



NSW Legislative Assembly Hansard

Sydney University Settlement Incorporation Amendment Bill

Extract from NSW Legislative Assembly Hansard and Papers Friday 10 June 2005.

Second Reading

Mr FRANK SARTOR (Rockdale—Minister for Energy and Utilities, Minister for Science and Medical Research, Minister Assisting the Minister for Health (Cancer), and Minister Assisting the Premier on the Arts) [10.19 a.m.]:
I move:

That this bill be now read a second time.

The settlement is an organisation formed in 1891 that works primarily with the Aboriginal community and the disadvantaged of Redfern. The organisation is incorporated under the Sydney University Settlement Incorporation Act 1959, with control transferred to a management committee. The settlement Act as it currently stands does not contain objects. However, the settlement constitution of September 2001 contains a total of 12 objects. In summary, they direct the organisation to assist Aboriginal and disadvantaged communities in a number of ways, such as through providing housing, education, information and building networks to develop more cohesive and supportive communities.

The settlement owns the following properties: the Sydney University Settlement Neighbourhood Centre Hall, six houses, and a block of six apartment units on Edward Street, Chippendale. Two of the houses are let commercially and the remainder of the houses and units provide low-cost accommodation to indigenous people. The constitution currently allows the management committee to dispose of assets in accordance with clause 37 of the constitution. The settlement receives approximately \$400,000 in funding each year from the New South Wales Government. These funds are used to provide services and programs to children and young people, as well as to employ five staff. The programs include a neighbourhood centre, a youth work program and vacation care, cultural and health projects, and a Links to Learning education project. Recently a group of local residents appears to have gained control of the management committee. The management committee decided in March 2005 to sell the Edward Street properties and purchase the former Masonic Hall in Cope Street, Redfern, for \$2.8 million. I am advised that the plan is to move the services and programs currently run from Edward Street to the Cope Street property. This plan has generated considerable opposition from some members of the Aboriginal community and some settlement members. Contracts for the purchase of the Cope Street property have been signed.

The Hon. Dr Arthur Chesterfield-Evans introduced a bill in the Legislative Council in an attempt to restore stability to the running of the settlement. The bill, as amended in the Legislative Council, proposes several amendments to the Sydney University Settlement Incorporation Act 1959. First, the bill aims to incorporate the objects of the constitution in the principal Act and provides that the settlement property must be used exclusively to carry out its objectives. These are appropriate accountability provisions for a statutory body corporate. Secondly, the bill also provides that the settlement's real property may not be disposed of unless the disposal has the approval of at least two-thirds of members attending, and entitled to vote at, a special general meeting called to approve the disposal. Requiring approval by two-thirds of members attending, and eligible to vote at, a special general meeting would improve the accountability of the settlement. This will not impose an onerous burden for the disposal of property. It should also prevent situations like the current one from occurring again when the intention of the membership is unclear. I understand that the management committee is evenly divided between the new group and previous members.

Thirdly, the bill will also prevent a member participating in, and voting at, any such meeting if the member, or a close relative or close associate of the member, may gain a financial or other benefit from the disposal. Fourthly, it is important to recognise that it would be inappropriate for the bill to operate retrospectively and apply if a binding contract for the disposal of the property had already been entered into. This could adversely affect the interests of third parties and could lead to expensive and lengthy litigation. The bill has been amended to provide that it does not apply where a binding contract for the disposal of real property was entered into prior to the date of assent. The settlement may have already entered into an agency agreement with a real estate agent for the sale of property and into negotiations with potential purchasers.

Fifthly, in respect of the winding-up amendment, the constitution of the settlement provides for its winding up by the special resolution of members at a general meeting—this requires the approval of 75 per cent of members attending the meeting. If at some stage it becomes apparent that the settlement is unable to function properly or that the members are unable to voluntarily agree on winding up, it may be necessary to consider alternative means of winding up the body. The settlement's contractual obligations for the purchase of new premises may be such that any members' resolution preventing the sale of its properties to fund the residual of the purchase price could consequently render the organisation insolvent. In such circumstances, and taking into account the

current membership disarray, the real possibility exists that some external intervention may be necessary to protect the settlement's assets and to protect the interests of its low-cost housing tenants.

Finally, the proposed legislative amendment provides a mechanism to deal with the current issues facing the settlement for the next 12 months. The ensuing 12 months are expected to provide sufficient time for the current issues to be resolved and for proper consideration to be given to bringing the settlement under the provisions of the Associations Incorporation Act 1984, as opposed to its remaining subject to its own legislation. The Attorney General and I will give further consideration to the governance and other issues surrounding the settlement and will bring forward further recommendations in the next six months.

The Government's interests in the settlement relate primarily, first, to the effective and efficient delivery of human services for which the organisation is funded—this is in the context of the review of human services in Redfern-Waterloo currently being undertaken by the Redfern-Waterloo Authority—and, secondly, to an obligation to provide and promote housing choices in its operational area, including for Aboriginal residents. Given the need for low-cost housing for indigenous people in Redfern-Waterloo and the potential loss of such critical housing stock should the settlement dispose of its properties, the Government will support the bill without further amendments. I commend the bill to the House.