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GENERAL PURPOSE STANDING COMMITTEE No. 4

Wednesday 15 September 2010

Examination of proposed expenditure for the portfolio areas

FAIR TRADING, ARTS

The Committee met at 9.15 a.m.

MEMBERS

The Hon. J. A. Gardiner (Chair)

The Hon. R. Borsak
The Hon. C. M. Faehrmann
The Hon. K. F. Griffin

The Hon T. Khan
The Hon. P. G. Sharpe
The Hon. I. W. West

PRESENT

The Hon. D. V. Judge, *Minister for Fair Trading, and Minister for the Arts*

Department of Services, Technology and Administration

Mr P. Duncan, *Director General*

Mr S. Griffin, *Deputy Commissioner, Fair Trading Operations*

Mr R. Stowe, *Deputy Commissioner, National Reform Agenda*

Mr A. Gavrielatos, *Assistant Commissioner, Customer and Property Services*

Mr W. Murphy, *Director, Fair Trading Policy*

Mr M. Silk, *Executive Director, Fair Trading Services*

Consumer, Trader and Tenancy Tribunal

Mr G. Wilson, *Deputy Chairperson (Registry and Administration)*

Communities NSW

Ms C. Mills, *Director General*

Arts NSW

Ms M. Darwell, *Executive Director*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

Corrections should be marked on a photocopy of the proof and forwarded to:

**Budget Estimates secretariat
Room 812
Parliament House
Macquarie Street
SYDNEY NSW 2000**

CHAIR: I declare this hearing for the inquiry into the Budget Estimates 2010-2011 open to the public. I welcome Minister Judge and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolios of Fair Trading and Arts. Before we commence I will make some comments about procedural matters. In accordance with the Legislative Council guidelines for the broadcast of proceedings, only Committee members and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photos. In reporting the proceedings of this Committee you must take responsibility for what you publish or what interpretation you place on anything that is said before the Committee. The *Guidelines for the Broadcast of Proceedings* are available on the table by the door. Any messages from attendees in the public gallery should be delivered through the Chamber and support staff or Committee Clerks. Minister, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers while at the table. I remind everyone to please turn off their mobile phones.

The Committee has agreed to the following format for the hearing. The Fair Trading portfolio will be examined from 9.15 a.m. until 9.55 a.m. and the Arts portfolio will be examined from 9.55 a.m. until 11.00 a.m. The House has resolved that answers to questions on notice must be provided within 21 days or as otherwise determined by the Committee. The Committee has not varied the 21-day time frame for answers to questions on notice. Transcripts of this hearing will be available on the website from tomorrow morning. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament.

RODNEY STOWE, Deputy Commissioner, National Reform Agenda, Department of Services, Technology and Administration,

STEVE GRIFFIN, Deputy Commissioner, Fair Trading Operations, Department of Services, Technology and Administration,

PETER DUNCAN, Director General, Department of Services, Technology and Administration,

WILLIAM MURPHY, Director, Fair Trading Policy, Department of Services, Technology and Administration, and

MICHAEL SILK, Executive Director, Fair Trading Services, Department of Services, Technology and Administration, sworn and examined:

CHAIR: The Committee will proceed to questions. Minister, in relation to the budget item employee-related expenses, can you advise what were the costs associated with the reduction of the 26 people in the Office of Fair Trading—presumably in relation to their redundancy packages in the previous budget—and how that is translating through to the latest budget?

Ms VIRGINIA JUDGE: Thank you for your question. I refer it to Michael Silk, who is the Executive Director, Fair Trading Services, to provide you with the information you require.

Mr SILK: In relation to employee-related expenses and the reduction in staff in terms of the 26 that were mentioned, I should point out that during the 2009-10 financial year Fair Trading has also become responsible for plumbing regulation and gas regulation in New South Wales, together with the retail tenancy function. This is an additional 48 positions. In terms of the budget, that is presented in the Treasury budget papers for 2009-10 as \$110 million, compared with \$120 million for 2010-11. The employer-related expenses include salaries and wages and related on-costs, including payroll tax and contractor costs. The main reason for the increase from 2009-10 to 2010-11 is a 2.5 per cent approved Treasury escalation of \$2.8 million and budget to fund the new gas and plumbing regulation functions of \$4.1 million, together with retail tenancy that is recognised in 2010-11 in full.

CHAIR: That is the reason for the increase of another \$10 million in employer-related expenses—

Mr SILK: There has been an increase based on three new functional responsibilities: gas regulation, plumbing regulation and retail tenancy; that was part of an administrative order in June last year.

CHAIR: Is that also relevant to the increased estimates for the retained revenue?

Mr SILK: The retained revenue does reflect the fact that plumbing revenue and gas revenue will be retained by Fair Trading to meet its operational costs in regulatory responsibilities in terms of plumbing and gas regulation in 2010-11, plus the revenue is always increased by a consumer price index adjustment annually at 1 July each year. For 2010-11 it was a 2.1 per cent consumer price index adjustment as well. So it is also reflected in an increase in the retained revenue.

CHAIR: Will the increases in the retained revenue have any implications for the cost of services to any consumers of the Office of Fair Trading?

Mr SILK: There are no significant changes to costs or services to consumers. The only increase is a natural consumer price index increase, which reflects the costs. The other new revenue streams in terms of the gas and plumbing regulations represent the existing fees and charges that have been applied by the former responsible entity, for example, Sydney Water, which had responsibility for plumbing inspection services in the Sydney metropolitan area. There is no difference to consumers.

CHAIR: Minister, there are five new full-time staff in the service group statement for these estimates. Can you tell us what those particular people do?

Ms VIRGINIA JUDGE: Yes, thank you for the question. That is another operational matter. I will refer it to my departmental officer to give you the details.

CHAIR: Minister, surely you know if you have five new staff what they are going to be doing?

Ms VIRGINIA JUDGE: Is it department staff you are referring to?

CHAIR: Yes, that is what we are here for.

Ms VIRGINIA JUDGE: I am happy to pass it on to the relevant officer to provide that detail for you.

Mr SILK: In terms of the movement of 1,169 full-time equivalent in 2009-10 to 1,174 in 2010-11, I should point out that that net difference of five is reflective of a number of changes that have occurred across Fair Trading. It reflects the increased responsibility in terms of the gas and plumbing regulation, which is an increase of 48 full-time equivalent, and retail tenancy function administration of seven full-time equivalent. It also reflects the transfer or discontinuance of the trade measurement function under national reform, which has an impact on 31 full-time equivalent. Fair Trading over the last 12 months and going forward will have changes to its workforce as a result of national reform. This net movement of five reflects new responsibilities in terms of gas, plumbing and retail tenancy. It also reflects that transitioning out of traditional responsibilities at a State level to the Commonwealth in terms of trade measurement, which is reflected in these figures.

The Hon. TREVOR KHAN: Was all that done without telling the Minister what was going on?

Ms VIRGINIA JUDGE: If I may, through the Chair, thank you for your question. I am advised that we have something like 1,174 employees in the department. These are all hardworking staff members of the department.

The Hon. TREVOR KHAN: The question was what you knew. You pass it off to a departmental official. Yet, plainly, it related to significant issues, including national reform issues. You should have had, one would have thought, some idea as to what was going on in your own department.

The Hon. PENNY SHARPE: The Minister is allowed to answer questions in the way she sees fit.

Ms VIRGINIA JUDGE: I do appreciate the Hon. Trevor Khan's questions. I know you are new to the parliamentary scene. Perhaps when you have been to a couple of these committees you will understand that I am quite within my liberty to refer technical operational matters to my department officers to answer. In respect of those employees, I believe generally speaking they are in the area of gas and plumbing. I think that is accurate. I do not know whether you are aware that, for example, I did work in local government for many years, both as a councillor and later as a mayor. There is very strict demarcation between what the councils do on the political side and, of course, your staff and your general manager. It is important that you allow those people to do the job they are employed by the taxpayers to do. These departmental officers are highly skilled and highly trained. Many of them have worked in my department for many years. I have confidence that Mr Silk will do his best to endeavour to answer the technicalities of this question.

The Hon. TREVOR KHAN: Let us deal with the strict demarcation issue and talk about international flights. You travelled overseas last year to the Middle East, is that correct?

Ms VIRGINIA JUDGE: I also draw your attention to the terms of reference of this Committee—

The Hon. TREVOR KHAN: You gave a speech in Parliament this year with regards to your flight to the Middle East, did you not?

Ms VIRGINIA JUDGE: —which is in the budget estimates manual. I would just like to remind you of the terms of reference.

The Hon. TREVOR KHAN: You do not need to give me the terms of reference. What were the circumstances of your getting an upgrade in your flights by Charif Kazal? You are able to answer that, are you not?

Ms VIRGINIA JUDGE: We are sitting here in a Committee that is dealing with matters to do with Fair Trading.

The Hon. TREVOR KHAN: Do I take it you are not prepared to explain how you got your upgraded flights by Charif Kazal?

The Hon. PENNY SHARPE: Point of order: The Minister is objecting to the line of questioning. I ask, Madam Chair, that you rule on the line of questioning and whether the Minister is required to answer the question.

CHAIR: The budget estimates take a broad view of what is happening in a Minister's portfolio. The Hon. Trevor Khan is asking a question that relates to the Minister's portfolio. I rule that the question is in order.

The Hon. IAN WEST: However, the Minister is not required to answer it.

Ms VIRGINIA JUDGE: As to this particular question, with great respect to you—and I will answer—I do firmly and strongly believe that it is quite outside the terms of reference of this Committee. It is not relevant to the Department of Fair Trading.

CHAIR: Minister, I just made a ruling.

Ms VIRGINIA JUDGE: I do respect your ruling.

CHAIR: The Minister can proceed to answer the question. I suggest you do not challenge my ruling.

Ms VIRGINIA JUDGE: I am just saying that the terms of reference of this Committee—

CHAIR: Minister, I just made a ruling about what this Committee is here to do. I would appreciate it if you would answer the question.

Ms VIRGINIA JUDGE: I am very happy and delighted to answer the question. I do believe that the particular question, in my personal view—it is my personal view, and you have made your ruling—is outside the terms of reference and is not relevant to this Committee's inquiry. That is my point of view. What I will say, out of the generosity of my spirit in answering this question, is that flight expenses have been taken, recorded and declared in accordance with parliamentary disclosure requirements. I would suggest that the member might like to speak to the Legislative Assembly Clerk of the House about that matter.

The Hon. TREVOR KHAN: Taking into account that you have disclosed to the Parliament that you paid for, in a sense, the economy class ticket, how did it come about that Mr Kazal was able to arrange an upgrade to business class?

Ms VIRGINIA JUDGE: I just answered that question. I refer to my previous answer.

The Hon. TREVOR KHAN: When did you become aware that your flight had been upgraded to business class?

Ms VIRGINIA JUDGE: I have already answered that question.

The Hon. TREVOR KHAN: No, you have not answered that question, Minister. Tell us when you became aware—

Ms VIRGINIA JUDGE: I would ask the Chair to rule that I have already answered that question. I can repeat it, if you like.

CHAIR: The Hon. Trevor Khan has asked a different question. Perhaps the Hon. Trevor Khan can ask the question again and you can pay attention.

The Hon. PENNY SHARPE: The Minister is perfectly entitled to answer the question as she has answered it.

The Hon. TREVOR KHAN: Are you protecting her as well? Is this some sort of Labor Party strategy to protect her from answering how Charif Kazal came to upgrade her flights from economy to business class and what she knew about it? That is the question that everyone has on their lips and we are entitled to know the

answer from this Minister. You talk about transparency in government. This is one of those opportunities to demonstrate your transparency.

Ms VIRGINIA JUDGE: Through the Chair, the Hon. Jennifer Gardiner, I would like to answer that question. All my flight expenses have been taken, recorded and declared strictly in accordance with parliamentary disclosure requirements, as one would hope every member of Parliament would do. If you want further information you have every right, as any other elected member of Parliament has, to speak to the Legislative Assembly Clerk of the House with respect to that matter.

The Hon. TREVOR KHAN: Did Mr Charif Kazal communicate to you that he had upgraded your flights from economy to business class before you jumped on the plane to the Middle East?

Ms VIRGINIA JUDGE: I think that this question is being laboured. I have done my very best with all sincerity to answer this question.

The Hon. TREVOR KHAN: With all due respect, you have avoided answering the questions, Minister.

Ms VIRGINIA JUDGE: People are very much entitled to their personal views. I have great respect for people's personal views. I consider myself to be a person who tries to answer and do the best I can in terms of this particular budget estimates Committee. It which is the second time I have sat before it. You might like to have a look at the transcripts again. I would like to also state the answer. I am very happy to answer. I do not think that people in this Committee can try to put their words into your mouth. I have to answer as I see fit as the Minister. I have been sworn to be the Minister and I am trying my very best to answer this question. I am very happy to take this question. I will repeat my answer, and perhaps Mr Khan might like to listen very carefully. Flight expenses have been taken, recorded and declared in accordance with parliamentary disclosure requirements. As I said, for the third time, please speak to the Legislative Assembly Clerk of the House if you require further information.

The Hon. TREVOR KHAN: Not good enough, Minister.

Ms VIRGINIA JUDGE: That is a personal view, Mr Khan. You have a personal view and I respect your personal view. We all have many views in this room and I have done my level best and I would be very happy to take some questions about consumer protection, looking after our consumers and, as Minister of the department, under my guidance, to make sure that there is a fair and equitable market place. At some point on the continuum we are all consumers in some way, shape or form.

The Hon. TREVOR KHAN: Even of airline tickets, Minister.

Ms VIRGINIA JUDGE: There are many, many regulations, and as a lawyer you would know that it is very important that we make sure that our consumers are protected, whether they are purchasing a motor vehicle and want to make sure that—

The Hon. TREVOR KHAN: Or airline tickets, Minister.

Ms VIRGINIA JUDGE: —that car is sold by a licensed motor vehicle dealer. If we are going to a car repairer, we want to make sure that that person is properly licensed. If we are purchasing toys for our children, we want to make sure that those toys are safe and that there are no small parts that could become lodged in their mouth and have the potential for them to choke. If they are purchasing a trampoline, we want to make sure—

The Hon. TREVOR KHAN: And the voters of New South Wales want transparency of their Ministers.

Ms VIRGINIA JUDGE: Madam Chair, I am really trying to answer this question, but when I am trying to answer it I am continually interrupted. If that line of questioning is to be pursued, I am very happy—but I could speak for hours and hours and hours about the wonderful work that the department is doing and in many cases leading the nation in some of the progressive measures that we have made to try to protect consumers in this State. As I was saying, in the department we cover many areas from home warranty insurance, making sure that when people are building their home that they get protection if something goes awry, to the registration of business names. We are in the process of handing that over to the Commonwealth. An enormous

amount of work is being done in that area to make sure that our State is ready to help with a seamless economy, cutting red tape and making sure that people have timely advice. We have been very progressive.

We have just done the Residential Tenancies Act. Perhaps Mr Khan, because he is only here of late, might like to know that that particular bill was about 20 years in the making. It had been through a number of Ministers. There were over 100 reforms and, quite frankly, in this State at some point in time most adult males or females have either been tenants and/or landlords or, indeed, both, and there are some wonderful new initiatives in those reforms. We spent hours and hours having many, many different sorts of consultation measures. I know that at one point I met with the—

CHAIR: Minister, this is an interesting monologue but I really should let the Committee ask questions.

Ms VIRGINIA JUDGE: I am glad you think it is interesting.

Ms CATE FAEHRMANN: Minister, are you aware that some manufacturers are providing systems for fixing high-fronted gutters that prevent the guttering system from conforming to the relevant Australian standards and the Building Code of Australia, particularly with respect to continuous overflow?

Ms VIRGINIA JUDGE: That is an excellent question. It is good to see that we have a new member of Parliament here who is actually asking me a question to do with the Department of Fair Trading, and I thank her for her question. It is quite interesting that the Hon. Trevor Khan has run off. He is obviously not interested in the important issues—

CHAIR: Minister, please do not reflect on the Committee. Just answer the questions.

Ms VIRGINIA JUDGE: Getting back to Ms Cate Faehrmann's question. There have, indeed, been claims that the installation methods for high-front guttering do not meet the Building Code of Australia's requirement. The high-front guttering systems have been supplied and fitted across Australia now for around about 20 years. This issue has been carefully examined by New South Wales Fair Trading and also the Master Plumbers Association of New South Wales. The Building Codes Board of Australia has also had a look at this issue, and other peak bodies. My officers have advised me as well on numerous occasions that they have also consulted with tradespeople, with government agencies and, of course local government. Importantly, local government has also raised the issue with other State and Territory regulators.

I am advised that, to date, Fair Trading has not received any evidence to suggest that the installation of high-front guttering is a significant problem in either New South Wales or elsewhere in Australia. This would suggest that high-front guttering installed to homes is working well in the vast majority of cases. There has been no evidence produced that would support claims of a systematic failure with this particular product. Some concerns though have been raised with me about the use of the slots in the guttering, which are there as an overflow provision. However, I am advised that the overflow system must be designed and installed in compliance with the relevant code and in a manner that is appropriate for the area's typical rainfall patterns.

Fair Trading, working very closely with a number of stakeholders, has responded to concerns about this product by taking a number of initiatives. They convened a forum with industry stakeholders in 2008. They produced a circular to remind installers about the codes and standards for installing gutters. They have placed installation guidelines with diagrams on their website. They have also written to over 150 councils right across New South Wales to remind them of the important need for certifiers to check guttering against the codes and the standards. They have also invited councils to forward details of cases where it is believed that property damage has occurred due to inadequate gutters.

Fair Trading conducted an online survey of traders and home owners to seek evidence of any widespread problems in this area. The survey closed in January of this year. I believe there were a small number of respondents to that and when the actual results came in they were inconclusive. However, the survey did indicate that some designers of guttering may not be applying the Building Code of Australia requirements. In light of that, Fair Trading is inspecting guttering on builders' display homes, project homes, right across New South Wales to ensure that the people who are actually designing high-fronted guttering systems are getting it right. Of course, I have asked my department to very closely monitor the situation to see if down the track there are any complaints.

I have gone a step further and I did have some very fruitful discussions with Sylvia Hale, when she was in Parliament, about this issue. She was very passionate about it and very concerned and I commended her for that. I have also recently convened an independent committee. Because your home is probably one of the most important assets you will have in your life, and blood, sweat and tears go into people's homes and they want to make sure that their home is giving them security and protecting their investment, I have convened an independent committee to review and report, hopefully in early November, on the current status of high-front guttering and its appropriate installation. With the Chair's leave I would like to ask my deputy commissioner, Mr Steve Griffin, if he would like to add anything further to this hugely important issue of guttering.

Mr GRIFFIN: If I could just add to what the Minister was saying, the independent panel has been established and we have got on that panel Professor Perry Forsythe, who is the head of the Building Construction School at the University of Technology Sydney; Ms Jan McClellan, who is a member of our professional practice committee, Consumer, Trader and Tenancy Tribunal; and Mr Warwick Neilley will also be on that committee. That committee is due to report back to the Minister by 1 November.

Ms VIRGINIA JUDGE: Thank you for your question. We are happy to chat with you further down the track.

Ms CATE FAEHRMANN: Is it correct to state that if the standards and code are void, then home owners cannot collect on insurance if overflows occur into the inside of the building and cause damage?

Ms VIRGINIA JUDGE: I will refer that question to my deputy commissioner.

Mr GRIFFIN: Since the very early stages we have consulted the Insurance Council of Australia on that issue. It has not indicated that insurance would be voided by the inundation of water in a home. The primary issue is that for all intents and purposes the guttering has been installed according to the instructions provided under the Building Code of Australia and in line with AS3500. In those respects the home insurance policy is not voided.

Ms CATE FAEHRMANN: How many complaints has the department received about high-fronted gutters?

Mr GRIFFIN: I will have to take that question on notice and come back to the Committee with the actual numbers.

Ms CATE FAEHRMANN: Is the national product safety system still on track to commence on 1 January next year?

Ms VIRGINIA JUDGE: We have been working very hard on that goal.

Mr STOWE: The Australian Consumer Law is due to commence operation on 1 January 2011. It will contain significant reforms to product safety legislation. Already a number of administrative activities have taken place with the Australian Competition and Consumer Commission to improve the way in which product safety legislation operates in Australia. New South Wales has been a major contributor to that work. To answer the question, yes, the work is on track and the new legislation will commence on 1 January 2011.

Ms VIRGINIA JUDGE: I thank the department for the productive work it has been doing. On 2 October 2008 the Council of Australian Governments agreed to a new consumer policy framework. That is embodied in the Australian Consumer Law, which will implement streamlined enforcement arrangements. As you are probably aware, the Australian Consumer Law is based on the consumer protection provisions embedded in the Trade Practices Act 1974, and they reflect best-practice State and Territory fair trading legislation. The legislation was finally endorsed by the Council of Australian Governments in July 2008 and it will become part of the national law.

Ms CATE FAEHRMANN: Do you think that these changes to safety laws will make any difference to the significant number of dangerous toys being imported from China?

Ms VIRGINIA JUDGE: We are always concerned about ensuring that toys on the market in New South Wales are safe for our children. New South Wales does its very best to ensure that toys meet our product safety requirements. Of course, those requirements will be part of the national code. We do regular compliance

blitzes. In fact, a few months ago officers did a blitz in Chinatown involving on-the-spot checks of many toys, which I am advised were from China. The officers might like to elaborate on what happened on that day or to take the question on notice. We do our best to monitor the situation and we do regular compliance checks on toys, particularly at peak present-buying times, such as Christmas, when there is more intense retail activity.

Ms CATE FAEHRMANN: The question was about the changes that will be implemented on 1 January and how they will prevent the types of toys found in Chinatown being imported in the first place. What changes will be implemented to stop that occurring?

Mr STOWE: One of the significant benefits of national law is greater cooperation between the jurisdictions. Already a national consultative committee has been established to address product safety and it is already developing national approaches to compliance. A much larger workforce will be employed to ensure product safety as a result of the national law. It is a much more strategic approach targeting areas of concern. It is certainly the expectation of all jurisdictions that this will lead to a much better outcome with regard to product safety regulation.

Ms VIRGINIA JUDGE: On 1 January 2011 a new national product safety regime will commence that will greatly simplify the operation of product safety laws for suppliers, retailers and consumers across Australia. It will further enhance the safety of products available to the New South Wales marketplace. Under this new regime the Commonwealth will have sole responsibility for the introduction of product safety regulations and permanent bans. They will be jointly enforced by the Commonwealth, the States and the Territories. In terms of enforcement, this system will also, importantly, empower the States and Territories to act very swiftly if it comes to their attention that a dangerous product is being sold and to impose an interim ban on that product. Our role will be in the assessment of unsafe products; that role will not be handed over to the Commonwealth.

Of course, the Government is also a member of the New South Wales Products Safety Committee. In 2009-10 the committee made an assessment of some of the things I mentioned earlier, such as the safety of domestic trampolines. It recommended the introduction of a new law requiring trampolines to comply with the relevant Australian standards. This State was innovative in taking the lead in that regard and I am proud that we did so. Commonwealth support for the adoption of those changes has been requested. We are pursuing a national, harmonised approach to the safety of trampolines. That national approach is important because we have a very mobile population; people move from State to State for family or employment reasons. This is a good step in the right direction in protecting our children from dangerous toys.

The Hon. KAYEE GRIFFIN: Will you advise the Committee about the benefits that the residential tenancy reform package will deliver to landlords and tenants and what services the Government provides to support tenants and landlords?

Ms VIRGINIA JUDGE: I thank the honourable member for that question and I would love to chat about this topic because we have made history in this State. We have about 850,000 leases in New South Wales and at some point most of us are landlords, tenants or both. Everyone has their personal story to tell about that experience. Some good initiatives have been introduced. It is significant that the Residential Tenancies Bill was passed unanimously by members. That did not hit the headlines, but it was a hugely important piece of legislation. I have a bias here, but I believe it is one of the most important pieces of legislation to be passed by the House since I was elected in 2003. To have the unanimous support of all parties and no amendments moved when the House is debating a bill containing more than 100 reforms is a testament to the work of my officers. An enormous amount of consultation took place over two years. I met collectively with the Tenants' Union of New South Wales, the Australian Property Institute and the social housing group. That was definitely worthwhile because it resulted in a huge positive response. Mr Murphy did an amazing job with the carriage of that legislation. He made an invaluable contribution.

I will talk about the reforms in more detail because this is a very important piece of legislation. The Residential Tenancies Bill was passed by Parliament on 10 June this year, as I said, following a fundamental review of the existing laws. This legislation modernises and reforms the law to bring the regulation of residential tenancies up to date with modern industry practices. The legislation reflects the new modality and the way people live and make investment decisions. It also provides a fair balance between the rights and responsibilities of tenants and landlords. That was the benchmark on which I focused: What is fair? It cannot be one-sided; we must find the middle ground to get the best possible outcome.

This Act improves the way the law operates at every stage of the tenancy relationship, from the tenancy application process all the way through to dealing with any goods or rubbish left behind at the end of the tenancy. In developing the new Act every opportunity to streamline requirements and clarify landlords' and tenants' rights and obligations was examined. For example, under the new Act prospective tenants can no longer be asked to pay a reservation fee when applying for a property. The benefit of these fees was quite unclear, as tenants who pay them were still competing with other applicants who had not paid a fee. The applicant could also lose some of the fee if they withdrew, even though they had not made any commitment to signing a lease. On the landlord's side, the portion of the fee that they were able to keep was not always enough to cover their expenses.

The new holding fee provisions introduce a fair approach for both parties. A deposit will be able to be paid only after a person's tenancy application has been accepted. In terms of consumer protection, this makes it very clear for the prospective tenant that they have committed to entering a tenancy and that the fee will go to their first week's rent. If the tenant pulls out, the landlord will be able to keep the entire deposit to cover advertising and other costs. This is just one of a number of improvements being made to the pre-tenancy process.

As well, the Act requires that prospective tenants be informed of important information that may affect their decision to rent the premises. This will include whether the property, for example, is going to be put up for sale, if it is subject to repossession proceedings and whether there are known safety risks with that property. In this case the parties' rights and obligations during the tenancy are also being made clearer and fairer. For example, tenants will have to be given at least one fee-free option for paying their rent. Tenants already pay fees and charges to their own banks, and this reform recognises that they should not be charged extra fees just for the privilege of paying their rent. That is a huge change, because that is what has been happening to tenants out there. Some people are nodding their heads—they may have had personal experience of that.

Landlords will now have a clear right to recover expenses such as bank fees for dishonoured rent payments and for replacing rent books or rent cards that have been lost by a tenant. Landlords will be able to charge tenants for metered water usage if water efficiency measures have been installed. That is important. The proposed requirements will not be onerous and will simply involve putting flow regulators in showerheads and taps and fixing any leaks. That is good stuff. In most cases this can be done by the landlord or a handyman at a cost, I am advised, of around \$22 to \$60 for an average sized home. If a tenant is already in the property, landlords will have up to 12 months to get the work done. These simple, cost-effective measures will go a long way to helping reduce water usage in the more than 800,000 properties that are currently available for tenancy in New South Wales.

The new Act also increases clarity in a number of areas, including safety and security requirements and the landlord's rights to access the property to help reduce disagreements with tenants. Disagreements between co-tenants were difficult in the past but now will be able to be resolved more easily. For the first time, tenancy laws will recognise the status of co-tenants and provide for their name to be removed from the lease if they move out after the fixed term ends. Co-tenants will also be able to apply for their share of the bond from the remaining tenants and to go to the tribunal—that is still there as a backstop—if there are any problems. I think that is important. This will not impact on the landlord as the full bond will still be held by Fair Trading.

Other important reforms increase protection for domestic violence victims. This is usually important and something I was pushing to make sure was taken up as part of the reform process. It will allow a victim of domestic violence to change the locks if an exclusion order has been made against another occupant or tenant. Once a final order has been made the remaining occupant can arrange for the lease to be put into their name and for the offender's name to be removed. Where locks are changed, the landlord will be given a copy of the key. Another area we looked at and on which there was a wide range of interesting perspectives—and we came to a good landing on this one—is that if tenants want to make, as one does sometimes, minor alterations or sublet part of the premises, they will still have to obtain the landlords written permission. So, the landlord's views and voice are still hugely important, as they are now. However, tenants can expect their landlord to give reasonable consideration to their request and will be able to apply to the Consumer, Trade and Tenancy Tribunal for an independent hearing if there are any issues.

Sometimes people want to put extra locks on their doors or perhaps on the windows or they may wish to put a hand rail in the bathroom if they have an elderly person who might need that safety measure, or they may wish to put up some picture hooks or put in an Internet connection. This has been difficult in the past, and we need to move forward with what people need. We have an ageing population. By the year 2025 we will have

more people over 65 than under it for the first time in our nation's history. So, we have to cater for that and make sure the law is proactive and it gives these people the sort of comfort and security they need in their homes.

The Hon. TREVOR KHAN: Ten more minutes.

The Hon. PENNY SHARPE: I have plenty of questions.

The Hon. TREVOR KHAN: I don't think you need many. I like the Michael Egan school of off-the-cuff answering.

Ms VIRGINIA JUDGE: This is a very serious Committee. Taxpayers are funding each of us to sit in this Committee, and I am talking about a hugely important piece of legislation—

The Hon. TREVOR KHAN: Which you could provide by tabling the lengthy document you are reading from. You could allow time to be asked questions and to answer questions.

The Hon. KAYEE GRIFFIN: Point of order: I would like the Minister to be able to finish answering the question I asked without interruptions from the Hon. Trevor Khan, because it makes it very hard for me to hear the rest of the answer.

The Hon. TREVOR KHAN: She can give you a copy. She is reading it all. It is not as though it is responsive.

Ms VIRGINIA JUDGE: I think you should behave with some decorum.

CHAIR: You may proceed with your answer.

Ms VIRGINIA JUDGE: This is an important budget estimates and I think people should show dignity and treat each other with respect in these hearings. That is what the taxpayer would expect. This is very important and I do appreciate the question. I think it is a shame that the new member to this House does not want to hear this.

CHAIR: Order! Minister, I have said before you cannot reflect on members of the Committee. You should answer the question.

Ms VIRGINIA JUDGE: Certainly I will abide by your ruling. As I was saying before the interruption, from what I have heard during consultations, most landlords already respond reasonably when their tenant asks for permission to sublet a spare room or make a minor improvement such as installing a phone line or adding a childproof lock to a window. Therefore, the Act protects landlords by making it clear that they are not being unreasonable if they refuse a request, for example, to paint the property, make major changes or if a subletting request would lead to overcrowding or, of course, undesirable tenants. Of course, landlords are entitled to compensation if alterations are not done to a satisfactory standard.

Another significant benefit for landlords is a new streamlined rental arrears eviction process which will enable them to get the property back up to 18 days sooner where a tenant has stopped paying the rent. This was something we had a lot of chats about with landlords and they will be pleased with this particular measure because there was a complaint that things were taking a long time, and so forth, and they have an investment and they want a return on their investment, and so they should.

Landlords will now be able to serve eviction notices directly to a tenant's letterbox, saving four working days in postage time. Importantly—and this was a huge new step—they will be able to apply to the tribunal for termination orders at the same time, saving another 14 days—two weeks. There are also new provisions to help save viable tenancies in the case of temporary hardship. I know from speaking to lots and lots of landlords how much they value their good tenants who do pay the rent on time and, of course, look after the property. So when a tenant experiences financial difficulties or, for example, falls behind in the rent and receives a termination notice, they will be able to continue the tenancy if they catch up all the arrears or follow a repayment plan agreed with the landlord. What a great initiative that is. This has obvious benefits, I think, for both parties. It is a humane approach, it is a compassionate approach and it has social justice firmly embedded in it.

Care has been taken in drafting the bill to ensure that landlords are protected from potential abuse of this provision. The tribunal will still be able to make a termination order if the tenant has failed to pay the rent on a frequent basis during that tenancy. A range of other improvements have been made to the tenancy termination process. Tenants will be entitled to 90 days notice, an increase from 60. I asked my officers and we contacted departments all around the country to have a look at what they do with each of these reforms—to see what the Australian Capital Territory did and what Western Australia did—to try to get something that fitted the culture and the flavour of New South Wales. The Australian Capital Territory had six months or something like that, from memory.

This reform recognises that tenants need adequate time to find a new place, possibly new schools to send their children to, if they have young children, as well as, importantly, to pack up—which is always an onerous task—and, of course, move their belongings. Under certain circumstances a tenant will be able to end their lease early without penalty, including when the tenant has received an offer of public housing or needs to move into aged care—another great initiative. A new option is that it increases flexibility and enables the parties to include an early break-free term in a tenancy agreement. This option sets a fixed fee to be paid by the tenant if they need to end the lease during the fixed term. It does get fairly technical, but I will continue.

In this way the tenant can leave without ongoing rent obligations and the landlord can take vacant possession quickly and relet the premises at whatever rent they decide in terms of the lease requirements. The process for dealing with goods left behind by vacating tenants has also been streamlined. This was something that was brought to our attention on a number of occasions. Landlords can now dispose of perishable goods and rubbish immediately—that was a problem in the past—and need store other items for only two weeks. Landlords can recover the costs of storage up to a maximum of two weeks rent for the premises. The landlord must also notify the tenant that the goods will be disposed of, but it is the tenant's responsibility to arrange for the goods to be collected.

The exception is for tenants' valuable personal documents—I think it is also important that we look into that—such as passports, driver's licences and professional papers. They must be kept for 90 days. The fairness and transparency of tenancy databases has also been significantly improved. Landlords will have to inform prospective tenants if a database is being used to assess their application and must inform the database operators if they find out that the information is inaccurate. There are limited grounds for why a person may be listed on a database, and the maximum duration for listing is three years. Tenants have the right to access their details on the database and can apply to the tribunal to resolve disputes about their listings.

The Consumer, Trader and Tenancy Tribunal will continue to play an important role in resolving tenancy disputes. The limits on the tribunal's monetary jurisdiction are being increased and new tribunal powers to make orders have also been introduced. I am hugely proud of these important changes to the State's tenancy laws; I think we should all be hugely proud of them. The Government has listened very closely to the community and I think we have responded with a package of progressive reforms, which will support the continued viability of the rental market in our State.

The Hon. IAN WEST: Can the Minister advise the Committee what the Government is doing to assist New South Wales families in financial difficulties and how funding support is being maintained?

Ms VIRGINIA JUDGE: We have done a lot in that area. Thank you for your question. I am hoping to provide you with the relevant information.

The Hon. TREVOR KHAN: A bit more spontaneity is about to come. It will be handed forward any second now.

The Hon. IAN WEST: Take a green pill.

CHAIR: Did you say take a pill?

The Hon. IAN WEST: Take a green pill.

Ms VIRGINIA JUDGE: I am sorry. I did not quite understand.

CHAIR: You will have to have a chat to your colleague later.

Ms VIRGINIA JUDGE: I am not the Minister for Health. More and more Australians often have to battle to make ends meet, and often with terrible consequences when they do get into difficulties. We have been very committed to trying to help struggling individuals and families who sometimes have difficulty in managing their finances and their debts, and it is a serious matter if that happens to someone. When people find themselves in trouble the first step to regaining control of their lives is to get timely information and advice. The message is always clear: Ask for help, if you need it, as early as you possibly can in the process. People in debt and crisis often feel embarrassed. I have actually spoken to people who have told me about their personal experiences when something has happened to them in their family lives. They often end up getting in a state of anguish but sometimes also denial. With this in mind, I have been pushing to improve access to a wonderful service that we help deliver through our department, and that is access to financial counselling.

CHAIR: Minister, the time has expired for the Fair Trading portfolio. If you like you can provide the rest of the answer to the Committee secretariat, and we can publish it in *Hansard*. We need to move now to the Arts portfolio.

Ms VIRGINIA JUDGE: I am delighted to do that. I will make sure the departmental officers provide that information, which is as follows:

I am pleased to advise that the Keneally Government has invested an additional \$4.8 million for the period of 1 July 2009 to 30 June 2012 which represents a total commitment of \$16.5 million for that period.

We are making this investment at a time when personal credit card debt in Australia is at an all time high.

The additional \$1.6 million per year for financial counselling services has been allocated directly to financial counselling and legal services to expand and improve the vital services that they provide to our community.

The global financial crisis resulted in an increased demand for financial counselling, and financial counsellors have been struggling to meet demand from people in need of advice and assistance.

Last year nearly 40,419 people sought advice through these services across NSW.

We anticipate that these additional funds will increase the number of clients being able to access financial counselling by at least 40 per cent by the end of 2010. This means that an extra 16,400 people will be able to access these services.

In addition, the existing Financial Counselling Services Program has been extended by two years to 30 June 2012.

This provides certainty for the community to access services and ensures the ongoing employment of financial counsellors within the sector.

It is expected that current levels of funding would be maintained and expressions of interest would be made for applications for the 1 July 2012 to 30 June 2015 triennium.

The Keneally Government is funding 64 financial counselling services across the state. Funding is also being provided to the Financial Counsellors' Association of NSW for administrative support and training of financial counsellors.

Many of these financial counselling services are provided by large, highly reputable, non-government organisations such as Lifeline and the Salvation Army.

The services they can provide to families struggling with their finances include:

- financial counselling;
- consumer legal casework;
- community education on financial management; and,
- training people in financial counselling.

They also refer clients to other services, for example, gambling support, family support, personal counselling and community legal aid.

Services funded by Fair Trading are extending their programs into the areas of education and early intervention. Education is critical if we are going to tackle these problems.

Fair Trading provides funding to the Credit and Debt Hotline 1800 808 488.

Through this important service people can receive advice and referral to a financial counselling service.

The NSW Government is getting on with the job of delivering services to our communities and reaching out to people in difficult times.

Members should all be aware of the Keneally Government's record support for No Interest Loans Schemes across NSW.

No Interest Loans Schemes is a community-based program developed by the Good Shepherd Youth and Family Service, which provides interest-free and fee-free loans of up to \$1,200 to help low income earners to buy essential household items.

Fair Trading manages the funding for the schemes, providing much-needed assistance.

People can apply for loans to buy essential household and medical goods and services such as washing machines, refrigerators and dental expenses.

This is a community-managed program that accesses loans capital from a number of sources including the National Australia Bank.

I am pleased to inform Members that the former Premier announced that, from 1 July 2009, an additional \$900,000 per year in funding would be provided for the No Interest Loans Scheme Program to help struggling NSW families buy essential goods and services.

This brings the total funding for the NSW No Interest Loans Scheme Funding Program to \$1.78 million per year up to 30 June 2011.

There is a huge demand for administrative funding by currently operating No Interest Loans Schemes across NSW.

This injection will help to ensure stability for the community and ongoing employment of No Interest

Loans Scheme administrative staff, with 56 schemes across the state being provided with funding.

Funding has been committed to establish a dedicated No Interest Loans Scheme 1800 hotline. It will be launched later this year to provide advice and referral services for NSW consumers.

Part of this record investment also goes towards a dedicated No Interest Loans Scheme Co-ordinator auspiced by Winmalee Neighbourhood Centre.

The job of the coordinator is to not only support existing No Interest Loans Schemes but to target parts of the state where this service is not provided.

It is timely that these funds have become available as the coordinator has assisted many NSW schemes in accessing their share of \$15 million worth No Interest Loans Scheme capital provided by the National Australia Bank across the country.

It is a fact that more Australians are experiencing financial difficulty, often with terrible consequences and in very difficult circumstances.

Severe financial stress can be a cause of family breakdowns, mental illness and sometimes, in extreme circumstances, suicide.

Not only does the No Interest Loans Scheme program provide struggling families with access to essential household or medical goods and services that will improve their lives, it also keeps the most desperate away from expensive forms of credit which will just make their situation worse.

I understand that recently there has been a significant increase in low income earners making applications for No Interest Loans.

Last year No Interest Loans Schemes funded by Fair Trading fielded 12,449 enquiries and conducted 5,006 loans interviews. This resulted in 3,327 loans being approved worth over \$2.577 million.

I very much appreciate the services that No Interest Loans Scheme groups provide to struggling families and commend those workers on the frontline who are supporting the residents of this state when they are most in need.

The Government's decision to fund the administration costs of services allows all of the available loan capital to be utilised to support families in need across NSW.

This government's support is keeping vulnerable people away from high interest alternatives like pay day lenders.

To apply for a No Interest Loans Scheme loan, people must be in receipt of a Centrelink health care or pension card, or qualify for a pension or health care card, and be able to show a capacity to repay the loan within 12 to 18 months. A local No Interest Loans Scheme provider will assess the applicant's needs and come up with a repayment plan that suits, without adding stress to their budget.

These loans have a number of advantages to those who qualify including:

- The fact they are interest and fee-free and have generous terms, but are not a charity;
- Borrowing money from other lenders can cost you a lot more and put you in a much worse financial situation;

- The No Interest Loans Scheme providers work with you to find the arrangement that works best for you;
- Dealing with a No Interest Loans Scheme service is free and confidential. They treat people with dignity and respect; and
- Essential goods purchased with a No Interest Loans Scheme loan are brand new.

People can find their local No Interest Loans Scheme provider by visiting the No Interest Loans Scheme Network website, or by calling the No Interest Loans Scheme Hotline on 1800 509 994.

In addition to these important increases to financial counselling and No Interest Loans Schemes, Fair Trading has implemented a number of strategies to protect the interests of the Aboriginal community in NSW.

Fair Trading's financial literacy strategy for Aboriginal communities was developed to include:

- a resource manual and training for Aboriginal community workers called Deadly Dollars - Lets Talk Money;
- performance-based forum theatre plays called Deadly Dollars - Something for Nothing and Out of Credit; and
- a teachers resource kit that includes classroom activities.

In late 2008 the Deadly Dollars Theatre Group travelled to 36 Aboriginal communities throughout the Riverina, South West, Central West, North West, New England and North Coast areas of NSW over a six week period. It performed to 2,591 participants, an average of over 70 participants at each performance. The feedback from this tour was extremely positive from both participants and educators.

In April 2009, following further funding approval, the Deadly Dollars Theatre Group delivered the play to the Hunter, Sydney and Wollongong areas.

It performed to nearly 2,000 participants in 28 communities over three weeks. More than 4,500 people have attended the Deadly Dollars play over a nine week period.

Again, due to the great success of this initiative, I have approved a further round of performances to be held in the far western areas of NSW.

The play will be travelling to Moama, Balranald, Dareton, Broken Hill, Menindee, Wilcannia, Cobar, Nyngan, Brewarrina, Bourke, Enngonia and Goolooga, some of the most remote and isolated parts of the state.

Performances will also be held in Moree, Gunnedah, Glen Innes, Inverell, Casino, Lismore and Ballina.

The Deadly Dollars Theatre Performances have proven to be a successful and innovative way to deliver provided from the Fair Trading operating budget.

The Keneally Government is committed to helping struggling individuals and families, to manage their finances and debts.

NSW Government funding for programs such as No Interest Loans Schemes and financial counselling provides a safety net for many people who would otherwise turn to credit cards with high interest rates, setting them on an endless cycle of unmanageable debt.

Programs like Deadly Dollars use an innovative and consumer-focussed educative approach to help give Aboriginal people knowledge and skills to manage their finances.

In troubling economic times these funding commitments and increases illustrate the Keneally Government's commitment to supporting families and individuals who are suffering financial problems.

CHAIR: I thank the officers from Fair Trading for their attendance at the hearing.

(The witnesses withdrew)

MARY DARWELL, Executive Director, Arts NSW, and

CAROL MILLS, Director General, Communities NSW, affirmed and examined:

The Hon. TREVOR KHAN: Ms Mills, could I ask you some questions with regard to high-level briefings that have included the Director General of Communities NSW and, I think, the Executive Director of Arts NSW. Have you attended any meetings at which Mr Kosta Nikas has been present?

Ms MILLS: Yes, I have attended one meeting.

The Hon. TREVOR KHAN: When was that meeting?

Ms MILLS: It was in July.

The Hon. TREVOR KHAN: Who else was present at that meeting?

Ms MILLS: There were a number of officers from my department, some independent contractors we had engaged to assist with our website redevelopment for Arts NSW, and a couple of external people with background in the arts to provide advice.

The Hon. TREVOR KHAN: You have answered part of the question. This was with regard to website design, was it?

Ms MILLS: That is right. We had commissioned some work to upgrade our website to make it more user friendly for arts organisations.

The Hon. TREVOR KHAN: Do I take it that the people present were people who had either expertise with regard to being stakeholders or, alternatively, in website design?

Ms MILLS: That is correct.

The Hon. TREVOR KHAN: Are you the one who issued invitations to the people to be present at this meeting?

Ms MILLS: No.

The Hon. TREVOR KHAN: Who issued the invitations?

Ms MILLS: There was consultation between the Minister's office and my department. I am uncertain who actually issued the invitations.

The Hon. TREVOR KHAN: Did you arrange for Mr Nikas to attend the meeting?

Ms MILLS: No.

The Hon. TREVOR KHAN: Had you had any dealings with him before with respect to the issue of website design?

Ms MILLS: It was the first time I had met him.

The Hon. TREVOR KHAN: Did he introduce himself to you at that meeting, or did somebody else perform that task?

Ms MILLS: From my recollection, we went round the table and gave our names.

The Hon. TREVOR KHAN: Was the Minister present at the meeting?

Ms MILLS: Yes.

The Hon. TREVOR KHAN: What was the contribution that Mr Nikas made with regard to the issue of website design?

Ms MILLS: I believe all people present at the meeting made comments—

The Hon. TREVOR KHAN: That is not my question, Ms Mills. Concentrate on the question.

The Hon. IAN WEST: The witness was answering the question.

The Hon. TREVOR KHAN: I am asking about Mr Nikas.

The Hon. IAN WEST: This is through the Minister. If you want to know the facts, just ask the question.

Ms MILLS: As I said, all members, including Mr Nikas, made comments. His comments, as I recall, related to aspects that might, from a user perspective, be incorporated to make it easy to use the website and to find the information helpful.

The Hon. TREVOR KHAN: I take it that Mr Nikas' presence at the meeting was not initiated by you?

Ms MILLS: No, it was not.

The Hon. TREVOR KHAN: Was Ms Darwell present at the meeting?

Ms DARWELL: No, I was not.

The Hon. TREVOR KHAN: Minister, was the presence of Mr Nikas at the meeting initiated by you?

Ms VIRGINIA JUDGE: A number of important stakeholders, apart from the consultants that were there, were provided with unpaid input into the Arts NSW web page design, which was an effort to try to get web page art that would be very responsive to the needs of a wide range of stakeholders in the arts community—right through from performance to visual arts, to screen and film. It was felt that—

The Hon. TREVOR KHAN: Minister, with respect, the question I have asked was: Did you initiate the invitation for Mr Nikas to attend the meeting? I did not ask for a long dissertation on website design, or on other matters that you might like to fill in time on.

Ms VIRGINIA JUDGE: As I said, there were a number of stakeholders and people who are involved in the industry. For example, there was someone there who is involved in the screen industry. There were a number of different stakeholders there who actually donated—

The Hon. TREVOR KHAN: Minister, the question is quite simple. Did you initiate or arrange for Mr Nikas to attend?

Ms VIRGINIA JUDGE: I am about to respond to that. I am trying—

The Hon. TREVOR KHAN: Then respond to it. Did you organise—?

The Hon. IAN WEST: Point of order: We would like to hear the Minister's answer. If there is constant interruption by the questioner, he will not get an answer to his question. The Hon. Trevor Khan should desist from continually interrupting the witness. The Minister will answer the question as she sees fit.

CHAIR: The Hon. Trevor Khan was not continually interrupting the Minister; he was trying to get to the Minister to come to the point. We have limited time, so if the Minister could answer the questions as quickly as possible that would be appreciated.

Ms VIRGINIA JUDGE: I am trying to answer the question to the best of my ability, Chair. As I said, in New South Wales as Minister I have been very passionate about making sure that the department provides services for people who work in the industry and those who come in contact with the industry, and that the

information that is provided is up to date and is easily accessible. As a result of my work as the Minister, I constantly invite a wide range of people from broadly across the sector to meet with me to talk about their ideas and to engage. In fact, I have been running a number of forums. One of these—

The Hon. TREVOR KHAN: Is it not a yes or no answer? Did you get him to attend, or not?

The Hon. IAN WEST: You will not get an answer in the finish, if you keep interrupting.

The Hon. TREVOR KHAN: We might well not get an answer, Westie. Minister—yes or no?

The Hon. IAN WEST: The Minister does not have to answer yes or no.

CHAIR: Order! The Hon. Ian West, you will desist from interrupting the questions.

Ms VIRGINIA JUDGE: I think he is calling a point of order.

CHAIR: He did not call a point of order; that is my point. Minister, can you please answer the question?

Ms VIRGINIA JUDGE: Yes, I am trying to answer that question. As I was saying, from time to time I organise all sorts of forums. I had a forum in this room, when I was Minister Assisting the Premier on the Arts, when I called together a range of people. That particular forum was called "Music: A Focus on Jazz". I ran a series, and that was the first one. I invited lots of people to attend that. When I was out and about, we were looking. I was helping develop the place of public entertainment reforms, to make it easier for people in that industry—

CHAIR: Minister, we do not need "all that jazz"; we just need an answer to the question.

The Hon. IAN WEST: Point of order—

Ms VIRGINIA JUDGE: I thought the Chair was not supposed to make comments about the content of my answer—particularly in terms of the comment "all that jazz". I have chaired hundreds of meetings, and I think your job is perhaps to keep the meeting in order, with respect.

The Hon. TREVOR KHAN: With respect, answer the question—yes or no. Did you organise for Mr Nikas to attend this meeting?

Ms VIRGINIA JUDGE: As I was saying, I invite a lot of people to attend forums. The aim of that is to get the best possible outcome, to get diverse views from people I know in the industry. Some of these people—I have known them for a while; they are people I have worked with and have become friends with over a period of time—

The Hon. TREVOR KHAN: Minister, you are just trying to talk out the time. You are avoiding the question, for an obvious reason. Just answer the question so we can move on to the next one.

Ms VIRGINIA JUDGE: I welcome questions. I do not have a problem with this—

The Hon. TREVOR KHAN: That, with respect, is not being demonstrated—

Ms VIRGINIA JUDGE: I have invited a number of stakeholders to a number of meetings and forums that I have held over a period of time. The important thing is that these people actually volunteered their services for nothing—they have not been paid; they have donated their time. And as Minister, I would think the taxpayers of New South Wales, and particularly people who are involved very actively in those areas, would be delighted. In fact, many of them have said to me that they have never been consulted in their crafts—ever. I think the last committee—

The Hon. TREVOR KHAN: The taxpayers of New South Wales are interested in whether you are acting ethically.

The Hon. PENNY SHARPE: Point of order: My point of order is that the Chair's role in this hearing is to ensure the fair, respectful and appropriate treatment of witnesses. I ask you to stop the Hon. Trevor Khan from constantly interrupting when the Minister is trying to answer the question.

The Hon. TREVOR KHAN: To the point of order: This witness is not being fair and respectful to this Committee. She is being contemptuous of a simple question that is being asked. The bottom line is that we all know there is an issue with regard to Mr Nikas and why he is attending these meetings. The Minister will not even concede at this point why he is there. The Minister can answer the question simply.

The Hon. PENNY SHARPE: Further to the point of order: The point of order is about the Chair maintaining order during the hearing, which the Hon. Trevor Khan is completely disregarding. The Minister is attempting to answer the question but the Hon. Trevor Khan is continually interrupting. I ask the Chair to allow the Minister—who is attending here voluntarily, as all other witnesses are—to answer the question put before her.

CHAIR: It is not correct to say that the Hon. Trevor Khan was interrupting willy-nilly. He was trying to get an answer to a very straightforward question and the Minister keeps on avoiding the question. Hence we are getting a bit frustrated with the answer. Again, Minister, if you could just bring the answer to a conclusion so we can move to the next question.

The Hon. IAN WEST: If she can provide the answer that is fine.

The Hon. PENNY SHARPE: We can move dissent if you really want us to.

The Hon. IAN WEST: It has come to the stage where we might just have to move dissent. This is outrageous. It is absolutely outrageous for the Chair to be saying that you do not like the answer.

CHAIR: Are you calling a point of order again?

The Hon. IAN WEST: No, I will call dissent in a moment.

CHAIR: I am not going to waste the time of the Committee. Minister, can you proceed to answer the question?

The Hon. IAN WEST: She is trying desperately to answer the question but you just do not like the answer.

CHAIR: Be quiet. You will get your turn in a minute.

Ms VIRGINIA JUDGE: Let us bring some calmness into this debate. I do respect everyone's questions and I am very happy to answer questions. That is why—

The Hon. TREVOR KHAN: Then answer it!

Ms VIRGINIA JUDGE: I believe I have already given that answer.

CHAIR: I am sorry, but we did not hear it. Did you hear it?

The Hon. TREVOR KHAN: Minister, did you invite Mr Nikas to attend the meeting that Ms Mills referred to many, many minutes ago before you waffled on?

Ms VIRGINIA JUDGE: As I said I invite a number of stakeholders to attend forums and I have—

The Hon. TREVOR KHAN: We are talking about one.

Ms VIRGINIA JUDGE: —on a regular basis.

The Hon. TREVOR KHAN: Kosta Nikas.

Ms VIRGINIA JUDGE: These are forums and meetings and I am sure that many Ministers invite people and talk to them about their issues in these areas.

The Hon. TREVOR KHAN: Kosta Nikas—only one person.

Ms VIRGINIA JUDGE: As for this particular forum—I think we had three different meetings—the first meeting was just with the consultants, if I recall correctly.

The Hon. TREVOR KHAN: Kosta Nikas; the one meeting. Did you invite him?

Ms VIRGINIA JUDGE: As I have said, I am not going to be badgered into saying something that is not true.

CHAIR: What is true? Just tell us what is true.

Ms VIRGINIA JUDGE: I think we can bring this to a conclusion very easily.

The Hon. TREVOR KHAN: Yes or no?

Ms VIRGINIA JUDGE: Mr Nikas attended two out of three meetings held with Communities NSW—

The Hon. TREVOR KHAN: Ah!

Ms VIRGINIA JUDGE: I do not know why there is a sudden gasp, as though there is something outrageous—of which Arts NSW is a division. I can also say that I wanted to discuss getting the best possible website so that people could engage well with that particular facility. He attended two of those focus group meetings, which we convened. Those meetings were held to consult and get input and, as I said, apart from the consultants, participants' time was donated freely. There was no benefit financially for any of those people. There was no remuneration given. These particular meetings were held, as I said, to consult various arts and cultural stakeholders about our website so we could have the very best website for our stakeholders in New South Wales. He made some very good suggestions, actually, about improving website information for anyone interested in certain areas. Other arts and cultural stakeholders also made some fantastic suggestions, which I think we have pretty well taken on board in terms of feeding that information back to the two consultants—or perhaps it is one consultant who is being paid by the department to develop the website.

Those people, as I said, all volunteered generously their information at those meetings on an unpaid basis. The company that did this review was an independent and reputable company—my director general advised me of that. It has had considerable experience, and it has been contracted to redesign the Arts NSW website for the department. It was engaged to undertake the project prior to the focus group meetings. According to my director general, all the requirements relating to public service contracts were met in engaging this particular company. From the last results I saw, I think it is doing a pretty interesting job. Mr Nikas has not been contracted to redesign the Arts NSW website.

Ms CATE FAEHRMANN: Minister, regarding the two meetings you are referring to now as focus group meetings on the Arts NSW website, who were the other stakeholders from the community? Just their names are fine, and their connection to the arts industry.

Ms VIRGINIA JUDGE: Of course. I was there as Minister, Vivienne Skinner was an advisor, there was one of my Arts advisors from the department seconded to us, Seb Chan, Lisa Havilah, Cathy Murdoch, Elizabeth Rogers, Liesl Hazelton, Alanna Zitzerman, David Riding—

Ms CATE FAEHRMANN: Are these people stakeholders from the community or from the department?

Ms VIRGINIA JUDGE: These are from various sectors of the community, from arts to dance to writers—right across the board. I have a whole list here and I am concerned whether there are privacy issues with this—I am not sure. I do not want to do something that I should not be doing.

Ms MILLS: We would be happy to provide a full list and the organisations they represent on notice.

The Hon. TREVOR KHAN: And who issued the invitations perhaps?

Ms VIRGINIA JUDGE: May I say that they all made a very valuable contribution.

Ms CATE FAEHRMANN: On page 2-11 of the budget papers it shows a total of \$295,230 allocated to grants and subsidies. Did the \$50,000 granted to the Greek Festival come out of that allocation?

Ms VIRGINIA JUDGE: I am very happy to answer that question: No.

Ms CATE FAEHRMANN: Where did the \$50,000 come from?

Ms VIRGINIA JUDGE: We have some people who I think may have been given incorrect information—

Ms DARWELL: I am unaware of any Arts NSW grant.

Ms VIRGINIA JUDGE: As per the budget papers, Arts NSW, my department and I played no role whatsoever at any point from go to whoa in programming or funding for the 2010 Greek Festival. Do you want me to repeat that again? I have actually answered that question many, many times. I can also advise that none of the government funding that was given to the Greek Festival was directed to Mr Nikas' play *Proxy*. I do not think I can be any clearer than that.

Ms CATE FAEHRMANN: Minister, what percentage of your time do you devote between the Arts portfolio and Fair Trading portfolio? How do you divide your time between those two portfolios?

Ms VIRGINIA JUDGE: That is a very difficult question but let me say that I pretty well work, like many members of Parliament, seven days a week, probably 16 hours per day. I feel very honoured and privileged to be a Minister. I am particularly honoured and privileged to be in these two portfolios that can do so much to help people—in the Office of Fair Trading, looking after people in terms of social justice, and in the Arts, which I have always had a great interest in and a great passion for. I am pretty well absolutely absorbed in my ministries. I do whatever I possibly can to support, particularly in the Arts ministry, people who are working in the different sectors of the arts.

I run a series of amazing forums—I think it is historic because people have come to me and said they have never actually been consulted before in terms of their crafts—where we bring people in. As I was saying earlier, the first forum that we worked on was a musical focus on jazz. I invited a lot of people to the Parliament to talk about all the difficulties they were experiencing in the area of music. We focused on jazz because there were some people there, some friends, who had told me stories about what they had encountered when they tried to get a gig in a space. As we know, it has been very hard for musicians to get performance space—

Ms CATE FAEHRMANN: Minister, the question was just the percentage of time.

Ms VIRGINIA JUDGE: Yes, I am getting to the percentage of time I have spent. In that meeting I invited various people from different sectors. The second one we did was on visual arts and artists spaces. We had scores and scores of people in here. I also try to invite related government departments, such as the Department of Planning, and also involve industry. I would have someone here from the clubs, the hotels, restaurants and catering services. I can bring all these different sectors together in one room. They have told me that has never, ever happened. It has been hugely constructive because they can hear each other's experiences firsthand and they can then try to work together so there is a better cultural landscape for people working in those crafts.

The next one I did was on performance, the small independent sector. I had heard from a lot of people in the theatre sector that it has been very difficult, for example, to get space to rehearse. It is expensive and inaccessible. That is just one of many issues. The last one I ran—where we probably had a couple of hundred people, I am not sure but certainly more than 100 people—was on the film and screen industry. I am hoping, and everyone is invited, to have another one soon where I will bring all of those stakeholders together. These sorts of things involve a lot of time. In terms of the Arts portfolio and Fair Trading, getting back to Ms Faehrmann's good question, probably I would spend 50:50. I do try to balance my workload.

The Hon. TREVOR KHAN: That is so sad.

Ms VIRGINIA JUDGE: I do not think we should trivialise the creative industries, which are hugely important to this State. I do not know whether the Hon. Trevor Khan knows this, but in our nation 37 per cent of people are involved in the creative industries. In New South Wales that is 5 per cent of the population, which is about one in three Australians. The creative industries are people who are working in areas that are high-value jobs and they have a multiplier effect. Whether you are in screen, graphic design, production or drama or whether you are a writer, these are hugely important areas that as a State we should focus on and resource. We are currently working on a creative industries strategy, which will be very important for this State.

CHAIR: Minister, Ms Cate Faehrmann has another question.

Ms CATE FAEHRMANN: Out of the 50 per cent of time you spend on the Arts portfolio, how much is divided between Sydney arts events and regional New South Wales arts events?

Ms VIRGINIA JUDGE: That is a very good question. I do try to get out to regional New South Wales. Considering there is only one of me, I sometimes wish I could do a lot more and that I had 48 hours in one day rather than 24. In fact, one of the earliest things I did as Minister was to go to the Northern Rivers region where I met with a whole list of stakeholders who are involved and working together. They are a very good showcase of what a number of local governments can do with their arts sector to provide very tangible outcomes for their communities. I am being given lots of papers because we have been doing lots and lots of work in different areas. They are flying at me. We want to make sure that we are not just citycentric in our arts focus and that we provide opportunities for people in regional and rural New South Wales so that all these people can participate fully in arts and cultural activities in the State.

We do that, importantly, through the provision of many grants and partnerships with local government. Being a former local government person, I always value local government very much. Politicians, as we all know, get elected and not elected. They stand and they do not stand. But a lot of those people who work in government departments and local government do so for many years and they are very strongly connected to their local communities. I often think if you can support something and the council is ready to get on board and provide in-kind support—whether it is an office, a computer, lighting, wear and tear for their ratepayers—it is good if you can support that. They are the people who often know firsthand the emerging issues and what the needs are particularly in the cultural sector, not just in terms of trying to foster employment opportunities. Culture and the arts are so important because they provide the social glue that binds communities together.

I want to let the Committee know, as this is important, that in the 2009-10 grants I approved more than \$7.1 million under the 2010 Arts Funding Program to local governments, and community and cultural organisations for arts infrastructure programs and projects in regional New South Wales. This covered a whole range of things. I have actually attended some of the events. Some I have not because I have not had time, but I do try. More than \$270,000 was given to seven regional writers centres around the State, from Broken Hill to Byron Bay. I actually went to Byron Bay for one of the festivals. I talked to Jan Barham and I helped her. She has worked for many years trying to get a new facility built there. I commended her for her work and we provided some funding. I cannot remember what the program was but I can get that for you. Funding of more than \$158,000 was provided to the Eleanor Dark Foundation in Katoomba to provide professional opportunities for regional writers. We gave \$80,000 to Liverpool Plains Shire Council towards the capital redevelopment of the Royal Theatre at Quirindi. Dubbo City Council received \$65,000 towards Western Plains Cultural Centre programs. Opera Australia received \$65,000 to tour Oz Opera's performance of that beautiful opera *La Traviata*, a great initiative, to venues in regional New South Wales and \$60,000 to tour Oz Opera's performance of *The Sound Garden* to schools in western Sydney and regional areas.

Regional Arts New South Wales received \$245,000 for the 2010 Country Arts Support Program. Under this program grants ranging from \$300 to \$3,000 supported 155 new projects for community and cultural groups in regional New South Wales. Museums and Galleries New South Wales received \$329,000 for devolved funding programs to support the museum and gallery sector across New South Wales in 2010. This funding included \$75,000 for the Volunteer Initiated Museum Grant Program, which supports volunteer-initiated community museums and keeping places in New South Wales. We provided \$55,000 for the Incoming Touring Exhibition Grant Program, which provides financial assistance for New South Wales arts organisations to bring high-quality visual arts and craft exhibitions to their communities. We also provided \$19,000 for four professional development mentorships and fellowships with establish cultural institutions for staff from regional and remote museums and galleries in New South Wales.

Funding of \$50,000 was given to Fling Physical Theatre to continue its regional youth dance workshops and performances in the Bega region. Northern Rivers Performing Arts, which I visited at Lismore—in fact, I think I have been there twice—received \$245,000 for the presentation of touring productions and to develop their own work, as well as to support community and educational activities. From what I can see, they are doing a tremendous job. In June I announced the establishment of a new regional arts board in the western Riverina. This is really important because it is a new region. This will increase the network to 14 regional arts boards. We provided funding of more than \$200,000 over the next two years. That is to make sure we reach out to all sectors of the community. We thought that area needed focus and attention. That is a brand new initiative. This year six regional galleries were placed on three-year contracts to provide greater funding certainty and a further seven will begin their contracts from next year. It is expected that this number will increase further in subsequent years. Another very important program that is bubbling along well is the 2010 ConnectEd Arts program. This program supported 17 regional projects across areas from far western NSW to the south-east of the State. We are hoping that about 15,000 students will participate in that particular Arts-funded program.

CHAIR: Minister, are you happy if this is taken into account in Government members' time? Or are they happy?

The Hon. PENNY SHARPE: We have our own questions.

Ms VIRGINIA JUDGE: Could I perhaps provide all the other information about all the things we have been doing in the Arts?

CHAIR: That would be terrific. Do Government members have questions?

The Hon. KAYEE GRIFFIN: Minister, could you detail the contribution made to the redevelopment of the Museum of Contemporary Art?

Ms VIRGINIA JUDGE: I would love to answer that question. It is a fantastic centre for contemporary art. We are very proud—and I think this is one of the things that all of us should be hugely proud of—to have made a significant contribution of \$13 million—

The Hon. TREVOR KHAN: The media is leaving so you might be able to actually answer some questions now.

The Hon. KAYEE GRIFFIN: Point of order: Every time I ask the Minister a question the Minister seems to be interrupted in her answer because of Hon. Trevor Khan. I would like to hear the Minister's answer and would ask the Hon. Trevor Khan to wait until it is his turn.

The Hon. IAN WEST: I ask the Chair to rule on it.

CHAIR: I rule that the Minister be uninterrupted in her answers.

Ms VIRGINIA JUDGE: Our Government is very proud to have made a significant contribution of \$13 million to the redevelopment of the Museum of Contemporary Art at Circular Quay. We work very hard behind the scenes to do what we can to support this initiative. Ten million dollars was provided in 2007-08 and \$3 million was provided in 2009-10. More than 500,000 people visit the museum per year. It is the only museum that is entirely dedicated to the collection of contemporary Australian and international art. Lausanne McGregor is one of the most outstanding directors of that gallery, and I think it is a testament to her enormous passion and dedication to the Museum of Contemporary Art. She has been lobbying to support that wonderful cultural facility for a number of years and we had a number of discussions. I feel very honoured that she is working in this State to bring the very best facility for that particular sector of the community.

They very much seek to make contemporary art accessible to a broad cross-section of people, through exhibitions; through educational programs—she has a strong focus on education; and, of course, special events. With the assistance of our Government and other partners and philanthropy, the Museum of Contemporary Art has now secured funds of \$53 million required to commence the redevelopment. The Museum of Contemporary Art's redevelopment will provide a number of interesting new aspects to the design of the building. I do not know if any of you have been down there, but sometimes it is quite difficult to get from one side of the building

to the other because it fronts the water and there is a street at the back, so it will provide a new entry, which will give full access for the very first time particularly to people with disabilities. It is a huge plus.

It will have dedicated state-of-the-art educational facilities for schools and colleges so they can link into that—a very innovative measure in terms of design and the way in which a contemporary art facility operates today. It will also have a 150-seat lecture theatre and a lovely new gallery space, which I am sure will be well utilised. That is one of the things that I found out in speaking with the artists from my forums: they need space to show and engage with their works, because art needs an audience, and whether you are a musician, a visual artist or in theatre, you need to be able to have that space to do that. The more I see the opening up of new space for people working in those industries the better.

There will be new venue hire facilities, a larger museum shop and a cafe for increased revenue generation. They are also going to renovate the existing building to bring it up to contemporary standards. The redevelopment will also ensure that the Museum of Contemporary Art meets new environmental standards. The redevelopment will set a new benchmark of sustainable museum infrastructure, offering energy savings of up to 30 per cent. Our Government is a key sponsor of the Museum of Contemporary Art, providing funding of more than \$3.5 million per year for its operational funding.

Currently the Museum of Contemporary Art suffers significantly from circulation and access issues. It is a growing city and we are hoping that tourists who visit these facilities can access them easily and have enough space to get around in them. I am advised that in 2007 the board of the Museum of Contemporary Art launched a fundraising campaign to redevelop the premises at an estimated cost of \$53 million. The new building has been designed by Sydney architect Sam Marshall in collaboration with the Museum of Contemporary Art and local stakeholders. I believe the Government gave them planning approval in July 2009 to commence that redevelopment.

In 2010 the Museum of Contemporary Art announced that it had raised the funds required to start the redevelopment. With the contributions from our Government, the Federal Government, the City of Sydney—a great example of all levels of government working together, from local to State to Federal government—and philanthropists all coming to the party the required funds were provided for the Museum of Contemporary Art. When it is complete it will be one of the most outstanding facilities in Australia. The first sod was turned recently, in August. I went down there with a number of other people—philanthropists, board members, other members of Parliament and various Federal members of Parliament—and I cannot wait for the new building to be completed. As I said, Lausanne and her team have worked tirelessly and have not given up in spite of a number of obstacles that were thrown in their way over the years to make this facility the very best facility in terms of what it does for Australia, and particularly for our State, our citizens and our artists.

The Hon. PENNY SHARPE: Minister, could you provide information to the Committee about arts and cultural activities in western Sydney?

Ms VIRGINIA JUDGE: Western Sydney is hugely important. If I am advised correctly, around about 2 million people live out in western Sydney. We want to make sure that people in that part of our State have access to the best quality arts and cultural events, and that it is easily accessed by transport. One of my focuses as Minister is to make sure that we have the funding to supply western Sydney with the services and facilities it needs. Between 2002 and 2010 our Government invested over \$26 million in capital infrastructure in western Sydney. During this period that combined total capital funding committed by our Government and other governments in western Sydney exceeded \$55 million. That shows how committed we are.

We have invested in a range of programs and project initiatives. More than \$5 million of the 2009-10 budget Arts Funding Program was allocated for more than 40 arts and cultural organisations and individuals to deliver 60 projects that benefit the arts and cultural sector in western Sydney. I will give the Committee some examples of some of the programs that we are involved in. There is a wonderful organisation called ICE, or the Information and Cultural Exchange. I have met with the organisation on several occasions, which does amazing work. There is a refurbishment and facilities upgrade of an existing property in Parramatta to create a major centre for community-based digital arts production and learning in western Sydney. That is a fantastic initiative.

When the redevelopment is completed, a range of community-based digital media programs and projects will be relocated to the centre. Bankstown will have a new arts centre building to provide flexible multipurpose spaces. That project will address the huge demand for space in that area. The building will

accommodate local arts groups and it is scheduled to be opened very soon. Examples of last year's programs and projects in western Sydney include the great Sydney Festival 2010.

Members will be aware that the Government made a significant one-off investment in a concert presented by a wonderful Indian composer, A. R. Rahman, who is a very talented gentleman. I attended that fantastic concert, which attracted more than 50,000 people from a diverse range of cultural backgrounds. The arts sector must engage with those communities and hear their voices so that when they grow they are represented in content development. Parramatta City Council has been involved in the development of the Creative Enterprise Hubs program, which is designed to encourage the use empty shops and other spaces for creative activities. I have also been working on the Creative Enterprise Hubs Toolkit.

I visited to Newcastle to see some of the work being done to revive its town centre. Marcus Westbury, an amazing young man, has implemented a program to librate spaces for artists. We hope that the toolkit, which I launched about six weeks ago, will be used to expand the program to other areas that need stimulus of and support for their creative activities. The program involves the use of empty shops and other spaces for creative and community activities. People working in visual arts, dance, film or screen post-production work will benefit tangibly from these measures. As the Minister responsible for this area, I have been pushing this program. I am passionate about ensuring that the people of western Sydney have access to these activities. They pay taxes and they are entitled to a share of the Arts budget. I am happy to provide more information about some of the fantastic initiatives that have been implemented.

CHAIR: That can be provided on notice. That brings us to the end of this hearing. Minister, I thank you and your departmental officers for your attendance today.

Ms VIRGINIA JUDGE: I thank you, Madam Chair, our colleagues, the parliamentary and departmental staff, and members of the media for their attendance.

(The witnesses withdrew)

The Committee proceeded to deliberate.
