

UNCORRECTED PROOF

GENERAL PURPOSE STANDING COMMITTEE No. 5

Thursday 17 September 2009

Examination of proposed expenditure for the portfolio area

COMMERCE

The Committee met at 12.00 p.m.

MEMBERS

Mr I. Cohen (Chair)

The Hon. R. L. Brown
The Hon. A. Catanzariti
The Hon. D. Clarke

The Hon. G. J. Donnelly
Dr J. Kaye
The Hon. G. S. Pearce

PRESENT

Ms Jodi McKay, *Minister for Commerce, Minister for Tourism, Minister for the Hunter, and Minister for Science and Medical Research*

Department of Commerce

Mr G. Head, *Director General, Department of Services, Technology and Administration*

Mr S. George, *Acting Chief Financial Officer*

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 the hearing open to the public and welcome Minister McKay and accompanying officials to this hearing today. The Committee will examine the proposed expenditure for the portfolio of Commerce. Before we commence, I will go through some procedural matters. I have already gone through the broadcast of proceedings guidelines. No-one is here anyway, but only Committee members and witnesses may be filmed and reported. Any messages from people attending in the public gallery should be delivered through the Chamber support staff or Committee clerks.

Minister, you are free to pass notes and refer directly to your advisers. I ask that all mobile phones be turned off because they interfere with Hansard's equipment. In the short period of time available to us, we will ask any questions that members wish. The return date for questions on notice has been agreed by the Committee to be 21 days. Transcripts for the hearing will be available on the web from tomorrow morning.

SANJEEV GEORGE, Acting Chief Financial Officer, Department of Services, Technology and Administration, sworn and examined:

GRAEME HEAD, Director General, Department of Services, Technology and Administration, affirmed and examined:

The Hon. GREG PEARCE: How many new jobs are being filled through each of *seek.com.au*, *mycareer.com.au*, and *careerone.com.au*, since the Government's recruitment site was hacked?

Mr HEAD: In relation to the websites that are used for the interim arrangements since the event with Jobs New South Wales, Commerce places advertisements on those. But we would need to seek advice from the agencies whether or not they have actually been filled. We could provide the Committee on notice with information on how many jobs have been advertised. I will take that on notice.

The Hon. GREG PEARCE: At the same time, could you get the fees that have been paid to each of those suppliers from each department or agency?

Ms JODI MCKAY: We will take that on notice and obtain details, and then we will come back to the Committee.

The Hon. GREG PEARCE: Minister, can you tell me how much the Government spends each year on temporary employees?

Ms JODI MCKAY: I will ask the director general to respond to that. We may have to take that on notice also and come back to you again with that level of detail.

The Hon. GREG PEARCE: Earlier in the week the Treasurer told another estimates inquiry that you were responsible for monitoring employment procurement and could provide details of all temporary employment contracts.

Ms JODI MCKAY: As I said, I am happy to take it on notice and provide those details to the Committee.

The Hon. GREG PEARCE: We would like that broken up by agencies into temporary contracts and the amounts spent on that by agency. Are you happy with that, Mr Head?

Mr HEAD: Yes.

The Hon. GREG PEARCE: Minister, do you know what action the department took following the Auditor-General's report No. 5 in 2007, which found that there was a lack of policy and centralised control in the employment of long-term contractors for lengthy periods—some continuously for up to 15 years—through employment agencies?

Mr HEAD: I am happy to answer that. I am aware of those problems that were identified with the department. The department has about 3,200 full-time equivalent staff at the moment. We employ temporary contractors, as needed. As at 30 June there were about 219 contractors working across the department. The department has been going through a range of processes to identify how particular teams are aligned, including the examination of the use of long-term contractors. There has been significant improvement in the agency on that. Again, I am happy to provide additional information to the Committee on that matter on notice.

The Hon. GREG PEARCE: What information are you going to provide, exactly? What will you give us?

Mr HEAD: If your concern is the extent to which the agency's performance is improved, in terms of the long-term engagement of contractors, information that demonstrates what they are doing now compared to the period that the Auditor-General commented on.

The Hon. GREG PEARCE: That is fine. I think we are also interested, though, in looking at the numbers of contractors who have long-term contracts—for example, more than six months—and an explanation

as to why you would have a contractor engaged for a period of over six months instead of having the resources in the department itself. If you have a 15-year contract, you would think that there would have to be an evaluation by the department whether those services should be in-house or are appropriate to be on a contract.

Mr HEAD: That is correct. If I could make one general observation: the Auditor-General noted poor performance in terms of contractor management. An important thing to remember about the department's work is that in a number of areas its work is project based. Some of the key areas dealing with ICT and public works have a project focus. Some of those projects are large and complex and run over more than one financial year. In fact, you would expect, in a well-run department that deals with this work, probably to have a more significant proportion of slightly longer-term contracts because of the project nature. I am not defending the 15-year arrangement, but it is the nature of the work that we do.

The Hon. GREG PEARCE: Minister, can you tell me what you understand the chief information officer is doing—in particular, what the CIO is doing to assist New South Wales businesses to grow?

Ms JODI MCKAY: Obviously, what I might do is give you a broader picture of what the department's role is. I am happy then to home down into that. The main role of the Department of Services, Technology and Administration is really about providing services to government agencies. That allows those agencies to concentrate on their core activities. We have a number of operational units. We have the procurement officer, New South Wales Procurement; we have Public Works; we have the Government Chief Information Office, which you have identified and also Government Advertising, and of course our Service First. The department also oversees the administration of the Office of Industrial Relations and the Office of Fair Trading. There is also the State Records Authority and the Teacher Housing Authority. We also provide human resources, finance and support services for a number of government agencies.

The Government Chief Information Office develops and drives a whole-of-government initiative for the use and management of communication technology. For example, that particular office develops government telecommunications agreements. They are expected to deliver savings of approximately \$170 million over a three and a half year period up to June 2010. I am happy to go into any further detail that you may want on units within the department.

The Hon. GREG PEARCE: You mentioned the Office of Industrial Relations. I would be interested to know, Minister, how you see the break-up of responsibilities for the Office of Industrial Relations between yourself and the Minister for Industrial Relations, Mr Hatzistergos.

Ms JODI MCKAY: I will ask the director general to respond to the core activities of that and how that works, but what I will say is that the Attorney General obviously has carriage of industrial relations matters. The director general obviously sits over the department. But, as Minister, my core activities in those areas do not include Fair Trading and Industrial Relations because others Ministers sit over those portfolios.

The Hon. GREG PEARCE: But you sit over the Office of Industrial Relations.

Ms JODI MCKAY: What I do is from a departmental perspective.

The Hon. GREG PEARCE: No. You are the responsible Minister for the Office of Industrial Relations.

Ms JODI MCKAY: No, I am not. The Attorney General is the responsible Minister.

Dr JOHN KAYE: Stop it, Greg. This hurts.

The Hon. GREG PEARCE: Would you like to just explain why the office is within your portfolio?

Ms JODI MCKAY: Because, as you know, our Premier has embarked on a restructure of a number of departments, and that is about efficiencies within government. It is about service delivery. If you have any questions in regard to the Office of Industrial Relations, you should refer those to the Attorney General.

The Hon. GREG PEARCE: The Office of Industrial Relations has been in the Commerce portfolio at least since the last election. It has nothing to do with the current restructuring.

Ms JODI MCKAY: Do you have any specific questions? I do not know if the Attorney General has appeared before the Committee before, but if you have any specific questions around that, I would certainly ask that you refer those to him.

The Hon. GREG PEARCE: Okay. I understand. Have you been briefed yet on the mini-budget measures that impact on the Department of Commerce? Can you answer any questions about those measures at this stage? I am aware that you have not been in the portfolio very long.

Ms JODI MCKAY: I have been in the portfolio for two days, but thank you for acknowledging that. One of the most important announcements that came out of the mini-budget related to government advertising. The Premier made a commitment that we would see a 25 per cent reduction in government advertising. That represents—and the Premier has indicated this a number of times—a forecast reduction of about \$31 million in advertising spending. In line with that, we have also made a commitment to increase the use of online advertising where appropriate. I think that was something important that came out of the mini-budget. Our savings target out of the mini-budget was about \$11 million for 2008-09. That included recurrent savings of \$6.5 million and a contribution to consolidated funds of \$4.5 million.

The Hon. GREG PEARCE: Are you able to tell us exactly what areas those savings were derived from? Where did you get the \$11 million?

Ms JODI MCKAY: How we achieved those savings?

The Hon. GREG PEARCE: Yes.

Ms JODI MCKAY: I will ask the director general to respond to that question.

Mr HEAD: As members would be aware, there was a considerable amount of discussion in last year's estimates about the Better Government Access Program. Indeed, one of the actions in the mini-budget responded to a range of issues about the management of that program. As the Minister indicated—

The Hon. GREG PEARCE: I am sorry, I do not have it in front of me but I think that was a separate saving from the \$11 million we are talking about.

Mr HEAD: Which particular figure are you focusing on?

The Hon. GREG PEARCE: The \$11 million, which is from a number of areas.

Mr HEAD: I will ask Mr George to comment specifically on that.

Mr GEORGE: The total target for the department was \$11 million, \$6.5 million in recurrent expenses and \$4.5 million returned to New South Wales Treasury. Of the \$6.5 million, we targeted \$3.9 million in salaries and related costs across the department. We had a target set against each of the offices—public works, fair trading, industrial relations and procurement—of \$3.9 million. Some \$2.6 million was against other operating expenses, mainly telephones, printing and stationery across a range of line items.

The Hon. GREG PEARCE: There has been some controversy about the department charging fees in relation to the Federal Government's stimulus package. Can you clarify what the department has charged in relation to delivery of the Federal Government's stimulus package?

Ms JODI MCKAY: We received about \$3.5 billion to invest in education, and that is about building and upgrading facilities in our public schools. That was, as you identified, under the Building the Education Revolution by the Federal Government. The department is playing an important role in assisting the Department of Education and Training to deliver the program. The program has three core elements. The first is the \$2.8 billion Primary Schools for the 21st Century package. Private sector managing contractors will deliver those works, and each one is responsible for one or more education regions. We also managed the expression of interest and tender process for selecting those managing contractors. I am happy to provide a list to the Committee of those contractors if required.

The Hon. GREG PEARCE: If you do not mind, that is something we would like to have.

Ms JODI MCKAY: There is Bovis Lend Lease, Richard Crookes Constructions—

The Hon. GREG PEARCE: You can provide that in a written answer.

Ms JODI MCKAY: There are only five more. There is Reed Constructions, Laing O'Rourke Australia Constructions, Hansen Yuncken, Abigroup and Brookfield Multiplex Constructions. Those contractors are reporting to the Department of Education and Training's integrated program office on the project of work for those respective regions. That is particularly in regard to the timeliness of the delivery of those projects. It is about job numbers and value for money. Importantly, any parent or school principal you talk to will tell you that it is about value for money and quality of work. Any questions specifically on that program are probably best directed to the Minister for Education and Training. I am happy to go through all the elements of the program but I think importantly, coming back to your question—

The Hon. GREG PEARCE: I do not need you to do that. It is the fees.

Ms JODI MCKAY: We are undertaking work on a strictly cost-recovery basis. That means the department is not making a profit from the work, nor will it charge a margin or deliver a dividend of any kind to the New South Wales Government. Again, when talking to principals and families, that is certainly what they would expect. It is very much about making sure that we meet their expectations in this regard.

The Hon. GREG PEARCE: So it is purely cost recovery.

Ms JODI MCKAY: Purely cost recovery.

The Hon. DAVID CLARKE: Would it come as a surprise to you that only 85 per cent of the industrial relations information provided by the office to consumers is accurate?

Ms JODI MCKAY: Again, I ask that you direct those questions to the appropriate Minister.

The Hon. DAVID CLARKE: You do not believe that this is something that comes in your ambit?

Ms JODI MCKAY: There is a Minister who is responsible for industrial relations, and I ask that you direct those questions directly to him. I am sure he would be happy to answer those questions for you.

The Hon. DAVID CLARKE: Is there no-one from your department who would be happy to answer that question?

Ms JODI MCKAY: You have the same opportunity to question him as you are questioning me, and I certainly encourage you to ask him those questions, given that he is the relevant Minister.

The Hon. DAVID CLARKE: Mr Head, as director general, would you like to comment on this issue? Are you aware of the figures I am referring to?

Mr HEAD: Not specifically.

The Hon. DAVID CLARKE: They are in the budget estimates.

Mr HEAD: The Office of Industrial Relations was represented during the estimates hearing on industrial relations early this week. As the Minister indicated, that is the appropriate forum to address those questions in detail, I would have thought.

The Hon. DAVID CLARKE: So you do not think this has anything to do with you at all?

Mr HEAD: No, that is not what I am saying.

The Hon. DAVID CLARKE: It does have something to do with you?

Ms JODI MCKAY: What is important here is that you have the opportunity to talk to the Attorney General, as you do me, and the appropriate forum for dealing with that particular question is through the Committee's hearing on industrial relations through the Attorney General.

The Hon. DAVID CLARKE: This is something that comes within your ambit.

Ms JODI MCKAY: Again I ask the Committee to direct those questions through the appropriate Minister.

The Hon. DAVID CLARKE: I am directing my questions to the director general. I think you have accepted that it is something that comes in your area of expertise as well. Would you like to make a comment on my comment?

Ms JODI MCKAY: Again, what is important here is that if you do want to ask questions of that particular portfolio, then please direct them to the relevant Minister.

CHAIR: The Minister has made clear her answer, and she has a right to answer as she sees fit. So perhaps you could move on.

The Hon. DAVID CLARKE: Why is the Government spending so much money on its radio network instead of outsourcing the service?

Ms JODI MCKAY: I will hand over to the director general on this, but it is important to give a picture of what the radio network is and how it works so that we can answer that question in full. The Government Radio Network is the primary mobile radio communications service for the State's key emergency service agencies: the Fire Brigades, the Ambulance Service, the State Emergency Service and the Rural Fire Service. In total, the Government Radio Network is used by some 40 agencies and related organisations, and it covers about a third of the State, with the remaining area covered by individual agency networks. Some 13,000 users are regularly accessing the network, and that figure, as you can imagine, increases significantly when we have an emergency situation.

In its sixteenth year the network has been a very successful operation. It is upgraded on a regular basis. In all regards the commitment by the Government is to ensure that it remains in the highest operational condition. The Government has awarded Motorola a contract to upgrade the network and introduce what is now the latest radio functionality. The network will be fully digital by 2011. It will offer greater security and will open opportunities for more standardised components. The Government is going down that path because digital technology is the technology of choice for radio networks, as support for the analogue networks is progressively withdrawn. The upgrade will take about two years to complete.

Mr HEAD: The work on maintaining the network, combined with the upgrade, is contracted out to Motorola. Because of the complexity of the operating environment that the network supports, a review is underway to examine all aspects of the operations of the network to make sure that it is meeting the requirements of agencies and is performing efficiently both in terms of the way the network is operated and how its maintenance contracts are managed.

The Hon. DAVID CLARKE: For how long has that review been underway?

CHAIR: You may be given an opportunity to ask that question later.

Dr JOHN KAYE: Minister, you may have become aware by now of the Government's over-arching Code of Practice for procurement across all departments, I think, produced and managed by your department and dated 18 January 2005. Is it a fair summary of the objectives of that Code of Practice to achieve best value for money in the expenditure of public funds, while being fair, ethical and transparent?

Ms JODI MCKAY: Obviously there is a lot more to it than that but they are important elements of the procurement policy, yes.

Dr JOHN KAYE: I will drill down onto the word "ethical" in that statement. Do you agree that a significant component of the code talks about ethical behaviour in practice? What does the department mean by ethical? What are the parameters of ethical? Does ethical include environmental and the preclusion of unnecessary environmental damage or the preclusion of exploitation of labour?

Ms JODI MCKAY: Do you want to answer that question, particularly in regard to the labour part?

Mr HEAD: I would make a general point about the way the procurement system works by way of context. The Government's procurement policy is one that is promulgated by New South Wales Treasury. The way the department works in that framework is twofold. The State Contracts Control Board, which you are aware is a separate statutory entity, is charged with actually managing or operationalising the procurement policy of the State. So it is the board that goes to the marketplace for contracts. New South Wales Procurement, which is a division of the department, essentially runs the systems that support the board's work and that operationalise all relevant government policies, whether they are around sustainability in procurement or any other matters of policy. The role of the department and the State Contracts Control Board is operational in that respect.

Dr JOHN KAYE: In terms of operationalising ethical procurement, would that operationalisation preclude purchasing products that are manufactured involving child labour?

Ms JODI MCKAY: I would certainly hope so.

Dr JOHN KAYE: Minister, it would be your advice, as the Minister for Commerce, that we should not be purchasing products that involve child labour?

Ms JODI MCKAY: Yes.

Dr JOHN KAYE: That would be advice you would give in terms of the operationalisation—

Ms JODI MCKAY: I think that is what people would expect.

Dr JOHN KAYE: In that respect would you see, for example, the purchase of soccer balls for the Department of Education and Training as being unethical if they were manufactured using child labour?

Mr HEAD: May I make a comment on the way the board approaches those things? All relevant issues to do with government policy on all of the matters that you are raising are specified in a tender process. If we have international obligations or specific requirements related to government policy on those matters—and indeed sometimes the national government where there are treaty obligations or other agreements—they are dealt with in the specifications that the board takes to market.

Dr JOHN KAYE: I understand that. My question was to the Minister for Commerce, who has overarching responsibility for procurement in the State. You have explained very well that there is a board and I understand the interactions of your department. Minister, in your leadership position in the business of purchasing, do you see it as unethical to purchase soccer balls for schoolchildren in public schools in New South Wales that were manufactured using child labour?

Ms JODI MCKAY: Yes.

Dr JOHN KAYE: You would?

Ms JODI MCKAY: I would.

Dr JOHN KAYE: Would it surprise you to know that, in fact, such soccer balls are currently being purchased under the \$7.5 million grant for the purchase of sports equipment that was announced on 22 August 2009?

Ms JODI MCKAY: I do not have that information. I am happy to look into that for you.

Dr JOHN KAYE: Given the dominance of child labour in the area of manufacture of soccer balls, would you be concerned?

Ms JODI MCKAY: I would be gravely concerned.

Dr JOHN KAYE: Would you take steps to stop that happening?

Ms JODI MCKAY: I would certainly be taking steps to look into the allegations that you have made. If you have had this information for some time it would obviously helpful to pass that on. I am happy to look into that.

Dr JOHN KAYE: I am passing on that information right now. I have had it for 24 hours. My question is broader than just relating to soccer balls, which is the one that has come to my attention.

Ms JODI MCKAY: I think I actually answered your question in regard to whether I see child labour being involved in the manufacture of anything as appropriate, and I definitely do not.

Dr JOHN KAYE: As Minister for Commerce will you take steps to stop the State from purchasing—

The Hon. GREG DONNELLY: Point of order—

Dr JOHN KAYE: It is a shame there is not a television camera here.

The Hon. GREG DONNELLY: It has nothing to do with whether the media is here. I have heard the Minister answer the question clearly three times. Dr John Kaye can continue to ask his question but the Minister has answered it three times.

Dr JOHN KAYE: What is your point of order?

CHAIR: That is my role.

The Hon. GREG DONNELLY: My point of order is that you are goading the Minister.

CHAIR: The Minister has answered the question. Dr John Kaye, if you require further elucidation, perhaps the question could be rephrased.

Dr JOHN KAYE: What steps will the Minister take to operationalise the statement she just made?

Ms JODI MCKAY: As I said, I am more than happy to look into the allegations that you have made. I am happy to report back to the Committee on the results of that investigation.

Dr JOHN KAYE: I refer to Microsoft Windows 7, the new operational system that is being pushed by the Microsoft Corporation. Which government departments currently have made the transition to what is now called Microsoft 7, not Microsoft Windows 7?

Ms JODI MCKAY: I am happy to take that question on notice and come back to the Committee.

Dr JOHN KAYE: Are you aware of any departments that have made the transition?

Ms JODI MCKAY: As I said, I am happy to take that question on notice and come back to you.

Dr JOHN KAYE: I ask if the director general is aware of any departments—

Ms JODI MCKAY: Again, we are happy to take that question on notice and come back to the Committee.

Dr JOHN KAYE: To the director general, through you Chair and through the Minister: Are you comfortable with the idea that a brand-new operating system is being rolled out in the school laptop computers being given to all year 10 students in New South Wales, given that it is a brand-new operating system and given that it is on a platform—and I make no criticism of the platform that has been chosen—that you could hardly call capacious or generous—

Dr JOHN KAYE: I think that question is best directed to the Minister for Education and Training.

Dr JOHN KAYE: Am I correct in saying that the Department of Commerce provided support for the purchase of both software and hardware for the school computer contracts?

Mr HEAD: That is correct, through the State Contracts Control Board, as I explained before, which is the entity that engages in the tendering and contracting process. It is correct that New South Wales procurement staff, including specialist staff, would have participated along with others in supporting the board's decision-making process.

Dr JOHN KAYE: Did that include expert software and hardware advice to the Department of Education and Training and to the contract management process, not commercial advice, that is, expert computer science advice, as it were?

Mr HEAD: If you require detailed information on the specifics of what type of advice sourced from whom was provided into that process, I would need to take that on notice. It is one of literally dozens, if not more, complex tender processes that we manage on behalf of the board.

CHAIR: You are the only one asking questions, so you have another 10 minutes, Dr Kaye.

Ms JODI MCKAY: I can see that you are pleased.

Dr JOHN KAYE: I am pleased. To complete that, Minister, can you, on notice, get back to the Committee with the following information: What advice was provided? Was any advice provided in respect of the use of Windows 7, or Microsoft 7, in that platform from your department? Was similar advice given to government departments seeking to upgrade their operating system to Windows 7? Can you provide also a copy of that advice? Also—

Mr HEAD: Can I make a comment?

Dr JOHN KAYE: Yes, please.

Mr HEAD: In terms of the response, some aspects of that particular question will relate to the detailed activities of the tendering process. In providing information to the Committee, the information will be provided but not in such a way as to compromise any of the aspects of the tender process.

Dr JOHN KAYE: I understand that, it goes without saying. What I am specifically looking for, in the decision to go from such a small and limited capacity platform to a brand-new operating system for which there is no stress-testing on that scale—a one-off and hence highly sensitive decision across all of the year 10 students—is the risk analysis that was conducted to ensure that there will not be a massive systematic collapse with huge consequences.

I turn to the issue of the Teacher Housing Authority, which I understand is now within Mr Head's purview. It has been moved from the Department of Education and Training to the new department, which I cannot remember the name of but basically it is within Commerce. What cost savings or benefits are expected to be associated with that transfer of responsibility?

Mr HEAD: Specifically, the amalgamations. I should say that Commerce, or services technology and administration, has existed as an amalgamated agency when it was the Department of Commerce for six years, so it is quite a mature organisation in terms of running a number of government services. The additional functions that were transferred to the department, of which the Teacher Housing Authority is one, is related to the general nature of the department's work, which is providing specialised services back into government. The Teacher Housing Authority is unchanged in form, and at this stage I have been meeting with the head of the Teacher Housing Authority to determine its forward program.

The general rationale for moving the Teacher Housing Authority into the area is because what we do, essentially, other than in the Fair Trading and Industrial Relations base, is provide support services of one form or another for government. We have a high level of expertise in shared services, in procurement, in project management, in contract management, which, of course, are all processes that are important for an organisation providing services as the Teacher Housing Authority is providing.

Dr JOHN KAYE: Thank you for that.

Ms JODI MCKAY: Through you, Chair, could I enforce that we—

Dr JOHN KAYE: Reinforce?

Ms JODI MCKAY: No, I would like enforce that we are exploring opportunities to utilise the authority's expertise to provide accommodation for all public sector employees in rural and remote areas. We have given a guarantee that we are not going to compromise the service that teachers currently enjoy through that authority, but I do think there is an ability for us to look at how we can look at other opportunities in remote and rural areas for the authority.

Dr JOHN KAYE: Thank you, Minister, which neatly leads me to my next line of questioning. To what other public sector employee professions do you provide a service?

Ms JODI MCKAY: As I said, I think this provides us with the opportunity to look at that in an ongoing way.

Dr JOHN KAYE: Thank you for that response, but my question was: Prior to taking over the Teacher Housing Authority to what other public sector professions do you provide housing?

Ms JODI MCKAY: The Government or the department?

Dr JOHN KAYE: The department.

Mr HEAD: This is a new function for the department.

Dr JOHN KAYE: When you said you had expertise in specialised services, one of those specialised services was not the provision of housing?

Mr HEAD: No, I indicated a range of different processes that are as important for an organisation such as the Teacher Housing Authority as they are for other organisations, in which we have considerable expertise and which would assist in supporting the work of that organisation.

Dr JOHN KAYE: Who provides housing for police? Is that your department?

Mr HEAD: No.

Dr JOHN KAYE: Is that done within the department of police?

Mr HEAD: The only housing service provision that the department is broadly involved in is through the Teacher Housing Authority in the recent amalgamation.

Dr JOHN KAYE: Do I take the Minister's comment to mean that Teacher Housing Authority land will be opened up to other public sector professions?

Ms JODI MCKAY: I see where you are going with this. What is important is that the authority has a role in regard to teacher housing, and that we now see other opportunities for other public sector employees in rural and remote areas.

Dr JOHN KAYE: Can you give an undertaking that the existing stock of teacher housing will remain committed to teachers?

Ms JODI MCKAY: I can give you a guarantee that we have no plans to change the structural composition of the authority. Certainly we have been in discussions with the Teachers Federation in that regard. There is, as I said, an opportunity. I would think that you would be broadly supportive of us supporting public sector employees in rural and remote areas. I know I am not asking the questions, but I would presume that you would be supportive of the Government looking at that.

Dr JOHN KAYE: I certainly am and I thank the Minister for the opportunity to put that on record. I am also strongly supportive of the Teacher Housing Authority.

Ms JODI MCKAY: As are we.

Dr JOHN KAYE: I asked a question effectively about eligibility of access to existing Teacher Housing Authority land and the Minister answered the question by referring to the structure of the authority. I ask her to address the question: will the Minister put on record a commitment that existing Teacher Housing Authority land will remain committed to teachers?

Ms JODI MCKAY: I will put on record that the Government is committed to supporting all public sector employees and certainly in no way see teachers in particular being in a position that is less than their current position. The Government certainly sees other opportunities here but that in no way means teachers being allocated land or resources or housing in any way that is lessened in the Government's view of how this authority would work. Again, I suspect that Dr Kaye would support all public sector employees in rural and remote areas. While we make no commitment either way, it is certainly something we will be looking at.

Dr JOHN KAYE: Thank you for that response. That is a matter we should continue to talk about in relation to the impact. I want to put on record that there are a number of teachers in rural and regional New South Wales who are deeply concerned about the change and the absence of a commitment to the professional teacher workforce in the public sector to maintain access to that housing.

Ms JODI MCKAY: Certainly, and no-one wants to see a teacher adversely affected who is currently housed and doing a very good job in an area where it is difficult to get teachers.

Dr JOHN KAYE: I refer to the erstwhile jobs.nsw website, which Mr Pearce referred to, and the fact that it disappeared on 19 January 2009. Are there any plans to recreate a publicly administered jobs.nsw website or its equivalent, or are we to continue with the current outsourced provision?

Mr HEAD: It has been on the record for some time that the arrangements post-jobs.nsw are interim arrangements until the new e-Recruitment system is up and running. There have been quite clear public statements that these are interim arrangements only and that there will be an extremely sophisticated system available for seeking public sector jobs in New South Wales.

The Hon. TONY CATANZARITI: Can the Minister advise the Committee of the achievements of StateFleet, the New South Wales Government's vehicle fleet management body?

Ms JODI MCKAY: I thank the member for that question because it is important that we put on the record the achievements of StateFleet. For the Committee's information, StateFleet handles the majority of vehicle purchases for the New South Wales Government and administers the leasing of these vehicles to Government agencies. StateFleet is administered by the Department of Services, Technology and Administration. In all, StateFleet leases around 25,000 vehicles to Government agencies and organisations and its performance as a fleet management agency is outstanding and certainly compares favourably with the private sector.

StateFleet's mission is to keep vehicle leasing and management costs as low as possible. That means it is about driving the best return for the State's taxpayers. The less money that we spend running the machinery of Government, the more resources that are available for the front-line services that the community expects, such as teachers, nurses and police. In many respects StateFleet operates as a futures broker. It uses its expertise and experience to anticipate the future condition of the used car markets, thereby more accurately setting lease rates for its Government users. It also needs to maintain a surplus to offset significant fluctuations in the used car market that would otherwise obviously impact the program's bottom line.

Lease rates are calculated to make up the difference between the cost of the vehicle, such as the upfront purchase price and other ongoing fleet management costs, and the resale price. The higher the anticipated return at resale, the lower the lease cost, as a greater proportion of the original outlay can be recovered. However, conditions in the past several years have been volatile, as we all know, and StateFleet has very much had to be alert to those market shifts. For instance, the resale value of large six- to eight-cylinder vehicles in today's used car market is just over half of the original purchase price. That is well below the price one would have expected at resale some five years ago. That is being driven down of course by rising fuel prices. On the other hand, New South Wales taxpayers have benefited from the Government's reform of its fleet arrangements, particularly the shift to smaller, more fuel-efficient vehicles, which I know Dr Kaye will be most interested in.

The Hon. GREG DONNELLY: He is not listening.

Ms JODI MCKAY: No, he is not listening, unfortunately.

Dr JOHN KAYE: I was actually listening. You are talking about StateFleet and its environmental benefits.

Ms JODI MCKAY: I would think Dr Kaye would certainly be keen to hear what I am saying in this regard. The environmental benefits of the shift are obvious. We have also been able to see the financial benefits. In 2004, two-thirds of the New South Wales Government passenger fleet was composed of large six- or eight-cylinder cars, with high fuel consumption. The remainder were smaller, four-cylinder vehicles. By 2008 that proportion had been reversed and the Government has achieved an overhaul of fleet composition to help reduce greenhouse gas emissions. More than 70 per cent of the Government passenger fleet is now composed of smaller vehicles, the resale price of which has not been hit as hard by the slump currently dogging the large used car market. By dramatically altering the fleet composition the Government has effectively mitigated much of its exposure in this market slump.

The aggregation of vehicle purchasing through centrally administered State contracts also delivers savings to the taxpayers. StateFleet purchased around \$305 million worth of vehicles in the 2008-09 financial year and it was also able to secure discounts averaging around 10 per cent below retail levels. That represents an estimated saving of some \$30 million, further easing the leasing costs for agencies. StateFleet also managed to maintain its required surplus, which will be critical over coming years in offsetting the impact of further anticipated market contractions and avoiding severe increases in leasing costs. Members would also be keenly aware of the worrying impact of rising fuel prices, particularly on family budgets. That was certainly obvious during 2008. On average a four-cylinder vehicle will use around 20 per cent less fuel than the six- to eight-cylinder counterparts. As the composition of the fleet shifted to smaller, more fuel-efficient vehicles, the Government was more able to absorb this impact than it would have been if the policy had not been successful.

StateFleet obviously needs to be sensitive to market conditions and avoid the over-concentration of vehicle types, so every year the Government is a significant actor in the used car market. An oversupply of a particular vehicle model and/or type can obviously dilute the resale value, which means it could lower the financial return and drive up lease costs for Government users. The impacts are clear, particularly in front-line agencies requiring a large number of vehicles. I am referring to police, emergency service agencies and area health services. The less spent leasing vehicles, the more money there will be for core operations. Keeping those factors in balance is a complex process that requires significant expertise on the part of StateFleet officers.

The Hon. HELEN WESTWOOD: Could the Minister please update the Committee on the progress of the State Records authority's "In Living Memory" exhibition and metropolitan and regional tour?

Ms JODI MCKAY: That is an important question. In June 1977 the official records of the former New South Wales Aborigines Welfare Board were transferred to the protection of State Records, which is, as the Committee would know, the New South Wales Government archives institution. Along with the board's correspondence, reports and ledgers there were approximately 1,000 loosely stored black and white photographs of Aboriginal people that were taken between 1919 and 1966.

Those images are the surviving photographic records of the Aborigines Welfare Board. In Living Memory—an exhibition based on the photographs—opened to the public at the State Records gallery in The Rocks on 8 September 2006. The exhibition has been so well received that it has been extended twice. A separate touring version is also travelling to 17 venues around New South Wales until 2010. The process of meeting with indigenous communities to research, develop and present the exhibition has brought new life to those surviving historical records. In Living Memory is helping to create a new purpose and place for the photographs within contemporary indigenous life.

Decades after the photographs were taken they still produce mixed emotions for indigenous viewers—from the delight of seeing rare evidence of community and culture, to the sad reminder of loss and separation. Because of these sensitivities the entire exhibition process involves the consent, advice and support of many strands of the indigenous community. This includes the New South Wales Department of Aboriginal Affairs for guidance and protocols; an advisory group for ongoing input and support; and also the approval and contribution of individuals and communities represented in the board's photographs. While all the photographs are open to the public, permission is required to tell individual stories or to highlight the photographs in promotional material and also in the media.

The exhibition team has met with elders, families and communities around New South Wales to gain approval from people pictured in the photographs—their oldest surviving relative or representatives of their community. Although little contextual information accompanied the photographs on their arrival at State Records in 1977, it is clear that many of the photographs were taken to document the work of the Aborigines Welfare Board and to promote its policies. The collection itself includes images of children from the bush visiting Sydney for annual summer camps, wedding photographs of couples getting married on reserves and stations throughout western New South Wales, and studio portraits of young Aboriginal women.

Knowing today that most of these women were taken as girls from their families and trained as domestic servants at Cootamundra Aboriginal Girls Home leads us to wonder about the true personal experience of all the people that are captured in the official public images. Other photographs more clearly reveal the poverty and hardship of children's homes, the bleakness of official housing and education, and the hard labour for men and boys working on the land. Yet there is also evidence of pride, resilience and joy, despite the intrusion of the authorities in every aspect of Aboriginal people's lives.

Some photographs with personal inscriptions were sent by young women back to the matrons of homes in which they had grown up, and other photographs were submitted by the readers of the *Dawn* magazine, which was published by the board between 1952 and 1969 in the hope that they might be published and seen by lost relatives. Much of the detail that we know about the images comes from personal and official inscriptions that appear on the reverse sides of about half the photographs, and from links that have been made since with other Aborigine Welfare Board records. Important information is also coming from the memories and the experiences of people pictured in the photographs, or from the confirmation of their families and communities.

All this valuable detail is going into a photographic database that will enable visitors to the exhibition to search for individuals, places and institutions pictured in the photographs. The exhibition team includes an Aboriginal liaison archivist, a Worimi woman, who assists indigenous people in researching their family records; a Dungatti woman who works with the indigenous records as a project officer; an Aboriginal liaison researcher who works for the Aboriginal Trust Fund Repayment Scheme; while a creative producer curates the exhibition program. An indigenous photographer, Mervyn Bishop, who was part of the original exhibition team, continues to be involved in the travelling version. Merv's photographs of elders and community members have been an important element of the exhibition, providing an interesting counterpoint to the board's official photographs.

The exhibition includes storylines from photographs taken by the Aborigines Welfare Board in different communities across New South Wales, including Brewarrina, Walgett, Moree, the Pilliga and Wreck Bay. It includes storylines and images from the former Bomaderry, Cootamundra and Kinchela children's homes operated by, or in conjunction with, the board. The exhibition database includes the full set of digitised images with all known descriptive information about the images, including material collected from Aboriginal people and communities since the exhibition began. The touring exhibition also includes a full set of images reproduced in albums, which often is a highlight when community gatherings are arranged.

Both versions of the exhibition also include resource material, in addition to a free exhibition catalogue and information for Aboriginal people to find out more about accessing historical information held within the State's archives. As I said earlier, the touring exhibition will travel to a total of 17 venues throughout New South Wales. To date the exhibition has visited Nowra and Moree, Walgett, Brewarrina, Quirindi, Armidale, Ballina, Kempsey, Penrith and Hurstville. Plans are also underway for the exhibition to be in Newcastle this month from where it will head to Bega, Wagga Wagga, Cootamundra, Dubbo and Broken Hill. As members would be aware, interest in the In Living Memory exhibition continues to grow.

To date there have been 81 formal group bookings for talks at the Sydney Records Gallery, comprising approximately 1,100 people. Approximately 800 comments and messages have been recorded in the gallery's visitor book providing reflections on the experience of visitors to the exhibition. There have also been comments recorded from visitors from the United States of America, Austria, the United Kingdom, Germany, Denmark, Sweden, United Arab Emirates, Japan, the Netherlands, New Zealand, India, Canada, Italy and Portugal. Each visit on the exhibition tour has attracted local media attention and it has captured the interest of the local community—both indigenous and non-indigenous. The In Living Memory exhibition contributed to a widely seen five-minute audio slideshow produced by the *Sydney Morning Herald* as part of that paper's online coverage of the official apology to the stolen generations.

Dr JOHN KAYE: And it was very good.

Ms JODI McKAY: Thank you; I appreciate that. The slideshow consists of historical photographs from the Aborigines Welfare Board, as well as interviews with members of the stolen generation from the Exhibition Advisory Group and photographer Mervyn Bishop, whom I have already mentioned. The reactions of indigenous visitors have been profound. "Unbelievable" said one; "Powerfully moving, deeply sad, beyond words", said another. One indigenous visitor wrote, "I found my Nan." One said, "State Records helped piece our history back together. This exhibition is unbelievable. It breaks the heart but it has to be told." Another summed it up quite simply by stating, "It's my history, it's your history, it's our history."

In Living Memory is a really beautiful and sensitive exhibition that documents with great care what was a troubled episode in our shared history. Through the policies of successive governments aimed at dismantling Aboriginal culture, indigenous people have always found ways of reuniting with family and community and creating contemporary links to their culture. Today the board's written records and photographs are valuable for the leads and clues that they might help to provide in this process, and expressions of interest continue to be made to State Records for the tour to continue after the exhibition tour concludes in Broken Hill in 2010. State Records will continue to consult with key stakeholders and the Aboriginal community about the future of this exhibition.

The Hon. GREG DONNELLY: Can the Minister update the Committee on the New South Wales Government's efforts to improve broadband services across New South Wales?

Ms JODI McKAY: It is important to understand what the Government is doing because, clearly, we recognise the importance of the information and communications technology industry to the State economy. New South Wales is a leading centre for information and communications technology in the Asia-Pacific region. For example, Sydney is home to 76 per cent of Australia's information and communication technology regional headquarters and regional operating centres. That means we have more than 120,000 people in New South Wales who work in the information and communication technology industry. In 2007-08 New South Wales exported more than \$800 million in information and communications technology services. That demonstrates the importance of this industry sector to the New South Wales economy. The rollout of the Federal Government's national broadband network will provide an enormous boost to the information technology industry across Australia.

The national broadband network effectively will transform the national economy and will have a profound impact on Australian society beyond just how the information and communication technology industry works. The network will deliver an optical fibre network directly to homes and businesses for the first time. It is a huge undertaking and it is imperative that as a Government we work with our Federal counterparts to deliver this project. The national broadband network demonstrates once again that Labor governments are taking on the huge challenges that confront our country. Labor governments are building infrastructure in communities. It is obvious that Labor governments have a vision for the future. It is anticipated that the national broadband network will directly support some 25,000 jobs each year for the eight years of its rollout. Obviously, New South Wales can expect a high proportion of those job opportunities, given our size, population, geographical spread and, as I said, the importance of the information and communications technology industry to this State. The State can expect to reap the rewards of being home to what is the lion's share—

Dr JOHN KAYE: Point of order—

The Hon. GREG PEARCE: Even your own side is walking out on you.

Dr JOHN KAYE: Point of order—

The Hon. GREG DONNELLY: I ask that it be put on the record that Mr Catanzariti has to leave to catch a plane.

The Hon. GREG PEARCE: He cannot wait two minutes and five seconds to listen to this joyous performance?

Ms JODI MCKAY: If the Committee does not mind, I might continue to talk about what is incredibly important.

CHAIR: Minister, you have the floor.

The Hon. GREG DONNELLY: Take as long as you like.

Ms JODI MCKAY: Thank you.

CHAIR: It is an important five minutes.

Ms JODI MCKAY: I think we can expect to reap the rewards of being home to the lion's share of the nation's high-tech industries and the demand for their goods and services that the network will create. Importantly, we are leaving nothing to chance. That is certainly what would be expected of us. We are working closely with the Commonwealth Government to ensure that the people of New South Wales benefit from the opportunities offered by this broadband rollout. No doubt those changes will transform the way we provide services to every household, every school, every hospital and every community in New South Wales. We have established a task force, which is chaired by the Director General of the Department of Services, Technology and Administration. It will prepare our State for the rollout of this new broadband network. The task force has representation from Government, industry and, of course, the CSIRO. It is tapping into the available significant expertise in New South Wales to explore the next generation of applications and content that the high-speed broadband rollout will enable.

The task force will focus on securing the national broadband network headquarters for New South Wales; facilitating the planning process; promoting the ICT industry, technology application, development and training; identifying New South Wales broadband priority areas for the rollout; and testing the next generation of applications and content that access to higher bandwidth obviously will enable. I can inform the Committee that the task force already has made significant progress on its objectives. We are now taking the next step to maximise the opportunities that the broadband rollout provides for our State. We want to be able to offer outstanding support to the network company headquarters, given the concentration of information technology and research industries I have explained already to the Committee. We have made this case to the Prime Minister and to the Commonwealth Minister for Broadband, Communications and the Digital Economy. Obviously, the selection of the location of the headquarters will be a commercial decision for the company board once it is established. We certainly look forward to discussing this further.

CHAIR: Thank you, Minister, the time for questions has concluded. Thank you also for your attendance and support. The Committee would appreciate it if the answers to questions you have taken on notice could be provided within 21 days.

Ms JODI MCKAY: Yes. Thank you.

(The witnesses withdrew)

The Committee proceeded to deliberate.
