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# *1993 - 1994 Annual Report*

Education and Communications Branch  
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File No:



Office of  
Fair Trading &  
Business Affairs

VICTORIA

*Report*

to the

**MINISTER FOR FAIR TRADING**

for the

Year ended 30 June 1994

*Ordered by the Legislative Assembly to be printed*

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The Hon Jan Wade MP  
Minister for Fair Trading  
200 Queen Street  
MELBOURNE 3000

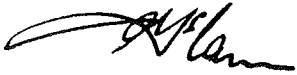
Madam,

ANNUAL REPORT 1993-94

I present to you my report on the activities and operations of the Department of Justice in relation to fair trading for the year ended 30 June 1994.

The document has been prepared in satisfaction of section 8A of the **Ministry of Consumer Affairs Act 1973** and section 16 of the **Credit (Administration) Act 1984** for you to lay before the Houses of Parliament.

Yours faithfully,



WARREN McCANN  
Secretary to the  
Department of Justice

10 November 1994



*Hon Jan Wade MP*  
*Minister for Fair Trading*

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# OVERVIEW

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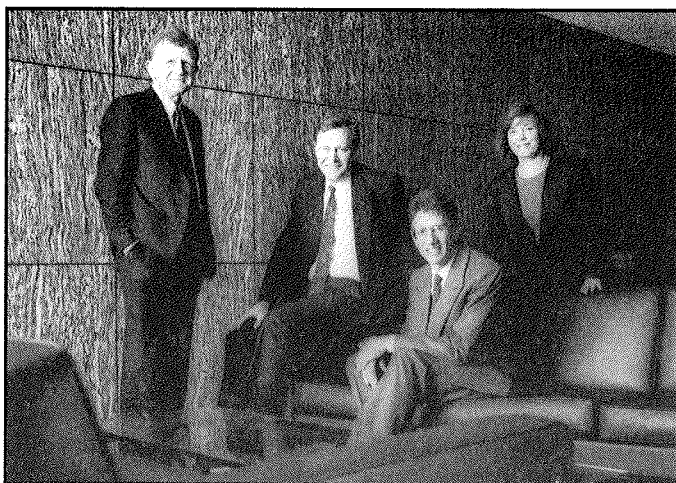
1993-94 saw further organisational changes and closed with the prospect of a move to new premises. Despite the unsettling effects of these departures from "business as usual", I see this is as a successful period of consolidation for the Office.

Directions have been set in the Department of Justice Corporate Plan and the detailed business plan for the Office. Our overall aim is to promote public confidence in Victoria's trading environment by ensuring that there is a fair marketplace, where Government regulation is kept to a minimum.

This does not mean abandoning the enforcement of appropriate standards. There was an increase of over 50% in the number of offences prosecuted in 1993-94 and a significant rise in total fines imposed. Part of the restructuring during the year was designed to maximise the effectiveness of the compliance program by organising investigators in specialist teams.

Where business is capable of holding to reasonable standards without intervention however, there is every reason to encourage the development of that capacity. Guidelines for effective self-regulation prepared in the reporting year have since been approved and publicly released by the Minister. Expertise is available within the Office to assist industry groups wishing to establish codes of practice.

An Industry Liaison Unit has been established to promote dispute avoidance by business, as the Office shifts away from viewing service



*From Left: Malcolm Water, Director;  
Mark Thomas, Assistant Director Client Services;  
Richard Lyneham, Acting Assistant Director Investigations and Compliance  
and Vicky Bates, Assistant Director Economics and Information.*

to its clients solely in terms of resolving individual matters. Increased emphasis has been placed on the quality of the enquiry service to reduce the proportion of consumer or tenancy problems beginning as oral requests for advice but leading on to written requests for intervention. Enquiries and dispute resolution staff have been merged in teams covering specific groups of industries to provide a more effective service to the community.

A further organisational development was the establishment of a Legislation Unit, which was particularly timely given the addition of some 31 Acts of Parliament to the Fair Trading portfolio in January 1994. The Unit's essential function is to manage the Fair Trading legislative program. It also has responsibility for preparing advice on matters relevant to the bulk of the transferred legislation, which includes Acts relating to the business registration functions, the Victorian Financial Institutions Commission, charitable enterprises and corporate conduct, and other statutes formerly assigned to the Attorney-General which relate to business-client dealings.

Performance in relation to business name registrations has been improved through changes in procedures and technological upgrading. New computer systems to be installed in 1994-95 are expected to greatly assist the investigations and fair trading enquiries areas, in terms of both efficiency and management information.

As a direct consequence of workplace reforms it has been possible to recommend the reduction of business name registration fees from \$78 to \$70 from 1 January 1995. That is the cheapest fee in Australia and 30% cheaper than for the comparable State, New South Wales. The return of these savings to the business community demonstrates the effectiveness of the Government's workplace reform policies.

Of course, without the human input which allows them to function, systems and structures are of little account. With a settled management team and a purposeful group of staff however, I am looking forward to a continued record of achievement by the Office in carrying out the fair trading policies of the Government.



Malcolm Walter  
Director of Fair Trading and Business Affairs



# PART ONE: ABOUT FAIR TRADING AND BUSINESS AFFAIRS

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## Fair Trading Acts of Parliament

The following pieces of legislation are assigned to the Minister for Fair Trading.

Associations Incorporation Act 1981  
Auction Sales Act 1958  
Building Societies Act 1986  
Business Investigations Act 1958  
Business Names Act 1962  
Caravan Parks and Movable Dwellings Act 1988 (Parts 1-5)  
Carriers & Innkeepers Act 1958  
Charities Act 1978  
Chattel Securities Act 1987 (Parts 1 and 2)  
Collusive Practices Act 1965  
Companies (Administration) Act 1981  
Consumer Affairs Act 1972  
Co-operation Act 1981  
Co-operative Housing Societies Act 1958  
Corporations (Victoria) Act 1990  
Credit Act 1984  
Credit (Administration) Act 1984  
Credit Reporting Act 1978  
Disposal of Uncollected Goods Act 1961  
Estate Agents Act 1980  
Fair Trading Act 1985  
Finance Brokers Act 1969  
Financial Institutions (Victoria) Act 1992  
Friendly Societies Act 1986  
Frustrated Contracts Act 1959  
Fuel Prices Regulation Act 1981  
Fundraising Appeals Act 1984  
Funerals (Pre-Paid Money) Act 1993  
Goods Act 1958  
Hire-Purchase Act 1959  
House Contracts Guarantee Act 1987

*The Office of Fair Trading and Business Affairs administers a range of programs to promote fair dealing and provides advice to the Government on fair trading issues, objectives, policies, priorities and implementation strategies.*

*Services performed by the Office, under relevant legislation, include provision of advice, information, referral and dispute resolution in consumer and residential tenancy matters and the operation of registration and licensing systems covering business names, co-operatives, associations, and certain categories of trader.*

Industrial and Provident Societies Act 1958

Landlord and Tenant Act 1958

Market Court Act 1978

Marketable Securities Act 1970

Ministry of Consumer Affairs Act 1973

Motor Car Traders Act 1986

Partnership Act 1958

Patriotic Funds Act 1958

Petroleum Retail Selling Sites Act 1981

Religious Successory and Charitable Trusts Act 1958

Residential Tenancies Act 1980 (ss.7, 11-13, 49-54, 64, 71, 77(4)-(7), 96, 100-101, 105-106, 108, 111-113,

127-135, 136(4)-(6), and Part VI)

Retirement Villages Act 1986

Rooming Houses Act 1990

(ss.11, 12(1) and (3)-(4), 13(2), 15(6)-(9), 19(g), 21(4)-(5), 24, 35-38, 41, and 46-47, part of s.48(1), and ss.48(2) and 49-54)

Sale of Goods (Vienna Convention) Act 1987

Sale of Land Act 1962

Second-Hand Dealers and Pawnbrokers Act 1989

Travel Agents Act 1986

Trustee Act 1958

Trustee Companies Act 1984

The Financial Institutions (Victoria) Act establishes the Victorian Financial Institutions Commission, which administers the Building Societies, Co-operative Housing Societies, Friendly Societies, and Industrial and Provident Societies Acts. The remaining legislation is the direct responsibility of the Office of Fair Trading and Business Affairs.

## Information and Public Use Products Available

### “Check It Out” Series

Landlords  
Consumers  
Travellers  
Fitness Centres  
Car Insurance  
Car Repairs

### General

Car Deals  
New Car Deals  
Used Car Deals  
Small Claims Tribunal Guide  
House Building and Renovating  
Kidsafe Furniture Guide  
Good Business Guide  
Introduction to Credit  
Managing Credit Problems  
Credit Costs You - Think Twice  
Consumer Smart Card  
Shop Smart - Teachers' Kit  
Consumer Power - Curriculum Development  
Aid (national joint project)

### Information Sheets

Mail Order  
Refunds and Credit Notes  
Lay-by  
Bag Searches  
Introduction Agencies  
Cladding  
Painting  
Restumping  
Roofing  
The Goods Act 1981  
The Fair Trading Act

### Residential Tenancies

Renting - Your Rights and Responsibilities (in English, Arabic, Cambodian, Chinese, Greek, Italian, Spanish, Turkish, Vietnamese)  
Tenancy Application Form  
Tenancy Agreement Form  
Condition Report Form  
Tribunal Application Form - Landlord  
Tribunal Application Form - Tenant  
Renting Poster

Rooming House Guide - Statement of Rights and Responsibilities  
Condition Report Form  
Notice to the Registrar Form  
Notice to Retain Bond/Notice of Objection Form  
Urgent Repairs Notice Form  
Notice of Intention to Sell Form  
Breach of Duty Notice Form  
Termination Notice Form  
Tribunal Application Form

Caravan Parks Guide - Statement of Rights and Responsibilities  
Caravan Parks Poster

### Business Affairs

Business Name Information/Application Form  
Associations: Information Booklet  
Model Rules for an Incorporated Association  
Guide to Co-operatives in Victoria  
Draft Co-operative Rules (various types)  
Co-operative Formation Statement  
Co-operatives: Post-registration Guide  
Co-operatives: List of Duties of Directors

## How to Register a Business Name

Any name used for trading which includes more than individuals' or companies' own names must be registered. The registration details are then open to public inspection for a fee (see p.12).

The application form is a straightforward double-sided A4 sheet, available from:

Office of Fair Trading and  
Business Affairs  
Business Affairs Branch  
GPO Box 4567  
MELBOURNE 3001  
Telephone: 603 4229  
Fax: 603 4888.

Business Affairs Branch is open for business between 9.00am and 4.00pm from Monday to Friday. At present it is located at 471 Little Bourke Street, Melbourne. It will be moving to 452 Flinders Street, Melbourne, during 1994-95.

Registration currently costs \$78.

Up to four choices of name are requested on the application form. It is not always possible to grant registration of your first choice because of potential confusion with names already in use. When an application is received (and only then), the Office checks that there are no closely similar names already registered for businesses or associations and no identical company names registered with the Australian Securities Commission.

Once a suitable name has been found, a registration number and certificate will be issued, valid for three years. The whole process generally takes only one or two business days.

You are required to commence trading under the registered name within two months of registration and to continue using it - names cannot be reserved. The registered name must be displayed conspicuously outside the registered address and any other business addresses and be used in full on all stationery etc.

Please note that registration is not designed to protect you from use of your business name by others. This is a separate legal issue, on which the Office cannot offer advice.

## How to Handle a Customer Complaint

Consumers are business and your word-of-mouth reputation can make all the difference to your bottom line. These five commonsense tips will help you keep good customer relations when a complaint arises.

### 1. Listen

Let the customer explain the complaint. Some customers get upset and can be hard to follow. Empathise and acknowledge their feelings. Ask whatever questions are needed to clarify the problem in a calm, courteous manner.

### 2. Record the details

Write down the essential details to confirm your understanding of the complaint and provide you with a record. (The Office's Good Business Guide contains a sample form for record keeping on customer complaints.)

### 3. Discuss the options and agree on a course of action

If possible, agree to a solution on the spot. Otherwise, explain the available courses of action. Set a timetable for taking the steps agreed, and advise the customer when you will make contact to advise of progress.

You may need to seek technical information or other advice. If so, make that the first step in your timetable, to be followed by further discussions with the customer. (The Office can give you general advice about your rights and responsibilities as a trader, and most industry, trade and professional organisations provide advisory services to members.)

### 4. Act promptly

Try to better your agreed timetable. Keep the customer informed at every stage. Respond promptly to letters or telephone messages from the customer.

### 5. Follow up

Make sure that the problems that led to the complaint have been resolved and the customer is satisfied. Treat the complaint as an opportunity to obtain feedback and improve quality control.

## How to Pursue a Consumer or Tenancy Complaint

There is a range of problems that can lead to a complaint, but the general approach is the same.

### 1. Talk to the other party

You should always try to resolve matters amicably yourself before taking any other action. Otherwise, you might be needlessly escalating a problem into a dispute.

### 2. Get the details straight

If you've talked to the trader, the landlord or tenant but haven't been able to solve the problem, you're entitled to ask for help.

To be able to tell your story properly, you'll need to:

- note down for yourself all that has happened between you and the other party
- gather all the relevant documents together and make copies of any you want to send in.

You can then be brief and to the point but ready to answer any questions you might be asked, whether you're making contact by phone, in writing or in person.

### 3. Decide what you want - general advice, conciliation or a Tribunal hearing?

It's fine just to ask for some advice. If you want to know how you stand or aren't sure what taking matters further would involve, this is the sensible thing to do. In many cases, advice is all you'll need.

If you want to request Office staff to conciliate between you and the other party, please note that conciliators only deal with written complaints.

You may also apply directly to the Small Claims, the Credit or the Residential Tenancies Tribunals, administered by the Courts and Tribunals Services Division of the Department of Justice, and now at separate premises. (See pages 36-37 for descriptions of what these Tribunals do.) To apply you'll need to obtain and lodge the appropriate application form and pay a small fee.

Write or visit

Office of Fair Trading and  
Business Affairs  
GPO Box 123A  
Melbourne 3001

The Office is open for enquiries between 9.00am and 4.30pm, Monday to Friday at 452 Flinders Street, Melbourne (2nd floor).

In addition, a number of community organisations are funded to provide a service to the public on consumer and residential tenancies issues. These are listed in Appendix 2, pp.41.

Telephone

Residential tenancies enquiries:  
627 6222 or 008 136 716

Motor vehicle enquiries:  
627 6001 or 008 678 328

Household goods/services enquiries:  
627 6111 or 1800 634 389

Building enquiries:  
627 6100 or 1800 067 320

TTY/TDD number (for hearing impaired): 627 6020

Operators are in attendance between 8.30am and 4.30pm, Monday to Friday.

Fax

Residential tenancies matters: 627 6223

Consumer matters: 627 6006

# PART TWO: THE 1993-94 YEAR

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## Introduction

### **1. Letting People know their Rights and Responsibilities**

Information is essential for consumers and traders, tenants and landlords, and those involved with co-operatives, associations or limited partnerships to make reasonable decisions, understand their rights and obligations, solve problems and gain access to further assistance when they need it.

The Office seeks to ensure that relevant advice and information is available to all Victorians, whether it is provided over the counter, by telephone or through publications. Funded community groups provide a range of contact points across the State on consumer and tenancy issues.

### **2. Running Client Oriented Business Licensing and Registration Services**

The Office administers a variety of legislation requiring the licensing or registration of trading entities in the public interest. It aims to provide a helpful and efficient service both to those subject to the licensing or registration provisions and to members of the public seeking registered information.

### **3. Enforcing Fair Trading Standards**

Established fair trading standards are safeguarded by the Office's compliance programs.

These standards exist to facilitate fair trading in an efficient and competitive marketplace. Traders who fail to observe them are not only acting against consumers' interests, but are taking unfair advantage of honest and efficient competitors for those customers' business.

### **4. Promoting Product Safety and Standards**

The Office seeks to ensure acceptable standards of quality, performance and labelling of consumer goods, and to minimise

*The first six sections of this report on the 1993-94 year deal with the six major functions of the Office.*

*The seventh section describes the functions and activities of the two ongoing consultative bodies associated with the Fair Trading portfolio.*

risks to the public arising from the trading of hazardous products. To these ends, it provides information to business and consumers, investigates complaints, monitors the marketplace for standards compliance and the emergence of new haz-

ards, shares information with other relevant agencies, and develops policy options, including proposals for new product standards where appropriate.

### **5. Fostering an Efficient, Competitive and Fair Marketplace**

The consumer marketplace is always changing. Continual monitoring is necessary to ensure that current regulation and industry standards are suited to encouraging fair and honest trading activity.

Legislative review, the development of industry codes and government enquiries into specific issues are major elements in the ongoing revision of fair trading standards.

### **6. Getting Disputes Resolved**

Fair trading and residential tenancies inspectors provide advice (and, in certain tenancy matters, statutorily required reports) to people seeking to resolve consumer and tenancy-related complaints. Funded community groups also assist in settling disputes.

The Small Claims, Credit and Residential Tenancies Tribunals are readily accessible, at minimal cost, where disputes cannot otherwise be resolved. (Administrative support to these independent, specialist Tribunals and their users is the responsibility of the Courts and Tribunals Services Division of the Department of Justice.)

# Letting People know their Rights and Responsibilities

## Direct Assistance

The Office responds to a wide range of telephone, personal and written enquiries on subjects including residential tenancies, rooming house and caravan park residencies, building and extensions, motor vehicles, credit arrangements, household purchases and consumer matters in general.

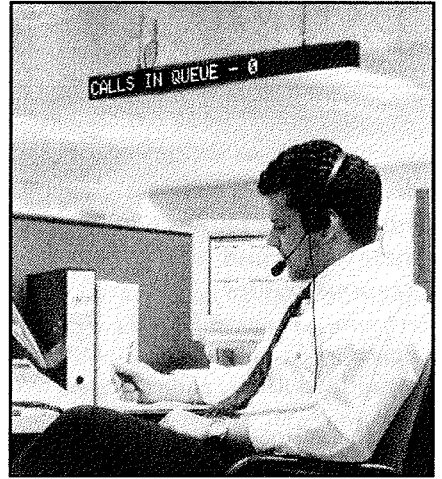
Staff are available for telephone and counter enquiries between 9.00am and 4.30pm, from Monday to Friday.

The majority of telephone enquiries involve provision of verbal information and advice. Where necessary, information brochures, booklets on a range of issues, and required forms (such as tribunal applications) are speedily supplied.

## TELEPHONE AND COUNTER ENQUIRIES

Year	Number
1985-86	95,342
1986-87	103,296
1987-88	137,793
1988-89	151,103
1989-90	234,123
1990-91	273,033
1991-92	274,259
1992-93	306,800 (approx.)
1993-94	225,000 (approx.)

Analysis of data on telephone and counter enquiries manually collected for a trial period in 1993 supported the view that marketplace issues could not be tracked accurately using written complaint data alone. It was subsequently decided to install a new computer system to allow enquiries staff to record the essential details of all enquiries electronically. As well as a flexible reporting capability, the new system will incorporate information displays to assist telephone operators in provid-



ing fast and accurate advice to callers. The system is expected to be fully operational by late 1994.

In addition, the telephone system has itself been upgraded. Callers are now channelled to a team specialising in the subject matter of their enquiries, in preference to offering them pre-packaged recorded messages. The Office expects to achieve a reduction of at least 10% in abandoned enquiries, while keeping maximum waiting time below two minutes.

## Funded Community Support

### *Consumer and Tenant Support Programs*

Grants under the Tenant Support Program (TSP) and Consumer Support Program (CSP) facilitate the provision of an extensive network of community-based services across Victoria. The Office's needs-based funding model, with revisions and refinements, has been employed as a guide to decision making on the allocation of funding since 1991 and was again referred to when 1993-94 and 1994-95 allocations were determined.

1993-94 allocations were made in the context of the Schilling Review of Fair Trading and Business Affairs, which found that savings to Appropriations and to the Residential Tenancies Fund could be made on the basis of revised funding criteria. The Minister agreed that the emphasis in allocating regional grants should

be on services clearly and economically complementing rather than duplicating those of the Office. Accordingly, locational disadvantage has been given particular weight among the indicators of relative disadvantage affecting funding between different regions.

In 1993-94, TSP grants of over \$1.7m were made. Information and advice on tenancy matters was available in each of the 18 State Government regions. CSP grants totalled just under \$1.0m and covered 15 regions.

Under the CSP, specialist statewide organisations, such as the Consumer Credit Legal Service, the Consumer Advocacy and Financial Counselling Association and the Good Shepherd Buying Advice Service were funded. The latter provided assistance to 5,598 consumers on low incomes to purchase essential household and medical equipment at affordable prices.

Under the TSP, such agencies as the Tenants Union of Victoria, the Caravan Park Residents Network, the Park Residents Action and Support Team, the Rooming House Tenants Association and the Housing for the Aged Action Group were funded to provide support to other tenancy organisations and information to their respective client groups.

During 1993-94, services were required to be accessible for between eight and 35 hours per week depending on their level of funding, and agencies serving particular regions were expected to devote at least 60% of resources to direct client service, with up to 40% going to educational and other work in the community.

The community education activities of funded agencies included talks, information stalls and displays, newsletters and media articles. The primary aim of this work is to inform people about their rights and obligations so that disputes are either avoided or more able to be resolved by the parties themselves. In addition it raises awareness of the services available from the agencies should further information or assistance be required.

Agencies were expected to work closely with other community organisations in order to make their services more accessible, particularly

to women, disabled people, Koories, the aged, youth and those on low incomes.

Although total client numbers decreased somewhat for both CSP groups (11,610 in 1993-94) and TSP groups (40,116), the Office was pleased to note marked increases in clients served per equivalent of a full time funded worker (36.8% and 9.2% respectively).

1993-94 saw the introduction of performance audits of a randomly selected sample of agencies' clients to authenticate reported client numbers and to obtain interview data from clients about their satisfaction with service received. Twenty-five clients were surveyed from each of five TSP and four CSP funded agencies. The overall rate of satisfaction with service received was over 92 per cent. Only around 12% of the 225 clients surveyed indicated that they would be likely to make direct use of the Office's services, suggesting that funded agencies are reaching different client groups, as intended.

The Office has continued to arrange for the provision of training and support to workers in funded agencies and gives feedback on performance in liaison and monitoring visits to each agency following receipt of six-monthly program and financial reports. Agencies in receipt of grants greater than \$75,000 are required to submit quarterly financial reports. Each agency is also required to submit an audited statement at the end of the funding period. The performance indicators introduced in 1992-93 assist in service planning and provide a common basis against which agencies and the Office can measure agency performance.

Six-monthly client surveys by all regional TSP and CSP groups have continued. Over a two week period, the groups collect data on the nature of all complaints and enquiries received and client characteristics. The Office analyses the data and prepares reports on the surveys to further assist groups in planning and refining service delivery. They set out the data on the nature of complaints received and the characteristics of clients, with pertinent census information from the relevant region as a basis for comparison.

### ***Ethnic Tenancy Project***

The Ethnic Tenancy Project was established for a trial period in 1992, in response to an assessment of the tenancy advice and information needs of non-English speaking communities in Victoria. Five bi-lingual workers were based at existing tenant advice services across the metropolitan area, with outreach services provided to several other locations to assist members of the Vietnamese, Arabic, Turkish, Spanish and Cambodian language groups.

The original 18 month trial period was eventually extended by four months, concluding in December 1993. Because some agencies had not been in a position to employ bi-lingual workers immediately when the project began, part of the initial budget was still available and it was not necessary to allocate additional funds for the first two months of this extension. Total expenditure on the trial project was \$412,560, the 1993-94 component being \$46,746.

An evaluation led to the Minister continuing funding till June 1995, with some changes in host agencies or locations in response to changes in the distribution of relevant language groups. \$417,483 was allocated to the ongoing project, \$257,268 of this being expended in 1993-94.

It is intended that the beneficiaries of the project will be able to use mainstream advice services after June 1995. Other language groups may be identified as requiring bi-lingual services in the future.

## **Public Information**

### ***Information Strategies***

The Office promotes fairness and efficiency in the marketplace by directing information to consumers and traders, landlords and tenants concerning their respective rights and obligations.

Materials are produced and distributed in printed, audio, video and other formats. Mass and local media are used to publicise prosecutions, warnings about business practices, safety issues and information product launches. Full use is made of the opportunities

presented by continuing requests for comment on fair trading issues, particularly from consumer lifestyle television programs.

Funded community groups are kept supplied with printed material, including easy-to-use guides on a variety of topics, and with news leads on a wide range of issues to help them generate publicity in their own areas.

### ***1993-94 Highlights***

#### ***Reaching Out to Business***

To make sure businesses know that relevant information is available to them, there have been special mail-outs to motor car traders, travel agents and fitness centres enclosing samples of material and an order form. The response has been encouraging and many traders are now stocking consumer information related to their industries.

The Consumers Are Business booklet launched last year was well accepted by small business, leading to plans for release of an expanded Good Business Guide to fair trading in 1994-95.

#### ***Information for the Vision Impaired***

A special project was initiated for the vision impaired. With the assistance of the Royal Victorian Institute for the Blind (RVIB), consumer and tenancy information was produced on audio cassette, in braille and in large print. These are now available in public libraries, and from the RVIB or the Office.

#### ***Helping Landlords and Tenants***

The mandatory guide, Renting: Your Rights and Responsibilities, was translated into three more languages during the financial year - Italian, Greek and Chinese.

A pilot seminar for Italian landlords who manage their own properties attracted more than 90 registrations to hear speakers from the Real Estate Institute of Victoria, the Office of Fair Trading and CO.AS.IT Resource Centre which helped organise the event.

To help private landlords generally, a Check It Out brochure was produced. This contains



basic tenancy information together with a list of publications relevant to tenancies and an order form.

New Residential Tenancies Tribunal application forms were introduced, simplifying administrative procedures. Work on developing other user-friendly forms for the Residential Tenancies Tribunal and Small Claims Tribunals will continue.

#### *Consumer Smart Card*

The Consumer Smart Card is a credit card sized plastic card carrying important information on refunds, lay-by and credit. The Minister launched the card on World Consumer Rights Day in March.

#### *Consumer Buying Guide*

In conjunction with Melbourne BIG Colour Pages, the Office produced Australia's first consumer friendly buying guide. As well as containing information about particular products and services, the guide directs consumers to recorded telephone services featuring tips on how to choose, how to buy and how to save.

#### *New and Revised Brochures*

Many of the problems often associated with buying a car can be avoided with the new set of Car Deals booklets. The easy-to-understand guide contains a checklist and questions to ask when buying a car. There are three booklets - one with general information on buying any car, new or used, and one each for new and used car buyers. Car dealers have responded positively with many distributing the booklets to prospective buyers.

Car insurance is an area of confusion for many car owners. A new Car Insurance: Check It Out brochure was published, with young drivers as its primary audience. The pamphlet was developed in conjunction with the SIO Consumer Appeals Centre.

Misuse of credit is still a cause for concern, and this led to the redesign of three existing brochures in the Check It Out series - an Introduction to Credit, Managing Credit



*The Minister, Jan Wade, at the media launch of Car Deals at the South Melbourne branch of Jefferson Ford.*

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Problems, and a guide for women explaining the obligations associated with guarantees, Credit Costs You.

As companions to the Home Renovation and Building Guide, the Office published four information bulletins with advice on roofing, cladding, restumping and painting.

#### *Shop Smart Competition*

First term of the school year saw the launch of the 1994 Shop Smart poster competition for primary school children. A kit containing a video, teachers' notes and this year's calendar featuring the 1993 winners was made available to schools interested in using the competition as a way of developing children's knowledge about consumer matters. More than 1,000 schools requested the kit. The Office is grateful to the competition's sponsors: ANZ Bank, BIG Colour Pages, Harper Collins Publications, Myer, Puffin Books and the Telecommunications Industry Ombudsman.

## Running Client Oriented Business Licensing and Registration Services

### Registration of Business Names

The **Business Names Act 1962** requires the registration of any name under which business is carried on in Victoria, except where all trading takes place under proprietors' names only. This assists anyone who may need to identify the proprietors. Business names must be conspicuously displayed on signs outside the registered and business addresses and used on all business stationery. The current registration fee is \$78. A laminated certificate can be provided for an additional fee of \$3.

56,183 business names were registered in 1993-94, an increase of 15.3% on 1992-93. A Q-matic ticketing system was installed at the public lodgement counter, assisting in a reduction of average waiting time at peak periods from 20 minutes to six minutes.

For a prescribed fee of \$5, any member of the public may obtain extracts of information on any registered business name. The Office facilitated 75,027 business name searches in 1993-94.

### Licensing/Registration of Categories of Trader

Motor car traders, travel agents and finance brokers are all required to obtain licences, while credit providers must be registered. All must observe certain minimum standards to retain legal recognition (see p14).

The Office provides administrative support to the licensing authorities and processes applications and renewals.

### Registration of Entities where Personal Liability is Limited

The Office performs advisory, supervisory and monitoring roles in relation to co-operatives, associations and limited partnerships.

#### Co-operatives

A co-operative is a type of incorporated entity whose shareholders derive benefits primarily through membership and use of the organisation rather than distribution of profits.

As with companies and incorporated associations, all members of legally incorporated co-operatives have limited liability. Under the **Co-operation Act 1981**, a co-operative's board of directors is responsible to the membership in much the same way as the board of a company. The size of the board is limited to seven. A co-operative's name must contain the words "Co-operative" and "Limited" (or "Ltd").

An organisation will only qualify for incorporation as a co-operative if it adheres to the general principles of co-operation, which are recognised internationally. In brief, these require:

- open membership
- democratic control, with each member having one vote regardless of the amount of money invested
- limited interest on share capital
- equitable distribution of any surplus
- co-operative education
- co-operation with other co-operatives.

There are at least 630 million co-operative members in over 70 countries throughout the world. Australia has approximately 2,300

#### LICENSING/REGISTRATION STATISTICS FOR 1993-94

	Motor Car Traders	Travel Agents	Finance Brokers	Credit Providers
Traders licensed/ registered at 30-6-94	1,921	995	453	279
Applications made	208	86	145	19
Applications granted	156	68	126	19

co-operatives, with assets in excess of \$3.7 billion.

Thirty-six new co-operatives were registered by the Office during the year. At 30 June 1994, there were 1,074 co-operatives on the register, with total assets in excess of \$130m.

New Victorian co-operatives legislation is currently being prepared, closely mirroring that recently introduced in New South Wales. A less regulated operating environment for co-operatives will result, particularly with respect to interstate trade.

#### CO-OPERATIVES REGISTERED AT 30 JUNE 1994

Community Advancement	839
Trading	136
Producer	56
Community Settlement	18
Rental Housing	17
Associations of Co-operatives	5
Federations	1
Foreign Societies	2

#### *Incorporated Associations*

The **Associations Incorporation Act 1981** allows for the voluntary incorporation and registration of any association operating in Victoria. While incorporation is not compulsory, it benefits association members in limiting their personal liability and establishes a legally recognised entity for such purposes as entering into contracts and holding property. A minimum of five members is necessary to obtain and retain registration. Registered associations must conduct annual meetings and lodge annual returns with the Registrar as laid down in the Act.

1,986 associations were incorporated and registered in 1993-94, 11.0% fewer than in 1992-93.

The register of associations is open to public inspection at a prescribed fee of \$5. Information is available on microfilm for search and copying of extracts at 20 cents per page. Hard

copies of documents will be provided at \$5 for the first page and \$2 for each additional page. 2,655 searches were facilitated in 1993-94.

#### *Limited Partnerships*

The **Partnership Act 1958**, as amended by the **Partnership (Limited Partnerships) Act 1992**, provides for the registration of limited partnerships. These are partnerships between at least one "limited" partner, whose liability is limited to an agreed amount, and up to 20 "general" partners having unlimited liability.

#### Authorisation of Trustee Companies

Companies authorised by the Minister under the **Trustee Companies Act 1984** can act as executors of wills and trustees of trust estates and unit trusts. Authorised trustee companies are required to maintain a prescribed level of reserve funds and to lodge their scales of fees with the Office, for inspection by any person. The executive officer, chief financial officer and two directors must lodge quarterly statutory declarations setting out the financial position of the company, and provide copies to any person on request.

At 30 June 1994, there were 12 trustee companies authorised under the Act.

## Enforcing Fair Trading Standards

### Compliance: Summary

Standards of conduct established through legislation are usually enforceable by prosecution for non-compliance. Most of the Acts of Parliament for which the Office has responsibility (and a number of associated regulations) contain such enforcement provisions.

There is a steady stream of complaints about alleged offences from the public, industry associations, other agencies, community groups, competing traders and other sources. Compliance is achieved by administrative action, such as obtaining written undertakings from offenders that they will alter their conduct or enlisting industry co-operation to change unacceptable practices, as well as warnings to individuals. In appropriate cases, prosecution proceedings are taken.

Prosecution of offenders requires careful and often time-consuming investigation and preparation. Resources are therefore focussed on actions which are likely to be successful and effective in promoting fair, competitive trading. Where convictions are obtained, the Office may also seek injunctions to restrain continuation of the offending conduct. Orders for restitution to those affected by the offences will also be sought in cases where this form of relief is available.

In 1993-94, more than 1,730 matters were referred for investigation. Fifty-eight defendants were successfully prosecuted for 335 separate offences with total fines of \$282,134 and \$37,575 in legal costs awarded against defendants. Prosecutions and further proceedings are summarised in Appendix 6, p.54.

The Office also conducts investigations into applications for motor car traders', travel agents' and finance brokers' licences and monitors the activities of existing licensees and of registered credit providers. Advice from the Office to the Secretary to the Department of Justice may result in the Secretary objecting to the granting of a licence or to continued licensing or regis-

tration. The Chief Commissioner of Police may also object to an application for a motor car trader's licence. Any person may object in relation to a finance broker or credit provider.

Objections are heard by independent authorities established under the **Motor Car Traders Act 1986**, **Travel Agents Act 1986** and **Credit (Administration) Act 1984**, respectively. In the case of finance brokers, objections to initial applications are referred to a Magistrates' Court, except where the Registrar appointed by the Minister under the **Finance Brokers Act 1969** has been satisfied that the applicant meets the relevant statutory requirements. Magistrates' Courts hear all objections to the continuation of existing finance brokers' licences.

Following the hearing of an objection, a licence or continued registration may be denied, made subject to certain conditions (in all cases except finance brokers), or allowed unconditionally notwithstanding the objection.

Appeals against decisions of the Credit Authority are heard in the Supreme Court, while appeals against Motor Car Traders and Travel Agents Licensing Authority decisions may be taken to the Administrative Appeals Tribunal. The Office represents the Secretary in these appeals.

### Maintaining Standards in Licensed/Registered Occupations

#### *Motor Car Traders*

##### *Prosecutions and Investigations*

##### Unlicensed Trading

Unlicensed motor car trading is still a concern of high priority.

Making trading conditional on keeping a licence is intended to ensure that consumers are dealt with fairly and receive the benefit of particular statutory protections. Licensees have to pay licensing fees and contribute to the Motor Car Traders Guarantee Fund, against which consumers can claim if they suffer financial loss in certain dealings with licensed traders. Unlicensed traders are competing unfairly, and evidence obtained indicates that

they tend as a matter of routine to take advantage of their customers, obtaining bogus roadworthy certificates and winding back odometers.

Under the Motor Car Traders Act, a fine of \$10,000 may be imposed for each vehicle bought or sold by an unlicensed trader, as well as a penalty of 15% of the sale price of any vehicle bought, sold or exchanged.

There were eight prosecutions for unlicensed trading in 1993-94, and a further six briefs of evidence were referred for processing and prosecution in the next reporting year.

Several small traders have been placed on notice that further sales will result in prosecution. When found operating illegally, some traders claim to believe that they are permitted to sell up to six vehicles annually. In fact, it is not necessary to prove that any particular number of transactions took place before the court can decide that unlicensed trading has occurred. The Office will continue to pursue offenders vigorously.

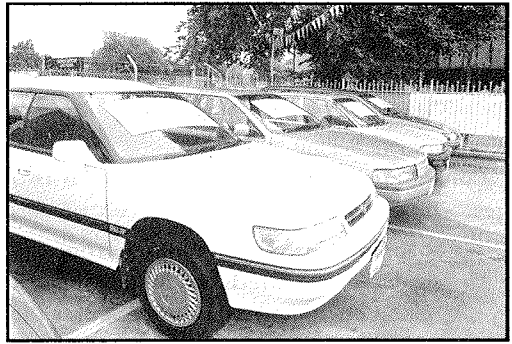
Defendants successfully prosecuted for unlicensed motor car trading were:

- De Jager, Albert
- Haouli, Mohamad
- Johns, George
- Kinsmore, Keith
- Kyritsis, Nicholas
- Lazarevic, Steve
- McNiece, Graeme
- Verity, Raymond.

#### Cases

In November 1992 a consumer telephoned the Office concerning the Toyota Tarago van he had recently purchased as a family car from the private address of a Mr Mohamad Haouli after seeing the vehicle advertised in the "Western Times". The consumer had just found a sale note dated July 1992 which showed the odometer reading as 212,185 kms, whereas the roadworthy certificate provided to him at the time of sale showed a reading of 114,734 kms.

Investigations concerning Mr Haouli established that he was trading in motor cars



although he did not have a licence to do so. On prosecution, he was fined \$500 and ordered to pay \$636 in costs. The consumer took his claim of loss due to odometer tampering to the Small Claims Tribunals, where Mr Haouli was ordered to pay him \$3,300.

Purchasers of prestige vehicles need to be just as careful about who they are dealing with in arranging "private" sales. Nicholas Kyritsis regularly placed advertisements offering such makes as Porsche, Rolls Royce and Jaguar. He was fined \$600 on conviction for unlicensed motor car trading.

#### Odometer Tampering

Several of the above offenders had committed odometer frauds. Car buyers are advised not to rely too heavily on odometer readings as indicators of vehicle quality, and to look closely at the condition of the odometer on any second hand car they intend purchasing. Tampering with mechanical odometers tends to be betrayed by the numbers not being in an even line.

Unfortunately, it is not only unlicensed traders who use this method of deceiving customers and competing unfairly with honest businesses.

#### Case

Robert Wallace Ross trading as Clayton Truck Centre was found guilty of three offences under the Fair Trading Act of making false representations to consumers regarding the previous history of motor vehicles and 15 under the Motor Car Traders Act of odometer tampering and dealings book irregularities. He was fined a total of

\$5,000 and ordered to pay legal costs of \$500. Orders for restitution totalled a further \$1,500. Mr Ross surrendered his licence at the time of prosecution.

#### Consignment Selling

Consignment selling is prohibited for two reasons:

- to protect private vendors from the significant loss which can result if a trader selling on commission misrepresents the sale price or becomes insolvent
- to prevent people from engaging in unlicensed motor car trading using licensed dealers as intermediaries.

John Robert Searle trading as Windsor Motor Company of Bairnsdale was convicted of five consignment selling offences, for which he was fined a total of \$500 and ordered to pay \$394 in legal costs.

#### False Information to Licensing Authority

The effectiveness of the licensing scheme depends on proper investigation of applicants' bona fides.

Momcilo Ristich, a motor car trader in New South Wales, indicated in his application for a Victorian licence that he had never been convicted of any offence. Investigation by the Office disclosed that convictions were recorded against him for offences in relation to his motor car trading activities in New South Wales. In addition to being refused a licence, he was subsequently convicted under the Victorian Motor Car Traders Act of making a false declaration on a licence application, resulting in a fine of \$1,500 with \$539 in costs.

#### *Licensing Objections*

It was reported last year that Peter Evans, who traded as North Springvale Motors, had been convicted of unlicensed trading and odometer tampering in April 1993. The Motor Car Traders Licensing Authority had been unaware of the facts leading to these convictions when it granted him a licence in December 1992. When the convictions had been secured, the Secretary objected to the continuation of the licence.

The Authority found that Mr Evans was not a fit and proper person and cancelled his licence in October 1993. In April 1994, this decision was upheld on appeal to the Administrative Appeals Tribunal (AAT).

Ross Chapman and Craig Ellis trading as Cherjen Investments were granted leave to surrender their licence before the hearing of an objection by the Secretary was completed. The substance of the objection was that they had traded before receiving a licence and had engaged in discreditable conduct while responsible for organising the sale of surplus vehicles for their employer, in that they had arranged sales to themselves without identifying themselves as the purchasers.

Other motor car traders who were subject to licensing objections during the year were:

Carlin Motor Auctions Ltd - granted leave by Licensing Authority to surrender licence following objection

Giordan, Frank - application for licence withdrawn following objection

Morrell Management Consultants Pty Ltd - licence cancelled

Rundle, Steve, trading as Stevens Highway Motors - licence cancelled by Licensing Authority; 30 day suspension substituted by AAT on appeal.

A final outcome is still awaited in the case of Corngully Pty Ltd trading as Max James Prestige. The Authority's decision of December 1992 to cancel the licence was upheld by the AAT on appeal, in August 1993. The licensee then appealed to the Supreme Court.

#### *Travel Agents*

Licensed travel agents are required to be members of the national Travel Compensation Fund, which uses levies and annual fees to provide for the reimbursement of consumers who suffer loss when an agency defaults. In the past few years a number of travel agencies have ceased trading, in several cases owing consumers literally hundreds of thousands of dollars. The Fund does not have to compensate

customers of unlicensed agents which fail to honour their obligations.

Unlicensed agents are therefore a threat to both consumers and licensed agents. They take business away from licensees who trade fairly and contribute to the Fund in order to protect consumers, and they take money from customers who will have no right to compensation from the Fund if their tickets are never provided.

Anthony Clift trading as The Travel Factory continued to carry on business as a travel agent despite having been obliged to surrender his licence and despite a previous prosecution for trading while the licence had been suspended (both matters reported on last year). Proceedings were again instituted, resulting in a further conviction and the imposition of a three month jail sentence, suspended for 12 months.

Licensing objections finalised during the year included:

Bevan and Singhe Pty Ltd trading as Twenty First Century Travel - ceased operations prior to Authority hearing objection alleging that a director of the company had failed to disclose on his licence application that he had previous convictions

Caras International Tours Pty Ltd - licence cancelled by Licensing Authority but reinstated by AAT on appeal

Manilus Travel Services Pty Ltd - business sold prior to hearing of objection alleging that the company had aided and abetted Anthony Clift in unlicensed trading.

At the time of writing, the Secretary's appeal against the AAT's February 1993 decision to set aside the cancellation of the licence of Corine Frugnet trading as Karina Travel International was scheduled to be heard by the Supreme Court in late September 1994.

### ***Credit Providers***

As foreshadowed in last year's report, licensing of credit providers has been replaced by a registration or "negative licensing" scheme. Since 10 November 1993, credit providers have been able to enter the market simply by registering, without the barrier of satisfying

statutory criteria. However, objections to the continued registration of a credit provider may still be made to the Credit Authority, as the supervisory body is now known.

### ***Credit Tribunal Civil Penalties Proceedings***

Under the credit legislation, a credit provider automatically forfeits credit charges on any contract which:

- is made while the credit provider is not registered (and not exempt from being registered), or
- does not disclose the legally required information, or
- is assigned to another credit provider who is not registered (and not exempt).

The amount financed is itself forfeited where the credit provider is unregistered.

Credit providers may apply to the Credit Tribunal to set aside or reduce these "civil penalties". Consumers who may be liable to pay any credit charges reinstated by the Tribunal (or eligible for a refund of charges already paid) are entitled to become involved in the proceedings. However, many cases before the Tribunal involve similar errors in standard form contracts entered into with a large number of borrowers, and there may be no need for the separate participation of all those affected. The Secretary to the Department of Justice appears in certain cases to make general submissions in the public interest.

Whether or not the Secretary intervenes will depend on a variety of factors including the number of consumers affected, the nature of the problems arising in the credit contracts to which the application relates, and whether important issues of law or fact are likely to arise. The Secretary does not intervene to represent individual consumers.

Involvement in a number of cases continued in 1993-94. Several of these are yet to be finalised. Among the matters which were concluded were applications brought by Household Financial Services, Avco Financial Services and Custom Credit Corporation.

### Household Financial Services Ltd (formerly HFC Financial Services Ltd)

Credit charges on 114 loans not dealt with under the two extensive applications resolved in December 1992 were the subject of a third application by Household, finalised in October 1993. The previous lengthy investigation, assessment and negotiation process assisted the parties, and the Secretary and Household were again able to put a joint proposal for a resolution to the Tribunal. This was accepted, and Household forfeited a total of \$47,715.44 in credit charges.

### Avco Financial Services Ltd

In February 1994 the Full Court of the Supreme Court delivered its judgment in Avco's appeal against the Credit Tribunal's November 1992 decision on two applications for reinstatement of credit charges. The Secretary had appeared before the court in the public interest; no individual debtors appeared.

Avco's appeal was granted in respect of its valuation fee application and it was not required to forgo the 30% of credit charges on the subject loans originally ordered by the Tribunal. The Secretary was successful only with respect to the commission charge application, the court upholding the Tribunal's order that Avco forfeit 10% of credit charges on the subject loans.

Another small application, originally filed by Avco in June 1990, was finalised during the year. It concerned loan contracts dating from early to mid 1985 which financed pay-by-the-month insurance policies. The Secretary and Avco were able to agree as to the relevant facts and a proposal for resolution of the application was put to and accepted by the Tribunal. Avco suffered a 10% loss of credit charges on just over 1,400 loan contracts, amounting to approximately \$5,100.

### Custom Credit Corporation

There were 33 unrepresented debtors in the application by Custom Credit heard by the Tribunal in July 1993. The Secretary appeared in the public interest. Custom Credit was successful in obtaining a 100% reinstatement of credit charges.

## **Investigations/Prosecutions in Other Areas**

### ***Building and Building Trades***

#### *Builders*

The Office continues to receive many complaints concerning unregistered builders who perform shoddy work and in some cases fail to complete work.

Builders who perform domestic building work (except those who never do jobs priced higher than \$3,000) must be registered with the Housing Guarantee Fund Ltd (HGFL). They must register every job over \$3,000 and purchase a seven-year guarantee from HGFL for the consumer.

It may be that a cheaper quotation can be obtained from an unregistered builder, but employing such a builder is a grave risk. As well as contravening the law by not being registered and not giving an HGFL guarantee, these unscrupulous operators often charge deposits or obtain progress payments larger than the legal amount. (The legal deposit limit is 3% of the contract price for work costing \$20,000 or more, or 10% for work priced at less than \$20,000.) Having overpaid in advance, consumers are left with little power to bargain over unsatisfactory or incomplete work.

Consumers should always check with HGFL before signing any contract for building works, to make sure the builder is registered. It is a big mistake to register with the council as an owner builder to allow the real builder to avoid HGFL's requirements. A consumer dealing with a builder who is prepared to be dishonest at the outset can expect problems later - and as an "owner builder" you won't have an HGFL guarantee to fall back on.

In 1993-94, a total of 17 defendants were prosecuted for matters relating to domestic building works. Charges were laid under both the House Contracts Guarantee Act and the Fair Trading Act.

#### Case 1

One of the year's most significant prosecution results concerned Frank Cappelleri, an unregistered Maidstone builder operating under numerous aliases (Frank Long, Frank Ganuti,



Don Jessen, Peter Henley) and trading names (Budget Bathrooms, Package Deal Bathrooms, Recession Bathrooms).

The Office's investigators established that Mr Cappelleri was falsely representing to consumers that he was an approved builder and that his work was covered by HGFL's seven-year guarantee. Similar offences had cost Mr Cappelleri and his company F & L Pty Ltd \$44,000 in fines in 1991.

Rectifying his poor quality or incomplete work was again costing consumers significant amounts, since his failure to provide statutory guarantees meant his clients were ineligible to claim on HGFL.

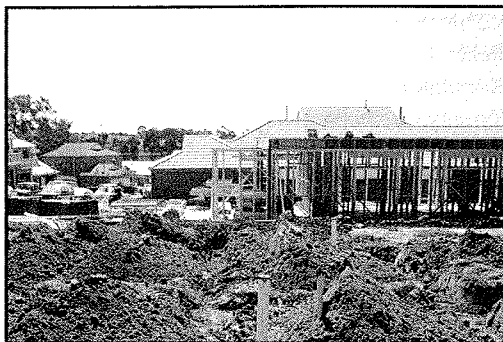
Other charges against Mr Cappelleri included accepting payment for goods and services without being able to deliver, falsely claiming to be a registered plumber, and trading under unregistered business names. He was convicted of 23 offences, fined a total of \$148,600 and ordered to pay \$20,628 in restitution. An injunction was also obtained, restraining Mr Cappelleri from further conduct of this type.

#### Case 2

Jerzy Mosiej trading as Aron Constructions was fined a total of \$8,000 and ordered to pay \$350 in costs. He had contracted to build an \$85,000 house in Coolaroo when not an HGFL approved builder, failed to secure an HGFL guarantee and taken an excessive deposit before building began. The court heard that the workmanship was of poor standard and there were major problems with the roof. Work stopped altogether after just a few weeks, although the builder continued to receive periodic payments. It is estimated that it will cost the owners between \$25,000 and \$30,000 to complete their unguaranteed home.

#### Other Cases

In two unrelated proceedings, Douglas Sanders of Clayton South and Peter Joiner of Scarsdale via Ballarat sustained convictions in relation to performing unregistered domestic building work and failing to provide consumers with an HGFL guarantee. Both cases also involved false representations concerning the particular builder's affiliations, with the Master



Builders Association of Victoria, Housing Industry Association and HGFL. Mr Sanders was fined \$12,500 and Mr Joiner \$5,000. Costs totalled \$1,345.

Bayside Extensions Pty Ltd (Volker Grundmann), a registered builder, demanded and received between 70 and 80% of the total contract price as a deposit in 11 separate cases, in which materials were subsequently left unsupplied and work was never commenced. Mr Grundmann also split contracts into components worth less than \$3,000 each in an attempt to avoid his obligation to supply an HGFL guarantee. Fines totalled \$7,050, and costs \$500. Payment of \$1,500 in restitution was also ordered by the court. (Some claims for unfinished work were covered by HGFL.)

#### House Reblockers

During recent months the Office has received numerous complaints from consumers and building industry associations concerning false advertising and shoddy workmanship on the part of certain reblockers. Various firms, often involving different combinations of the same network of people, falsely hold themselves out to be approved by HGFL and to be members of the Housing Industry Association and the Master Builders Association of Victoria.

The 15 year guarantees they typically claim to offer have proved to be worthless. These firms advertise heavily in suburban newspapers, predominantly in the northern and western suburbs.

The first prosecution involved Experts Reblocking Pty Ltd and its two directors, Vicky Kamilakis (nee Kilikas) and Greg Kamilakis. Twenty-three charges were laid against each of the defendants. All were convicted and fines totalled \$30,000 with \$1,500 being awarded in costs. Orders for restitution of \$1,445 were also made against each defendant and an injunction restraining the conduct as charged was imposed.

Subsequently, Leon Aravanis trading as Volcano Reblocking was convicted and fined \$5,000 with \$510 costs for falsely representing to the public that he was a member of the Housing Industry Association.

Investigations in relation to other operators are continuing.

#### *A Plumber*

Phillip Bruce trading as Central City Plumbing was the subject of numerous complaints and consumers are advised to be extremely wary of this trader.

In July 1993, he was convicted and fined \$1,500, with \$475 in costs, in a prosecution relating mainly to incomplete or sub-standard bathroom or laundry renovations. Offences under the House Contracts Guarantee Act included failing to provide the seven year statutory guarantee, contractual irregularities and taking an excessive deposit.

Numerous further complaints against Mr Bruce allege that the low prices he quotes to secure work unblocking sewerage pipes are increased very significantly on completion. Also under investigation are complaints that Mr Bruce has misled consumers into believing that extensive excavations would be required to locate supposed sewer blockages.

Homeowners should be aware that - for a reputable tradesperson with the right equipment - sewer blockages are generally quite straightforward to clear. On current prices, the cost could be expected to be somewhere in the region of \$80. If the person called to quote claims large-scale excavations are necessary, it would be wise to obtain a second opinion. The Plumbers, Gasfitters and Drainers Registration

Board will advise whether the trader is a qualified plumber (telephone 889 2211). Consumers should obtain quotes in writing and refuse to pay any more at the end of the job than was already agreed.

#### *Residential Tenancies*

The Office undertook 13 successful prosecutions under the **Residential Tenancies Act 1980** and the **Rooming Houses Act 1990**. A total of 21 charges were proven, including not providing tenants with the required statement of rights and responsibilities (or "Renting Guide"), failure to provide condition reports, failure to issue receipts for security deposits and non-compliance by landlords and tenants with determinations of the Residential Tenancies Tribunal.

#### *Mock Auctions*

Last year's report featured a cautionary account of a mock auction operation. The shop concerned - City Sales, of Swanston Walk - closed following prosecution for breach of the **Consumer Affairs Act 1972**.

Numerous complaints had been received from people (including tourists) who had been induced to pay up to \$300 for low quality items through the undermining of their usual caution as purchasers. Investigators attending these "auctions" observed how great play was made of "bidders" being given goods for \$2 after their claims at a nominated price of (say) \$50 had been recognised. The process would be repeated, building customers' confidence that the final price for any item would be substantially less than the "bidding" price, even though bidding prices were increasing. Then all bids for an item at (say) \$300 would be accepted. The goods would be quickly handed to the bidders and the full amount taken, after which sales staff would hurriedly exit the small room to avoid facing the disillusioned crowd.

One consumer stated:

"I found that once I got in there ... I had no control, and I'm usually pretty much controlled when it comes to spending money. I think that the way that the man was talking

he was very clever with his gums. He has a way of mixing business, pleasure and friendliness and using it to a very good advantage."

Mock auction charges were laid for the first time in Victoria.

Salecraft Pty Ltd trading as City Sales and its principal Paul Heron were each fined \$500, after pleading guilty, and costs of \$1,394 were also awarded.

Consumers are warned that mock auctions also occur in local suburban halls, usually hired for a single evening following intensive local advertising of a "genuine sale". Goods sold are often of dubious quality, but when it comes to negotiating redress the vendors are very difficult to locate.

### ***Business Names***

For the protection of both businesses and consumers, it is important that business names be registered. Those who trade under unregistered names typically do so in order to avoid being located after failing to honour contracts or business debts.

The **Business Names Act 1962** requires registration of any name under which business is carried on, except where proprietors' names only are used. Persons convicted of certain offences involving dishonesty or fraud must also obtain leave from the County Court before trading under a business name within the following five years.

Maxwell John Reid of Wodonga, who had relevant prior convictions, was fined a total of \$1,500 and ordered to pay \$1,285 costs for carrying on a business under a business name while disqualified from doing so.

Further investigations are being conducted with a view to prosecutions for breaches of the Act in the next reporting year.

### ***Frauds Against Businesses***

#### ***False Billing***

The Office again received numerous complaints from businesses which had received invoices for bogus or unauthorised magazine advertising, often after "funny" phone calls. Investigation was given priority and an initial

prosecution resulted in a conviction, fine and injunction.

Premier Media Pty Ltd and its principal, Beverley Joy Howell, both of South Yarra, each pleaded guilty to 18 offences related to demanding amounts of up to \$295 from small businesses for magazine advertising which had not been authorised.

A metal fabrication firm in Bayswater received an invoice for advertising in a kindergarten report and a squash centre in Box Hill South received an account for an advertisement in a magazine for the blind. The court heard that in most cases the company had first telephoned the businesses, falsely alleging that advertising had been authorised during telephone calls supposedly made some months earlier.

An injunction was imposed restraining both defendants from similar conduct. Ms Howell was fined \$1,800 without conviction while the company was convicted and fined \$1,800 with \$400 costs.

Several other publishers are currently under investigation with a view to prosecution.

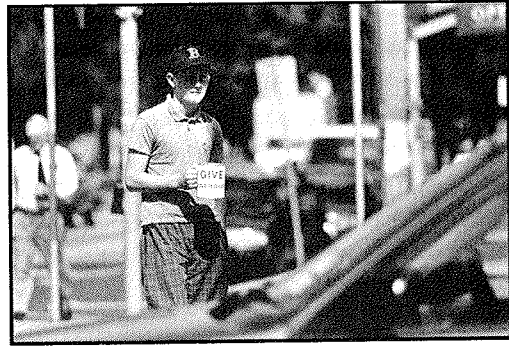
In addition to pursuing "telefraud" operators through the courts, the Office has embarked on an information dissemination program through the Business Affairs Branch. A warning leaflet on telefraud is now supplied to all applicants for business name registration (approximately 75,000 persons annually).

Businesses are urged not to pay for advertisements unless it is clearly established that their placement was properly authorised. It is recommended that only one person in the business be authorised to place magazine advertising and pay accounts. Before authorising such advertising, proper checks should be carried out to confirm beyond doubt that the magazine will be printed and will have the promised distribution. Recipients of advertising invoices should demand evidence of distribution (not just printing) before payment. Check with the public relations staff of the alleged charity, association or government department on whose behalf the magazine is said to be published.

### *Bogus Fundraising Appeals*

The Office received a number of enquiries regarding an organisation purporting to raise funds for charitable purposes. Representations were allegedly made to business people that contributions of a particular amount would enable handicapped children to attend a concert to be held some months hence. Support from various celebrities was claimed, but none of those named appeared to know anything about the fund, its appeal or the supposed concert. Charges have now been laid.

Stories about collecting for charity can be quite convincing. Businesses and individuals who are approached are advised to contact the charity mentioned to make sure the fundraiser is really associated with it. If the alleged purpose of the collection is a worthy one but the organisation concerned is only newly established, caution is advisable unless proof of the fundraiser's bona fides can be supplied.



## Promoting Product Safety and Standards

### National Issues

#### *Standards and Bans under Mutual Recognition*

Last year's report noted that State product standards and bans no longer applied to goods imported from interstate following proclamation of the **Mutual Recognition Act 1993** and described moves towards the introduction of certain standards and bans on a national basis.

Victoria was unable to convince the Commonwealth and other States and Territories to adopt its bans of 1 April 1985 and 5 April 1985 on confectionery containing inedible objects, and these were revoked by an Order published in the Victoria Government Gazette on 14 October 1993. Where applicable, reliance will now have to be placed on the provisions of the Consumer Affairs (Product Safety) (Children's Toys) Regulations 1987 and Standard A13 of the Food Standards Code (administered by the Department of Health and Community Services) when assessing the safety of such products.

Little progress was made on national standards or bans in 1993-94, due mainly to a re-organisation of the co-ordinating body, the Commonwealth State Consumer Products Advisory Committee (see p.25-26).

#### *"Made in Australia" Labelling*

During 1992 the Federal Minister for Consumer Affairs asked the Federal Bureau of Consumer Affairs to develop a simple labelling scheme for identifying products as Australian.

After calling for public submissions and consulting widely with consumers, industry, primary producers, retailers and other community groups, the Federal Bureau proposed a scheme, which was subsequently accepted by the Federal Government.

In essence, the scheme would require goods claimed to be Australian to carry one of two basic descriptions:

- "Product of Australia", to denote goods made by Australian workers from Australian materials or components

- "Made in Australia", to denote goods made by Australian workers from materials and components that may have been imported, but which have gained their essential character in Australia.

Labelling describing any Australian stage in the production of goods not meeting these tests - such as "Assembled in Australia", "Sewn in Australia" or "Packaged in Australia" - is provided for, but a statement that the materials or components are imported would also be required. All other terms claiming "Australian-ness" for merchandise would be banned.

The Federal Government intended to introduce legislation during 1994 and put the new scheme into effect during 1995, after an extensive education campaign to inform the community of its details. The Trade Practices Commission would be responsible for enforcing the provisions.

The issue of "Australian made" labelling has provoked considerable public debate and this seems likely to continue. For example, there is significant concern that the Federal Government's proposals would preclude identifying the State or Territory from which the product comes. Developments will be followed with interest.

### Raising Public Awareness

#### *Royal Melbourne Show*

The contents of 190 showbags were inspected for safety on 17 August 1993 prior to the Royal Melbourne Show. Only one item, an ornamental bird, had to be removed due to a sharp point on the wire tie.

On 18 August 1993 the Minister attended the Showgrounds to promote the fact that the contents of the showbags had been inspected for safety.

Not one complaint was received by the Office as to the safety of any showbag's contents throughout the Show. This can be attributed to the annual pre-Show inspection, the co-operation of the showbag distributors and the assistance of the Royal Agricultural Society.

### **Publications**

Kidsafe Furniture: A Safety Guide continues to be popular in both Australia and New Zealand. The publication has been redesigned for a new edition emphasising "user-friendliness", due for release later in 1994.

### **Presentations**

A paper delivered to the Children's Nursery Furniture Seminar at the Royal Children's Hospital, Melbourne on 23 June 1994 explained the protections available to consumers against faulty products, the obligation of the manufacturing industry, retailers and importers to ensure product safety, how the Office deals with consumer concerns, and what is involved in banning products. The seminar was attended by representatives from government, industry and consumer organisations.

Another presentation on product safety and standards was given to second year consumer science students at RMIT.

### **Safeguarding Product Standards**

#### ***Enquiries and Investigations re Safety***

There were 200 investigations and 221 enquiries relating to the safety of products during 1993-94. (See Table 1)

#### ***Products Voluntarily Withdrawn from Sale***

A number of product lines were removed from sale as a result of investigations:

- baby's sleeping bags whose front buttons came off easily and presented an ingestion/inhalation hazard
- battery lanterns found to be explosion hazards due to accumulation of gas from the batteries
- disposable cigarette lighters of a type reported to have erupted in flames and burnt a person's hand
- plastic candle holders of a type which had burnt during use and damaged a dresser and wall
- toy dinosaurs in liquid-filled domes or pyramids which were found to contain highly flammable petroleum spirits

**TABLE 1: INVESTIGATIONS & ENQUIRIES RELATING TO PRODUCT SAFETY**

<b>Product Category</b>	<b>Safety Investigations</b>	<b>Safety Enquiries</b>
Animal, bird & insects (products for)	2	2
Automotive design, parts & accessories	10	5
Building & construction	35	28
Clothing & clothing accessories	4	2
Drapery & manchester	1	1
Food products	3	6
Footwear	0	3
Health products	0	1
Home maintenance products	5	4
Household goods		
consumer durables	20	16
cooling & heating equipment	9	10
electronic	3	3
furniture	5	5
whitegoods	9	6
Nursery products	22	30
Packaging & containers	1	2
Personal use products	19	25
Sporting, recreation & camping	3	8
Stationery	3	3
Toys	44	55
Transport equipment (excluding motor vehicles)	2	6
<b>TOTAL</b>	<b>200</b>	<b>221</b>

- Secret Agent toy guns, which presented a danger of eye injuries from their bullets
- toy trumpets of a type whose mouthpiece had been ingested by a seven year old girl
- Grow Beast toys, which are an inhalation/ingestion hazard as they expand considerably in water and are therefore subject to a banning order.

A promotion of Smarties using paint tins was discontinued due to the danger of children associating paint tins with lollies.

### *Enquiries and Investigations - Standards Compliance*

The Office monitors the quality, performance and labelling of consumer goods and ensures that they meet established standards through surveys of the marketplace, resolution of consumer complaints, liaison with retailers and manufacturers, and community education.

Investigations and enquiries relating to quality, performance and labelling of consumer goods are detailed in Table 2.

**TABLE 2: INVESTIGATIONS & ENQUIRIES RELATING TO QUALITY, PERFORMANCE & LABELLING**

Product Category	Safety Investigations	Safety Enquiries
Animal, bird & insects (products for)	2	3
Australian Standards	8	7
Automotive design, parts & accessories	1	9
Building & construction	0	5
Clothing & clothing accessories	4	7
Country of Origin	3	45
Drapery & manchester	0	3
Food products	4	12
Footwear	2	3
Home maintenance products	0	4
Household goods		
consumer durables	0	1
cooling & heating equipment	1	2
electronic	3	4
furniture	0	3
Nursery products	0	4
Packaging & containers	3	7
Personal use products	4	11
Sporting, recreation & camping	1	3
Stationery	0	1
Toys	0	18
Trade descriptions	0	3
textile products	1	105
footwear	1	9
leathergoods	0	5
upholst'd furniture, bedding	0	8
Transport equipment (excluding motor vehicles)	2	1
<b>TOTAL</b>	<b>40</b>	<b>283</b>

### *Developing and Revising Standards*

#### *Consumer Products Advisory Committee*

Following its June 1994 meeting in Canberra, the former Commonwealth State Consumer Products Advisory Committee (CSCPAC) has become the Consumer Products Advisory Committee (CPAC). An organisational review had been determined upon at the Committee's October 1993 meeting in Sydney and the name change was one of a number of proposals adopted.

The Commonwealth, all States and Territories and New Zealand, as well as Standards Australia and the Standards Association of New Zealand, will continue to be represented. CPAC will, within the context of the agreed consumer affairs policy agenda for Australia and New Zealand, provide policy advice to the

Standing Committee of Officials of Consumer Affairs (SCOCA) to ensure:

- the creation and maintenance of a consistent and relevant framework for the supply and use of safe consumer products and/or services, and
- the provision of adequate and appropriate product information.

Its interim business plan for July 1994 - March 1995 provides for establishment of agreed future directions, operating procedures and performance indicators, with a further business plan to be developed by March 1995.

The 1994-95 interim CPAC work program includes:

- completion of joint strategies for reducing injuries associated with: baby walkers, cots, rocking cradles, exercise cycles, and bunk beds (Victoria is represented on the bunk beds working party)
- development of strategies for uniform action on fibre content labelling, prams and strollers, children's dummies, pool and spa skimmer boxes, baby bouncers, furniture flammability, and disposable, child resistant cigarette lighters (Victoria is represented on the working parties examining fibre content labelling, skimmer boxes and cigarette lighters)
- preparation of a paper for SCOCA on possible promulgation of a general safety directive
- review of existing national mandatory standards.

### ***Australian and International Standards***

The Office is represented on a number of committees developing or reviewing Australian or joint Australian and New Zealand Standards for particular groups of products.

These are committees established by Standards Australia, which is an independent, non-profit organisation whose benchmarks, although not mandatory unless specifically incorporated in legislation, are nationally recognised. Standards are created at the request of any authoritative source, governmental or otherwise.

As a participant in Australian Standards committees, the Office is also called upon to comment on draft standards and vote on adoption of existing, internationally recognised standards from the International Organisation for Standardisation (ISO). ISO standards considered by the Office in 1993-94 related to pedal bicycles, solid fuel burning appliances, fire extinguisher colour, surface scratching testing, and toxic fire effluent testing.

Standards Australia committees in which the Office was involved in 1993-94 included the following.

#### *Bunk Beds*

Development of a standard was prompted by National Injury Surveillance Unit statistics on serious injuries to children through falling out of bunk beds.

A joint Australian and New Zealand Standard has now been approved and is about to be published. It specifies safety requirements for materials, construction, design and performance, all of which are important for the well-being of occupants, especially young children.

#### *Children's Cots*

Following a review of the relevant injury data, Australian Standard AS 2172-1991 is to be varied to allow the supply of cots with adjustable bases, provided they meet minimum dimensional criteria and additional labelling and marking requirements. A draft joint Australian and New Zealand Standard has been issued for public comment.

#### *Rocking Cradles*

The decision to develop a standard on rocking cradles was made after the deaths of two infants in South Australia. The main requirements in the draft standard are for the provision of a non-removable locking device to keep the cradle base horizontal, an associated warning label, and a limit on the angle of tilt for the base.



### *Other Furniture Standards*

Comment was made on a draft standard for adjustable swivel chairs. A meeting was attended to assess a draft standard for plastic monobloc chairs. The ISO standard for a Surface Scratching Test was adopted.

### *Children's Toys and Stuffed Toys*

Amendments have been considered in the Australian Standard AS 1647, Part 2 in relation to the testing of children's toys and specific requirements for stuffed toys.

### *Pedal Bicycles and Pedal Bicycle Child Carrier Seats*

Design requirements for pedal bicycles and child carrier seats are currently under revision. Several re-drafts have already been considered.

### *Exercise Cycles*

The eventual publication of Australian Standard AS 4092 on 11 October 1993 followed considerable concern over accidents involving young children's fingers and toes being caught in the rotating and other moving parts of exercise cycles.

The Standard specifies guarding and other safety requirements for all exercise cycles intended for domestic use.

### *Vehicle Ramps, Stands, Jacks, and Trolley Jacks*

Standards for these vehicle supporting devices cover safe design, construction and testing methods.

The drafting of the ramps and stands standards needed improvement and reports of collapses prompted a full revision. A new joint Australian and New Zealand Standard for Vehicle Ramps has been approved and published, while a draft for a revised vehicle stands standard has been released for public comment.

In addition, amendments have also been made to the Standard for Vehicle Jacks.

### *Portable Fire Extinguishers*

The Standard for Portable Fire Extinguishers has many parts and is very large, detailing requirements for water, wet chemical, foam, powder, carbon dioxide and vaporising liquid type extinguishers. There is a lot of product innovation in this area and regular committee meetings are necessary to consider new proposals for amendments to the Standard.

One of the many issues addressed in 1993-94 was the development of a new standard for aerosol type fire extinguishers. A draft is now being prepared, although it may be some time before a result is achieved.

## **Information Gathering and Exchange Register of Allegedly Hazardous Products**

A Secretariat provided by the Commonwealth Attorney General's Department co-ordinates notification of allegedly hazardous products to representatives of the consumer affairs agencies of the Commonwealth, all States and Territories and New Zealand, as members of CPAC.

The Office worked closely with other CPAC members in relation to investigations, notifications and exchanges of information regarding allegedly hazardous products in 1993-94.

In all, 51 products were reported through CPAC, and this Office had initiated nine of these notifications.

### **Product Recall Register**

Information was registered on 222 voluntary recalls of consumer products in a variety of categories.

<b>CATEGORY</b>	<b>No.</b>
Medical products	87
Vehicles	35
Toys	6
Electrical appliances	14
Food products	32
Other	<u>48</u>
<b>TOTAL</b>	<b>222</b>

## ***Other Safety and Standards Forums***

### *Food Standards Committee*

The Office continued to be represented on the Victorian Food Standards Committee, established under the **Food Act 1984** to make recommendations on standards to ensure the purity of food offered for sale to the public.

It participated in workshops on prevention of oil and rodenticide poisoning among children, organised by Monash University Accident Research, the Department of Health and Community Services and the Victorian Poisons Information Centre. Manufacturers and packagers were involved in the discussions.

### *Domestic Furniture Working Group*

The working group consists of representatives from the furniture industry, Australian Furniture Research and Development Institute (AFRDI) and government. It has made considerable progress towards developing a quality accreditation scheme for furniture manufacturers using systems and procedures ensuring products can be consistently produced to an agreed quality and safety standard. Draft documents will be released for comment early in the new financial year. It is hoped that the scheme will be operating in 1995.

### *Victorian Injury Surveillance System (VISS)*

VISS collects and tabulates information on injury problems as a basis for the development of prevention strategies. Data is collected from the Royal Children's, Royal Melbourne, Royal Victorian Eye and Ear, Preston and Northcote Community, Western and Latrobe Regional Hospitals.

The Office uses this data base in its research and investigations and is advised by the VISS co-ordinators of any trends or matters of concern which come to their attention.

### *Injury Prevention Forums and Workshops*

The Office was represented at forums organised by:

- the Department of Health and Community Services - "Towards an Injury Prevention Strategy for Victoria"
- the Commonwealth Department of Human Services and Health - "National Goals, Targets and Strategies for Injury Prevention and Control"
- the Child Safety Centre, Royal Children's Hospital - "Nursery Furniture Seminar".

# Fostering an Efficient, Competitive and Fair Marketplace

## Self-regulation

A draft report on industry self-regulation was finalised towards the end of the financial year. The report addressed threshold questions such as the meaning of self-regulation, its strengths and weaknesses, in what circumstances it should be used and what criteria are necessary for self-regulation to provide tangible benefits for industry and consumers. Ways in which the Government might implement its policy of supporting industry self-regulation were canvassed and draft guidelines for effective self-regulation were proposed.

The Office has established an Industry Liaison Unit to improve its effectiveness in minimising the level of consumer-trader disputation. It is working closely with businesses and business organisations, encouraging them to prevent complaints occurring and to develop mechanisms for resolving problems which do arise.

## New Industry Standards

### *Victorian Furniture Removers Association Code of Conduct*

In June 1994, the Office agreed to endorse the Victorian Furniture Removers Association Code of Conduct. This followed significant improvements to the code during the course of authorisation procedures before the Trade Practices Commission. The improvements include:

- strengthening the requirements to provide adequate advice to consumers regarding insurance
- greater specificity in regard to membership criteria
- more transparent and accountable procedures for establishing the Complaints Committee
- additional procedures for handling and reporting of claims, and
- more definite requirements for review of the code.

The Minister has written a foreword to the code, which, at the time of writing, was scheduled to be released in late October 1994.

### *Weight Management Code of Practice*

Following the release of a report by the Consumer Advocacy and Financial Counselling Association into problems in the weight loss industry, a National Consultative Committee into the Weight Loss Industry was formed. The committee comprised major players in the weight loss industry, experts in the field of health and nutrition, consumer advocates and representatives from the Office and the Federal Bureau of Consumer Affairs. Standards were developed relating to advertising, sales practices, disclosure, contractual agreements, cooling-off periods, guarantees, refunds, dispute resolution, food and nutrition, health, and data collection.

The committee recommended that the standards be contained within a code of practice. As there was no existing industry association, it was decided that a Weight Management Code Administration Committee should be established.

### *Insurance Industry - Proposed National Codes*

In July 1993, the Federal Government announced its intention to introduce compulsory codes of practice for both the general and life insurance industries. Responsibility for developing the codes lies with special Federal taskforces chaired by the Insurance and Superannuation Commission. The Office has responded to discussion papers and, subsequently, draft code outlines, distributed by the respective taskforces.

While acknowledging that some type of regulation may be necessary to establish higher industry standards, the Office has argued that the codes should not be highly prescriptive. Excessive regulation can limit competition and impose additional costs on consumers. Adequate consumer protection should be achievable without undue costs or restrictions being imposed, and the codes should be developed on the basis of proposals advanced by industry itself.

New information disclosure requirements for life insurers have already been announced by the Insurance and Superannuation Commission in response to the Trade Practices Commission inquiry described in last year's report. The existing dispute resolution mechanisms established by the Insurance Council of Australia and the Life Insurance Federation of Australia have been refined subsequent to the 1993 review by the Insurance Industry Complaints Council. At the time of writing, the Office was considering a draft for a Code for Sales Practices and Customer Complaint Handling in the Life Insurance Industry, expected to be underpinned by Commonwealth legislation before the end of 1994.

### **A Broader Fair Trading Portfolio**

On 4 January, 31 Acts previously administered by the Attorney-General were transferred to the Fair Trading portfolio by administrative order. These included Acts relating to:

- the business registration functions
  - Associations Incorporation Act 1981
  - Business Names Act 1962
  - Co-operation Act 1981
  - Partnership Act 1958
- the Victorian Financial Institutions Commission
  - Building Societies Act 1986
  - Co-operative Housing Societies Act 1958
  - Financial Institutions (Victoria) Act 1992
  - Friendly Societies Act 1986
  - Industrial and Provident Societies Act 1958
- charitable and similar funds
  - Charities Act 1978
  - Fundraising Appeals Act 1984
  - Religious Successory and Charitable Trusts Act 1958
  - Patriotic Funds Act 1958
- corporate conduct
  - Business Investigations Act 1958

Collusive Practices Act 1965  
 Companies (Administration) Act 1981  
 Corporations (Victoria) Act 1990  
 Marketable Securities Act 1970  
 Trustee Companies Act 1984

- consumer-business or business-client dealings

Auction Sales Act 1958  
 Carriers and Innkeepers Act 1958  
 Estate Agents Act 1980  
 Frustrated Contracts Act 1959  
 Goods Act 1958  
 Hire-Purchase Act 1959  
 Landlord and Tenant Act 1958  
 Retirement Villages Act 1986  
 Sale of Goods (Vienna Convention) Act 1987  
 Sale of Land Act 1962  
 Second-Hand Dealers and Pawnbrokers Act 1989  
 Trustee Act 1958.

A Legislation Unit was established within the Office, to undertake functions formerly discharged by the Department of Justice's Policy and Executive Services Branch in relation to the transferred Acts (for example, policy work regarding financial institutions and corporations) and to develop and assist with the implementation of the Fair Trading legislative program. The unit was in full operation by April 1994, with four staff, including three legally trained officers, two on secondment from private legal firms.

A significant part of the unit's workload relates to the business of MinCo (Ministerial Council on Corporations) and MinFin (Ministerial Council on Financial Institutions). Members of the unit are responsible for development of Victorian proposals as directed and of responses to proposals from other jurisdictions between the regular national meetings, attending officers' meetings and briefing the Minister for the ministerial council meetings. Support is currently being provided to a national working party preparing template legislation for introduction

in Victoria (and adoption in all other jurisdictions) to establish a national scheme for regulation of friendly societies.

The unit has a co-ordinating and advisory role regarding all matters involving primary legislation, although responsibility for policy and legislative development will continue to be shared between different areas of the Office on the basis of the expertise and resources available.

## Changes and Proposed Changes to the Law

### *Credit*

*Credit (Administration) (Amendment) Act 1993*

The **Credit (Administration) (Amendment) Act 1993** came into operation on 10 November 1993, replacing the previous system of licensing credit providers with a registration regime. Intending entrants to the industry are no longer screened, although the right to keep operating as a credit provider is still subject to review by the Credit Authority (formerly the Credit Licensing Authority), which deals with objections to continued registration under the Act.

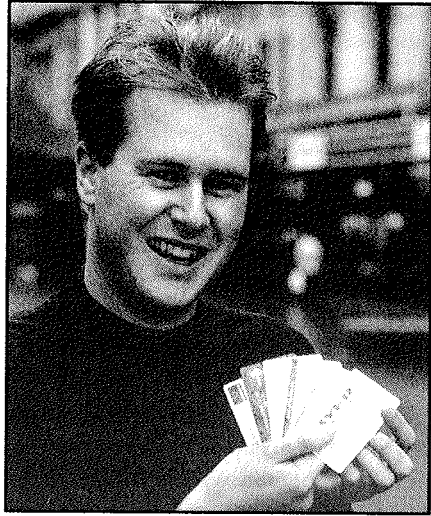
### *Regulations*

Following the regulatory impact statement process begun in the previous financial year, the Credit (Annual Percentage Rate) Regulations 1993 were made, to bring consumer credit contracts with any interest rate above 8% within coverage of the Credit Act. The previous threshold of 14% was inappropriate given the general decline in interest rates in recent years.

The Credit (Administration) Regulations 1993 introduced machinery provisions for the registration of credit providers in accordance with the amendments to the Credit (Administration) Act described above.

### *Exemption Order - Credit Card Fees*

In line with the previous national agreement, Victoria moved by exemption order to allow fees on credit cards from 1 August 1993. The Prices Surveillance Authority is responsible for monitoring the effects of deregulation on overall credit card pricing.



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### *Proposed Uniform Credit Laws*

The proposed uniform laws are intended to apply truth in lending principles to all consumer credit transactions (including housing loans) and to all credit providers (including banks, credit unions, building societies and finance companies). Policy having been agreed in May 1993, a draft bill was released for comment after the July 1993 meeting of the Ministerial Council on Consumer Affairs. At that stage, introduction of template legislation into the Queensland Parliament was planned for autumn 1994.

Very extensive comments were received on the bill, and Victoria and New South Wales managed continuous consultations on behalf of all State and Territory Governments, to ensure that the concerns of industry, relevant professions and consumers were fully considered. A large number of drafting changes were made, including further significant modifications to the civil penalties provisions.

Consultations also included exposure of an outline of the proposed regulations, following which work was commenced on preparation of full draft regulations, to be circulated for comment early in the 1994-95 year.

At the time of writing it was anticipated that the principal legislation would be enacted in Queensland in September 1994, and be adopted

by other jurisdictions within the following 12 months.

It is intended to give the industry maximum opportunity to prepare documentation, design software and train staff for a smooth and efficient transition to the new regime.

### ***Pre-Paid Funerals***

The principal sections of the **Funerals (Pre-Paid Money) Act 1993** came into effect on 26 August 1993. All pre-paid funeral contracts entered into from that date must comply with the Act's requirements. The money must be invested in an approved account in the name of the person whose funeral is to be supplied.

Contracts entered into prior to 26 August 1993 must be brought into compliance with the same requirements unless specifically exempted by the Minister. At the time of writing, 43 exemption applications had been received, involving 5,125 contracts. The Minister had exempted 4,172 of these contracts.

### ***Miscellaneous Regulations***

The Business Names (Amendment) Regulations 1993 and Co-operative Housing Societies (Interim) Regulations 1994 prescribed forms, fees and machinery for the efficient administration of the relevant legislation. Regulations of a similar nature under the Partnership Act for limited partnerships were also developed and should be made later in 1994.

It was necessary to prepare a regulatory impact statement (RIS) in the cases of the business names and limited partnerships regulations. A RIS is a public consultation document generally required for proposed regulations which involve costs to any section of the community to demonstrate that the proposals will have a net benefit greater than could be realised through the available alternatives. Any comments received must be considered before proceeding with the proposed regulations.

In the impact statements supporting fee adjustments, the Office analysed the total costs of providing the relevant services and demon-

strated that the proposed fee levels would be necessary for these to be recovered in full.

### ***Legislative Program***

The Minister recently approved limited or general review of the following legislation for possible amendment by the end of the 1995 calendar year:

- Estate Agents Act
- House Contracts Guarantee Act
- Fundraising Appeals Act
- Motor Car Traders Act
- Co-operation Act
- Residential Tenancies Act
- Business Names Act
- Friendly Societies Act
- Fair Trading, Consumer Affairs and Ministry of Consumer Affairs Acts
- Second-Hand Dealers and Pawnbrokers Act.

Reviews of the Estate Agents, House Contracts Guarantee, Fundraising Appeals and Motor Car Traders Acts were significantly advanced by the end of the 1993-94 year.

## **Matters Under Review**

### ***Introduction Agencies***

The volume of complaints against introduction agencies was significantly higher over the last three years than had been the case previously. In October 1993, the Minister established a working party to investigate the problems in the industry and recommend solutions.

To obtain an accurate picture, the working party wrote to all known Victorian agency principals, as well as undertaking a comprehensive complaint file analysis and obtaining information from elsewhere in Australia and overseas.

The working party found the industry to be generally competitive on the supply side. However, particular firms had been able to engage in exploitative conduct because clients were often poorly educated, ill-informed and vulnerable. Fifteen agencies were responsible

for 82% of complaints to the Office or the Small Claims Tribunals over the period July 1989 to December 1993 for which details were available. The remainder of the complaints were spread among 55 agencies. Four firms alone generated a disproportionate 53% of complaints.

Sixty-eight per cent of complaints concerned contractual matters, with consumers complaining of a lack of service or exceedingly poor service. Several factors seem to influence service standards. The fact that the industry is based on advance payment weakens the commercial incentive to provide service to the customer's satisfaction. Some agency principals see the industry simply as an avenue through which to make money, have no commitment to quality service and are cavalier in their approach to consumers and government. Because the industry has no defined standards of service or appropriate information disclosure mechanisms, even prudent consumers have difficulty making informed choices.

Other complaints related to unfair conduct, such as continual pressure to make additional payments to receive an allegedly upgraded service and false representations about potential contacts. Allegations of fraud - specifically, unauthorised debiting of credit cards - were also made.

There are significant shortcomings in the way in which the industry approaches consumer complaints. Most agencies refuse to provide refunds in any circumstances.

Despite these poor trading standards, there has not been sufficient available evidence in any particular case to pursue a prosecution for breach of the **Fair Trading Act 1985**. This has meant that unethical agencies continue to trade largely unchecked, at the expense of both consumers and ethical traders.

The working party considered several options to counter the problems within the industry, including self-regulation and government regulation. It recommended:

- measures to deal with individual recalcitrant traders, including use of the injunctive provisions of the Fair Trading

Act and negotiation of deeds of assurance based on appropriate standards

- development of information strategies which target consumers seeking to join agencies, such as advertising in the same publications used by the industry and systematic naming of unethical traders in Parliament
- preparation of a code of conduct to establish fair trading standards for the industry and serve as a reference for both consumers and those responsible for handling complaints against industry members. (A draft code was developed by the Office and included in the report.)

The working party further recommended that the Government put the industry on notice that if there was no improvement in trading standards over the ensuing 12 months, it would introduce regulation. The working party considered the most appropriate form of control would be a mandatory code.

The Minister tabled the report in Parliament on 26 May 1994 and has instructed the Office to implement the recommendations.

### ***Petrol Pricing***

Country motorists have long been concerned about differences between metropolitan and country retail fuel prices of a magnitude which cannot be explained by freight or storage costs. Prices often differ by more than 15 cents per litre. The Office has been involved in a number of Government initiatives to tackle this difficult and persistent problem.

In 1993, a committee of Coalition Members of Parliament was established to examine possible solutions, and the Office has provided information and advice to the committee.

The Office contributed to an initial Victorian Government submission to the Industry Commission Inquiry into the Petroleum Industry and prepared the Government's response to the draft report released earlier in 1994. This response concentrated entirely on the Commission's treatment of city-country price differences.

At the time of writing, the Minister intended to present a paper on the problem to the July 1994 meeting of the Ministerial Council on Consumer Affairs (MCCA). Having placed the issue of regional price discrimination on the agenda in 1993, to focus greater national attention and promote co-operation between Fair Trading agencies, the Minister was anxious to reinforce the message in anticipation of the release of the Industry Commission's final report.

### ***Mailing Lists***

The Office participated in a working party established by MCCA to investigate issues arising for consumers from the compilation, storage, use and rental or sale of mailing lists - a term which covers any list of names and addresses or other details used for directing communications to individuals, whether by post, telephone or other technology.

Wide consultation took place with industry, consumer groups, government agencies and independent regulatory bodies, and the working party identified a number of key issues. These included: failure of those recording personal information to disclose or obtain consent for its proposed re-use or sale; unreliable security for and integrity of mailing lists; and inability of consumers to remove their names from lists.

The working party made a series of recommendations regarding industry practice. To ensure that appropriate practices would be adopted, it recommended that a code be developed in co-operation with industry and consumer groups and that this be made mandatory.

### ***Complaint Handling - Proposed Australian Standard***

The Office was represented on a Standards Australia committee established to develop a standard for complaint handling. The standard - expected to be finalised by the end of 1994 - will set out the essential elements of a complaint handling process, and provide

guidelines for implementation. It is intended to serve as a reference on best practice for organisations of all types and sizes.

### ***National Consumer Affairs Agenda***

In July 1993, MCCA endorsed the concept of a strategic National Consumer Affairs Agenda. The Standing Committee of Officials of Consumer Affairs (comprising the heads of all Fair Trading agencies) was directed to develop a strategic agenda to be used as a framework for the preparation of a detailed rolling work plan.

Officials determined that it would be necessary for any agenda to cover both the traditional, core concerns of consumer affairs agencies and relevant national policy developments issuing from other portfolio areas.

Managing the core agenda nationally and strategically rather than in an ad hoc manner was seen to have several key elements. These included greater emphasis on structural and systemic solutions to marketplace problems, proper assessment of the costs and benefits of different regulatory models, harmonisation of regulatory arrangements where markets cross State borders, and early identification of emerging issues.

It was recognised that Fair Trading agencies needed to provide significant input to the development and advancement of national policy on microeconomic reform and other matters with similarly wide ramifications. For example, while the Council of Australian Governments agreed in February 1994 to the principles articulated in the Hilmer report on Competition Policy, a number of issues relating to the implementation of a national policy still need to be resolved.

A need to be aware of international developments was also identified.

Consistent with the above, a draft national Consumer Affairs Agenda was developed to be considered by MCCA at its meeting in July 1994.



## Getting Disputes Resolved

### Conciliation

If a dispute cannot be resolved between the parties themselves, a written complaint may be made. Inspectors will negotiate in an effort to reach common ground, where the matter cannot be heard by a tribunal or where conciliation is preferred.

In 1993-94 the number of complaints received for conciliation fell by 5.3% to 11,276.

Real estate and accommodation matters accounted for 37.9% of complaints. Most of these related to residential tenancies cases, mainly requests for inspections relating to abandoned goods, repairs and rental increases (see Appendix 3, p.48, for figures). The next largest categories of written complaint were motor vehicles and other transport equipment (14.7%) and household goods (11.6%).

Where evidence of serious departures from fair trading standards emerges in the conciliation of complaints, this is referred as appropriate for investigation or for the attention of statutory authorities or industry liaison personnel (see p.29).

### A Problem Panel Beater

Towards the end of the financial year, the Minister received media queries regarding panel beater Louis Zukanovic and the business Webber Panels. In advising the Minister, the Office noted its familiarity with Mr Zukanovic and various of his trading names (JDK Panels, Webber Panels, True Blue Panels, True Blue Smash Repairs, Exit Car Rentals) and the receipt of six complaints in 1993-94. Coercion, misrepresentations on repair and storage costs, and shoddy workmanship were among the issues involved.

In one case, a consumer persuaded to leave her accident-damaged car with JDK Panels was induced to sign a release to "speed up" an insurance payment of \$7,740. The money was paid to JDK Panels but not passed on. Mr Zukanovic convinced the consumer to take a car from him in part satisfaction. After eight months and several bounced cheques, around

\$4,500 was still owing. Mr Zukanovic then informed the consumer that JDK Panels had "gone bankrupt". Eventually, yet another car was offered in settlement of the outstanding debt.

### Pointers Based on Recent Files

#### *Car Trade-ins*

Used car buyers have a three day cooling-off period as the law stands, unless they take delivery within that time and sign a waiver. Some dealers will take the consumer's trade-in on the spot and provide a loan car for use until the vehicle chosen is ready. At least one large trader is known to have made a habit of telling people wishing to exercise their cooling-off rights that their trade-ins had been sold and the contracts would have to proceed. Selling a trade-in during the cooling-off period is a breach of the Motor Car Traders Act. The customer does not have to go ahead with the contract, even if the dealer really has sold the trade-in and isn't just claiming to have done so. A consumer encountering these pressure tactics should let the Office or the Motor Car Traders Licensing Authority know immediately.

#### *Supplementary Credit Cards*

Credit card users are advised to be very careful about having supplementary cards issued to other people. Even trusted family members can succumb to impulse buying, and if the bank is lax in supervising the customer's credit limit a very large debt can soon build up. Consumers should always check credit card statements closely to ensure that every transaction was authorised.

### Local Assistance in Dispute Resolution

Agencies funded under the Consumer Support and Tenant Support Programs assist in the resolution of complaints at the local level - primarily by facilitating self-help - but also through intervention where necessary. These roles involve ensuring that clients are aware of their rights and entitlements and thus equipped to resolve matters themselves, and actively assisting in achieving appropriate settlements.

Where issues are unable to be resolved, consumers are referred to the Office for appropriate action or assisted in preparing for hearings in the Small Claims Tribunals or the Residential Tenancies Tribunal.

## The Tribunals System

The **Small Claims Tribunals Act 1973**, **Residential Tenancies Act 1980** and **Credit (Administration) Act 1984** establish specialist tribunals to deal with disputes.

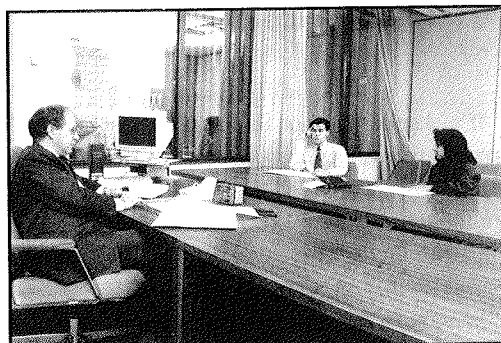
Administrative support is supplied by the Courts and Tribunals Services Division of the Department of Justice. Members/Referees are independent of the Department. Appointments are made by the Governor-in-Council and, except for particular positions on the Credit Tribunal panel, require legal qualifications.

Tribunal decisions are legally binding. There is no appeal against Small Claims or Residential Tenancies Tribunal decisions, although there is provision to apply for a Supreme Court order that a decision be reviewed under the **Administrative Law Act 1978**, on the grounds of denial of natural justice or lack of jurisdiction.

To minimise inconvenience and travelling time for the parties involved, hearings are held as near as possible to the place the contract was entered into (in the case of the Small Claims Tribunals) or the rented premises (in the case of the Residential Tenancies Tribunal). Venues in 31 locations across Victoria were used for tribunal hearings in 1993-94 (see Appendix 5C, p.53, for details). The Melbourne address for the Tribunals is now Level 7, 55 King Street.

The Office is continuing development of user-friendly forms for both the Residential Tenancies and Small Claims Tribunals, following introduction of new Residential Tenancies Tribunal application forms.

To assist in the Government's planned review of tribunals generally, the Office prepared a paper explaining the respective roles of the above bodies and summarising research data on their performance of these functions. Copies



were supplied to senior management in the Department of Justice, supplementing the material provided in the previous reporting year.

## Residential Tenancies Tribunal

### *Residential Tenancies Act Cases*

The number of applications lodged with the Residential Tenancies Tribunal increased by 12.4% in 1993-94 to 34,637. Applications were predominantly by landlords (94.2%), the majority of these (79.2%) being for possession of the rented premises. Detailed statistics are presented in Appendix 5A (p.51).

### *Caravan Park Cases*

The Residential Tenancies Tribunal determines disputes between caravan park owners or caravan owners, on the one hand, and caravan park residents renting their sites or vans, on the other. The number of applications lodged with the Residential Tenancies Tribunal in relation to the **Caravan Parks and Movable Dwellings Act 1988** decreased from 144 in 1992-93 to 117 in 1993-94. Further statistics are provided in Appendix 5A (p.51).

### *Rooming House Cases*

The **Rooming Houses Act 1990** assigns rights and responsibilities to rooming house owners (and mortgagees) and residents.

In 1993-94 there were 711 applications to the Tribunal under the Act, a fall of 22.6% on the 1992-93 figure. Further statistics are provided in Appendix 5A (p.51).

### ***Fair Rents Board Cases***

The Residential Tenancies Tribunal sits as the Fair Rents Board to determine applications regarding prescribed premises under Part V of the **Landlord and Tenant Act 1958**. Essentially, this legislation protects tenants still subject to tenancy agreements made prior to 1 January 1956, where the rented premises were constructed before 1 February 1954.

Seven fair rents hearings were conducted in 1993-94. Yearly comparative statistics are provided in Appendix 5A (p.51). It is expected that the number of hearings will remain small as the number of prescribed premises continues to decrease.

### **Small Claims Tribunals**

The Small Claims Tribunals resolve disputes between consumers and traders, with a limit of \$5,000 on claims. The fee to lodge a claim is \$10.

The number of claims lodged with the Small Claims Tribunals fell by 5.2% in 1993-94 to 3,622. Further statistics are provided in Appendix 5B (p.52).

### **Credit Tribunal**

The Credit Tribunal is located on Level 6, 55 King Street, Melbourne. Administrative assistance is now provided by the Courts and Tribunals Services Division of the Department of Justice.

It hears matters arising under the **Credit Act 1984**. These include applications by consumers, seeking:

- relief from unjust or unconscionable contracts
- variations of contracts because of hardship
- compensation for failure to give a notice before repossession or failure to sell repossessed goods in the required manner,

and by credit providers, seeking:

- reinstatement of credit charges they have forfeited under the Act by their conduct (civil penalties)
- to repossess secured items.

There were 117 applications lodged with the Credit Tribunal in 1993-94, compared with 298 in 1992-93. Further statistics are provided in Appendix 5D (p.53).

## Consultative Groups

### Victorian Consumer Affairs Committee

The Victorian Consumer Affairs Committee (VCAC) is a source of policy advice to the Minister for Fair Trading comprising 11 representatives from consumer, industry and community groups. Its monthly meetings are chaired by Suzanne Russell, Senior Lecturer in Consumer Science at RMIT.

Advice provided in 1993-94 to the Minister and to government bodies in response to specific requests concerned promotion of the Weight Loss Industry Code of Practice, an apparent lack of legal protection for people with disabilities living in particular types of rental accommodation, consumer rights in the domestic building industry, consumer representation, the Westpac Trust Fund and the review of the **Weights and Measures Act 1958**.

VCAC representatives act on the Telecom Regional Consumer Council and the SIO Appeals Centre Advisory Board. The Telecommunications Industry Ombudsman Scheme and SIO Appeals Centre were among the topics on which speakers were invited to address committee meetings.

In its own right and in conjunction with other organisations, the committee organises public events to disseminate information and provide opportunities for people to put their views on consumer issues. In 1993-94 seminars were held on insurance dispute resolution, the development of trader codes of conduct, and public utilities and privatisation. The VCAC was also involved in World Consumer Rights Day activities.

The Minister opened the seminar on codes of conduct, which involved representatives of industry bodies, the legal profession, government and consumer organisations. Participants considered appropriate types of regulation for different industries and the process of developing and implementing a code, including the role of the Trade Practices Commission and other government agencies. Case studies included banking, direct selling and weight loss industry codes. Speakers included representa-

tives of the Master Builders Association of Victoria, Housing Industry Association, Victims of Builders Support Group, Housing Guarantee Fund Ltd and Trade Practices Commission.

The seminar on insurance dispute resolution had as its keynote speaker Dr Julian Farrand, the UK Insurance Ombudsman, who described the role and experience of his Bureau and gave practical advice on dispute avoidance for consumers and insurers. Organised jointly with the SIO Consumer Appeals Centre, the seminar was attended by representatives of a range of interested industry, legal and community groups.

### Industry Liaison Group

The Industry Liaison Group (ILG) is a consultative forum between the Office, various industry and commerce groups, and relevant government agencies. Those represented include the Victorian Employers Chamber of Commerce and Industry (VECCI), the Australian Chamber of Manufactures, the Master Builders Association of Victoria (MBAV), the Victorian Automobile Chamber of Commerce (VACC), the Retail Traders Association of Victoria, Coles-Myer Limited, Small Business Victoria, and the Trade Practices Commission.

The ILG meets on a bi-monthly basis, to share information, to provide feedback to the Office on the development of awareness programs for traders and consumers and to identify areas where research would be desirable in the context of advancing the Government's fair trading policies.

In 1993-94, the Minister spoke to the group on legislative review and other policy matters. Discussions were also promoted by guest speakers from participating organisations and elsewhere. Topics included balance in approaching the needs of business and consumer protection (VECCI), the role of the Office of Regulation Reform (ORR) in reviewing regulatory systems affecting business and assessing regulatory impact statements prepared by government agencies (ORR), the building industry and recent and prospective regulatory reform (MBAV), and the development of

complaint handling and dispute resolution schemes (VACC).

The assistance of ILG member organisations in distributing information materials was particularly useful in making access easier for both traders and consumers. The rights and responsibilities of traders and consumers in a variety of industries including travel, car retailing and fitness were far better publicised than would otherwise have been the case.

# APPENDIX 1

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## **REGULATIONS MADE OR REVOKED IN 1993-94**

The following regulations were made:

Business Names (Amendment) Regulations 1993

(No.237; made 21 December 1993)

Co-operative Housing Societies (Interim) Regulations 1994

(No.76; made 7 June 1994)

Credit (Administration) Regulations 1993

(No.209; made 9 November 1993)

Credit (Annual Percentage Rate) Regulations 1993

(No.228; made 7 December 1993)

No regulations were revoked.

# APPENDIX 2

## COMMUNITY FUNDING PROGRAMS

### A. Consumer Support Program from 1 July 1993 to 30 June 1994

The Consumer Support Program provides funding to regional community-based agencies to provide information and education to consumers and traders, and to provide dispute resolution and advocacy services to consumers throughout Victoria, especially disadvantaged members of the community. Funding is also provided to a number of specialist and statewide services for various consumer-related activities.

#### REGIONAL SERVICES

Bairnsdale Regional Health Service - Community Health Centre 115 Main Street BAIRNSDALE 3875 \$23,729	Ballarat Children's Homes and Family Services 115 Lydiard Street North BALLARAT 3350 \$53,485
Provides services in the eastern part of the Gippsland Region.	Provides services in the Central Highlands Region.
Bendigo Community Health Services Inc. 478 Napier Street BENDIGO 3550 \$55,399	Broadmeadows Community Health Services Inc. Cnr Coleraine Street and Pearcedale Parade BROADMEADOWS 3047 \$30,855
Provides services in the Loddon Campaspe Region.	Provides services in the North West Region.
Consumer and Tenancy Advice Service 110 Hume Street WODONGA 3690 \$46,222	Consumer Resource and Advocacy Centre Outer East Inc. Suite 11, 5-7 Chandler Road BORONIA 3155 \$63,367
Provides services in the Upper Murray Region.	Provides services in the Outer Eastern Region.
Deer Park Community Information Centre Inc. Shop 95A, Deer Park Central Shopping Centre Neale Road DEER PARK 3023 \$50,631	Frankston North Legal Service Inc. Pines Forest Community Centre Mahogany Avenue FRANKSTON NORTH 3200 \$28,185
Provides services, particularly to people of non-English speaking background, in the northern part of the Western Region.	Provides services in the southern part of the Westemport Region.

## REGIONAL SERVICES Cont.

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Financial Counselling and  
Consumer Information Service Inc.  
40 Myers Street  
GEELONG 3220  
\$46,548

Provides services in the Barwon Region.

Goulburn Valley Community  
Care Centre  
162 Maude Street  
SHEPPARTON 3630  
\$54,018

Provides services in the Goulburn Region.

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Kilmany Family Care  
105 Cunningham Street  
SALE 3850  
\$22,725

Provides services in the western  
part of the East Gippsland Region.

Latrobe Valley Citizens Advice Bureau  
Shops 7-8, Railway Arcade  
MORWELL 3840  
\$52,370

Provides services in the Central  
Gippsland Region.

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Mallee Tenancy  
Advice Service Inc.  
1/152 Pine Avenue  
MILDURA 3500  
and  
300 Campbell Street  
SWAN HILL 3585  
\$48,729

Provides services in the Mallee Region.

Springvale Community Aid  
and Advice Bureau Inc.  
5 Osborne Avenue  
SPRINGVALE 3171  
\$49,280

Provides services, particularly to people  
of non-English speaking background,  
in the northern part of the Westernport  
Region.

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South Western Community Care Inc.  
26 Fairy Street  
WARRNAMBOOL 3280  
and  
6 Gunner Street  
CAMPERDOWN 3260  
and  
63 Percy Street  
PORTLAND 3305  
and  
46 Brown Street  
HAMILTON 3300  
\$44,780

Provides services in the Glenelg Region.

Sutherland Child, Youth and Family Services  
C/- Shopfront Family Resource Centre  
258 Nell Street  
WATSONIA 3087  
\$47,751

Provides services in the  
North Eastern Region.

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Wimmera Community Care  
185 Baillie Street  
HORSHAM 3400  
\$42,947

Provides services in the Wimmera Region.

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## SPECIALIST SERVICES

Organisation	Purpose of Grant
Consumer Credit Legal Service Inc. 1st Floor, Bank House 11-19 Bank Place MELBOURNE 3000 \$123,210	To promote and safeguard industry standards that achieve a fair financial services market, including objections to registration, class actions and selected individual legal actions; and to seek redress for individuals who have been unfairly treated, particularly those who are disadvantaged and have limited access to redress.
Consumer Advocacy and Financial Counselling Association of Victoria 4th Floor, Ross House 247-251 Flinders Lane MELBOURNE 3000 \$47,870	To resource and support consumer support workers, represent members' views to Government and the community and co-ordinate statewide campaigns on key consumer issues.
Good Shepherd Youth and Family Services Inc. Buying Advice Service 74 Johnston Street (now 117 Johnston Street) COLLINGWOOD 3066 \$57,981	To operate a buying advisory service for low income people which gives access to basic household products at a reasonable price, and assists low income people in making informed choices when purchasing household products.

### B. Tenant Support Program from 1 July 1993 to 30 June 1994

The Tenant Support Program provides funding to regional community-based agencies to provide information and education to landlords and tenants, and to provide dispute resolution and advocacy services to tenants throughout Victoria, especially disadvantaged members of the community. Funding is also provided to a number of specialist and statewide services for various tenancy-related activities.

### REGIONAL SERVICES

Bairnsdale Regional Health Services - Community Health Centre 115 Main Street BAIRNSDALE 3875 \$62,088	Barwon Region Housing Council Inc. 1 Little Ryrie Street GEELONG 3220 \$108,668
Provides services to tenants in the East Gippsland Region.	Provides services in the Barwon Region.
Bayside Tenants Information Service Inc. 13 Wells Street FRANKSTON 3199 \$69,306	Bendigo Community Health Services Inc. 478 Napier Street BENDIGO 3550 \$90,568
Provides services in the Westempport Region.	Provides services in the Loddon Campaspe Region.

## REGIONAL SERVICES Cont.

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Broadmeadows Tenants Information  
Service Inc.  
182 Widford Street  
BROADMEADOWS 3047  
\$44,645

Provides services in the North West Region.  
Access to Arabic-speaking, and Turkish-  
speaking workers through the Ethnic  
Tenancy Project.

Consumer and Tenancy Advice Service  
110 Hume Street  
WODONGA 3690  
\$50,310

Provides services in the Upper Murray  
Region.

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Deer Park Community Information Centre Inc.  
Shop 95A, Deer Park Central Shopping Centre  
Neale Road  
DEER PARK 3023  
\$45,810

Provides services in the Western Region.  
Access to Spanish-speaking, and Turkish-  
speaking workers through the Ethnic  
Tenancy Project.

Gippsland Tenants Information Service Inc.  
22 Hazelwood Road  
MORWELL 3840  
\$78,793

Provides services in the Gippsland Region.

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Goulburn Regional Housing Council  
15 Nixon Street  
SHEPPARTON 3630  
and  
Shop 7, Cecily Court  
Nunn Street  
BENALLA 3672  
\$91,524

Provides services in the Goulburn Region.

Inner Eastern Housing Service Inc.  
12 Rutland Road  
BOX HILL 3128  
\$43,993

Provides services in the Inner East Region.  
Access to a Cambodian-speaking worker  
through the Ethnic Tenancy Project.

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Mallee Tenancy Advice Service Inc.  
1/152 Pine Avenue  
MILDURA 3500  
and  
300 Campbell Street  
SWAN HILL 3585  
\$117,717

Provides services in the Mallee Region.

Outer East Tenants Information Service Inc.  
Shop 10  
Railway Place  
RINGWOOD 3134  
\$67,324

Provides services in the Outer East Region.

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South Western Community Care Inc.  
26 Fairy Street  
WARRNAMBOOL 3280  
and  
63 Percy Street  
PORTLAND 3305  
\$95,108

Provides services in the Glenelg Region.

and  
Camperdown Hospital  
CAMPERDOWN 3260  
and  
46 Brown Street  
HAMILTON 3300

## REGIONAL SERVICES Cont.

Tenancy Advisory Service for Southern Inc.  
372 South Road  
MOORABBIN 3189  
\$56,002

Provides services in the Southern Region.

Tenancy Information Network (Ballarat)  
Suite 3, 2nd Floor  
11 Lydiard Street South  
BALLARAT 3350  
\$66,607

Provides services in the Central Highlands Region.

Springvale Community Aid and Advice  
Bureau Inc.  
5 Osborne Avenue  
SPRINGVALE 3171  
\$53,166

Provides services in the northern part of the Westernport Region. Access to a Vietnamese-speaking worker through the Ethnic Tenancy Project.

Wangaratta Housing and Tenancy  
Service Inc.  
45A Ovens Street  
WANGARATTA 3677  
\$39,193

Provides services in the Upper Murray Region.

Wimmera Community Care  
185 Baillie Street  
HORSHAM 3400  
\$59,918

Provides services in the Wimmera Region.

## SPECIALIST SERVICES

### Organisation

### Purpose of Grant

Caravan Park Residents Network  
1st Floor, Ross House  
247-251 Flinders Lane  
MELBOURNE 3000  
\$77,766

Provision of information/advice, complaint resolution, advocacy and education services to Victorian caravan park residents. Contribution to policy development and legislative change on caravan park issues.

Promotion of the establishment of regional residents' groups and a statewide network of groups.

Housing for the Aged Action Group Inc.  
3rd Floor, Ross House  
247-251 Flinders Lane  
MELBOURNE 3000  
\$49,974

Provision of a community education, information/advice and advocacy and support service on tenancy issues for the aged as a statewide project.

Park Residents Action and Support Team Inc.  
C/- 7 Bogong Court  
BANGHOLM 3175  
\$32,734

Provision of information/advice, complaint resolution, advocacy and education services to Victorian caravan park residents. Contribution to policy development and legislative change on caravan park issues.

## SPECIALIST SERVICES Cont.

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Rooming House Tenants Association Inc.  
98 Gertrude Street  
FITZROY 3065  
\$107,525

Provision of rooming house residency information/advice, complaint resolution and advocacy services. Contribution to policy development and legislative change on rooming house issues.

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Tenants Union of Victoria Inc.  
35 Smith Street  
FITZROY 3065  
\$273,424

Provision of a full range of tenancy information/advice, complaint resolution, advocacy and education services particularly to assist disadvantaged tenants, in the Inner Urban, North East and Western Regions.

Provision of access to a Vietnamese-speaking worker in the Western Region and a Cambodian-speaking worker in the North East Region through the Ethnic Tenancy Project.

Undertaking of statewide resourcing, and supporting of regional tenant advice services, research, policy and community education work.

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### C. Ethnic Tenancy Project

#### ETHNIC TENANCY PROJECT BI-LINGUAL PROGRAM FROM 1 NOVEMBER 1993 TO 30 JUNE 1994

The Ethnic Tenancy Project provides funding to four community agencies to employ bi-lingual workers within the framework of the Tenant Support Program, to provide a full range of tenancy information/advice, complaint resolution, advocacy and education services to Victorians of five different ethnic origins. Workers are developing strategies to achieve full provision of tenancy services to these communities by mainstream services.

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Cambodian Association of Victoria  
55 Buckingham Avenue  
SPRINGVALE 3171  
\$39,176

Provides services to the Cambodian-speaking community. Outreach to Inner Eastern Housing Service, Box Hill (Inner East Region), and the Tenants Union Northcote Office (North East Region).

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Deer Park Community Information Centre  
73 Dumfries Street  
DEER PARK 3023  
\$28,271

Provides services to the Spanish-speaking community.

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UNTIL 31 DECEMBER 1993  
Good Shepherd Youth and  
Family Services  
74 Johnston Street  
(now 117 Johnston Street)  
COLLINGWOOD 3066  
\$9,797

Provides services to the Vietnamese-speaking community. Outreach to Broadmeadows Tenants Information Service (North Western Region) and the Tenants Union Footscray Office (Western Region).

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AFTER 1 JANUARY 1994  
Tenants Union of Victoria Inc.  
205-207 Nicholson Street  
FOOTSCRAY 3011  
\$36,110

## ETHNIC SERVICES Cont.

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UNTIL 31 DECEMBER 1993  
Tenants Union of Victoria Inc.  
35 Smith Street  
FITZROY 3065  
\$6,108

Provides services to the Arabic-speaking communities. Outreach to Broadmeadows Tenants Information Service (North Western Region).

AFTER 1 JANUARY 1994  
Broadmeadows Tenants Information Service Inc.  
182 Widford Street  
BROADMEADOWS 3047  
\$30,091

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UNTIL 31 DECEMBER 1993  
North Cyprus Turkish Community  
125 Sydney Road  
BRUNSWICK 3056  
\$9,906

Provides services to the Turkish-speaking communities. Outreach to Broadmeadows Tenants Information Service (North Western Region).

AFTER 1 JANUARY 1994  
Broadmeadows Tenants Information Service Inc.  
182 Widford Street  
BROADMEADOWS 3047  
\$30,091

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# APPENDIX 3

## COMPLAINT STATISTICS

### Consumer Complaints by Product Type (National Consumer Complaints Statistics System)

	1991-92	1992-93	1993-94
Food, Beverages, Tobacco	33 (0.3%)	35 (0.3%)	24 (0.2%)
Clothing, Footwear, Drapery, Manchester	558 (5.0%)	609 (5.1%)	478 (4.2%)
Household Goods	1,347 (12.0%)	1,434 (12.0%)	1,309 (11.6%)
Motor Vehicles & Other Transport Equipment	1,714 (15.2%)	1,675 (14.1%)	1,661 (14.7%)
Building & Construction	789 (7.0%)	813 (6.8%)	735 (6.5%)
Commercial Equipment, Appliances & Supplies	35 (0.3%)	29 (0.2%)	37 (0.3%)
Personal Items, Entertainment & Novelties	553 (4.9%)	638 (5.4%)	628 (5.6%)
Transport, Post, Telephone & Energy	446 (4.0%)	467 (3.9%)	412 (3.7%)
Insurance, Finance & Investment	791 (7.0%)	515 (4.3%)	363 (3.2%)
Real Estate & Accommodation	3,758 (33.4%)	4,359 (36.6%)	4,273 (37.9%)
Miscellaneous Services	1,070 (9.5%)	1,217 (10.2%)	1,244 (11.0%)
Other/Unspecified	156 (1.4%)	113 (0.9%)	112 (1.0%)
<b>Total</b>	<b>11,250</b>	<b>11,904</b>	<b>11,276</b>

**Consumer Complaints by Practice Type  
(National Consumer Complaints Statistics System)**

	1991-92	1992-93	1993-94
Advertising	134 (1.0%)	110 (0.7%)	50 (0.4%)
Representations	170 (1.3%)	174 (1.1%)	236 (1.8%)
Product Labelling	28 (0.2%)	8 (<0.1%)	12 (<0.1%)
Sales	176 (1.3%)	154 (1.0%)	170 (1.3%)
Price	652 (4.8%)	692 (4.5%)	640 (4.8%)
Quality	5,276 (39.1%)	6,231 (40.3%)	4,430 (32.9%)
Credit	418 (3.1%)	319 (2.1%)	191 (1.4%)
Contracts	1,899 (14.1%)	2,147 (13.9%)	2,320 (17.2%)
Warranties	497 (3.7%)	421 (2.7%)	513 (3.8%)
Miscellaneous Conduct	490 (3.6%)	677 (4.4%)	495 (3.7%)
Tenancy	3,752 (27.8%)	4,540 (29.3%)	4,403 (32.7%)
<b>Total</b>	<b>13,492</b>	<b>15,473</b>	<b>13,460</b>

Note: The totals in this table are higher than those in the preceding one because a complaint can only be about one product but may concern more than one practice.

# APPENDIX 4

## RESIDENTIAL TENANCIES: INSPECTIONS & OTHER SERVICES

MATTERS REFERRED	1991-92	1992-93	1993-94
Inspections directly requested			
abandoned goods	1,878	2,110	2,286
repairs	1,044	1,268	1,319
rent increase	150	172	171
Total written requests for assistance (including inspection requests and complaints regarding termination, bonds, quiet enjoyment etc)	3,621	4,233	4,401



# APPENDIX 5

## TRIBUNAL DATA

### A. Residential Tenancies Tribunal

#### APPLICATIONS TO THE RESIDENTIAL TENANCIES TRIBUNAL UNDER THE RESIDENTIAL TENANCIES ACT

YEAR	Landlord	Tenant	Total
1991-92	24,539 (92.6%)	1,952 (7.4%)	26,491
1992-93	28,718 (93.2%)	2,086 (6.8%)	30,804
1993-94	32,637 (94.2%)	2,000 (5.8%)	34,637

#### TENANT APPLICATIONS BY TYPE

APPLICATION	1991-92	1992-93	1993-94
General Applications s.23	301(15.4%)	418(20.0%)	497(24.9%)
Compensation s.105	962(49.3%)	938(45.0%)	773(38.7%)
Reduction in fixed term tenancy s.113	447(22.9%)	447(21.4%)	468(23.4%)
Repairs - General s.100	95(4.9%)	135(6.5%)	110(5.5%)
Repairs - Urgent s.99	10(0.5%)	24(1.2%)	24(1.2%)
Entry s.96	49(2.5%)	65(3.1%)	78(3.9%)
Other	88(4.5%)	59(2.8%)	50(2.5%)
<b>TOTAL</b>	<b>1,952(100.0%)</b>	<b>2,086(100.0%)</b>	<b>2,000(100%)</b>

**LANDLORD APPLICATIONS BY TYPE**

<b>APPLICATION Possession</b>	<b>1991-92</b>	<b>1992-93</b>	<b>1993-94</b>
s.118	193(0.8%)	234(0.8%)	283(0.9%)
s.119	16,704(68.1%)	19,441(67.7%)	22,019(67.5%)
s.120	145(0.6%)	117(0.4%)	115(0.4%)
s.121	9(<0.1%)	12(<0.1%)	10(<0.1%)
s.122	2,515(10.2%)	2,939(10.2%)	3,398(10.4%)
s.123	13(0.1%)	22(<0.1%)	19(<0.1%)
<b>Sub Total</b>	<b>19,579(79.8%)</b>	<b>22,765(79.3%)</b>	<b>25,844(79.2%)</b>
Compensation s.105	1,612(6.6%)	1,561(5.4%)	1,942(6.0%)
Abandoned premises s.111	339(1.4%)	379(1.3%)	405(1.3%)
Reduction in fixed term tenancy s.113	35(0.1%)	55(0.2%)	44(0.1%)
Security deposit s.77	2,567(10.5%)	3,281(11.4%)	3,846(11.8%)
Other	407(1.6%)	677(2.4%)	556(1.7%)
<b>Total</b>	<b>24,539</b>	<b>28,718</b>	<b>32,637</b>

**APPLICATIONS TO THE RESIDENTIAL TENANCIES TRIBUNAL UNDER THE CARAVAN PARKS AND MOVABLE DWELLINGS ACT**

<b>Year</b>	<b>No.</b>
1988-89	12
1989-90	93
1990-91	112
1991-92	138
1992-93	144
1993-94	117

**APPLICATIONS TO THE RESIDENTIAL TENANCIES TRIBUNAL UNDER THE ROOMING HOUSES ACT**

<b>Year</b>	<b>No.</b>
1990-91	227
1991-92	521
1992-93	919
1993-94	711

**APPLICATIONS TO THE FAIR RENTS BOARD**

<b>Year</b>	<b>No.</b>
1984-85	47
1985-86	52
1986-87	42
1987-88	45
1988-89	3
1989-90	32
1990-91	15
1991-92	10
1992-93	10
1993-94	7

**B. Small Claims Tribunals APPLICATIONS TO THE SMALL CLAIMS TRIBUNALS**

<b>Year</b>	<b>No.</b>
1984-85	3,447
1985-86	3,572
1986-87	3,598
1987-88	3,456
1988-89	3,005
1989-90	3,577
1990-91	3,797
1991-92	3,601
1992-93	3,821
1993-94	3,622

### C. Regional Tribunal Hearings

#### REGIONAL TRIBUNAL SITTING DAYS

Location	1991-92	1992-93	1993-94
Bairnsdale	15	20	19
Ballarat	52	62	77
Benalla	11	10	10
Bendigo	28	40	54
Cobram	7	7	13
Colac	9	15	12
Dandenong	168	369	456
Echuca	12	16	13
Footscray	148	358	335
Frankston	58	52	45
Geelong	86	104	139
Hamilton	11	15	12
Horsham	10	13	13
Kerang	-	1	-
Knox	-	-	159
Korumburra	13	14	14
Mansfield	7	8	6
Maryborough	3	7	10
Mildura	14	18	25
Moe	33	45	61
Mordialloc	93	35	-
Myrtleford	1	6	13
Orbost	-	-	1
Portland	11	17	13
Ringwood	273	369	32
Sale	13	20	21
Seymour	12	15	14
Shepparton	23	26	11
Springvale	91	-	-
Swan Hill	11	14	34
Wangaratta	11	19	21
Warmambool	10	19	20
Werribee	22	-	1
Wodonga	13	18	22

### D. Credit Tribunal

#### APPLICATIONS TO THE CREDIT TRIBUNAL

Year	No.
1985-86	36
1986-87	140
1987-88	174
1988-89	144
1989-90	361
1990-91	437
1991-92	430
1992-93	298
1993-94	165

# APPENDIX 6

## PROSECUTIONS 1993-1994

DATE OF HEARING	DEFENDANT	ACT	SECT.	BREACH SUMMARY	No. OF OFFS	FINES (\$)	COSTS (\$)	OTHER ORDERS/ DETAILS
9 Jul 93	Raymond Verity	MCTA	7(1) 38(1)	A person who engaged in unlicensed motor car trading and odometer tampering.	1 2	250.00 1,000.00	250.00	S.7 fine without conviction.
14 Jul 93	George Rossengas	RTA	40	A person who failed to comply with a Residential Tenancies Tribunal determination.	1	250.00	416.00	
14 Jul 93	Phillip Bruce trading as Central City Plumbing	HCGA	5(1) 18(1) 20(1)	A person who entered into a building agreement without providing the required guarantee and without a signed contract, and who charged an excessive deposit.	1 1 1	1,500.00	475.50	
19 Jul 93	Ermanuel Hadjigeorgiou trading as Old World Picket Restoration and Supplies	FTA	12(e)	A person who represented that he had an affiliation which he did not have.	4	350.00	700.00	
20 Jul 93	Exclusive Pools Pty Ltd	FTA	12(e)	A company which claimed an affiliation it did not have.	3	800.00	350.00	
21 Jul 93	Jerzy Mosiej trading as Aron Constructions	HCGA	23 5(1) 20(1)	A person who entered into a building contract while not an approved builder, failed to provide the required guarantee and demanded an excessive deposit.	1 1 1	3,000.00 3,000.00 2,000.00	350.00	

DATE OF HEARING	DEFENDANT	ACT	SECT.	BREACH SUMMARY	No. OF OFFS	FINES (\$)	COSTS (\$)	OTHER ORDERS/ DETAILS
9 Aug 93	Mastroianni R/E Pty Ltd trading as Australian Euro Pacific Travel & Tours	TAA FTA	6 12(f)	A company which conducted a travel agency whilst unlicensed and made false representations in relation to travel arrangements.	1 1		374.00	
12 Aug 93	Maxwell John Reid	BNA	5A(2)	A person who used a business name while disqualified from doing so.	1	1,500.00	1,285.00	
31 Aug 93	George Johns	MCTA	7(1) 38	A person who engaged in unlicensed motor car trading and who tampered with odometer readings, thereby falsely representing vehicles' history.	5 4		300.00	250 hours of unpaid community work.
8 Sep 93	Spectra Systems Pty Ltd	FTA	12(d)	A company which represented that goods had accessories they did not have.	2 1	7,000.00		
8 Sep 93	Peter Halliday	FTA	12(d)	A person who represented that goods had accessories they did not have.	2 1	2,500.00	15,015.00	
27 Sep 93	Mohamad Haouli	MCTA	7(1)	A person who engaged in unlicensed motor car trading.	1	500.00	636.00	
8 Oct 93	Luis Walmaggia	HCGA	23(3) 5(1) 12(e)	A person who entered into a building contract while not an approved builder, failed to provide the required guarantee and claimed an affiliation (with the Housing Industry Association) he did not have.	1 1 1		454.00	12 month bond.
11 Oct 93	Victoria Barker	RHA	47	A person who failed to comply with a Residential Tenancies Tribunal determination.	3	300.00	350.00	

DATE OF HEARING	DEFENDANT	ACT	SECT.	BREACH SUMMARY	No. OF OFFS	FINES (\$)	COSTS (\$)	OTHER ORDERS/ DETAILS
29 Oct 93	Keith Kinsmore	MCTA	7(1)	A person who engaged in unlicensed motor car trading.	1		200.00	12 month bond.
1 Nov 93	Anna Italiano	RTA	40	A person who failed to comply with a Residential Tenancies Tribunal determination.	1	200.00	356.00	
5 Nov 93	Nicholas Kyritsis	MCTA	7(1)	A person who engaged in unlicensed motor car trading.	1	600.00		
10 Nov 93	Colin James Anderson trading as Preston Family Cars	MCTA	48	A motor car trader which failed to procure the cancellation of a security interest in a motor car before selling it.	1		250.00	12 month bond.
16 Nov 93	Albert De Jager	MCTA	7(1) 38	A person who engaged in unlicensed motor car trading, and who tampered with odometer readings, thereby falsely representing vehicles' history.	1 2 3	7,812.50	350.00	200 hours of community work as aggregate penalty for s.38 and FTA charges.
16 Nov 93	Graeme Shipman	HCGA	23(3) 5(1)	A person who entered into a building contract while not an approved builder and who failed to provide the required guarantee.	1 1	350.00	354.00	
17 Nov 93	Gregory Gavin Kannemeyer trading as United Kitchens	HCGA	23(3) 5(1) 20(1) 12(e)	A person who entered into a building contract while not an approved builder, failed to provide the required guarantee, demanded and received an excessive deposit, and claimed an affiliation (with the Housing Industry Association) he did not have.	1 1 1 1	2,500.00 2,500.00 2,500.00 2,500.00	505.60	

DATE OF HEARING	DEFENDANT	ACT	SECT.	BREACH SUMMARY	No. OF OFFS	FINES (\$)	COSTS (\$)	OTHER ORDERS/ DETAILS
14 Dec 93	Momcilo Ristich	MCTA	84A	A person who made a false declaration on his application for a motor car trader's licence.	1	1,500.00	539.00	
15 Dec 93	Mark Roberts	HCGA	23(3) 5(1) FTA 12(h)	A person who entered into a building contract while not an approved builder, failed to provide the required guarantee, and made a false representation that the work would be guaranteed by the Housing Guarantee Fund.	1 1 1	700.00	381.00	Fine without conviction.
20 Dec 93	<i>Twenty-fifth Mimosa Pty Ltd trading as Gippsland Motor Auctions</i>	MCTA	38	<i>A motor car trader which tampered with odometer readings of motor vehicles.</i>	1	2,000.00	476.60	
21 Dec 93	Geoffrey Ede	HCGA	23(3) 5(1) 20(1)	A person who entered into a building contract while not an approved builder, failed to provide the required guarantee, and demanded and received an excessive deposit.	1 1 1	750.00	391.00	Fine without conviction.
12 Jan 94	John Robert Searle	MCTA	36	A motor car trader who engaged in consignment selling.	5	500.00	394.00	
20 Jan 94	Steve Panopoulos	RHA	* 47	A person who failed to comply with a Residential Tenancies Tribunal determination.	1			12 month bond.
20 Jan 94	Con Tsauois	RHA	* 47	A person who failed to comply with a Residential Tenancies Tribunal determination.	1		296.00	

DATE OF HEARING	DEFENDANT	ACT	SECT.	BREACH SUMMARY	No. OF OFFS	FINES (\$)	COSTS (\$)	OTHER ORDERS/ DETAILS
20 Jan 94	John Barry Davis trading as Davis Partner Constructions	HCGA	23(3) 18(1) 5(1)	A person who entered into a building contract while not an approved builder and failed to provide the required contract and guarantee.	1 1 1	1,200.00 1,000.00 3,000.00	450.00	Fine without conviction.
25 Jan 94	Premier Media Pty Ltd	FTA	12(ca) 29(3)	A company which falsely represented that particular persons had agreed to acquire services and asserted a right to payment for unsolicited services.	18	1,800.00		Injunction restraining defendant from continuing the illegal conduct.
25 Jan 94	Beverley Joy Howell	FTA	12(ca) 29(3)	A person who falsely represented that particular persons had agreed to acquire services and asserted a right to payment for unsolicited services.	18	1,800.00	400.00	Fine without conviction. Injunction restraining defendant from continuing the illegal conduct.
31 Jan 94	Twenty-fifb Mimosa Pty Ltd trading as Gippsland Motor Auctions	MCIA	38	A motor car trader which engaged in odometer tampering.	1	2,000.00	600.00	Fine without conviction.
16 Feb 94	Gal Smash Repairs Pty Ltd	FTA	12(e)	A company which claimed an affiliation (with the Victorian Automobile Chamber of Commerce) it did not have.	1	375.00		



DATE OF HEARING	DEFENDANT	ACT	SECT.	BREACH SUMMARY	No. OF OFFS	FINES (\$)	COSTS (\$)	OTHER ORDERS/ DETAILS
16 Feb 94	Mark Deutscher	FTA	12(e)	A person who claimed an affiliation (with the Victorian Automobile Chamber of Commerce) he did not have.	1	375.00	175.00	
23 Feb 94	Graeme Hawkins trading as Poolfum Outdoor Furniture	FTA	12(fb)	A person who falsely represented that imported goods were made in Australia.	8	2,000.00	350.00	Fine without conviction.
28 Feb 94	Graeme McNiece	MCTA	7(1)	A person who engaged in unlicensed motor car trading.	1	500.00	350.00	
21 Mar 94	Durson Coruk	RTA	87 76 73	A landlord who failed to provide a tenant with a statement of rights and duties, a condition report and a bond receipt.	1 1 1	125.00	150.00	Fine without conviction.
21 Mar 94	Gulay Coruk	RTA	87 76 73	A landlord who failed to provide a tenant with a statement of rights and duties, a condition report and a bond receipt.	1 1 1	125.00	150.00	Fine without conviction.
23 Mar 94	Douglas Sanders	HCGA	23(3)	A person who entered into a building contract while not an approved builder, who failed to provide the required guarantee and claimed an affiliation (with the Housing Industry Association) he did not have.	1	12,500.00	567.00	
		FTA	12(e)		1			
					5			

DATE OF HEARING	DEFENDANT	ACT	SECT.	BREACH SUMMARY	No. OF OFFS	FINES (\$)	COSTS (\$)	OTHER ORDERS/ DETAILS
7 Apr 94	Tom Fixler	RTA	40	A person who failed to comply with a Residential Tenancies Tribunal determination.	3	300.00	465.00	
8 Apr 94	Peter John Joiner	HCGA	23 18(1) 5(1) 20(1) 12(e)	A person who entered into a building contract while not an approved builder, who failed to provide the required contract and guarantee, demanded and received an excessive deposit and claimed affiliations (with the Housing Industry and Master Builders Associations) he did not have.	1 2 1 1 2	5,000.00	778.70	
11 Apr 94	Darren Lee	RTA	40	A person who failed to comply with a Residential Tenancies Tribunal determination.	1	75.00	100.00	
11 Apr 94	Kylie Doolan	RTA	40	A person who failed to comply with a Residential Tenancies Tribunal determination.	1	75.00	100.00	
15 Apr 94	Frank Cappelleri	HCGA	23(3) 18(1) 5(1) 12(e) 12(h) 20(b) 12(e)	A person who entered into building contracts while not an approved builder, failed to provide the required contracts and guarantees, falsely represented that he was a registered plumber and that his work was guaranteed for 7 years by Housing Guarantee Fund Ltd, took payment for goods and services without reasonable expectation of delivery, and failed to register business names under which he traded.	5 5 5 1 1 4 3	40,000.00 20,000.00 40,000.00 8,000.00 8,000.00 32,000.00 600.00	530.00 Restitution orders totalling \$20,628. Injunction restraining the making of false representations and breach of Part II of the FTA.	

DATE OF HEARING	DEFENDANT	ACT	SECT.	BREACH SUMMARY	No. OF OFFS	FINES (\$)	COSTS (\$)	OTHER ORDERS/DETAILS
20 Apr 94	Short Ray Motor Market Wholesalers Pty Ltd	MCTA	32(5) 52(6)	A motor car trader which failed to enter details of motor vehicles in its dealings book and failed to retain notices of vehicle particulars for the required period.	8 8		400.00	\$750 into court fund
21 Apr 94	Helen Blyberg	RTA	40	A person who failed to comply with a Residential Tenancies Tribunal determination.	1	500.00	400.00	
21 Apr 94	Anthony Clift	TAA	6	A person who continued to trade as a travel agent whilst his licence was suspended.	1		384.00	3 months jail. Suspended for 12 months.
26 Apr 94	Experts Reblocking Pty Ltd	FTA HCGA	12(e) 23(3) 5(1) 20(1)	A company which claimed affiliations (with the Master Builders Association, Housing Industry Association and Housing Guarantee Fund Ltd) it did not have, falsely represented that it had undertaken numerous government contracts, entered into a building contract while not an approved builder, failed to provide the required guarantee, and demanded and accepted an excessive deposit.	20 1 1 1	10,000.00	500.00	Restraining injunction. Restitution orders of \$1,445.
26 Apr 94	Greg Kamilakis	FTA HCGA	12(e) 23(3) 5(1) 20(1)	A director of Experts Reblocking Pty Ltd knowingly involved in the offences committed by the company.	20 1 1 1	10,000.00	500.00	Restraining injunction. Restitution orders of \$1,445.

DATE OF HEARING	DEFENDANT	ACT	SECT.	BREACH SUMMARY	Nb. OF OFFS	FINES (\$)	COSTS (\$)	OTHER ORDERS/ DETAILS
26 Apr 94	Vicky Kamilakis	FTA HCGA	12(e) 23(3) 5(1) 20(1)	A director of Experts Reblocking Pty Ltd knowingly involved in the offences committed by the company.	20 1 1 1	10,000.00	500.00	Restraining injunction. Restitution orders of \$1,445.
29 Apr 94	Noel Davis	RTA	40	A person who failed to comply with a Residential Tenancies Tribunal determination.	1	350.00		6 month bond. Undertaking to comply with determination.
4 May 94	Angus Lane	RTA	40	A person who failed to comply with a Residential Tenancies Tribunal determination.	1	250.00	400.00	Fine without conviction.
9 May 94	Salecraft Pty Ltd trading as City Sales	CAA	13C	A company which conducted mock auctions.	2	500.00	1,394.00	
9 May 94	Paul Eden Heron	CAA	13C	A director of Salecraft Pty Ltd knowingly involved in the offences committed by the company.	2	500.00		
13 May 94	Steve Lazarevic	MCTA	7(1)	A person who engaged in unlicensed motor car trading.	1	2,121.50	650.00	
23 May 94	Robert Wallace Ross trading as Clayton Truck Centre	MCTA FTA MCTA	38(1) 12(a) 35(3) 35(2)	A motor car trader who tampered with odometer readings, falsely representing vehicles' history, and both failed to make and falsely made dealings book entries.	2 3 5 5	5,000.00	500.00	Restitution orders of \$1,500. Fine without conviction.

DATE OF HEARING	DEFENDANT	ACT	SECT.	BREACH SUMMARY	No. OF OFFS	FINES (\$)	COSTS (\$)	OTHER ORDERS/ DETAILS
8 Jun 94	V & L Constructions Development Pty Ltd	HCGA	23(3) 18(2) 5(1) 27(1)	A company which entered into a building contract while not an approved builder, failed to provide the required contract and guarantee, and falsely represented that its client was an owner builder.	1 1 1 1	2,000.00	225.00	
8 Jun 94	Vincent Busuittil	HCGA	25(3) 18(2) 5(1) 27(1)	A director of V & L Constructions Development Pty Ltd knowingly involved in the offences committed by the company.	1 1 1 1	2,000.00	225.00	
20 Jun 94	Volker Grundmann (principal of Bayside Extensions Pty Ltd and Baytech Industrial Group Pty Ltd)	FTA HCGA	12(e) 5(1) 18(1)(ia) 18(1)(ib) 20(1) 24(2)	A person who falsely claimed to be an authorised Alcan dealer, entered into building contracts without providing the required guarantees, failed to complete contracts as required, demanded excessive deposits, failed to commence work and failed to notify the Housing Guarantee Fund Ltd of building contracts.	9 9 9 10 8 2	1,350.00 1,350.00 1,350.00 1,500.00 1,200.00 300.00	500.00	Grundmann also ordered to pay \$1,500 restitution. Charges against the companies were withdrawn on 23.5.94, following their de-registration.
23 Jun 94	Leon Aravanis trading as Volcano Reblocking	FTA	12(e)	A person who claimed an affiliation (with the Housing Industry Association) he did not have.	1	5,000.00	510.00	

Note: *Italic* type indicates matter subsequently subject to re-hearing or appeal.  
**Bold Italic** type indicates re-hearing or appeal.

**BNA** - Business Names Act 1962  
**CAA** - Consumer Affairs Act 1972  
**FTA** - Fair Trading Act 1985  
**HCGA** - Housing Contracts Guarantee Act 1987

**MCTA** - Motor Car Traders Act 1986  
**RHA** - Rooming Houses Act 1990  
**RTA** - Residential Tenancies Act 1980  
**TAA** - Travel Agents Act 1986

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