



MINISTER FOR FAIR TRADING  
MINISTER FOR CITIZENSHIP  
MINISTER ASSISTING THE PREMIER ON THE ARTS

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**GENERAL PURPOSE STANDING COMMITTEE NO.4**  
**BUDGET ESTIMATES 2009-2010**

**QUESTIONS ARISING FROM HEARING TRANSCRIPT**

**Page 15 – Compliance Health Check follow up – Ms Sylvia Hale MLC**

**ANSWER**

I am advised that:

The Director General has been monitoring progress with the implementation and an independent review will be commenced at an appropriate point in time. To ensure independence, the chief Auditor of the Department of Services, Technology and Administration will arrange for a review to be undertaken.

The results of the review will be returned to the Departments' Audit and Risk Committee to provide advice to the Director General to ensure all matters raised in the report are given appropriate attention.

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Virginia Judge MP  
**Minister**



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**Page 13 –14 – Ratio of rejection of claims by home warranty insurers – Ms Sylvia Hale MLC stated the matter had been investigated by Financial Ombudsman who found that the usual ratio of rejection of claims was 2 per cent but in the area of home warranty insurance it was 45 per cent. Following the response by Steve Griffin which indicated the Financial Ombudsman had admitted the data reported on was not an accurate representation of the number of claims being rejected, Ms Hale asked-**

Could you indicate what that ratio is?

**ANSWER**

The Office of Fair Trading has advised me:

Comprehensive information on the operation of the home warranty insurance scheme (including a detailed claims analysis), based on data reported by insurers, has been published on the NSW Office of Fair Trading website quarterly since the March 2007 quarter.

The report for the quarter ended 31 March 2009 shows that 3,033 claim lodgements and loss notifications had been made with insurers under the home warranty insurance scheme in New South Wales since its commencement on 1 July 2002. Of this number, 398 claims, about 13%, have been declined.

Some \$39.5 million has been paid to claimants, with \$4.8 million paid to third parties and a further \$14.8 million set aside for open accepted, but not yet finalised, claims.

Virginia Judge MP  
**Minister**



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**Page 9 - Products Safety Committee investigation into the safety of Razor Spark scooters – The Hon Marie Ficarra – The Minister indicated she would inform the committee of the outcome of the investigation.**

**ANSWER**

The New South Wales Products Safety Committee is continuing to investigate the safety of Razor Spark scooters. I understand the Committee formally met on 30 September 2009 to discuss this issue and the need for any ongoing investigations.

The Product Safety Committee will on the completion of its investigations provide me with a report and recommendations in respect of whether the supply of these products should be restricted. I am advised that the Committee has invited a representative of the Commonwealth to participate in its deliberations.

I look forward to receiving the report from the Committee and working with the Commonwealth to prevent any dangerous products from being imported.

A handwritten signature in black ink, appearing to read 'Virginia Judge'.

Virginia Judge MP  
**Minister**





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**Page 9 – New product safety national approach – the Hon Maria Ficarra - with this new cohesive national approach has there been any communication with importers or manufacturers of toys that you are aware of, to let them know about the new standards? Who is coordinating any communication on this new national approach as a warning to toy importers and manufacturers of the standards now in place? Has any agency done that?**

**ANSWER**

The Office of Fair Trading advises me:

The new national approach does not necessarily mean that there will be new standards introduced for toys but rather, there will be national consistency across a range of product safety legislation.

Currently, the most significant requirements for children's toys are those which relate to toys designed for children under the age of three. The requirements for such toys have been nationally consistent for some years.

As has always been the case, each jurisdiction including New South Wales has a responsibility to communicate with and educate industry of its obligations. The Toy industry is no exception. Jurisdictions throughout Australia regularly liaise with the Australian Toy Association which represents the vast majority of major toy suppliers in Australia.

In September 2008 a National Toy Summit was held in Brisbane and was attended by over 80 delegates from government, industry and community groups. There was clearly a commitment from all groups to work together to reduce the risk of unsafe toys entering the marketplace. NSW Fair Trading participated in the Summit. The new cohesive national approach to product safety formed part of the discussions.

The National Toy Summit identified a number of priority issues that were put to the Ministerial Council of Consumer Affairs. Currently, jurisdictions throughout Australia are developing strategies to address these identified priority issues.

From an ongoing perspective, under the new national approach the Commonwealth will be responsible for the introduction any new standards that may be introduced for products including toys. With the introduction of any new standards the Commonwealth will be required to consult with industry as part of its regulatory responsibilities. States will then be responsible for reinforcing industry responsibilities as part of their respective education and compliance programs.

A handwritten signature in black ink, appearing to be 'V. Judge', written in a cursive style.

Virginia Judge MP  
**Minister**