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**GENERAL PURPOSE STANDING COMMITTEE No. 4**

**Wednesday 15 September 2010**

**Examination of proposed expenditure for the portfolio areas**

**HOUSING, SMALL BUSINESS, VETERANS' AFFAIRS**

**The Committee met at 11.15 a.m.**

**MEMBERS**

The Hon. J. A. Gardiner (Chair)

The Hon. R. Borsak  
The Hon. G. S. Pearce  
The Hon. K. F. Griffin

The Hon. S. Cotsis  
Mr D. Shoebridge  
The Hon. P. G. Sharpe

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**PRESENT**

**The Hon. F. Terenzini**, *Minister for Housing, Minister for Small Business, and Minister Assisting the Premier on Veterans' Affairs*

**Department of Industry and Investment**

**Dr R. Sheldrake**, *Director General*

**Mr M. Cullen**, *Executive Director, Enterprise, Small Business and Regional Development*

**Mr B. Buffier**, *Deputy Director General, Enterprise, Small and Regional Development*

**Department of Services, Technology and Administration**

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

**Department of Premier and Cabinet**

**Mr D. Mitchell**, *Assistant Director, Veterans' Affairs and Grants Administration*

**Department of Human Services**

**Mr I. Simon**, *Deputy Chief Executive, Aboriginal Housing Office*

**Mr M. Allen**, *Chief Executive, Housing NSW*

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## **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 budget estimates 2010-2011 open to the public. I welcome Minister Terenzini and accompanying officials. The Committee will examine the proposed expenditure for the portfolios of Housing, Small Business and Veterans' Affairs. I refer witnesses, the audience and members of the media to my earlier statement about procedural matters such as the broadcasting of proceedings. The Committee has agreed that the Housing portfolio will be examined from now until 12.15 p.m. and the Small Business and Veterans' Affairs portfolios from 12.15 p.m. until 1.00 p.m. 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 because you have already sworn an oath to your office as a member of Parliament.

**MICHAEL ALLEN**, Chief Executive, Housing NSW and Acting Chief Executive, Aboriginal Housing Office, and

**IVAN SIMON**, Acting Deputy Chief Executive, Aboriginal Housing Office, sworn and examined:

**CHAIR:** I declare the proposed expenditure for the portfolios of Housing, Small Business and Veterans' Affairs open for examination. As there is no provision for a Minister to make an opening statement, we will begin with questions from the Opposition.

**The Hon. GREG PEARCE:** How much State money is budgeted for grants for Housing NSW capital expenditure in each of the forward estimate years?

**Mr FRANK TERENZINI:** The total budget for Housing NSW is \$2.5 billion.

**The Hon. GREG PEARCE:** I want the actual amount of State money budgeted for capital expenditure in each year.

**Mr ALLEN:** We have information on the whole budget for Housing NSW for 2010-11. We have not broken down that budget from the global amounts that are funded by both the State and Federal governments. I can provide the details of the global amounts; otherwise, I can take the question on notice.

**The Hon. GREG PEARCE:** Do you understand the question?

**Mr ALLEN:** I understand that you want information about the State contribution to the capital budget.

**The Hon. GREG PEARCE:** Yes. I refer to "Table 8.1 PTE Capital Expenditure by Sector" on page 8-8. The social housing figures have declined from last year by more than \$320 million. Why has that figure reduced since the last budget?

**Mr FRANK TERENZINI:** Could I take that on notice and get back to you?

**The Hon. GREG PEARCE:** So that the question is clear, I refer to "Table 8.1, PTE Capital Expenditure by Sector." In last year's budget the 2009-10 budget allocation was \$1.98 billion and this year it has been reduced to \$1.7 billion, a \$200 million reduction. There is a slight increase on the numbers next year but then another reduction of \$50 million in 2011-12 and \$69 million in 2012-13—so, a total of over \$320 million that you are not spending on capital expenditure in the sector. Can you tell me about the National Rental Affordability Scheme, the Government's contribution to the National Rental Affordability Scheme—not the past contribution but what you propose to contribute to the National Rental Affordability Scheme in the forward budget estimates?

**Mr FRANK TERENZINI:** The National Rental Affordability Scheme combines Australian and State government funding and is being allocated by competitive application process. To June 2010 offers from Australian and New South Wales governments have been accepted for 2,278 new dwellings in high-need areas of New South Wales. This has required State Government funding of over \$73 million and has attracted Australian Government funding of \$136 million, and private investment of over \$480 million. The third and fourth call for applications has now commenced and they will close on 31 August 2010 and 14 December 2010 respectively. The New South Wales Government has allocated over \$100 million to these rounds, which is sufficient funding for 1,760 new affordable housing dwellings.

**The Hon. GREG PEARCE:** Can you give me the allocation for each of the forward estimates years?

**Mr FRANK TERENZINI:** I will have to take that on notice, but that is the current status.

**The Hon. GREG PEARCE:** Can you tell me the outcome? You just mentioned the third call closed on 31 August. That is a couple of weeks ago.

**Mr FRANK TERENZINI:** I am not in a position to tell you that, but I will take it on notice.

**The Hon. GREG PEARCE:** Can you explain to me how the Housing and the Human Services Accord works and what the purpose of that arrangement is?

**Mr FRANK TERENCE:** The New South Wales Housing and the Human Services Accord provides the framework for cross-agency housing and support initiatives and assists social housing clients with complex needs to obtain and maintain their tenancies. Through the accord, partnerships are operating across the State with successful outcomes for clients who are maintaining their tenancies, are accessing education and employment and are making connections with family in their communities. Many are developed at a regional level to respond to local needs. Housing New South Wales has taken steps to address the failure of tenancies by employing senior client service officers and specialists to coordinate responses to tenants requiring more intense and specialist tenancy management, and 19 senior client service officers in antisocial behaviour positions to develop stronger links and establish initiatives and partnerships of government and non-government agencies who can assist in the provision of support to tenants.

The Government understands that clients with complex needs may face barriers to accessing and securing housing in the private rental market. These clients may need additional support and assistance to find and sustain a private rental tenancy. Housing New South Wales's private rental brokerage service aims to assist clients who have support arrangements in place and who are assessed as having a capacity to rent in the private sector. Housing New South Wales started work closely with clients, their support service and real estate agents and landlords to secure affordable and appropriate housing. Support arrangements continue for the first three to 12 months of the tenancy, through monitoring according to the case plan developed in conjunction with the support agency.

Through an investment of more than \$66 million over four years the Government is building stronger communities. The strategy aims to address not only housing management issues but also to work more closely with other agencies and businesses to break the cycle of disadvantage in social housing areas. Building Stronger Communities is achieving outcomes that create better urban and social environments, facilitating access to support services where they are needed, and creating job skills and employment opportunities for social housing tenants living in some of the most disadvantaged areas.

Around 13 per cent of community housing tenancies have formal support agreements in place in order to assist clients to sustain their tenancies. These have been put in place in a variety of ways. Many are negotiated directly by community housing providers with local support providers. Housing Regulation 2009, which came into effect on 1 May 2009, stipulates that a registered community housing provider must develop and maintain partnership arrangements that are adequate, in the opinion of the Registrar of Community Housing, to ensure tenants receive appropriate support and are able to maintain their tenancies.

Through the National Affordable Housing Agreement and its associated National Partnership Agreements, including the Nation Building and Jobs Plan, the current policy priorities of the New South Wales Government place a strong emphasis on social inclusion and sustainable housing as well as prevention and early intervention. In particular, the prevention and reduction of homelessness is a very high priority for the Government.

**The Hon. GREG PEARCE:** Has the first full review of the Housing and Human Services Accord been completed?

**Mr FRANK TERENCE:** I will defer to my chief executive for that answer.

**Mr ALLEN:** We are reviewing the accord at the moment in the context of the now formed Department of Human Services. So, we are having a look at what the interagency support arrangements should be for social housing tenants, both through the arrangements that have existed in the accord and the new opportunities that are provided by a wider Department of Human Services. That review is underway now.

**The Hon. GREG PEARCE:** The first review, the Minister said in response to a question on notice I lodged in September—I mean the previous Minister, obviously—was to be done in August 2010. Has that review been done?

**Mr ALLEN:** That review is underway now. The review has not been completed. There are obviously wider issues that come into play regarding the interaction between various elements and agencies within the Department of Human Services. So, it is quite appropriate that we consider what those cross-agency support

arrangements should be in addition to those that are in place in the accord, and of course the accord predates the establishment of the Department of Human Services.

**The Hon. GREG PEARCE:** When is that review going to be completed?

**Mr ALLEN:** There is not a set time frame for that review but we will take that as a question on notice and come back to you, because the arrangements with the Department of Human Services are ongoing at this time.

**The Hon. GREG PEARCE:** Minister, I put a question on notice from 31 August concerning bullying in the Newcastle and Hunter region. It has not been answered yet within the normal time frame. Can you explain why that is the case, and can you outline what is being done to address the bullying issues in the Hunter and Newcastle?

**Mr FRANK TERENZINI:** Yes. I am aware that Housing New South Wales has taken decisive action in the dismissal of temporary staff and the instigation of disciplinary action with a small number of employees who have allegedly breached the Housing New South Wales code of conduct and other Housing New South Wales policies. The Chief Executive of Housing New South Wales has taken these matters seriously and has acted in accordance with the Public Sector Employment and Management Act, and I support those actions of the chief executive. Housing New South Wales is separately conducting investigations into allegations of bullying, and if there is any truth in these claims, the chief executive will take appropriate action under the Public Sector Employment and Management Act.

**The Hon. GREG PEARCE:** What about the engagement of Deloittes to investigate some of those matters?

**Mr FRANK TERENZINI:** They have been engaged to investigate.

**The Hon. GREG PEARCE:** Have they completed an investigation?

**Mr FRANK TERENZINI:** I will defer to my chief executive on that.

**Mr ALLEN:** The investigation reports have not yet been completed and provided to me at this stage.

**The Hon. GREG PEARCE:** When was Deloittes appointed to carry out the investigation?

**Mr ALLEN:** I cannot recall off the top of my head the specific date, but they were certainly engaged in recent weeks.

**The Hon. GREG PEARCE:** In recent weeks?

**Mr ALLEN:** Yes.

**The Hon. GREG PEARCE:** Was a time frame to report included in the engagement terms?

**Mr ALLEN:** Yes. A time frame was included in the report, and those reports are due to me shortly.

**The Hon. GREG PEARCE:** When is shortly?

**Mr ALLEN:** Within the next two to three weeks.

**The Hon. GREG PEARCE:** What is the fee being paid to Deloittes in relation to that engagement.

**Mr ALLEN:** I will take that as a question on notice. I do not have that information.

**The Hon. GREG PEARCE:** Just to tidy up, can you tell me the current total number of properties that Housing manages—obviously not at today's date but the most recent?

**Mr FRANK TERENCE:** My advice is that there are 121,662 public housing dwellings; there are 4,296 Aboriginal housing organisation dwellings that Housing New South Wales manages and there are 18,481 community housing dwellings that are managed by community housing providers.

**The Hon. GREG PEARCE:** As at when?

**Mr FRANK TERENCE:** That is 2010-11.

**The Hon. GREG PEARCE:** What is the latest figure you have?

**Mr FRANK TERENCE:** The latest figure for total social housing properties is 144,439.

**The Hon. GREG PEARCE:** Is that as at 30 June?

**Mr FRANK TERENCE:** I would say that would be 30 June.

**Mr ALLEN:** That is correct.

**The Hon. GREG PEARCE:** How many people are being assisted?

**Mr FRANK TERENCE:** In those properties, I am advised it is generally 2½ times that number, so you would be looking at between 300,000 and 400,000—350,000 at a very approximate.

**The Hon. GREG PEARCE:** How many are on the waiting list? What is the latest figure?

**Mr FRANK TERENCE:** My advice is that the number on the waiting list, as at 30 June 2010, was 43,335.

**The Hon. GREG PEARCE:** So it has gone up from last year?

**Mr FRANK TERENCE:** My advice is that last year as at 30 June 2009 it was 39,484.

**The Hon. GREG PEARCE:** How many of those are waiting for Aboriginal housing?

**Mr FRANK TERENCE:** I do not have that information.

**The Hon. GREG PEARCE:** Will you take that on notice?

**Mr FRANK TERENCE:** Yes, I will.

**The Hon. GREG PEARCE:** Is sufficient funding being allocated at the moment to meet the Aboriginal housing needs?

**Mr FRANK TERENCE:** Indigenous Australians still face significant disadvantage in comparison to non-Aboriginal Australians. We know from the 2007 Overcoming Indigenous Disadvantage report that wide gaps remain in outcomes between Aboriginal Australians and non-Aboriginal Australians across a key number of indicators, including employment, education, health, housing, access to services and infrastructure, incarceration and adverse contact within the justice system. Life expectancy of Aboriginal Australians is estimated to be approximately 17 years lower than that of the Australian population.

Sales of affordable housing provide a stable platform for social and economic participation that will help close the gap between Aboriginal Australians and non-Aboriginal Australians. Poor housing outcomes are associated with other dimensions of disadvantage, such as low workforce participation, low educational achievement, contact with the criminal justice system, poor health and family violence. There is growing evidence that improvements in housing promote better outcomes in these areas. This is partly because stable and affordable housing can provide a base from which people can access service and support, develop supportive relationships and participate in the community and the economy.

New South Wales has the largest number, 153,454, and proportion, 29 per cent, of Aboriginal Australians in Australia. The majority of Aboriginal Australians in New South Wales live in urban and regional



locations, which creates a specific set of policy and service delivery challenges. Aboriginal Australians in New South Wales have access to social housing, whether through government-managed housing from Housing New South Wales, the Aboriginal Housing Office or through a range of specialist and general community housing providers. Housing New South Wales houses 9,800 Aboriginal households in mainstream public housing properties and manages more than 4,300 properties for the New South Wales Aboriginal Housing Office.

Under the remote indigenous national partnership between the Australian and New South Wales governments, new houses are being built in remote New South Wales to reduce overcrowding and homelessness. The Nation Building—Economic Stimulus Plan is providing around 6,000 additional homes in New South Wales, and Aboriginal families are priority households under this plan. My understanding is that we have \$400 million over 10 years to build, buy or purchase 310 properties in remote areas of New South Wales.

**The Hon. GREG PEARCE:** Do I take it then that you are saying there is sufficient funding to meet the Aboriginal housing need? Is there a gap or is there sufficient funding?

**Mr FRANK TERENZINI:** As I said, funding has been arranged through the national partnership between the New South Wales and Australian governments. One of those is as I have indicated. As I said, \$397 million was allocated in 2009-10 over 10 years for remote indigenous housing and \$47.5 million will be provided to New South Wales of which \$23.1 million will fund 54 new dwellings. Those dwellings are being constructed for Aboriginal housing. That is a substantial improvement on what used to be the case.

**The Hon. GREG PEARCE:** Have you been to see the development in Bunberra Street, Bomaderry?

**Mr FRANK TERENZINI:** No, I have not.

**The Hon. GREG PEARCE:** Have you been to see any of those down on the South Coast or in the Illawarra—any of the developments that the community has been complaining about?

**Mr FRANK TERENZINI:** What do you mean by "any of the developments that the community has been complaining about"? What do you mean by that?

**The Hon. GREG PEARCE:** I can pull out the clippings from the newspaper but I am sure that the department would have done that for you. Bunberra is a prime one where there is a massive Battlestar Galactica building rising out of an otherwise comfortable residential street and it is completely inappropriate to the location. Have you been to any of those that have been complained about down on the South Coast or in the Illawarra?

**Mr FRANK TERENZINI:** No.

**Mr DAVID SHOEBRIDGE:** Minister, can you indicate how much money was collected by Housing New South Wales in 2009-10 under part 3 of the State Environmental Planning Policy (Affordable Rental Housing) 2009 scheme?

**Mr FRANK TERENZINI:** I do not have that figure.

**Mr DAVID SHOEBRIDGE:** Will you take it on notice?

**Mr FRANK TERENZINI:** I will.

**Mr DAVID SHOEBRIDGE:** In relation to the proposed Lend Lease development at Barangaroo South in the city of Sydney, can you confirm that the development will only contain 2.3 per cent affordable housing?

**Mr FRANK TERENZINI:** As to the planning itself, you would have to direct that to the Minister for Planning, but as to any social housing component, I will have to take that on notice.

**Mr DAVID SHOEBRIDGE:** Have you had any discussions with the planning Minister about the extent of social housing on this very substantial development in the heart of Sydney?

**Mr FRANK TERENZINI:** No.

**Mr DAVID SHOEBRIDGE:** So we have a \$7 billion development in the heart of Sydney, some of the largest residential development you are going to see in your time as Minister, and you have not even spoken to the planning Minister or have any knowledge about the extent of social housing to be provided there, is that right?

**Mr FRANK TERENCEZINI:** I am advised that there is a social housing component and that is under discussion.

**Mr DAVID SHOEBRIDGE:** Can you get some advice on whether or not that social housing component is currently 2.3 per cent?

**Mr FRANK TERENCEZINI:** It is under discussion. I cannot give you any final figure or amount. It is still under discussion.

**Mr DAVID SHOEBRIDGE:** Will you commit to actually take an interest in this and seek to raise the percentage to at least 7.5 per cent, which is the City of Sydney target for social housing?

**Mr FRANK TERENCEZINI:** As I said, it is under discussion. It has been recognised that it is under discussion.

**Mr DAVID SHOEBRIDGE:** Not by you, though. You do not have any knowledge at all about it.

**Mr FRANK TERENCEZINI:** Well, I have been advised that it is under discussion at the moment.

**Mr DAVID SHOEBRIDGE:** In your discussions, can you seek to get a commitment that all of the affordable housing being built on this enormously large development in the centre of Sydney for social and affordable housing will actually be built on site and not located off site?

**Mr FRANK TERENCEZINI:** As I said, that matter is under discussion but I will take that on notice and get back to you as a result of those discussions.

**Mr DAVID SHOEBRIDGE:** Have you communicated with the planning Minister at all about extending the affordable housing arrangements relating to City West and Green Square to the balance of the City of Sydney?

**Mr FRANK TERENCEZINI:** I have not, no.

**Mr DAVID SHOEBRIDGE:** Do you intend to have that kind of communication to try to get some more affordable and social housing throughout the city of Sydney?

**Mr FRANK TERENCEZINI:** I have just been advised, as in the previous example, there are discussions ongoing along those lines with agencies.

**Mr DAVID SHOEBRIDGE:** So you will get back to me on that?

**Mr FRANK TERENCEZINI:** Yes.

**Mr DAVID SHOEBRIDGE:** Will you also include in your answer whether you are going to look at extending those arrangements to other local government areas outside the City of Sydney?

**Mr FRANK TERENCEZINI:** As I said, they are under discussion. I will take it on notice to get back to you about what happens with those discussions.

**Mr DAVID SHOEBRIDGE:** In relation to the Housing NSW property at Millers Point, how many properties were auctioned or are proposed to be auctioned for 99-year leases in 2009-10, 2010-11 and 2011-12? How many have been done, and how many are you proposing to do in the future?

**Mr FRANK TERENCEZINI:** I announced that a further 20 properties at Millers Point would be marketed to continue the successful 99-year lease sales program, with the proceeds to be put towards new social

housing projects. These buildings, some of which are more than 170 years old, have survived well. However, every building reaches a point where maintenance is no longer sufficient, and an investment in major remedial works is required. Due to the age and fragile fabric of these buildings it can also be expected that their condition will deteriorate at a more rapid rate than non-heritage assets. In addition, the Housing NSW portfolio at Millers Point is now inappropriate to client need with regard to bedroom category and housing design. Houses with many and narrow steps, and constrained wet areas are not appropriate to clients with a level of immobility.

Since 1999 approximately \$21.2 million has been spent on maintenance on properties across Millers Point/Dawes Point/The Rocks. The average maintenance expenditure per property in the Millers Point area is almost double the average expenditure for the entire Housing portfolio per dwelling over the same period. Even after a massive injection of millions of dollars in the 1980s and 1990s these properties continue to need substantial funding to meet both heritage and housing standards. Housing NSW has been proactive to protect these heritage assets by instigating the development of conservation management guidelines for the public housing properties in Millers Point. These guidelines were prepared by the Department of Commerce and were endorsed by the New South Wales Heritage Council in 2007.

Housing NSW has also engaged several heritage architectural firms to conduct comprehensive property surveys of all Housing NSW properties in the Millers Point area and to provide Housing NSW with conservation management plans and schedules of works to meet heritage requirements for each property, which expenditure in itself is more than \$1 million. These plans will provide the basis of the upgrade and maintenance program that Housing NSW will progressively implement for properties remaining in its portfolio. The houses themselves will be renovated and cared for by the new lessees under the supervision of Housing NSW and the New South Wales Heritage Council.

Through the sale of leases more than 16 high-value heritage properties—the stage one Millers Point lease sales program has raised \$18 million—are directly funding the development of more appropriate housing to meet the current and future needs of social housing tenants, as a part of the Inner West Strategy. The first two properties of the stage two sales program are 49 Lower Fort Street and 65 Windmill Street. They were sold at auction on 31 August 2010 for \$1.38 million and \$1.35 million respectively.

I make it perfectly clear that existing tenants will not be forced to move away from Millers Point—or be evicted for the purposes of the program. Properties that are put up for auction are vacant properties. The revenue obtained from the long-term 99-year leasing of the 20 properties will partly fund the social housing component of the Cowper Street Glebe Housing Project to be delivered in the next two to three years. This project will replace the existing public housing units constructed in the 1950s with new social, affordable and private market housing units.

**Mr DAVID SHOEBRIDGE:** What proportion of the proceeds of sale will be used on that other housing development?

**Mr FRANK TERENZINI:** All of that, Mr Shoebridge.

**Mr DAVID SHOEBRIDGE:** Can you answer the balance of my question, which is about the number of proposed auctions for 99-year leases for 2010-11 and 2011-12?

**Mr FRANK TERENZINI:** I indicated that I announced a further 20 properties.

**Mr DAVID SHOEBRIDGE:** Is that the extent of the current plans?

**Mr FRANK TERENZINI:** That was my announcement, of 20 properties.

**Mr DAVID SHOEBRIDGE:** Is that the extent of the current plans?

**Mr FRANK TERENZINI:** I cannot talk for any succeeding housing Ministers that may come along. What I am saying to you is that I have announced 20 properties. Housing NSW makes it its business, across all of its portfolios, to continually review its housing stock for current conditions. But at the moment I have announced a further 20 properties at Millers Point, two of which have already been auctioned.

**Mr DAVID SHOEBRIDGE:** Is Housing NSW assessing all of its current public housing stock in The Rocks and Millers Point areas to see if it can be sold for 99-year leases?

**Mr FRANK TERENCEZINI:** As I said, my announcement has been that a further 20 properties are under the current program. But, Housing NSW continually reviews its stock across New South Wales.

**Mr DAVID SHOEBRIDGE:** Do I take it from that that all the public housing in those areas is up for review for 99-year leases?

**Mr FRANK TERENCEZINI:** No, that is not what I said. What I said is that the current plan is for the 20 properties to be auctioned.

**Mr DAVID SHOEBRIDGE:** Minister, moving on to the first home owners grant, are there any plans to better target that—for example, by means testing applicants or by increasing it for regional centres, in the same manner as the Victorian Government has done?

**Mr FRANK TERENCEZINI:** You will have to direct that question to the Treasurer, Mr Shoebridge.

**Mr DAVID SHOEBRIDGE:** Minister, in relation to public housing at Redfern Waterloo, is it proposed that the walk-up flats will be the main focus of any redevelopment of that public housing, as opposed to the high-rise flats?

**Mr FRANK TERENCEZINI:** I am advised that we have not made any decisions on that particular aspect of the redevelopment.

**Mr DAVID SHOEBRIDGE:** Is there any current proposal to have private ownership coexisting with other tenants in those high-rise public housing buildings in Redfern Waterloo?

**Mr FRANK TERENCEZINI:** No, there is not.

**Mr DAVID SHOEBRIDGE:** Can you explain why Bernie Coates of Housing NSW expressed to residents at a meeting held in Redfern that that might be a possibility, and why at the same meeting Chris Johnson said that some buildings might be all private and some might be all public; that there would not be a mix?

**Mr FRANK TERENCEZINI:** I will ask my chief executive to answer that question.

**Mr ALLEN:** I am not aware of the comments specifically that Bernie Coates, who is a member of our staff, may have made or that Chris Johnson, the eminent architect who does contract work for Housing NSW from time to time, may have made at a meeting. I can only reiterate the Minister's comments: There are no current plans to have a look at private ownership or private leasing within those high-rise buildings.

**Mr DAVID SHOEBRIDGE:** Minister, in the last 12 months has the Redfern Waterloo Authority given Housing NSW, or any community housing organisation under regulation by Housing NSW, any of the collected affordable housing contributions for the purposes of providing new affordable housing?

**Mr FRANK TERENCEZINI:** I am advised that discussions are proceeding on that.

**Mr DAVID SHOEBRIDGE:** Has there been any money, though?

**Mr FRANK TERENCEZINI:** There are discussions regarding that.

**Mr DAVID SHOEBRIDGE:** But no money?

**Mr FRANK TERENCEZINI:** Not that we are aware of.

**Mr DAVID SHOEBRIDGE:** No units would be financed by Redfern Waterloo Authority's Affordable Housing Fund, for any new properties in Redfern Waterloo at all, is that right?

**Mr FRANK TERENCEZINI:** That would be a question for the Redfern Waterloo Authority, would it not?

**Mr DAVID SHOEBRIDGE:** Except if they have given money to your portfolio. But you confirm that no money has come into your portfolio at all, is that right?

**Mr FRANK TERENCEZINI:** That is correct.

**Mr DAVID SHOEBRIDGE:** Going back to the National Rental Affordability Scheme questions that the Hon. Greg Pearce was asking about earlier, the Housing NSW website indicates that the New South Wales Government will provide 910 State incentives under round three of the National Rental Affordability Scheme. Minister, that is only 7 per cent of the national total. How do you explain such a small percentage to New South Wales, given the size of our population?

**Mr FRANK TERENCEZINI:** As I have indicated, the fourth call for applications commenced on 4 June.

**Mr DAVID SHOEBRIDGE:** Round three I am asking about, Minister.

**Mr FRANK TERENCEZINI:** They finished on 31 August. They have to be assessed, as I have been advised, by the Australian Government.

**Mr DAVID SHOEBRIDGE:** Was the quality of the New South Wales application so poor that we only got 7 per cent of the national figure?

**Mr FRANK TERENCEZINI:** I am not aware. I do not know.

**Mr DAVID SHOEBRIDGE:** Can you take the question on notice and give us an explanation as to why the New South Wales result was such a small proportion of the national figure?

**Mr FRANK TERENCEZINI:** I am happy to do that.

**Mr DAVID SHOEBRIDGE:** When you are doing that would you also explain where the \$2 million that is budgeted in the 2010-11 budget to provide those State incentives is being sourced from?

**Mr FRANK TERENCEZINI:** Yes.

**Mr DAVID SHOEBRIDGE:** Or can you answer that now?

**Mr FRANK TERENCEZINI:** No, I will take that on notice.

**Mr DAVID SHOEBRIDGE:** In relation to round four of the National Rental Affordability Scheme, the New South Wales Government is only intending to provide 1,250 State incentives—that is, only 5 per cent of the national figure. Can you explain again why New South Wales is getting such a small proportion of the national total?

**Mr FRANK TERENCEZINI:** I will take that on notice.

**Mr DAVID SHOEBRIDGE:** When you are doing that would you also provide an answer as to where the \$2.8 million in the 2010-11 budget is being sourced from?

**Mr FRANK TERENCEZINI:** Yes, I will.

**Mr DAVID SHOEBRIDGE:** The budget papers indicate that \$72.5 million will be spent over the next 10 years for State contributions to the National Rental Affordability Scheme. The budget papers indicate that of that \$72.5 million there is a \$25 million grant to Housing NSW from the Rental Bond Board, but the papers are silent about where the other \$50 million is being sourced from. Can you tell me where that other \$50 million is being sourced from?

**Mr FRANK TERENCEZINI:** I am not able to at the moment. It is a variety of sources. We are happy to take the question about the break-up on notice.

**Mr DAVID SHOEBRIDGE:** In relation to the contribution to Housing NSW from the Consolidated Fund, the budget papers show the contribution fell from \$271 million in 2008-09 to \$194 million in 2009-10 and

it has plummeted to \$151 million in 2010-11. Why is the Government so drastically reducing the contribution from the Consolidated Fund to your portfolio?

**Mr FRANK TERENCEZINI:** I will take that on notice and get back to you.

**Mr DAVID SHOEBRIDGE:** When you are taking that on notice can you confirm that that drastic reduction in funding from the Consolidated Fund to social housing still allows the New South Wales Government to comply with its obligations under the National Partnership Agreement on the Nation Building and Jobs Plan, which requires the maintenance of a status quo at a minimum of contributions to public housing from State governments?

**Mr FRANK TERENCEZINI:** Yes.

**Mr DAVID SHOEBRIDGE:** Page 4 of the New South Wales budget commentary in relation to Housing provides that the total expenses of Housing NSW in 2010-11 will be \$2.525 billion. It also indicates that the housing policy and assistance program will cost \$1.564 billion, which is 62 per cent of the total. While the budget commentary indicates where the source of funds for the housing policy and assistance program comes from, it does not explain where the source of funds for the balance, the other 38 per cent of your budget, comes from. Can you explain where the source of finance is for that balance of 38 per cent?

**Mr FRANK TERENCEZINI:** I am advised that it comes from a variety of sources, including rental income and asset sales.

**Mr DAVID SHOEBRIDGE:** Can you detail that variety of sources on notice?

**Mr FRANK TERENCEZINI:** I will.

**Mr DAVID SHOEBRIDGE:** Can you confirm that the Land and Housing Corporation will be running at a deficit of \$1.396 billion in 2010-11? Can you also explain what the implications of a deficit of that size will be for the ongoing sustainability of Housing NSW?

**Mr ALLEN:** The Land and Housing Corporation is the legal entity for Housing NSW. If you have quite a specific question around those dollar amounts we will need to take that as a question on notice because it needs to be taken into account in terms of the operation of the full entity, which is Housing NSW, not just the legal entity, the Land and Housing Corporation.

**Mr DAVID SHOEBRIDGE:** But can you confirm the scale of the deficit—\$1.396 billion?

**Mr ALLEN:** I will need to come back and give you a more detailed answer to that as a question on notice. It is not as simple as answering that question, I am sorry.

**Mr DAVID SHOEBRIDGE:** Minister, Housing NSW provided information at the time of the State budget in 2010-11 showing an increase in reliance on revenue from asset sales. The figures were \$1.61 million in 2008 but have jumped to \$227.5 million in 2010-11. How do you explain that 40 per cent increase in reliance on revenue from asset sales in terms of having a sustainable public housing portfolio?

**Mr FRANK TERENCEZINI:** We consistently and continually manage our property by selling assets that no longer are relevant and all that money goes back into funding for updated new social housing. But as to the specifics I will have to get back to you on that.

**The Hon. SOPHIE COTSIS:** What is the Government doing to improve access to affordable housing and to improve the lives of social housing residents in western Sydney?

**Mr FRANK TERENCEZINI:** Thank you for that question, which I might say is very timely. I will bring the Committee up to date on the work the Government is doing at Bonnyrigg in south-west Sydney. The \$733 Bonnyrigg renewal project is a resounding success no matter which way you measure it. With the completion of stage one, the New South Wales Government has taken what was one of the most disadvantaged areas of New South Wales and is breathing new life into the community. Through projects such as the Bonnyrigg renewal project we are also changing the face of social housing in this State. We are finding new, innovative and cost-

effective ways of reducing the concentration of social housing in once troubled housing areas by redeveloping those areas into a broader mix of housing types.

It is widely recognised that a better social mix is the missing ingredient in many of our current public housing areas. The situation at Bonnyrigg was compounded by the existing poor urban housing design. Much of the social housing stock is past its useful life expectancy. In selecting Bonnyrigg, Housing NSW sought its target in its investment as a project with a high level of need, while preserving economic prudence and responsibility. The Bonnyrigg Living Communities Project is delivering Australia's first social housing public-private partnership. It was selected based on an assessment of the affordability of the project and the significant social housing benefits that the project will deliver.

The Bonnyrigg Living Communities Project has been structured to achieve three main outcomes: first, provide better services and create new opportunities; second, build a stronger community; and third, renew housing and public areas. The scope of the project includes all financing, tenancy management, facilities management, planning, development of surplus land for private sale, design, building and/or refurbishment work. The project commenced with some 933 dwellings—833 social housing dwellings and 100 private dwellings. By the time the renewal is complete there will be 2,332 dwellings—699 new social housing dwellings and 1,633 new private dwellings—in a new master planned suburb.

A further 134 dwellings will be acquired in western Sydney to maintain the number of social housing dwellings. Bonnyrigg is a high-demand area and is well serviced by social and physical infrastructure. This is a good example of urban renewal with affordable housing outcomes. The new homes will range from two to five bedrooms in attached and detached form. The purchase price of these new homes is affordable, especially for first home buyers, and start from \$330,000 to \$535,000. The project has seen one of the most comprehensive community engagement programs ever undertaken on a renewal project in Australia. This has yielded positive outcomes for both government and community, with broad support for the project. Socially, the project will deliver strong, positive social benefits by creating an inclusive community close to essential services. Financially, the project has offset a significant part of the cost of achieving the social benefits through the development for private sale of housing on surplus land.

Bonnyrigg Partnerships was appointed in April 2007 and is responsible for the finance, design and construction of good-quality social housing, as well as tenancy and facilities management services in Bonnyrigg. Bonnyrigg Partnerships is a special-purpose company set up to deliver the Bonnyrigg Living Communities Project. It is owned by Westpac and Becton Property Group, and has Spotless and St George Community Housing as key service providers. It brings these four groups together acting to provide effective services for the renewal of this area. The fact that companies of the calibre of Westpac and Becton are willing to invest in the project proves it is already a winner. Work on stage one, which began in May 2009, includes 106 homes, including 39 social housing dwellings, a new park, sports facilities and local roads. Stage one has now been completed, with the new public and private houses all fully occupied or sold to new owners. Stages two and three are progressing to schedule.

The construction under the Bonnyrigg project will be completed over 18 stages in the first 12 years of the 30-year project. St George Community Housing is responsible for housing tenants within the social housing area and shares responsibility with Housing NSW for rehousing tenants who elect to move out of the area. Bonnyrigg Partnerships also is maintaining all social housing and is responsible for the delivery and/or coordination of a range of community services. The Bonnyrigg Living Communities Project has been recognised by the recent Urban Development Institute of Australia Awards of Excellence in the category of Government Leadership in Urban Development, taking out the top award. The New South Wales Government is justifiably proud to be overseeing the transformation of troubled housing estates into functioning, dynamic communities and at the same time giving more people in this State real options for affordable housing.

**The Hon. PENNY SHARPE:** I visited the area at the beginning of the Bonnyrigg redevelopment. I am pleased to hear how well it is going. What is the Government doing to address the issue of homelessness? In particular, could you provide information to the Committee about what is happening in regional New South Wales?

**Mr FRANK TARENZINI:** The NSW Homelessness Action Plan, together with the National Partnership on Homelessness Implementation Plan, represents the long-term commitment by the Government to address homelessness across New South Wales. It is a once-in-a-lifetime opportunity to reduce the rate of homelessness and to achieve better outcomes for homeless people in this State. According to the 2006 Australian Bureau of Statistics census report "Counting the Homeless" there were more than 27,000 homeless

people in New South Wales. Overall, the rate of homelessness in New South Wales remains unchanged between the 2001 and 2006 census counts. The data demonstrate that services are responding to the issue. But we need to do more in different ways so that homelessness can be reduced and prevented.

It is not enough to hold the rate of homelessness steady. We must, and we will, reduce homelessness. The NSW Homelessness Action Plan is targeted at achieving these outcomes. We have committed to meeting the national target of reducing homelessness by 7 per cent, reducing rough sleeping by 25 per cent and reducing the number of homeless indigenous people by 30 per cent by 2013. To do this, the way we provide services to homeless people needs to change. There is strong evidence that having support designed around individual's needs rather than having individuals getting their support from a number of different services makes a real difference to their lives. Research also shows that services should be focusing on preventing homelessness and assisting people to access and sustain long-term housing rather than primarily providing a crisis response to the issue. The NSW Homelessness Action Plan aims to reform the New South Wales service system by improving collaboration and reorienting the crisis accommodation system to provide ongoing support to improve outcomes for homeless people.

New South Wales is the only jurisdiction to have taken a genuine regionally centred approach to homelessness planning. We undertook regional consultations across New South Wales in February 2010 as part of the development of 10 regional homelessness action plans and to identify priority initiatives for funding under years two to four of the National Partnership Agreement on Homelessness Implementation Plan. I am pleased to inform the Committee that the regional homelessness action plans are now finalised and I launched them on 1 August 2010 with the Hon. Tanya Plibersek, the then Federal housing Minister. The 10 regions are greater western Sydney, coastal Sydney, the Illawarra, south-east New South Wales, the Riverina-Murray, western New South Wales, the New England-northwest, the north coast, the Hunter and the Central Coast.

These 10 regional homelessness action plans will meet the targets for reducing homelessness by identifying actions at the regional level that reflect the principles and the reform directions of the NSW Homelessness Action Plan, and ensuring that identified actions reflect the particular characteristics of homelessness in the region and build on successful local strategies and partnerships. All 10 regional plans have a focus on improving integrated service delivery for homeless people and people at risk of homelessness and a number of the plans have prioritised Aboriginal homelessness, prevention and early intervention. Other priorities include improved support for particular priority client groups, such as, rough sleepers, young people and people with mental health issues, and improved data collection, monitoring and reporting. The action plans' focus on prevention and ongoing support will reduce the demand for crisis accommodation services. This focus will be especially on young people leaving out-of-home care, people leaving mental health facilities and women and children escaping domestic violence. We also will focus on the most vulnerable of homeless people by giving them support to access and maintain long-term housing and to live independently.

Statewide reform of the homelessness service sector will develop larger organisations that can deliver a wide range of services. Where appropriate, services will be realigned and streamlined to ensure that services can both prevent homelessness and achieve better outcomes for homeless people. The plans have been developed in partnership with the Department of Premier and Cabinet and relevant Justice and Human Service agencies through a comprehensive consultation process with the non-government sector and homeless people. The plans are tailored and custom-made to meet the very specific needs of each region. We are confident that they will deliver the right kind of services at a time when they are really needed.

**The Hon. KAYEE GRIFFIN:** Minister, what is the Government doing to address the need for more and improved homes for Aboriginal people in remote areas of the State?

**Mr FRANK TERENCE:** I am pleased to advise that last year the Government exceeded the target for new houses under the Remote Indigenous Housing National Partnership Agreement. We delivered 60 new homes to support Aboriginal people against the original target of 50. This consisted of 34 homes for vulnerable Aboriginal families in remote areas, seven houses to provide accommodation for women and children escaping domestic violence under the Orana Far West Safe Houses Program and 19 houses in regional locations under the Employment Related Accommodation Program to support Aboriginal people from remote areas to access training and jobs. This year the Aboriginal Housing Office will deliver another 36 homes for Aboriginal people in remote areas. Construction is already underway on homes in Lightning Ridge, Menindee and Brewarrina.

I can advise that the Aboriginal Housing Office is progressing well with the program to upgrade houses owned by Aboriginal community housing providers in remote New South Wales. By December this year 150



homes owned by Murdi Paaki Housing will have been refurbished. This will exceed the original target of 101 houses, which had been set for the entire 10-year program. A further 70 homes in remote areas will be refurbished by 30 June 2011. We also have demonstrated our commitment to providing employment opportunities for Aboriginal people and we have engaged eight Aboriginal building companies to undertake works on behalf of the Aboriginal Housing Office. In the repairs and maintenance program, to date, we have achieved 100 per cent of works through Aboriginal building companies.

One of the most exciting aspects of the Remote Indigenous Housing Agreement is the Employment Related Accommodation [ERA] Program, one of which I visited yesterday in Dubbo. This is a dynamic new program that is creating a pathway for education and growth throughout New South Wales. The ERA program is the first of its kind in New South Wales. This program will facilitate access to employment and education opportunities for Aboriginal people from remote locations by providing affordable accommodation in large regional centres. Last year the Aboriginal Housing Office purchased 19 homes in Dubbo, Tamworth, Armidale and Wagga Wagga to allow Aboriginal students from remote areas who are enrolled in full-time study to live in a comfortable, fully furnished property close to transport and services. Unfortunately, Aboriginal people face a number of barriers in finding private rental accommodation in some towns. As a result students often give up on completing TAFE or university studies or looking for a job.

The ERA program provides new opportunities for students and people seeking employment to access safe, appropriate and affordable housing. Already this program is making a difference. The first student housed under the ERA program is an Aboriginal man who is aged 34 from Condobolin. He commenced studies with Charles Sturt University at the beginning of this year and is currently completing a Bachelor of Education course, majoring in food technology. He initially was housed in on-campus accommodation but quickly discovered this type of accommodation was not appropriate to his needs. He was the victim of racial discrimination and threatening behaviour and, as a result, his studies suffered. As a mature aged student he did not enjoy the disruptions from sleep he was experiencing due to excessive noise and late-night activities of other students and he was seeking a quieter study environment. The Aboriginal Housing Office was approached by Charles Sturt University in March seeking accommodation for the student in April. The Aboriginal Support Unit was concerned that if alternative housing was not found the student would abandon his studies.

The student has confirmed that he was considering giving up on his university studies. The student moved into the first of the ERA properties in April. The Remote Indigenous Housing Agreement demonstrates the joint commitment of the State and Federal governments to improving housing outcomes for Aboriginal people. The agreement aims to address significant overcrowding, homelessness, poor housing conditions and the severe housing shortage in remote indigenous communities. Improving housing conditions will provide the foundation for lasting improvements in health, education and employment and make a contribution towards closing the gap in indigenous disadvantage. The agreement notionally commits \$396.8 million to New South Wales over a 10-year period. We are progressing well in the delivery of new houses in remote areas of New South Wales and addressing backlog repairs and maintenance to Aboriginal community housing providers across the State.

**The Hon. SOPHIE COTSIS:** What action has the State Government taken to address the serious antisocial behaviours in western New South Wales?

**Mr FRANK TERENCE:** The findings this year of an independent report by the Financial Review Business Intelligence Unit into the success of the Dubbo Transformation Strategy were, to say the least, incredible. In 2006 the city of Dubbo had one of the worst crime rates in the State—largely due to the antisocial behaviour of indigenous tenants in the largest public housing area called the Gordon Estate. In 2006 the Dubbo local government area ranked in or around the top five worst areas in New South Wales for break and enter (non-dwelling), motor vehicle theft and stealing from motor vehicles.

After the 2006 New Year's Day riots on this estate, the then Minister for Housing announced the Building Stronger Communities strategy for Dubbo, incorporating the Dubbo Transformation Strategy and the full exit of social housing from the area over a four-year period. A major part of the strategy was breaking up the estate by relocating all tenants to other appropriate Housing NSW properties and selling the majority of the land and the homes. This strategy was unique in Australia and it was controversial. But it was also recognised locally, by the Dubbo community, as a measure of last resort—nothing else had worked.

Gordon Estate formerly consisted of 320 houses, with some 1,300 authorised tenants and a large number of unauthorised transient persons—a minefield of social issues that threatened the strategy from the

outset. It is one thing to ask 1,300 people to move out of their homes, but it is a whole different ball game to make it happen, as one could imagine. But it did happen. By harnessing the power of communication and employing the help of Dubbo's community, Housing NSW staff were able to draw on the skills of the local council, the New South Wales Police Force, the Department of Education and Training, the Department of Juvenile Justice, the Department of Health, the Department of Community Services and others to achieve what was an incredible outcome.

All but one tenant have now been moved to new homes among the greater Dubbo community—a massive and challenging operation that succeeded only through an all-of-government approach and driven by a dedicated Housing NSW team. I have no doubt that all of this could not have been done without the support of the greater indigenous community, which also recognised the need for change. Many of the old homes have been sold on the private market to first home buyers and the old Gordon Estate is now being settled, in the main, by young families. An owner-occupation covenant is in place, which ensures that the estate cannot fall victim to poorly maintained private rental properties following their sale. In addition, moderate prices for the properties provided first home buyers with new and affordable opportunities to own their own home. As a result of this Transformation Strategy the crime rate in Dubbo has more than halved and is now among the best in the State. That is more than half in just four years.

In April this year break and enter (non-dwelling) offences had reduced by 59 per cent, motor vehicle theft was down by 44 per cent and malicious damage to property had reduced by 35 per cent. School enrolment and attendance has been stable or improving across west Dubbo and broader Dubbo. A survey of relocated tenants, community members and government stakeholders revealed a general improvement in living conditions and no evidence of any unmet need for services arising from the strategy. Tenants who have been relocated have reported their new housing situation has improved their lifestyle and that opportunities for all their children have improved. TAFE NSW has been engaged in a pre-apprentice program completing carpentry work within the properties prior to sale. New pedestrian pathways and traffic calming devices are being constructed throughout the estate.

This Government can be very proud of the Transformation Strategy and be very proud of the Housing NSW team that worked so hard to make it such a success. The strategy to transform Dubbo received the President's Award in the 2008 Urban Design Institute of Australia New South Wales Awards for Excellence. Housing NSW contributes approximately \$7 million annually to the Dubbo economy through the provision of housing and housing-related services. The redevelopment of the west Dubbo public housing area will provide jobs to the local community, revitalise west Dubbo and ultimately increase the value of all properties in the area. The New South Wales Government recognises the need to break the cycle of disadvantage within the broader Dubbo community and is committed to working with the community well beyond the property aspects of its strategy. I visited the Dubbo estate yesterday. It is a far cry from the way it was before. It is a great success and I commend my predecessor.

**CHAIR:** That brings us to the conclusion of the Housing estimates. We will proceed to the portfolios of Small Business and Veterans' Affairs.

**(The witnesses withdrew)**

**DARREN MITCHELL**, Assistant Director, Veterans' Affairs and Grants Administration, Department of Premier and Cabinet,

**BARRY BUFFIER**, Deputy Director General, Enterprise, Small Business and Regional Development, Department of Industry and Investment, and

**MICHAEL CULLEN**, Executive Director, Enterprise, Small Business and Regional Development, Department of Industry and Investment, sworn and examined:

**WILLIAM MURPHY**, Director, Fair Trading Policy, Department of Services, Technology and Administration, on former oath:

**CHAIR:** Minister, can you advise in the context of the Small Business portfolio what short-term and long-term plans the Government has to make the State more competitive from a business point of view?

**Mr FRANK TERENCE:** The Labor Government is committed to providing business with a competitive tax environment and to reducing the tax burden on small business. The Government has already achieved some great outcomes in that regard. It has reformed the payroll tax system so that more than 90 per cent of businesses in New South Wales now do not pay that tax. For those that do pay wages above the tax-free threshold, payroll tax has been reduced four times in two years. On 1 July 2010 it was reduced to 5.5 per cent and it will be further reduced to 5.45 per cent in January 2011. On 1 July 2010 the payroll threshold increased from \$638,000 to \$658,000 and it will increase each year in line with the consumer price index. These reductions represent \$654 million in tax reductions in the four years to 2013-14.

In addition, the Government has reduced workers compensation premiums by an average of 33 per cent between 2005 and 2010, which translates into savings to business of about \$1 billion. The New South Wales Government also welcomes the Commonwealth Government's decision to extend its Small Business Assistance Package for a further year. Small businesses with a turnover of \$2 million or less will have access to 12 months of payments free of interest and the deferral of activity statement payments for 12 months. In addition, small businesses will be able to write off assets valued up to \$5,000 from the 2012-13 income year and write off all other assets. For eligible businesses, the company tax rate will also be reduced to 29 per cent from the 2012-13 income year. The Government is committed to reducing red tape and tax burdens on small business owners. The Better Regulation Office is reducing red tape and we have made some significant improvements in that regard. About \$338 million of savings have been achieved and the target is \$500 million. That is helping business to be more competitive.

The Government provides many assistance packages to small business. The Business Advisory Service is a crucial service for small businesses to start up or to grow. The service is a core program of Industry and Investment New South Wales. It is designed to advance economic development and to expand new business in the State. Under the current program Industry and Investment NSW is investing \$7 million from 2009-12 to support small business development and broader regional economic development. The Government supports 14 organisations across the State through 39 offices to provide business advisory services and information to people starting and operating a business. In addition to face-to-face confidential meetings the program offers telephone and online services and seminars, workshops and networking opportunities. These services were provided to more than 250,000 people to start small businesses in 2009-10 and contributed to the creation of more than 4,188 jobs.

Small Business September is a crucial event on the business calendar. It is a key annual event designed to highlight the contribution of the small business sector to the local, State and national economies. It is by far the largest of the three events Industry and Investment NSW runs. The others are Manufacturing Week and MicroBiz Week. Small Business September is the premier specialist small business event in Australia. Now in its eleventh year, it features a comprehensive range of events for business owners at all stages of the growth cycle, focusing on helping them to find ways to grow their operations. More than 520 events are scheduled to take place across the State this month. This is the great event for those running a small business or planning to establish one. Those interested in attending should visit the Small Business September website and select an event of interest. This is the highlight of the State's small business event calendar. The State Government acknowledges the sector's significant contribution to the economy during these events, and particularly during

Small Business September. Over the past decade about 500,000 businesspeople have participated in the expos, workshops and advice sessions on offer during the event. It is Australia's longest-running celebration of the small business sector.

This annual demand for fresh information is fuelled by the hundreds of thousands of people in New South Wales who have embarked upon their small business adventure. The real benefit to small business is that there are so many events from which to choose, and many of them are offered free of charge. In holding events from Armidale to Albury and Broken Hill to Blacktown, Small Business September is fulfilling the aim of ensuring that information and advice is accessible to every business owner or operator no matter where they live or work. Business owners can build on their skills and knowledge by attending workshops and training sessions and by taking the opportunity to network with like-minded people. This year's event promises to be the biggest ever with a record number of activities across New South Wales. About 50 per cent of the events will be held in metropolitan Sydney and the rest in regional New South Wales. We are hoping to top last year's participation rate of 20,000 people.

This year's theme is "Connect for Profit", which underlines the Government's support for the small business sector and the sector's importance to the economic wellbeing of New South Wales. This is an occasion for people in small business to extend their networks, to develop their skills and to build links with the many support organisations that exist to promote business success. The workshops and seminars, which are real-time or virtual, and special events scheduled this month address important issues for small firms, including leadership, marketing, cash flow management, information technology and much more. I will mention some of the various events on offer this month. Many potential and new business owners are expected to attend the start up a business day event to be held in Sydney and Camden. This will be a great opportunity for would-be and new small business operators to get helpful, free advice from a range of experts. In keeping the month's sustainability subtheme, small, green and clean day-long workshops to be held in Sydney will show how small businesses can become more economically and environmentally sustainable.

Considerable interest has also been expressed in the digital day event, which will be held in Sydney and on the Central Coast. It will demonstrate how clever use of technology can make a critical difference to the success of small business. These are just a few of the hundreds of events on offer. I encourage all small business operators across New South Wales not to miss this unique opportunity to attend Small Business September. We also have the very successful small business website, which offers many toolkits and interactive programs that businesses can access for advice. It even provides for people to produce a business plan that can be taken to an accountant. That saves time and money by covering preliminary questions about a proposed business. It also has a telephone number for people to call to discuss issues affecting small business indirectly.

**CHAIR:** We recently witnessed the dedication of the new war grave site near Fromelles, which generated renewed and new interest in remembrance of the battle. Minister, have you or your department had any discussions with the Anzac Memorial Building Trust about how the Fromelles battle might be commemorated in the War Memorial precinct in Hyde Park? Do you believe that such a fitting memorial should be added to the precinct?

**The Hon. PENNY SHARPE:** I thought we agreed we would do Veterans' Affairs separately. I am sure the Minister does not mind, but I thought that was what we agreed we would do.

**Mr FRANK TERENCE:** I do not mind. The nature of your question is the inclusion of the Battle of Fromelles at the memorial, is that correct?

**CHAIR:** Yes.

**Mr FRANK TERENCE:** The Anzac Memorial Building was dedicated as the State's principal War Memorial in November 1934 after more than a decade of planning and design consideration. Many of those who worked on its construction were veterans of the battles at Gallipoli and on the Western Front. It would be inappropriate to overturn the original trustees' decisions regarding what battle names should be carved in the memorial's wall. These decisions were taken with full intent to ensure that those who served in World War I were appropriately honoured. The building's Hall of Memory contains four niches listing battles for which Australian forces received battle honours. It was regarded then and remains the case today that the reference to the Battle of the Somme on the memorial recognises the Battle of Fromelles and a number of other key Western Front battles.

In view of the historic significance of the building, the trustees have not considered it appropriate to change the fabric of the memorial in such a permanent way. However, the memorial already contains a significant connection to the memory of Fromelles. The foundation stone for the memorial was laid on the sixteenth anniversary of the battle, on 19 July 1932, at a formal ceremony involving the then Premier, Governor and Lord Mayor. To ensure that future generations do not forget the huge sacrifice at Fromelles, a new memorial is to be created to those who served, suffered and gave their lives on that tragic day.

Discussions have been held with Mr Don Rowe, the President of the New South Wales RSL, as well as with Mr Russell Curley, the President of the Families and Friends of the First AIF, to identify options for such a memorial, including issues of appropriate form and location. Descendants of those who fought at Fromelles can be assured that the New South Wales Government and the community will continue to give proper honour and respect to the sacrifices of the past.

**CHAIR:** In relation to the Retail Leases Act, at the expiration of a lease between a shopping centre and a tenant, do you believe a tenant should have first right of refusal as is the case in South Australia? Have you examined the South Australian model and are there any intentions to introduce that in New South Wales?

**Mr FRANK TERENCE:** The New South Wales Government actively supports fair and informed leasing practices in the State's retail sector. The Retail Leases Act regulates the commercial practices between these parties in the leasing relationship, and puts the negotiating strengths of landlords and tenants on a more equal footing. In April 2008, the Government publicly released a discussion paper seeking feedback on current issues affecting the retail leasing relationship. The Government also initiated an extensive process of industry consultation. The Government received more than 140 written submissions from stakeholders and other interested members of the public. Feedback received from tenants highlighted consistent concerns relating to an imbalance of information in the leasing relationship. It is also clear that landlords need to be able to manage their businesses effectively and that they are concerned about the implications of any additional industry regulation.

The Government is mindful that the needs of both landlords and tenants need to be carefully managed. The New South Wales Government has also been addressing this issue at a national level through the National Retail Tenancy Working Group. The working group was established in 2008 to identify options for greater harmonisation in key areas that will reduce the administrative burden on business while maintaining legislative protections. It is co-chaired by New South Wales and Victoria. I am mindful that the needs of both landlords and tenants need to be carefully balanced. This is a complex policy area involving an industry of vital importance to the State's economy. It is imperative that potential reforms are subject to rigorous analysis. The New South Wales Government will continue to consult with industry on any reforms necessary to ensure that the retail leasing market is functioning effectively.

**Mr DAVID SHOEBRIDGE:** How does the New South Wales Government define a small business? What definition is applied?

**Mr FRANK TERENCE:** More than 650,000 small businesses in New South Wales employ more than one million people, but I will defer to my departmental officers for the definition.

**Mr DAVID SHOEBRIDGE:** What is a small business?

**Mr CULLEN:** Essentially there are different definitions for small business. Generally, when we talk about a small to medium enterprise we are talking about something that has from one employee up to about 200. When you talk about a small business you are talking about something that has up to around 20 employees. There are different definitions but our programs are open to that range of businesses.

**Mr DAVID SHOEBRIDGE:** So when the Minister gave the answer of about 650,000, was that small and medium?

**Mr CULLEN:** That is small and medium businesses, yes.

**Mr DAVID SHOEBRIDGE:** So it went small, small, and small-medium? Is there a government position which is small and medium?

**Mr BUFFIER:** I am agreeing with Mr Cullen.

**Mr DAVID SHOEBRIDGE:** In terms of retail tenancy leases, is any specific attention being directed by the Government in terms of retail leases for large Westfield-style developments, where you will find multiple leases where there is a substantial imbalance of power between the landlord and various tenants?

**Mr FRANK TERENCEZINI:** As I said in my previous answer, a discussion paper was released in 2008 and there were many submissions, and it came through that there was an imbalance between leaseholders and landlords.

**Mr DAVID SHOEBRIDGE:** I do not mean to interrupt but I am just focusing on those large mall-style developments if it is possible.

**Mr FRANK TERENCEZINI:** Large shopping centres?

**Mr DAVID SHOEBRIDGE:** Yes.

**Mr FRANK TERENCEZINI:** As I said, we are continuing to consult on that issue. As I take your question, you are asking, if I have it correctly, about the tenants in those large shopping centres, is that correct?

**Mr DAVID SHOEBRIDGE:** Yes. I am not singling out Westfield but the Westfield-style developments.

**Mr FRANK TERENCEZINI:** As I said, there was a discussion paper on that and we are continuing to consult on that issue. You know, of course, that over 1,000 square metres the Retail Leases Act, does not apply?

**Mr DAVID SHOEBRIDGE:** Yes.

**Mr FRANK TERENCEZINI:** So, we are talking about the ones under that meterage. We are continuing to consult on a way forward on that issue. As I said, the results are that there is an imbalance in relationship and we are continuing to consult on the way forward.

**Mr DAVID SHOEBRIDGE:** How are you going about consulting with those 650,000 small businesses? What is the formal process to do that consulting?

**Mr FRANK TERENCEZINI:** I am meeting with industry representatives who represent those businesses. I have been doing that since I was a Minister. I do that from time to time. I am also asking small-business operators. My feedback is it is consistent with the discussion paper, the general thrust, which is that there is an imbalance there.

**Mr DAVID SHOEBRIDGE:** I suppose I am just interested in which industry representatives are meeting you, in order to get an overall sense of the 650,000 small businesses.

**Mr FRANK TERENCEZINI:** I will defer to Mr Murphy.

**Mr MURPHY:** As the Minister said, a discussion paper was released by the Government in 2008. A large number of submissions were received in relation to that. I understand that many of those were from the small retail tenants you are referring to. The Minister, since taking on responsibility for the portfolio, has met with a number of businesses, including in public forums, about the services provided by the Retail Tenancy Unit, which is now in the Department of Services, Technology and Administration. I suppose the Minister will continue to meet with those sorts of representatives.

**Mr DAVID SHOEBRIDGE:** When were the final submissions received in relation to that 2008 discussion paper?

**Mr FRANK TERENCEZINI:** I was not around then. Maybe my departmental people can advise me when they were received.

**Mr BUFFIER:** I am not sure when it was, but we can take that question on notice and provide that back to you.

**Mr DAVID SHOEBRIDGE:** Would it be fair to say it was in 2008?

**Mr BUFFIER:** It could have gone into 2009. I am not certain of the timing of it so I would need to take it on notice and come back to you.

**Mr DAVID SHOEBRIDGE:** But at least 18 months ago?

**Mr BUFFIER:** I would need to take the question on notice.

**Mr DAVID SHOEBRIDGE:** I am just wondering when we will get a report on that. It seems to me, conservatively at least, that it is at least 18 months since the conclusion of the submissions on a discussion paper. When are we going to get a report?

**Mr BUFFIER:** It does not sit within my part of the department, but I will take on notice the question as to when the submissions were made and we will provide you with an answer.

**Mr DAVID SHOEBRIDGE:** Minister, will you take on notice when we will get a national outcome from the discussion paper?

**Mr FRANK TERENCEZINI:** As I have indicated, Mr Shoebridge, I have been in this portfolio for four months and it is a topic that has been in discussion for some time. I am continuing to consult: it is my job. Whilst I cannot give you any exact date when a response or report will be provided, as soon as one is provided I am sure you will be made aware.

**Mr DAVID SHOEBRIDGE:** I am sure small business appreciates the consultation, but I am sure they are much more interested in when they are actually going to get some action from the consultation. Can you give an indication to the 650,000 small businesses when they are going to have a report?

**Mr FRANK TERENCEZINI:** As I said, they are keen for something to happen. So am I, but I am consulting at the moment and the 650,000 small and medium businesses can rest assured that their Minister is consulting and when a report is provided then you and the New South Wales business community will be notified.

**Mr DAVID SHOEBRIDGE:** So the short answer is in the fullness of time?

**Mr FRANK TERENCEZINI:** That is not what I said, Mr Shoebridge. I said I have been the Minister since 21 May of this year and discussion has been going on for some time and I am consulting. It is a topic of interest to me and when a position is arrived at that will be communicated.

**Mr DAVID SHOEBRIDGE:** Just changing hats to Veterans' Affairs, have you or your department had any communications with veterans groups regarding a formal Boer War memorial in Sydney?

**Mr FRANK TERENCEZINI:** I have not but my departmental officer who is in charge of that may be able to assist you with that.

**Mr MITCHELL:** Hello, Mr Shoebridge. The contact that I have had in relation to Boer War matters has been with the Boer War organisation, in particular the State branch, and last year we initiated discussions with them around providing an annual service of commemoration, which we first held this year very successfully at the Anzac Memorial and they have been satisfied that that provides an appropriate place of focus for city-based Boer War commemoration. You may also be aware that they have undertaken a very extensive advertising program so that local communities also undertake Boer War commemorations. I think there were quite a number around the State this year, back on 30 May. But in relation to whether there might be a specific Boer War memorial created, my understanding is that there are already a number throughout the State that provides an appropriate commemorative focus. I am not aware that they are pushing for one in Sydney, for example, but I do know that there is one under design work in Canberra and it is a matter for the Federal authorities.

**Mr DAVID SHOEBRIDGE:** Does the department take on responsibility for maintenance and upkeep of the Boer War memorials scattered around the State? The one that comes to mind in particular is the one out at

Watsons Bay. It was recently repaired under a grant between the council and veterans groups but no contribution, as I understood it, from the department.

**Mr FRANK TERENCE:** That is a very good question. We have funds available for community war memorials—\$250,000 each year. Veterans affairs association groups can apply for that to restore the war memorials and Boer War memorials would, all things considered, be eligible for application for that funding. We have located about 3,000 World War I, World War II and Boer War memorials around the State and we have a program in place to facilitate their restoration.

**Mr DAVID SHOEBRIDGE:** Is the \$250,000 budget sufficient? Is it fully expended every year or is there an excess of grants? What is the situation?

**Mr FRANK TERENCE:** There are certainly quite a number of applications. When I viewed the figures it was fully expended. I think we are finding more and more war memorials out there. For example, in 2009-10, a total of \$249,686 was allocated to 39 recipients for 40 projects. There is a full list but the money was fully expended.

**Mr DAVID SHOEBRIDGE:** I am wondering whether your advice from the department is that that is sufficient funds to maintain this important part of our cultural heritage or is the Government going to have to put additional funds towards it?

**Mr FRANK TERENCE:** From what I have been able to see, the system is operating very successfully. It is \$250,000 per year and we will closely monitor that. It is operating very well.

**Mr DAVID SHOEBRIDGE:** Has the \$250,000 changed in the last 10 years?

**Mr FRANK TERENCE:** It has only been operating from 2007-08 onwards.

**Mr DAVID SHOEBRIDGE:** It has been \$250,000 for that whole time?

**Mr FRANK TERENCE:** Each year.

**The Hon. SOPHIE COTTE:** My question relates to Veterans' Affairs. What funds are provided by the New South Wales Government to the Kokoda Track Memorial Walkway at Concord?

**Mr FRANK TERENCE:** Thank you for that question. The Government for many years has been a willing and important contributor to the Kokoda Track Memorial Walkway. The walkway is a remarkable tribute to Australians who served in the Papua New Guinea campaign of 1942 to 1943. Kokoda was a strategic battle front in the defence of our nation. In November 1942 the Japanese advance through the jungles of Papua had been turned into a retreat by our soldiers, but it was a battle bitterly fought. The Papuan campaign ended with the surrender of the Japanese on 22 January 1943. It had cost Australia over 6,000 casualties.

The story of this ultimately successful campaign is told through 22 stations along the memorial walkway. Each is named for significant places along the original Kokoda Track, providing a chronological history of battles fought. Since my appointment as Minister Assisting the Premier on Veterans' Affairs I have had the privilege of making a number of official visits to the Kokoda Track Memorial Walkway. On two of those occasions it was to deliver essential funds from the Government to repair the walkway after its senseless desecration by a vandal in the early hours of 24 July. These grants, totalling \$41,000, have ensured the stations and closed-circuit television [CCTV] that were damaged have been fully restored. These contributions follow on from a recent New South Wales Government grant of \$195,000 towards the memorial's pathway replacement project.

This project involved replacing and strengthening the 800-metre public walkway extending from the grounds of Concord Repatriation General Hospital through Rhodes Park to Rhodes station. General wear and tear had presented safety issues for the elderly and sick, who are frequent visitors to the memorial. The opportunity has been taken to also upgrade lighting, audio and CCTV cabling underneath the pathway, all of which provide a foundation for the memorial's important education role. The education of school students and other visitors was the focus of another large grant to the walkway. The New South Wales Government provided \$400,000 towards the new education centre.



The education centre opened last year and has been designed to cater for large numbers of school groups which visit the memorial walkway. It is named after Lieutenant Colonel Ralph Honner, the commanding officer of the 39th Battalion, which was instrumental in repelling the Japanese through 1942, including the successful advance to retake Kokoda on 2 November 1942. The Ralph Honner Centre, with its provision of state-of-the-art audio visual equipment and memorabilia, displays allows visiting schoolchildren and community groups to gain a greater appreciation of the Kokoda campaign, the courage of our service men and women and the harsh conditions under which our veterans fought.

The New South Wales Government is working closely with Mr Rusty Priest, AM, Chairman of the Kokoda Track Memorial Trust and his fellow trust members to reform the governance of the memorial and to develop business plans for its operation. These are important next steps for such a significant feature of Sydney's memorial fabric. Replacement of the pathway, first laid in 1995, has completed major works at the memorial. It is now necessary to put in place the essential organisational foundations that will enable the memorial walkway to continue serving our community for many generations to come. Mr Priest has been a remarkable advocate for veterans over many years. His determination has ensured the memorial at Concord is a living testimony to the sacrifices made by the World War II generation. The New South Wales Government will continue to work in partnership with Mr Priest and the trust so that it remains a vital tribute to the men and women who fought for the freedom we enjoy today.

**The Hon. KAYEE GRIFFIN:** My question relates to Small Business. What types of financial and non-financial assistance does the Government provide to small business?

**Mr FRANK TERENCE:** The New South Wales Government values the contribution of the small business sector and its importance to the State's economic wellbeing. Nationally, small businesses make up a veritable army of about 1.93 million enterprises, employing 3.8 million people and contributing around 35 per cent of Australia's total gross domestic product. That is around 46 per cent of total private sector employment. These facts speak loud and clear for why small business is vital to the Australian economy. New South Wales boasts the lion's share of economic activity driven by its 650,000-plus small businesses, representing 99.7 per cent of all businesses in New South Wales.

Small businesses should be praised as they are responsible for employing more than one million people. That is why the New South Wales Government is working hard to provide the small business sector with the best opportunities to thrive. Our focus is to assist small businesses at critical stages of their development and to promote growth. We provide financial and non-financial support to businesses to encourage jobs growth and to create sustainable communities. In the State Budget, the New South Wales Government announced it will invest \$23 million in programs to support New South Wales small- and medium-size businesses in 2010-11. From that investment come a range of ongoing programs designed to support jobs, identify viable new ventures, and give existing small businesses the best possible advice and support to grow.

Some of our continuing programs for small businesses include our Business Advisory Service, which provides advice and information to both business starters and existing businesses in the metropolitan and regional areas. This service helps people right from the start who have a kernel of a business idea. This is done via a network of 14 Business Advisory Service providers that operate out of 39 offices across New South Wales. In the last financial year the service provided more than 225,000 services and contributed to the creation of more than 4,000 jobs. The Business Advisory Service caters for the very specific needs of small business, by offering face-to-face consultations and by encouraging relationship development and networking.

In September 2009 we launched a revamped version of the New South Wales Government's SmallBiz website. The website ensures all small businesses get access to top-quality information, training and support regardless of the time of day or night. The SmallBiz website is proving a valuable resource for small businesses, with almost five million page views and more than 520,000 unique visitors recorded since its launch in September last year. The website's "start, run and grow" structure means that targeted help is available to people who are starting up, refining their business operations or expanding into new markets. The Smallbiz website features a Small Business Tool Kit with audio and video presentations, checklists, calculators, and advice on a range of business management issues, including how to develop a business plan.

The Government also offers an Innovation Advisory Service to help small businesses along the way to commercialising their innovative ideas. Innovations can make an important contribution to the success and sustainability of small businesses. Our IAS is designed to support these businesses to become more diverse and resilient through innovation. During the year the New South Wales Government also hosts a number of events

for business, including MicroBiz Week and Manufacturing Week, which inform businesses of new developments, and provide networking and business opportunities.

This month, of course, is Small Business September. This is the New South Wales Government's flagship event of the year featuring a record number of more than 500 events, consisting of seminars, workshops, webinars and networking events. The extensive Small Business September program provides business owners with fresh ideas for running their business and meeting business challenges.

Further to these great initiatives, in this year's budget we allocated \$2.31 million on mentoring and networking services, including women in business, young entrepreneurs, the Innovation Advisory Service, Aboriginal business development, as well as business clusters and networks. These programs help businesses plan a growth strategy and address business challenges. Small Business Mentoring seeks to assist small businesses with their precise needs by offering business skill workshops in conjunction with face-to-face mentoring. Over the past decade small business has made a remarkable contribution to the New South Wales economy. This is why the New South Wales Government is dedicated to supporting these businesses to thrive and prosper.

**The Hon. PENNY SHARPE:** What action is being taken by the Government to assist small businesses access credit?

**Mr FRANK TERENCE:** Thank you for your important question. This is something we can be very proud of. The flow of credit is vital for economic recovery, and businesses need credit for working capital and to pay workers and suppliers. While the official cash rate sits at 4.5 per cent, small businesses continue to pay a premium, with average lending rates around 8.5 per cent. I am pleased to report the New South Wales Government has been working on several important initiatives to help individual small businesses manage in the current economic climate. To help small businesses gain access to much-needed credit, in January 2010 the Government announced the expansion of our successful Micro Credit Enterprise Program. Small businesses in the Hunter and Macarthur regions have already had access to the program. This year the program was extended to Wagga Wagga, Orange, the Central Coast and Parramatta through the local Business Advisory Services.

This fantastic program is in collaboration with the National Australia Bank, which has committed \$100 million in credit to expand the program. Furthermore, the Government has committed an additional \$100,000 to top up the loans, to support recipients with training, business planning and mentoring. The program now has more than 160 participants and about \$2.3 million on loan. This is a great program for small businesses on low income with little or no security to get access to affordable credit up to \$20,000. The Government has committed an additional \$100,000 to provide recipients with training, business planning and mentoring.

The Government, through Industry and Investment, is also working with the Australian Bankers Association and individual banking institutions to link them more closely with the needs of small business. The Government's reforms to the payroll tax system have also brought some welcome relief to employers during these challenging economic times. The payroll tax threshold increased from \$638,000 to \$658,000 from July 2010 and will increase each year in line with the consumer price index. It should be noted that New South Wales is the only State in Australia to index the threshold. The payroll tax rate is now 5.50 per cent and will be further reduced to 5.45 per cent from 1 January 2011. This has resulted in more than 90 per cent of New South Wales businesses paying no payroll tax. In addition, we have reduced workers compensation premium rates by an average of 33 per cent between 2005 and 2010, achieving a total saving to business of around \$1 billion each year.

The New South Wales Government also made it simpler for small business to find the cheapest and most suitable loan by providing a Small Business Loan Finder. The loan finder is available at the New South Wales Government's small business website. These are just a few of the initiatives the New South Wales Government has implemented to assist business forge through these challenging economic times.

**The Hon. KAYEE GRIFFIN:** Minister, earlier you spoke about the Anzac Memorial. What financial and governance reform has the Government initiated in relation to that building?

**Mr FRANK TERENCE:** The New South Wales Government has taken substantial action over the past year to preserve and enhance the position of the Anzac Memorial Building as the State's principal war memorial. Dedicated in 1934, the Anzac Memorial Building in Hyde Park now stands as a haven to the memory of those who have served in all wars. Premier Keneally recently declared the memorial a State Heritage site—

the highest form of heritage recognition and protection in New South Wales, a step befitting not only the significant aesthetic merit of the building but also its longstanding role in commemoration of the sacrifices of the past.

The Premier also announced important reform of the memorial's governance and management, reforms that have now been agreed to by both Houses of Parliament. The trust established by legislation had remained virtually unchanged since the 1920s. However, trust membership has now been broadened to include the State Librarian, the Director General of Education and Training, and the New South Wales Government Architect. The Premier continues as chair of the trust, with the President of the Returned and Services League to become deputy chair. In addition, the trust now has an increased role in developing the memorial's educational, curatorial and volunteer requirements, and will receive management and secretariat support through the Office of Veterans' Affairs recently established in the Department of Premier and Cabinet. The reforms have been pursued in partnership with, and with the full agreement of the Returned and Services League, which will be given special honour through legislative appointment as guardian of the memorial, similar to the role it plays at the Cenotaph. Importantly, the non-partisan involvement of the Opposition Leader and the Lord Mayor at a senior level will be retained.

A modernised and more strategic trust supported by the professional resources of government enables the memorial to develop into the future, particularly benefitting families and schoolchildren who will gain a greater understanding of Australia's military history and heritage. These changes follow significant financial investment in the memorial, including the \$6 million refurbishment completed last year in time for the memorial's seventy-fifth anniversary, and an additional \$750,000 per annum to ensure the memorial is protected at night and can fund its routine maintenance.

The Anzac Memorial Building is the pre-eminent expression of post-World War I efforts to erect memorials in every Australian city, town and suburb. As we approach the centenary of the Great War, the Government has acted to enhance the capacity of the Anzac Memorial Building. Through these actions, future generations will never forget the sacrifices involved in serving in defence of our nation.

**The Hon. CHARLIE LYNN:** Minister, I have one correction to make to your initial statement on the Kokoda campaign. The Australian Army never retreats; it withdraws. The Japanese do not have a term for retreat; they advance to the rear. That is a very minor point. I think the work you are doing with the Kokoda Track Memorial Walkway and the Anzac Memorial Building is tremendous. Victoria has a very successful policy that every schoolchild in that State, from primary through to secondary, will get to visit their shrine at least once during their education. Does the New South Wales Government have any plans for such a policy to be developed for every school child in this State to visit the Kokoda Track Memorial Walkway and the Anzac Memorial Building?

**Mr FRANK TERENCE:** Thank you for your question. I take on board your correction. Now that the Trust has been reconstituted it can look at that issue. In fact, I expect the Trust to be looking at that and many other issues. It is also important to note that we have a centenary committee that is looking at the educational side of things as well. I expect the Trust to do the same. I support the further education for our youngsters at school in any way we can.

**CHAIR:** That brings us to the conclusion of this hearing. I thank the Minister and his officers for their assistance today.

**Mr FRANK TERENCE:** Thank you, Chair.

(The witnesses withdrew)

**The Committee proceeded to deliberate.**