



Full Day Hansard Transcript (Legislative Council, 28 May 2014, Proof) Proof

Extract from NSW Legislative Council Hansard and Papers Wednesday, 28 May 2014 (Proof).

TRADE AND INVESTMENT CLUSTER GOVERNANCE (AMENDMENT AND REPEAL) BILL 2014

Second Reading

The Hon. JOHN AJAKA (Minister for Ageing, Minister for Disability Services, and Minister for the Illawarra)
[9.53 p.m.]: I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

Leave granted.

The Trade and Investment Cluster Governance (Amendment and Repeal) Bill 2014 is a package of changes to entities within the trade and investment cluster which will decrease the number of separate statutory bodies in the cluster and create savings from reduced operational, financial reporting and audit costs. The changes will benefit the delivery of services by the trade and investment cluster. In most cases the changes to be made are to back-office organisation. The aim is to improve efficiency.

Improving and streamlining the organisation of the public sector has been a priority for this Government. In 2011 public sector agencies were aggregated into nine clusters. The clusters bring together a group of entities and allow similar and complementary government services to be coordinated more effectively within the broad policy area of a particular cluster. Establishing appropriate governance arrangements for the functions and activities undertaken by public entities is critical to the delivery of high-quality performance in the New South Wales public sector. Well-considered and fit-for-purpose governance arrangements provide a foundation for effective and efficient management of public sector entities.

In 2012 the New South Wales Commission of Audit delivered its interim report on public sector management. Recommendation No. 2 of that report required each cluster to review the number of entities it contained. Immediate steps were to be taken to group or merge entities where appropriate and abolish entities if they no longer serve a purpose. In 2013 NSW Trade and Investment reviewed existing governance structure arrangements and accountability. A number of entities were identified that could be abolished or absorbed into larger bodies. This bill represents an important step in implementing a more streamlined model of cluster governance.

Significant annual reporting and audit costs are associated with each stand-alone entity. Accordingly, each entity must continue to demonstrate a compelling reason to exist as a separate statutory body that outweighs its cost. Trade and Investment has been proactive in reviewing the bodies within the cluster to identify opportunities to reduce the number of entities. In some cases it has been determined that a body's statutory functions no longer need to be performed by the New South Wales government. In other cases it was determined that although there is a need to retain statutory functions a separate statutory body is no longer needed to perform them.

I will now provide a brief overview of each significant element of the bill. Part 2 of the bill dissolves the Chipping Norton Lake Authority and repeals the Chipping Norton Lake Authority Act 1977. The authority was tasked with the responsibility of restoring a six-kilometre length of the Georges River and landscaping the area into parkland and building recreational facilities based around the river and an artificial lake system. The environmental restoration of the affected parts of the Georges River has been completed by the authority.

The land formerly owned by the Chipping Norton Lake Authority has been progressively declared as Crown land under the Crown Lands Act 1989, with the relevant local council acting as the reserve trust manager. As the remainder of the authority's powers and functions now duplicate those of the local councils, there is no longer any need for a separate statutory authority. The authority's remaining funds will be transferred to the Public Reserves Management Fund.

Part 3 of the bill dissolves the New South Wales Dairy Industry Conference and repeals the Dairy Industry Act 2000. Recent resignations, changes in membership and other developments have left the Dairy Industry Conference without a quorum and unable to perform its legislated functions, including consulting with the Food Authority in relation to the Dairy Food Safety Scheme. The Dairy Industry Conference controls a private wholly owned subsidiary corporation known as DICONF Management Pty Limited, which was established and funded through an agreement with the Food Authority and the then Minister for Primary Industries.

Funds currently held by DICONF will be consolidated with funds held by the Department of Primary Industries following the wind up of Milk Marketing and will be used for the benefit of the dairy industry in consultation with that industry. A dairy industry consultative committee, in line with those for food safety schemes in other industry sectors, will be established under the Food Regulation 2010 to replace the Dairy Industry Conference's industry consultation function.

Part 4 of the bill abolishes the Lake Illawarra Authority and repeals the Lake Illawarra Authority Act 1987. The authority was the subject of a review and public consultation in 2012 that was undertaken under the supervision of the then Parliamentary Secretary for Natural Resources, the member for Dubbo. The review found the authority had achieved its primary objective to improve the environment of the Lake Illawarra. Similar to the Chipping Norton Lake Authority, it was recommended that further development of the area be managed by local councils to avoid duplicated functions. Most of the authority's landholdings, assets and functions have been progressively transferred to local government and other key agencies. Remaining assets and liabilities are to be transferred to the Crown.

The Ministerial Corporation for Industry was created under the State Development and Assistance Act 1966 to promote establishment, expansion or development of industries primarily by undertaking a project management role. Part 5 of the bill dissolves the Ministerial Corporation for Industry. The department has been primarily responsible for managing projects entered into in the name of the ministerial corporation since 2010. Most legacy projects are now completed or being administered under various departmental schemes. The ministerial corporation's sole remaining landholding is currently in the process of being sold. As the Ministerial Corporation for Industry is no longer required, the State Development and Assistance Act 1966 will be repealed. The balance of funds standing to the credit of the fund established under that Act will be transferred to the Consolidated Fund.

The two entities established under the Poultry Meat Industry Act 1986 were also the subject of a recent review and public consultation. The Act regulates the relationship between contract growers and processors of poultry meat. The Poultry Meat Industry Committee and the Poultry Meat Industry Advisory Group are established under the Act to perform functions relating to contractual arrangements in the industry. The review recommended a move away from State-based regulation of the poultry meat industry towards a model overseen by the Australian Competition and Consumer Commission. This will put the New South Wales poultry meat industry on an equivalent footing with industry in Victoria and Queensland. Accordingly, part 6 of the bill dissolves the committee and advisory group and repeals the Act.

Part 7 contains general provisions applying to the transfer of assets, rights and liabilities to ensure a smooth transition period as the operations of dissolved entities are wound up. This part also provides that no compensation is payable by the State as a result of this bill. There are two schedules to the bill that absorb two entities, being Screen NSW and the Homebush Motor Racing Authority, into the Department of Trade and Investment and Destination NSW respectively. Both of these statutory bodies already have strong administrative links with the larger entities. Schedule 1 amends the Film and Television Office Act 1988 to dissolve the NSW Film and Television Office and its board, which is now operating as Screen NSW.

Most of the operational functions, including funding and investment in the New South Wales film and television industry under the Act, will be transferred to the Secretary of the Department of Trade and Investment and performed by Screen NSW as an office of the department. An expert advisory function will be retained through the creation of a new ministerially appointed advisory committee to advise the Minister. The NSW Film and Television Office account will be abolished and Screen NSW will be funded from the department's appropriation.

Schedule 2 transfers the functions, powers, assets, rights and liabilities of the Homebush Motor Racing Authority to Destination NSW. Destination NSW will continue to organise an annual V8 motor race at Homebush under the Homebush Motor Racing (Sydney 400) Act 2008. This bill makes logical changes to improve efficiency and effectiveness and consolidate the operations of the trade and investment cluster. It meets the Government's commitment to reduce the amount of legislation in this State and get the most value for taxpayers' money. The bill will ensure that the department's compliance and financial reporting obligations can be done more efficiently and at less cost to the taxpayer. I commend the bill to the House.