misleading representations about goods or services, engaging in misleading conduct relating to services, wrongly accepting payment and harassment and coercion. I am pleased to advise the committee that Mr Balfour pleaded guilty to two charges from a separate incident — obtaining property by deception and handling stolen goods — and that his car was forfeited to reimburse the 98-year-old victim.

I think it is important to get the message out to educate consumers and provide them with greater opportunity to be on their guard against some of these shonks, but we also need to have enforcement to ensure that those who do try to rip off fellow Victorians feel the force of the law.

Ms HENNESSY — Would promising to reduce supermarket prices be a scam, do you reckon, Minister?

The CHAIR — Minister, that brings us, regrettably, to the conclusion of this session of the hearing. I would like to thank Ms Armytage, finally I believe; Dr Noone, Ms Gale, Mr Condron and Ms Crouch for their attendance. Thank you very much. We will have a brief adjournment.

Witnesses withdrew.