



LEGISLATIVE COUNCIL

GENERAL PURPOSE STANDING COMMITTEE NO. 5

## **BUDGET ESTIMATES 2012-2013**

### **Supplementary Questions on Notice**

#### **General Purpose Standing Committee No. 5**

Fair Trading

Thursday 11 October 2012

Answers to be lodged by: Tuesday 6 November 2012

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## Questions from the Hon. A. Searle, MLC

### Home Building Act Reform

1. Given the Home Building Amendment Act 2011 was assented in October 2011 why is the Government again reviewing the Home Building Act 1989?
2. What advice, if any, has the Minister received from NSW Fair Trading regarding the submission of Mr David Masterton to the Review of Home Building Legislation?
3.
  - a. Were any sections of the Home Building Act 1989 presently under review previously amended by the Home Building Amendment Act 2011?
  - b. If so, why are further amendments being considered so soon after the Home Building Amendment Act 2011?
4.
  - a. Has the Minister discussed any aspect of Home Building Legislation with Mr David Masterton, CEO of Masterton Homes, during any of their meetings (including lunches) this year?
  - b. Will the Minister outline the content of any discussions with Mr Masterton regarding Home Building Legislation?
5.
  - a. Has the Minister discussed any aspect of Home Building Legislation with Mr Vic Cavasinni of CEO of Cavasinni Constructions and Beechwood Homes, during any of their meetings (including lunches) this year?
  - b. Will the Minister outline the content of any discussions with Mr Cavasinni regarding Home Building Legislation?
6.
  - a. Has the Minister discussed any aspect of Home Building Legislation with Mr Peter Fowler of Fowler Homes, during any of their meetings (including lunches) this year?
  - b. Will the Minister outline the content of any discussions with Mr Fowler regarding Home Building Legislation?
7.
  - a. What is the rationale for the proposed repeal s92B of the Home Building Act 1989?
  - b. When did the Government decide to review the possible repeal of s92B of the Home Building Act 1989?

8. What guidelines or protocols govern meetings between stakeholder groups and the Minister for Fair Trading?
9.
  - a. What are the benefits of changing the broad definition of 'structural defect' under Clause 71 of the Home Building Regulation to an 'exhaustive list of potential structural defects' as proposed in the document *Reform of the Home Building Act 1989 Issue Paper* (p. 20)?
  - b. Does the Government propose to outline the 'exhaustive list of potential structural defects' in any proposed legislation or by regulation? If not, why not?
  - c. How will Fair Trading determine which structural faults will be included in an 'exhaustive list of potential structural defects'?
10. I refer to last year's amendment to the the limitations set for home warranty insurance for structural and non-structural defects within the Home Building Amendment Act 2011 to six years and two years respectively.
  - a) Has the Government placed the time limitations set for home warranty insurance for structural and none structural defects under s18E (1) of the Home Building Act 1989 under review again?
  - b) If so why?

#### Strata Laws

11. What legal recourse, if any, will be available to unit strata owners forced to sell their properties to developers as a result of proposed changes to amend the current requirement of a unanimous resolution for the termination of a strata scheme?
12. Should the current requirement of a unanimous resolution prior to the termination of a strata scheme be replaced by a threshold floor of at least 75%:
  - a. What, if any, measures will the Department put in place to ensure that all strata unit owners receive a fair price?
  - b. Will these measures take into consideration the price that owners are willing to pay?
  - c. Will these measures ensure that at a minimum the price paid for a strata property is at least the market price? If so, how?
  - d. Will strata unit owners unhappy with the price paid for their homes be entitled to compensation?
  - e. Will the Government establish an independent tribunal to resolve disputes between strata unit owners and property developers where there is a discrepancy between the price a developer is willing to pay and the price the owner is prepared to sell? If not, why not?

- f. How will the Government ensure a level playing field during the sale negotiation process between unit strata owners and developers?
- g. Will the Government commit to provide legal representation to unit strata owners affected by this amendment, in particular pensioners, who are unable to afford it?

13. The Strata & Community Title Law Reform Discussion Paper, *Making NSW No 1 Again: Shaping Future Communities*, suggests that 'one of the factors stifling urban renewal is the complex and difficult process associated with terminating the strata scheme' (p 22).

What are the factors in current strata legislation regulating the termination of strata schemes that make the process 'complex and difficult'?

14. Who will be charged with the responsibility of determining when a building is at a 'tired' or 'run down' condition to warrant forced acquisition?

15. In the circumstances where a building is in good condition will legislation that requires the unanimous agreement of all unit owners continue to underpin those strata scheme or will the Government introduce a blanket rule that the agreement of 75% or 90% of all unit owners is enough to force remaining strata owners to sell despite the condition of the complex?

16. Given that the Strata & Community Title Law Reform Discussion Paper, *Making NSW No 1 Again: Shaping Future Communities* proposes to increase the responsibilities of the Consumer Trade and Tenancy Tribunal (CTTT) to include reviewing the compliance of procedures that regulate the termination process of strata schemes.

How much extra funding will be needed to ensure the CTTT will be able to facilitate the compliance of the proposed reform of the termination process of strata schemes?

#### Safety Devices on Windows

17. Will the Government legislate for the retrospective installation of safety devices on all windows located two metres and higher by the Owners' Corporation of strata unit complexes? If not, why not?

18. Why did the Government fail to include the mandatory installation of window limiting locks or reinforced screens on windows above two metres in its comprehensive review of Strata laws currently being undertaken?

19. What strategies, if any, have been devised by the Government to address the concerns raised by the Children's Hospital at Westmead Working Party for the *Prevention of Children Falling from Buildings* report?

20. Has the Government instigated its own review on the safety issues relating to children and windows above two metres in residential strata complexes?

21. What advice has the Minister received regarding the projected cost to households of mandatory retrospective installation or window limiting locks and reinforced screens on windows above two metres?

Response to Australian National Car Parks PL complaints:

22. What is the Government's position on the practice of issuing 'fines' by companies such as Australian National Car Parks Pty Ltd?

23.

- a. What action, if any, has Fair Trading taken to address the practise of Australian National Car Parks Pty Ltd of issuing 'fines'?
- b. Has Fair Trading sought to clarify with private companies the difference between 'collecting claims' and 'issuing fines'?

24.

- a. Can the Minister confirm whether or not Fair Trading has undertaken an investigation into Australian National Car Parks issuing 'fines'?
- b. If so, when did this investigation commence?
- c. What advice has the Minister received regarding this issue?

25. Will the Government consider a judicial challenge such as that of Consumer Affairs Victoria who succeeded in demonstrating that the practise of a private car park operator issuing 'fines' was illegal?

Coalition Job Cuts and Service Cuts

26. How will Fair Trading meet its current obligations given the projected \$13 million cut to its budget in 2012-2013?

27. Will the Government commit to maintaining all Consumer Trader and Tenancy Tribunal offices for at least the duration of its current term?

28. Will the Government commit to maintaining all NSW Fair Trading offices for at least the duration of its current term?

29. I refer to the decision by NSW Fair Trading in July this year to not take action against developer Statewide Development Pty Ltd, a company accused of falsely advertising off the plan apartments to first home buyers.

- a. What advice, if any, did the Minister receive regarding this decision?
- b. What was the justification for this decision?
- c. Was the refusal to take action a result of budget and staffing cuts to NSW Fair Trading?

30. I refer to the decision by NSW Fair Trading to not investigate Ticket Finders, a company accused of selling fake tickets to thousands of Rugby Fans for the 2011 Hong Kong Rugby Sevens.

- a. What advice, if any, did the Minister receive regarding this decision?
- b. What was the justification for this decision?
- c. Was the refusal to take action a result of budget and staffing cuts to NSW Fair Trading?

31.

- a. How many complaints were made to the NSW Fair Trading in the 2011- 2012 Financial Year?
- b. How many of these complaints were investigated by Fair Trading?
- c. What is the average time frame for investigating a complaint made to Fair Trading?
- d. In how many instances was this time frame achieved in the 2011-2012 Financial Year?

32. I refer to the answer published in *Questions & Answers Paper No. 103*, to Question on Notice, 2402 – NSW Fair Trading Job Losses, submitted on 14 June 2012. The Minister's response stated:

*"...Agencies have a significant degree of flexibility in how they meet their saving targets across the areas of employee-related and operational expenses, though it is likely that some positions will no longer be considered essential for Fair Trading...."*

- a) Which positions, if any, have been identified by Fair Trading as being no longer essential?
- b) What number of positions have been ear marked as no longer essential?
- c) What are the locations of these non-essential positions?
- d) Are any of the positions deemed 'no longer essential' by the Minister assigned to the investigative arm of the Department?

Office Closures/ Job Losses:

33. I refer to your response to Question 1567 – *Closure of Parramatta and Liverpool CTTT Office*, to which you responded:

*"The Treasurer's Office played no role in the decision to close the CTTT's Parramatta office."*

- a) What role did your office in the closure of the Parramatta CTTT Registry?
- b) What were the reasons for closing the Parramatta CTTT Registry?

34.

- a. How many positions have been shed from the CTTT since March 2011?
- b. Which CTTT offices have lost staff because of the public sector job cuts instigated by the Government?
- c. How many positions were lost at each CTTT office because of the public sector job cuts instigated by the Government?

35. Are there plans to slash more Fair Trading jobs in the following financial periods:

- a) 2013-2014?
- b) 2014-2015?

36. Given that Fair Trading is operating with a reduced budget in the 2012-2013 financial year is the O'Farrell-Baird Government intending to further slash the Department budget for the following financial periods:

- a) 2013-2014?
- b) 2014-2015?

#### Mobile Phones and Related Devices

37. How many mobile phones and other communication devices, including digital tablets, have been assigned to your staff?

38. For each device, how much was each bill for the 2011/12 financial year?

39. Have any such devices been lost by your office?

40. If any, what is the cost of replacing these devices?

41. To which staff members have mobile phones and related devices been issued? For what purpose have these devices been issued?

### Media/public relations

42. How many media or public relations advisers are employed by Fair Trading?
43. What is the forecast for 2012-13 for the number of media or public relations advisers employed and their total cost?

### Overseas trips

44. Have any of your overseas trips in the past year been paid for in part or in full by using public money?
45. If so, did any of your relatives or friends accompany you on these trips?

### Office costs

46. What is the annual remuneration package for your chief of staff?
47. What is the annual remuneration package for your head media advisor?
48. What is the annual remuneration package for each of your staff?
49. What is the estimated expenditure for your office budget in 2012-13?
50. Have any office renovations or fit outs been undertaken in your ministerial office since April, 2011? If so, can you please provide details of contracted costs?
51. How many political advisors are in your office?
52. How many administration staff?
53. How many Department Liaison Officers are assigned to your office?
54. How many staff in the Department have been assigned to Ministerial support duties?
55. Are any contractors or consultants working in your ministerial office? If so, in what capacities?
56. How much did your Ministerial office spend on contractors or consultants?

### Cabcharge

57. How much did your Ministerial office spend on taxi fares, including Cabcharge in the 2011/12 financial year?

### Restructure

58. Is NSW Fair Trading presently undergoing a restructure?

59. If so, how many jobs are expected to be cut as a result of that restructure?
60. How many people are expected to have their wages cut as a result of that restructure?
61. How many voluntary redundancies were offered to NSW Fair Trading employees since April 2011?
62. How many voluntary redundancies were accepted from employees in your Departments since April 2011?
63. How many voluntary redundancies are expected to be offered in 2012/13?

#### Agency costs

64. How much did your Department(s) spend on catering in 2011/12?
65. How much did your Department(s) spend on stationary in 2011/12?

#### Correspondence

66. How long is the average turnaround for responding to correspondence in your Department(s)?
67. How many pieces of correspondence have been outstanding for more than 60 days?

#### Paying bills on time

68. In 2011/12 how many invoices has your Department(s) failed to pay a supplier or contractor for more than 30 days?
69. As a result of late payment, how much penalty interest has been paid to contractors since 1 January 2011?
70. How many invoices have been outstanding for longer than 60 days?

#### Grants to non-government organisations

71. What recurrent grant funds are provided by Fair Trading to non-government organisations?
72. What are the names of all organisations in receipt of funding?
73. What is the total amount of funding received by each organisation including goods and services tax?
74. On what date was the funding advanced?

75. What was the purpose for each grant or funding advance?
76. Was any funding withheld or returned?
77. If so, what were the reasons for withholding or requiring the funding to be returned?
78. What is the indexation rate applied to non-recurrent grant funds in 2011/2012?
79. What are the details of any costs involved in each study, audit, taskforce or review?

#### Contractors

80. How many contractors has your Department(s) retained since 1 July 2012 and at what cost?

#### Consultants

81. Has NSW Fair Trading engaged consultants in the 2011/12 financial year?
82. If yes, which companies were engaged for consultancy services in the 2011/12 financial year?
83. For what purpose has NSW Fair Trading engaged consultants?
84. How much have your agencies spent on consultants in the 2011/12 financial year?
85. What is your Department(s) budget for consultants in the 2012/13 financial year?

#### Sponsorships

86. Has NSW Fair Trading sponsored any organisations or events in the 2011/12 financial year?
87. If yes, which organisations and events were sponsored in the 2011/12 financial year?
88. How much did your agencies within your Departments spend on sponsoring organisations and events in the 2011/12 financial year?
89. What is your Department(s) budget for sponsorship in the 2012/13 financial year?

**End of questions from the Hon. A. Searle, MLC.**