

# **GENERAL PURPOSE STANDING COMMITTEE NO. 5**

**Thursday 11 October 2012**

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

## **FAIR TRADING**

**The Committee met at 3.45 p.m.**

### **MEMBERS**

The Hon. R. L. Brown (Chair)

The Hon. R. H. Colless  
Dr J. Kaye  
The Hon. S. MacDonald

The Hon. Dr P. R. Phelps  
The Hon. A. Searle  
The Hon. L. J. Voltz

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### **PRESENT**

**The Hon Anthony Roberts**, Minister for Fair Trading

**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**

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**CHAIR:** I declare the hearing for the inquiry into budget estimates 2012-13 open to the public. I welcome Minister Roberts and accompanying officials to this hearing. Today the Committee will examine the proposed expenditures for the portfolio of Fair Trading. Before we commence, I will make some comments about procedural matters. In accordance with the Legislative Council's *Guidelines for the Broadcast of Proceedings*, only Committee members and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In reporting the proceedings of the Committee, media must take responsibility for what you publish or what interpretation you place on anything that is said before the Committee. Guidelines for the broadcast of proceedings are available at the table by the door. Any messages from advisers or members' staff seated in the public gallery should be delivered through the Chamber and support staff, or the Committee clerks.

Minister, I remind you and the officers accompanying that that you are free to pass notes and refer directly to the advisers seated at the table behind you. Transcripts of this hearing will be available on the web from tomorrow morning. Minister, the House has resolved that answers to questions on notice must be provided within 21 days. I remind everyone, that is, Committee personnel, witnesses and people in the public gallery, to turn off their mobile phones. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament. I will ask all witnesses, each in turn, to state your full name, job title and agency; and then I will ask you to either swear an oath or to make an affirmation.

**BJORN BORG**, Acting Accounting and Commercial Manager, Department of Finance and Services, and

**RODNEY STOWE**, Commissioner for Fair Trading, NSW Fair Trading, sworn and examined:

**DON JONES**, Assistant Commissioner, Compliance and Enforcement, NSW Fair Trading, and

**JOHN TANSEY**, Assistant Commissioner, Home Building Service, NSW Fair Trading, affirmed and examined:

**CHAIR:** Minister, as there is no provision for a Minister to make an opening statement before the Committee commences questioning, we will begin with questions from the Opposition.

**The Hon. ADAM SEARLE:** Minister, can you confirm that you met with property developers Vic Cavasinni, the owner of Cavasinni Constructions and Beechwood Homes, David Masterton of Masterton Homes, and Peter Fowler of Fowler Homes, after they each bid for lunches with you at a Liberal Party fundraiser?

**Mr ANTHONY ROBERTS:** Yes, I can.

**The Hon. ADAM SEARLE:** Can you inform the Committee of the days and places at which you had those meetings?

**Mr ANTHONY ROBERTS:** I will take that question on notice.

**The Hon. ADAM SEARLE:** Did you meet with them all at once or were there separate meetings?

**Mr ANTHONY ROBERTS:** Two separate lunchtime meetings.

**The Hon. ADAM SEARLE:** Did you take ministerial staff with you to these lunches?

**Mr ANTHONY ROBERTS:** Not to my recollection.

**The Hon. ADAM SEARLE:** Was any record of what was discussed at those lunches made by you or anybody else present?

**Mr ANTHONY ROBERTS:** No, there was not. With me was a staff member from the office of the member for Smithfield and the member for Smithfield.

**The Hon. ADAM SEARLE:** Mr Rohan was present at both?

**Mr ANTHONY ROBERTS:** That is correct.

**The Hon. ADAM SEARLE:** And one of his staff members?

**Mr ANTHONY ROBERTS:** That is correct.

**The Hon. ADAM SEARLE:** Do you remember which one?

**Mr ANTHONY ROBERTS:** Mr Zaya Toma.

**The Hon. ADAM SEARLE:** Sorry, did you say they made a record of what was discussed at those meetings?

**Mr ANTHONY ROBERTS:** I am unsure of that. I cannot answer that question.

**The Hon. ADAM SEARLE:** So there were two meetings. You do not remember the dates and you are taking on notice?

**Mr ANTHONY ROBERTS:** Yes.

**The Hon. ADAM SEARLE:** About how long ddi they go for?

**Mr ANTHONY ROBERTS:** Over a short period of time, I think half an hour to 40 minutes. Again, I have addressed this issue in Parliament itself.

**The Hon. ADAM SEARLE:** These lunches were auctioned off, I think, at a fundraiser conducted by Mr Rohan here at Parliament House, is that correct?

**Mr ANTHONY ROBERTS:** This issue has already been addressed in the Parliament. I am happy to state again on the record for this Committee that at all times I have acted in full compliance with the law. I want to put on the record here that as Minister responsible for administering the Home Building Act and as one of those with the task of reinvigorating an industry that was nearly annihilated by 16 years of Labor mismanagement, I do not make any apologies for meeting with home building companies. In fact, I recognise and thank the member for Smithfield for facilitating valuable meetings with stakeholders.

**The Hon. ADAM SEARLE:** You recognise them as stakeholders?

**Mr ANTHONY ROBERTS:** Absolutely.

**The Hon. ADAM SEARLE:** They clearly wanted to meet with you in your capacity as the Minister of the Crown with responsibility for areas of their industry in which they were active. You are nodding that that is correct?

**Mr ANTHONY ROBERTS:** Yes.

**The Hon. ADAM SEARLE:** So before you had lunch with these gentlemen you knew that they were developers with an interest in matters arising in the industry?

**Mr ANTHONY ROBERTS:** No, I did not. I put it on the record—

**The Hon. ADAM SEARLE:** Just pause there, Minister. Mr Cavasinni has stated that he had what he described as an "impromptu" meeting with you at a Smithfield coffee shop prior to these lunches and prior to the fundraiser, where he says he had a discussion with you about concerns he had with the Home Building Act. That is correct, is it not?

**Mr ANTHONY ROBERTS:** That is—

**The Hon. ADAM SEARLE:** So you knew beforehand that he was a developer, did you not?

**The Hon. Dr PETER PHELPS:** Point of order: The Minister had not even answered before the Hon. Adam Searle then continued with a new question. The Minister should be allowed to answer a question without being interrupted.

**CHAIR:** Generally speaking witnesses should be allowed to answer a question before a member proceeds to ask another question. Minister, please proceed.

**Mr ANTHONY ROBERTS:** That is partly correct. I was trying to assist the honourable member with the level of misinformation that he had. I had met a Mr Cavasinni who, indeed, I believe is the owner of Beechwood Homes—we all remember Beechwood Homes from the previous Government's absolute failed dealings with the collapse of that home building company at the time. I met with him very briefly together with Mr Rohan on a marginal seat visit prior to this and he raised concerns. But can I say that I understand where the honourable member seems to be pushing this, but I want to place on the record that this has already been raised and addressed in Parliament. Again I put on the record, at all times I have acted in compliance with the law. I am more concerned about the honourable member's failure to understand that it is important for me as Minister to meet with these stakeholders because if we do not do something—

**The Hon. ADAM SEARLE:** And to charge them for the benefit? Is that what you are getting at?

**Mr ANTHONY ROBERTS:** They were never charged. But if I can finish—

**The Hon. ADAM SEARLE:** Sorry, did they not bid at a fundraiser for these lunches?

**Mr ANTHONY ROBERTS:** I did not run the fundraiser.

**The Hon. ADAM SEARLE:** I did not say that you did.

**Mr ANTHONY ROBERTS:** I understand exactly where you are coming from. What I am saying is that the honourable member fails to understand that New South Wales is going to have a housing shortage of almost 140,000 homes by 2016. Do you understand that? The member owns his own home. He has a home and a roof over his head. If the Government does not do something about it there are going to be 140,000 people in this State by 2016 who are not going to have homes.

**The Hon. ADAM SEARLE:** Minister, I have no problem with you meeting with stakeholders but—

**Mr ANTHONY ROBERTS:** You obviously do.

**The Hon. ADAM SEARLE:** —if I might just pose to you the very direct question about your meeting with Mr Cavasinni at this coffee shop at Smithfield on this marginal seat visit.

**Mr ANTHONY ROBERTS:** No, I have said that is incorrect. I did not meet with Mr Cavasinni at a coffee shop at Smithfield.

**The Hon. ADAM SEARLE:** You said that you were with Mr Rohan on a marginal seat visit, presumably in Smithfield—

**Mr ANTHONY ROBERTS:** Correct.

**The Hon. ADAM SEARLE:** —when you met Mr Cavasinni?

**Mr ANTHONY ROBERTS:** I would not have been with Mr Rohan on a marginal seat visit at Penrith.

**The Hon. ADAM SEARLE:** No, I did not say it was at Penrith. Mr Cavasinni says at that time he had a discussion with you about difficulties with the Home Building Act as he perceived it.

**Mr ANTHONY ROBERTS:** Would you like me to answer that?

**The Hon. ADAM SEARLE:** Sure.

**Mr ANTHONY ROBERTS:** I am very happy to continue along this line because it does reinforce what this Government is doing. Look, he is not the only builder who builds homes for people facing difficulties, particularly after the collapse of Beechwood Homes under the previous Government. This is a bloke who builds for people, that employs people. He is concerned about the future of his business in effectively a home building market that is not going terribly well at the moment.

**The Hon. ADAM SEARLE:** Minister, you knew what line of business he was engaged in arising from that meeting with him?

**Mr ANTHONY ROBERTS:** That he built homes?

**The Hon. ADAM SEARLE:** Commercially, as a developer.

**Mr ANTHONY ROBERTS:** You do not actually have to be a developer to build homes; you can be a project builder.

**The Hon. ADAM SEARLE:** But you certainly knew what he did before you had the lunch with him, didn't you?

**Mr ANTHONY ROBERTS:** That he built homes, correct.

**The Hon. ADAM SEARLE:** No, that he was a developer.

**Mr ANTHONY ROBERTS:** No, no, that he built homes.

**The Hon. ADAM SEARLE:** So you say you had no knowledge that he was a property developer?

**Mr ANTHONY ROBERTS:** No knowledge at all. He built homes. Why would I even be worried that he was a developer? I meet with developers regularly as part of my job.

**The Hon. ADAM SEARLE:** Yes, but are they in the habit of bidding at auctions at Liberal Party fundraisers for the benefit of having these meetings with you?

**Mr ANTHONY ROBERTS:** I meet with people every day and I will run through a list of organisations I meet with. Again, as the Premier said, please do not try to judge us by the previous Government's standards. I have an open door policy where you do not need to go via lobbyists; you do not need to do anything to come to see me. I am really passionate about getting the home building industry back on its feet. We need to do it; we are compelled to do it. Our children are going to be faced with enough problems of their own making, let alone problems that we leave them through inaction from our generation. I can tell you right now, Mr Searle, I state it again—and I am happy to spend much of your 40 minutes stating again—that I have acted in full compliance with the law and I have addressed this issue within the Parliament.

**The Hon. ADAM SEARLE:** You said you are happy to meet with stakeholders and they do not have to pay for the benefit. When you had these lunchtime meetings you knew that they had bid for these meetings at a fundraiser, did you not?

**Mr ANTHONY ROBERTS:** These people never paid to have lunch with me.

**The Hon. ADAM SEARLE:** Well, that is because the cheques were returned, is that not the case? They in fact did give cheques for the benefit, it is just they got sprung and had to return them. Is not that the case?

**Mr ANTHONY ROBERTS:** These people did not pay to have lunch with me. They do not need to pay to have lunch with me. In fact, I go out of my way to go and visit people like this because they employ people; they build homes. We need to grow our home building industry. I think you fail to understand that if we do not get things moving and get things right, we are going to have a generation of people for whom the dream of owning a home will be nothing but something that their parents were able to grasp. I do not know whether you have seen the papers today, but there are people queuing up around corners, forget about to buy a home, but queuing up around corners to rent a property. That is how bad it is. It comes back to basic demand and supply, and the previous Government failed to supply the housing so now we have not only a housing crisis where the affordability is just way out of the reach of the average mum and dad, single person or people with a partner but also even rental accommodation in Sydney is now merely a dream for some people.

**The Hon. ADAM SEARLE:** The reason why you say these gentlemen did not pay is that at least half of the cheques that were gathered at the fundraiser had to be returned, is that not correct? Is that not what Mr Toma says?

**The Hon. Dr PETER PHELPS:** Point of order: Mr Chair, how is it supposed to be in the knowledge of the Minister and how is it his portfolio responsibility to have any knowledge what either the Liberal Party's head office or a local branch of the Liberal Party would be doing in relation to the depositing or returning of cheques. It is obviously outside the Minister's portfolio and you should not allow the question to stand.

**The Hon. ADAM SEARLE:** To the point of order: Mr Toma accompanied Mr Rohan and the Minister at these meetings and Mr Toma appears to have had a lead role in organising the event.

**CHAIR:** That is not germane to the point of order. I will not uphold the point of order simply because we are examining a Minister of the Crown who appears to me to be quite capable of answering these questions. All I ask is that Committee members extend the courtesy of allowing the Minister to answer a question before they ask another question. Please proceed.

**The Hon. ADAM SEARLE:** Did you give permission to Mr Rohan to auction off these lunches with you at the fundraiser conducted here at Parliament House on 11 April this year?

**Mr ANTHONY ROBERTS:** Can you just repeat that question?

**The Hon. ADAM SEARLE:** Did you give permission to Mr Rohan to auction off lunches with you at his fundraiser that was conducted here at Parliament on 11 April this year?

**Mr ANTHONY ROBERTS:** I take it that the 11 April function that you are alluding to was a lunch with one of the—

**The Hon. ADAM SEARLE:** No, I think the two lunches that you say you had with these gentlemen happened after. I believe there was a fundraiser organised by Mr Rohan at which he auctioned off the lunches with you?

**Mr ANTHONY ROBERTS:** No.

**The Hon. ADAM SEARLE:** You say that is not correct?

**Mr ANTHONY ROBERTS:** No, there was no function here; there was no auction at Parliament House.

**The Hon. ADAM SEARLE:** Mr Rohan had a fundraiser at which he auctioned off lunches with you, correct?

**Mr ANTHONY ROBERTS:** Right, yes, tick. There was nothing illegal about that.

**The Hon. ADAM SEARLE:** And you gave Mr Rohan permission to auction off those lunches?

**Mr ANTHONY ROBERTS:** That is correct, yes.

**The Hon. ADAM SEARLE:** Prior to attending these two lunches you knew who the lunches were with?

**Mr ANTHONY ROBERTS:** That is correct.

**The Hon. ADAM SEARLE:** So you knew that the lunches, for example, included Mr David Masterton, the Chief Executive Officer of Masterton Homes?

**Mr ANTHONY ROBERTS:** That is right, and can I put on record here what a great organisation Masterton Homes is, the amount of people they employ and their contribution to the New South Wales economy.

**The Hon. ADAM SEARLE:** As well as being a builder of homes, you know that Masterton Homes is a property developer, do you not?

**Mr ANTHONY ROBERTS:** What I do know—and this was made clear to me before accepting to go to those lunches—was that there was no money accepted from property developers for that original lunch or for the subsequent lunches. Indeed, Mr Rohan paid for those lunches, from my understanding, himself, so the individuals there were guests, as I was, of Mr Rohan, who paid for those lunches. I have to say there, indeed, is a level of civic pride at least for someone to actually pay for stakeholders to come to have lunch and give me feedback about how difficult things are and how important the need for reform is in New South Wales.

**The Hon. ADAM SEARLE:** Given that the lunches were with stakeholders, would it not have been more appropriate to have those meetings with appropriate agency staff and ministerial staff in your ministerial office rather than in a lunch room setting?

**Mr ANTHONY ROBERTS:** I do not usually have lunch; I avoid lunches. I am too busy to have lunches.

**The Hon. Dr PETER PHELPS:** Hear, hear! He is a hardworking Minister.

**The Hon. ADAM SEARLE:** That is clearly not the case; we know of at least two lunches.

**The Hon. RICK COLLESS:** You are fading away to a shadow.

**Mr ANTHONY ROBERTS:** I am.

**The Hon. Dr PETER PHELPS:** Much thinner than the old Robbo.

**Mr ANTHONY ROBERTS:** I was quite happy in an informal situation, as I do in formal situations, to hear from stakeholders—in fact, there is nothing different, for example, to recently sitting down in Wilcannia with someone on the side of the road with a cup of tea after we had boiled the billy, and talking in an informal way about issues that are facing them. This is about listening; this is about finding out what is going on with stakeholders, whether they are developers or anyone. I will listen to anyone because I think if we are going to get things right for New South Wales and get the legislation right, you have to take everyone with you.

**The Hon. LYNDA VOLTZ:** Minister, at the time of having these lunches you were aware that these lunches were with the people who had bid on the auction that you had given permission to run at the fundraiser?

**Mr ANTHONY ROBERTS:** Yes.

**The Hon. LYNDA VOLTZ:** You know legislation has been passed through the House regarding donations to political parties?

**Mr ANTHONY ROBERTS:** Absolutely.

**The Hon. LYNDA VOLTZ:** And that under that Act property developers are prohibited from making donations?

**Mr ANTHONY ROBERTS:** Correct.

**The Hon. LYNDA VOLTZ:** Do you understand what the definition of "property developer" is under that Act?

**The Hon. Dr PETER PHELPS:** Point of order: That is asking for a legal opinion.

**The Hon. LYNDA VOLTZ:** To the point of order: It is not asking for a legal opinion. It is an Act that members of Parliament are required to abide by.

**The Hon. Dr PETER PHELPS:** It is still asking for a legal opinion. Asking for a definition in an Act is asking for a legal opinion because it is asking to interpret that Act and as such it should be ruled out of order.

**CHAIR:** I will not uphold the point of order. The Minister is quite capable of deciding whether he is capable of answering the question or not.

**Mr ANTHONY ROBERTS:** Can I say that at all times I abided by the law. I was cognisant of the fact that property developers could not donate. The law at times seems to be slightly unclear with respect to this. As Dr Phelps has stated, I am not going to give you a free half hour of legal advice. We are all quite capable of going to Mr Searle and other people for legal advice, if required. I can say that never have we accepted those donations. Certainly these people did not pay. No money was accepted into an account with respect to coming and seeing me. There is no way I would do that. They do not need to do that. This is not your former Government. Why did we bring these laws in? I might as well throw that in while we are at it. We brought these in for a very good reason and a very good purpose. It was because of the excesses—

**The Hon. LYNDA VOLTZ:** Let us just go back to the Act that you brought in. Under the Act, the requirement for a property developer is someone who actually makes their living from building properties. Would that be incorrect?

**Mr ANTHONY ROBERTS:** Actually, I am not going to give a legal opinion, but I think you have probably simplified it too far. I think there are probably a dozen lawyers in Sydney who would take you to task on that.

**The Hon. LYNDA VOLTZ:** I think the Act is pretty clear, but we will move on.

**Mr ANTHONY ROBERTS:** You might want to raise that with the Attorney General. He is probably the best person to give you advice on that.

**The Hon. LYNDA VOLTZ:** When this issue was raised, did you go back and check the Act?

**Mr ANTHONY ROBERTS:** We took advice at all stages to ensure that I was not in attendance at anything where developers were making donations, and I will put it on the record once again. I have dealt with this in the Parliament. At all times I have followed the law—at all times I have been compliant with the law—and I make no apologies. I will put it on the record again. We need to sit down with stakeholders to get the home building industry working again. These are people who used to vote for you and you wonder why they do not vote for you anymore. These are the subbies, the people out there who are doing it tough, the men and women who are doing it tough because the system that has been left to them has totally failed.

**The Hon. LYNDA VOLTZ:** If these donations and lunches were within the law, why did the Premier ask for the money to be returned?

**Mr ANTHONY ROBERTS:** My understanding is that the money had been returned.

**The Hon. LYNDA VOLTZ:** At the Premier's request.

**Mr ANTHONY ROBERTS:** Maybe you should raise that with the Premier. All I know is that no money from these developers for those lunches was banked—

**The Hon. ADAM SEARLE:** Leaving aside the issue of whether it was banked, Mr Fowler confirmed that he paid more than \$2,000 for lunch with you. Whether the cheque was cashed, he says he gave over the cheque to have lunch with you.

**The Hon. Dr PETER PHELPS:** Point of order: How can it be within the competence of the Minister's portfolio to ask whether a cheque was given from a private individual to an organ of the Liberal Party which the Minister has no direct relevance to? I ask that you rule the question out of order. It is outside his area of portfolio responsibility and indeed outside his area of knowledge.

**CHAIR:** To the point of order: The Minister has already answered the question.

**The Hon. LYNDA VOLTZ:** Minister, when you gave permission for these auctions to happen, did you ask who was going to be coming to the lunches?

**Mr ANTHONY ROBERTS:** No, I did not.

**The Hon. LYNDA VOLTZ:** So you did not know who was going to turn up on the day at the lunches?

**Mr ANTHONY ROBERTS:** I am sorry, when they were auctioned—look, I am happy to answer questions if the questions are direct and actually require an answer, but they do not. If you cannot get the questions right—

**The Hon. ADAM SEARLE:** Minister, if the meetings were meetings with stakeholders and no money was given by the individuals to have the meetings with you—

**Mr ANTHONY ROBERTS:** Yes, I think we have addressed that, Mr Searle.

**The Hon. ADAM SEARLE:** Why was a record of what was said at the meeting not made if these stakeholders were meeting with you as the Minister, in your ministerial capacity? You had no ministerial staff there. You had a member of your backbench and that member's staff member, but no member of your staff to make a record. Why was that?

**Mr ANTHONY ROBERTS:** Because I meet with stakeholders on a regular basis and I seek information from those stakeholders about what we need to do to solve issues within their industries, and in this case it is the home building industry. There is no requirement for me to record those conversations when they are basically informal meetings.

**Dr JOHN KAYE:** Minister, when did you last shampoo your hair?

**Mr ANTHONY ROBERTS:** If this is something to do with my contribution to greenhouse—

**Dr JOHN KAYE:** No, Minister, it is not—or maybe it is, but if you would like to answer the question?

**Mr ANTHONY ROBERTS:** I am sorry, okay, I shampooed it this morning, but I am pleased to note that, more by accident than design, I did it with a Manuka type of honey, which was totally green.

**The Hon. Dr PETER PHELPS:** Oh shame. Resign!

**Mr ANTHONY ROBERTS:** Dr Phelps, I know.

**Dr JOHN KAYE:** You have just lost caucus support. Minister, I am not sure what Manuka honey is, but did you have a look at the contents? As you were shampooing your hair, did you look at the label with the contents on it?

**Mr ANTHONY ROBERTS:** No, I was actually quite impressed with the picture of a honeycomb on the front, but I am now starting to become very afraid of what might have been in that bottle.

**The Hon. Dr PETER PHELPS:** Look at that bouffant, though.

**Mr ANTHONY ROBERTS:** It does not come naturally.

**Dr JOHN KAYE:** Minister, would it possibly have contained stearic acid, cetyl alcohol, glyceryl stearate, sodium laureth sulphate or vegetable oil?

**Mr ANTHONY ROBERTS:** If I had read the label, it may have. I will be checking.

**Dr JOHN KAYE:** Would you be aware that, for all of those products, it is about 90 per cent probable that they were derived from palm oil?

**The Hon. RICK COLLESS:** Or pig fat.

**Mr ANTHONY ROBERTS:** Or pig fat?

**Dr JOHN KAYE:** No, palm oil.

**Mr ANTHONY ROBERTS:** I bet Minister Hartcher did not get asked this question.

**The Hon. RICK COLLESS:** He comes tomorrow.

**Dr JOHN KAYE:** We will not ask him how he washed his hair.

**The Hon. RICK COLLESS:** There is no palm oil in boot polish.

**Dr JOHN KAYE:** Are you aware that those chemicals are 90 per cent—and some of them 100 per cent—likely to be palm oil?

**Mr ANTHONY ROBERTS:** I am now.

**Dr JOHN KAYE:** If the Minister for Fair Trading in New South Wales did not know that fact, it would be very unlikely that the average citizen of New South Wales would be aware of that.

**The Hon. RICK COLLESS:** But you are, John.

**Mr ANTHONY ROBERTS:** Yes, we are fortunate that there is someone who does.

**Dr JOHN KAYE:** Are you concerned, as the Minister who is responsible for protecting consumer rights, that those consumers who wish to avoid engagement with the palm oil industry because of its impact on orangutans would find it extremely difficult to do so?

**Mr ANTHONY ROBERTS:** Where is palm oil sourced from?

**Dr JOHN KAYE:** Minister, generally we ask the questions. You might ask Mr Stowe later on what the issues are around palm oil.

**Mr ANTHONY ROBERTS:** No, it is just that I thought it was a very informative conversation so far.

**Dr JOHN KAYE:** Minister, as you would be aware—I hope you would be aware—palm oil largely comes from Indonesia and Malaysia and is involved in the palm oil plantations generally on virgin rainforest land, the habitat of orangutans. I think you would be aware from the media that there is a concern about the likely extinction of orangutans within the next three decades as a result of clearing for palm oil plantations.

**Mr ANTHONY ROBERTS:** I would be very concerned.

**Dr JOHN KAYE:** Would you then be concerned that citizens who share your concern find it very difficult to act on that concern as consumers because there is no clear labelling of palm oil content in products?

**Mr ANTHONY ROBERTS:** Without daring to ask you a question again, you are suggesting that there should be clear labelling of the amount of palm oil or whether there is palm oil, or a warning that there could be palm oil?

**Dr JOHN KAYE:** You are the Minister for Fair Trading and you are the person who I think sits on the ministerial council that would have responsibility for causing that to happen.

**Mr ANTHONY ROBERTS:** It is, I must say, a Federal issue. It has very little, if anything, to do with me as Minister for Fair Trading. However, as usual, at times—and do not quote me, although it will go on *Hansard*—you do speak some sense. You would also be aware that we have a ministerial council coming up in December in Sydney and I know we will be looking at olive oil. Indeed, even today I understand that the Australian Competition and Consumer Commission, based on some pretty heavy pushing from the New South Wales Department of Fair Trading, has come out with some good news for olive oil producers, particularly good news for The Nationals, when it comes to labelling and correct labelling for olive oil. I will make sure I email you a copy of that. We can play a role. Commissioner, you have a lot of dealings at a Federal level. Where are we up to with our December meeting?

**Mr STOWE:** Minister, you are the chair of that meeting and you are currently finalising the agenda so if you want to put this on the agenda we are quite happy for you to do so.

**Dr JOHN KAYE:** Will you put the issue of palm oil content labelling in packaged products on the agenda?

**Mr ANTHONY ROBERTS:** I will think about it.

**Dr JOHN KAYE:** Are you taking that on notice or are you just telling us you will think about it?

**Mr ANTHONY ROBERTS:** No, I will think about it. It depends what other questions you ask me! I am joking. We will think seriously about that because, as we discussed before, what you see right across this country and the Western world is marketplaces that are continuing to develop.

**Dr JOHN KAYE:** Do you accept the right of consumers to express their conscience through the products they purchase?

**Mr ANTHONY ROBERTS:** Absolutely. I think consumers are demanding that right and as markets develop, particularly in certain product areas, consumers want to know the source of products, the influence those products have on the world around them and whether there are any issues to do with the disposal of those products. Consumers are becoming a lot more savvy and are building that into their decision-making process.

**Dr JOHN KAYE:** The development of efficient markets requires quality information. I think even Dr Phelps would agree with me on that.

**Mr ANTHONY ROBERTS:** In fact, Dr Phelps is a huge advocate of efficient marketplaces.

**Dr JOHN KAYE:** Would your understanding of Dr Phelps be that he would support the idea of accurate labelling?

**Mr ANTHONY ROBERTS:** One day you might have the opportunity to question Dr Phelps in budget estimates on that issue as well.

**Dr JOHN KAYE:** But you certainly agree with the proposition that quality information is essential for the formation of efficient markets?

**Mr ANTHONY ROBERTS:** We do, and very much so. Whilst it also overlaps from an environmental perspective, we are not afraid in Fair Trading to engage in whole-of-government approaches to issues. We will have a look—and if you are so inclined meet with you further—at the issue of palm oil, and from a Commonwealth perspective. We cannot go it alone as a State, but if we were to garner some support from other States we might see what could be done in providing full and frank information to consumers before they purchase products.

**Dr JOHN KAYE:** Thank you. We probably will continue that conversation because it is an important one—

**Mr ANTHONY ROBERTS:** Yes, I hope so.

**Dr JOHN KAYE:** —given that 60 per cent of products sold in Australia contain palm oil. We really need to begin the process of warning consumers when there is palm oil in those products.

**Mr ANTHONY ROBERTS:** I understand from the Hon. Lynda Voltz it also includes Kentucky Fried Chicken products.

**The Hon. LYNDA VOLTZ:** That is another joke.

**Dr JOHN KAYE:** You do not want to go there. Perhaps we should have a brief question on trans fats since the Hon. Lynda Voltz has raised it. It is also an issue with respect to trans fats. You would be aware that trans fatty acids have been banned in some countries and in other countries there is mandatory labelling about the presence of trans fats. In Australia the only requirement is if a nutrition claim is made about the cholesterol, polyunsaturated or monosaturated fats, or omega 3, 6 or 9 fatty acids. In those situations the presence of trans fats needs to be labelled. In other situations it is not. Minister, are you concerned about this issue?

**Mr ANTHONY ROBERTS:** Personally I am very concerned, having been a close associate of trans fatty acids for many years until I decided to get healthy.

**CHAIR:** I am with you there, brother.

**Mr ANTHONY ROBERTS:** That is right. I totally agree that something needs to be done. When it comes to protecting consumers—and this is where Fair Trading very much transcends politics generally—I do not think anyone disagrees with having a strong Department of Fair Trading and strong consumer laws, except at times Dr Phelps. I am joking.

**The Hon. ADAM SEARLE:** Because it would interfere with the efficient market.

**Mr ANTHONY ROBERTS:** That is right. Leaving all that to one side, I am concerned about this issue. Again, I commend my colleagues the Hon. Jillian Skinner, the Hon. Katrina Hodgkinson and the Hon.

Kevin Humphries, who is Minister for Healthy Lifestyles. You can see this Government is taking a whole-of-government approach to make sure that people understand what they are eating, what things contain and the effect it has on them.

**Dr JOHN KAYE:** What have they done with respect to trans fats, since you have raised the topic and since you are drinking a can of Coca-Cola that is noticeably not even the low-sugar version?

**Mr ANTHONY ROBERTS:** Oh, gee, we are not banning sugar as well. I am reliably assured there are no trans fatty acids in Coca-Cola.

**The Hon. Dr PETER PHELPS:** No phenylketonurics or phenylalanine either.

**Mr ANTHONY ROBERTS:** No, that is true.

**Dr JOHN KAYE:** What has your Government done with respect to warning people about the presence of trans fats in foods?

**Mr ANTHONY ROBERTS:** That is a question best directed to one of the Ministers formerly named.

**Dr JOHN KAYE:** I turn to the issue of strata titles and your discussion paper. I refer to renewable energy and energy efficiency. In the discussion that was conducted by your consultants one of the issues raised by a number of people who contributed was executive committees being able to block the installation of energy-saving devices. One suggestion was that the owners corporation should not be able to unreasonably refuse modifications which reduce energy consumption and should be required to produce a plan to moderate energy use in buildings. Another suggestion was that occupants should be allowed to reduce energy costs by easing restrictions on installing double glazing, improve doors in sympathy with but not necessarily identical to the existing facade, and environmental energy savings improvements to lots such as window tilting, solar panels, water tanks, whirlybirds, window shutters and water-saving devices should generally be exempt from the bylaws prohibiting changes in appearance.

That clearly emerged in the discussion conducted by your consultants. The discussion paper you put out on 15 September 2012 contains absolutely no mention of that at all. The closest we get to it is on page 31, where it is suggested a practical and commonsense approach could be to change the law and generally allow owners to renovate to make changes to their lot provided certain conditions are met. One of the conditions you suggest there is to obtain prior approval from the scheme—that is, the strata title scheme. What happened to energy-saving devices and modifications to apartments? Why did that not make it from the consultation into the discussion paper?

**Mr ANTHONY ROBERTS:** It is a very interesting point. I make the point in relation to this consultation and discussion that strata has served our community well for 50 years. Indeed, it is a scheme that has been taken up around the world and developed. To me, strata is the fourth tier of government—Federal, State, local and strata. It plays an important role as we as a society continue to progress. Particularly with the housing shortages I referred to before, probably about 50 per cent of us are going to be living in strata by 2030. It is important we get this right. That is why we undertook probably the largest level of consultation any government has undertaken. Through the Global Access Partners site we were able not just to consult. I am sure all members here are as excited as I was to see what developed with the conversation that occurred as policy was driven and ideas were put forward and developed. Were you able to put in a submission, Dr Kaye?

**Dr JOHN KAYE:** Not to the original. We are putting in a submission with respect to the discussion paper.

**Mr ANTHONY ROBERTS:** I would appreciate and welcome that, as we are welcoming all stakeholders to contribute to what is building and shaping how we are going to live in these new vertical villages. How do you suddenly change society from living on quarter acre blocks to living next door, beneath, behind and on top of somebody? This is a very exciting program and a very exciting reform. It is a reform I am proud to be driving out of Fair Trading. I think there are going to be some absolutely fantastic benefits from it. Again, I would ask you to raise those issues in the submission, and I will chase up as to why it has not made its way across to this final discussion paper.

**Dr JOHN KAYE:** Mr Stowe, do you have a comment?

**Mr STOWE:** Minister, we try to concentrate on the key issues that we are aware of through the global access exercise as well as the other correspondence and issues that have come to the department's attention over a number of years.

**Mr ANTHONY ROBERTS:** We are not saying this is not a key issue. It obviously is a key issue to some people. What is interesting is that there was a flavour through it with the three major issues. As the members here would know, it is the three Ps: parking, parties, and pets. They cause more problems and more issues in strata developments and community title than anything else.

**Dr JOHN KAYE:** Mr Stowe, you said it was not raised in other correspondence you received. Who was the other correspondence from?

**Mr STOWE:** No, Dr Kaye, what I said is that we concentrated on issues that had been raised with the agency over a number of years in the issue paper, as well as some of the things that came out of the earlier consultation process.

**Dr JOHN KAYE:** I am sorry, the issues paper is separate to the discussion paper, is that correct? There was an issues paper, or are you talking about the discussion paper?

**Mr STOWE:** I am talking about the discussion paper.

**Dr JOHN KAYE:** Mr Stowe, to be clear, I was asking about why a certain matter had not translated from the consultation into the discussion paper. As I say, you concentrated on matters that were raised in the consultation and other matters have been raised with you in correspondence.

**Mr STOWE:** Correct.

**Dr JOHN KAYE:** I would like to know who else raised matters with you in correspondence.

**Mr STOWE:** Dr Kaye, we have had many individual consumers, agency organisations and non-government organisations that, over a period of time, have raised issues around strata schemes. Those matters have been kept for whenever we do these sorts of reviews, and looking at the information and themes that came out of the consultation—

**Dr JOHN KAYE:** You have a file in your office of correspondence—

**Mr STOWE:** Correct.

**Dr JOHN KAYE:** —in respect of strata title schemes?

**Mr ANTHONY ROBERTS:** We received 1,200 submissions.

**Dr JOHN KAYE:** No, we are talking about something separate, Minister—that is, the submissions that you received in respect of the consultation, but Mr Stowe was talking about other matters that were raised. Were those matters raised by developers or representatives of the development industry?

**Mr STOWE:** Dr Kaye, I would have to take that on notice. These are submissions, letters that have been received over a period of five years.

**Dr JOHN KAYE:** Can you get back to us with a list of the correspondence that you received from the development industry in respect of that?

**Mr STOWE:** Certainly, I would be happy to do so.

**Dr JOHN KAYE:** Minister, you will get back to us as to why that particular issue did not translate?

**Mr ANTHONY ROBERTS:** To assist you today, I have just been advised, in fact, that the many, many, issues raised were synthesised into major issues and themes within the discussion paper. I would suggest,

and I will keep a look out for it, that we will have a look at those issues when you raise them, when you put in your submission.

**Dr JOHN KAYE:** Thank you, Minister. One of the issues that have been raised with my office with a great degree of repetition over the last five years is the issue of defects and the failure of builders and developers to rectify defects. You would be aware, Minister, of the University of New South Wales study that was published in May this year that suggested that of the buildings that were completed since the year 2000, 85 per cent of strata title owners in those buildings said there were defects in construction. These defects included issues such as internal water leaks, cracks and water seeping in from outside the building. Minister, an issue that has been raised with us repeatedly has been that the developer or the building company is also the strata title management company. We could not find in your discussion paper where that issue was addressed. Did we miss that or is it not in there?

**Mr ANTHONY ROBERTS:** Can I take those as two separate questions?

**Dr JOHN KAYE:** Sure.

**Mr ANTHONY ROBERTS:** I think it is important that we address those individually. First, I refer to the results of the strata property owner surveys conducted by the City Futures Research Centre New South Wales. I was proud to be there to launch that and that is part of the entire process of consultation. To assist this Committee, I ask Assistant Commissioner Tansey to run you through our response to that.

**Dr JOHN KAYE:** Minister, if you do not mind, would you hold that and allow the Government to ask their questions? I can come back and ask about that when my time comes up again. I do not want to take up the Government's time.

**Mr TANSEY:** Dr Kaye, the key issue to be clear on is the role of the University of New South Wales study in the broader deliberations about strata. There has been a lot of reporting and a lot of commentary on the results of that report. I think that needs to be put into a broader context. The survey itself relies on the self-reporting of 1,000 respondents to that survey. That is 1,000 responses in comparison to approximately 1.2 million people in New South Wales who actually live in strata. So you are talking about a sample that is 0.1 per cent of the strata population. I would further highlight that they were a self-selecting sample of people who obviously had an interest and a particular view to put. The third element to be aware of is that there is nothing in that study or those comments that substantiate that there were defects, or the validity of the defects, or even the type or seriousness of the defect. Any inference drawn from that study needs to be very conscious of the very small and statistically non-representative sample that is in there. Nonetheless, that report is an input and, I guess, it is one element that will be an input to the broader consideration of strata issues.

**The Hon. RICK COLLESS:** Minister, I am glad to see you are drinking a can of proper Coke because Diet Coke has a terrible thing called Aspartame in it, which is much worse for you than the terrible things that Dr Kaye often suggests.

**Mr ANTHONY ROBERTS:** I am proud to be supporting our sugar farmers.

**The Hon. Dr PETER PHELPS:** It helps the sugar growers.

**The Hon. RICK COLLESS:** It does help the sugar growers. Sugar growers are very important and we prefer to see people eating sugar than some of those other chemicals. I want to ask you about petrol price issues. Minister, you have been quite vocal in your belief that all States and Territories should adopt national standards for petrol station fuel price boards. In August 2012 you announced changes to Fair Trading regulation that introduced a standard for petrol station fuel price boards in New South Wales. What justification do you have to make those changes?

**Dr JOHN KAYE:** It is a political announcement.

**Mr ANTHONY ROBERTS:** Pricing accuracy and transparency is a fundamental consumer right when it comes to essential commodities like petrol. In fact, it is the foundation of competition. Under the Australian Consumer Laws, it is an offence to engage in conduct that is misleading or deceptive or likely to mislead or deceive. In New South Wales there has been a requirement to display fuel prices at petrol stations since 2000. The Fair Trading regulation sets the information standard for petrol.

As the regulation was due for review this year, I asked for evidence about the effectiveness of the requirements and, in particular, the provision for fuel price displays at petrol stations. In February of this year, the NSW Fair Trading investigators inspected 302 of the almost 1,900 service stations across the State, including 177, I am proud to say, in regional New South Wales. The inspections covered all major fuel companies and a number of independent operators.

I can inform the Committee that although the Fair Trading Regulation 2007 required the full price of unleaded petrol, inspectors found a quarter of stations to be non-compliant. In the remaking of Fair Trading Regulation 2007, a draft proposal to vary information features of the price of fuel signage was published for consultation. The proposal took into account the findings of the Fair Trading inspections. During the consultation, Fair Trading conducted a survey to assess the direct experiences of consumers with fuel pricing. Although more than 87 per cent of respondents said that the price of fuel on the price board at the petrol station influenced their decision to purchase fuel, almost 60 per cent said that the price they would pay for their type of fuel was not clear. In July of this year, the NRMA reported that its survey findings show that over 50 per cent of motorists believe they have been misled by discounted pricing.

In addition, 54 per cent of NRMA respondents drove into a service station expecting to pay a certain price, only to find when they went to pay for it that it was more expensive. This clearly demonstrates the need for action to protect consumers and to do so in accord with the Australian Consumer Law provisions. A price that requires interpretation with regard to one's circumstances is not a reliable or sound price. A price that depends on interpretation of one's eligibility for a discount is too variable to be regarded as meaningful.

Motor vehicle fuel prices were confusing consumers, and I am proud to say that that has now been rectified by the O'Farrell-Stoner Government. New South Wales is now leading the way in ensuring that consumers have access to transparent fuel price information by amending the fuel price board requirements. The previous New South Wales fuel information standard required that retailers advertise the price of regular unleaded fuel and have price signboards well lit and positioned so that motorists can easily see them on approach. However, consumption patterns have changed and increasing numbers of motorists are now buying ethanol blends, premium unleaded fuel, diesel or liquid petroleum gas.

I am pleased to say that under the new standard all New South Wales fuel station price boards will be required to display the price of at least four fuels, including liquid petroleum gas and diesel if they are sold. The price displayed is to be the normal price per litre available to all retail customers, without any discounts or special offers. In the case of ethanol blend fuel, regular unleaded fuel and premium fuel, the octane rating, rounded down to the nearest whole number, will be required to be displayed on the bowser. The new requirements will come into effect on 1 September 2013 to give service stations time to amend their signboards if necessary.

Many of the tens of thousands of people in Sydney and around the State who drive vehicles that require premium fuel would never have known the price of that fuel until they drove into the service station and were committed to purchasing it. We drive into a service station and get out of our car, only to have another motorist pull up behind while we are taking the fuel hose from the bowser. It is only when we do that that we are hit with the price. It is unlikely that we will move on at that stage. Our studies and those conducted by the NRMA demonstrated the huge discrepancy between the bowser price of regular unleaded fuel—where the price was on the board and people could compare it and choose between service stations—and the bowser price of premium blended fuel, which was not displayed on price boards.

The Government has been able to do something to introduce a bit of honesty into the marketplace, and that is not before time. The prices displayed will be those for the most frequently used fuels over the previous six months. It was deemed to be important to include the price of LPG and diesel because they have no substitutes. I ask Mr Jones, the Assistant Commissioner for Compliance and Enforcement, to describe exactly how we came to these conclusions.

**Mr JONES:** As part of the investigation of the 300 service stations we recorded the number of fuel products being sold by each outlet. We found that regular unleaded fuel was available in 72 per cent of service stations, ethanol, or E10, was available at 76 per cent and premium unleaded, or 95 octane, was available at 71 per cent. Those three products alone were sold by three-quarters of the service stations we surveyed and high octane 98 was sold at about 50 per cent. We also looked at the number of fuels sold at each outlet. While a number of service stations sold only one or two fuels—that is, about one-third—they were predominantly in

regional New South Wales. At least 50 per cent of service stations sold three fuels and about 14 per cent sold four or more. In terms of requiring the display of four products, we were capturing about 75 per cent to 80 per cent of the existing market.

We are also well aware from consultations with fuel companies and motoring organisations that there is an expectation that the market will further fragment over the coming years, with blended fuels and new products being offered. Some of those new products do not carry any indication of an octane rating. Consumers must make inquiries about the rating in those cases and that information is not available at many service stations, although it can be obtained from the fuel company's website. Of course, that means it is not available at the time of purchase. Fuel is one of the few products that cannot be returned. It is like a haircut. Once a motorist has filled his or her vehicle with fuel it cannot be pumped back into the bowser if the octane rating was not what was expected—in fact, that is not allowed. Requiring the octane rating to be displayed at the bowser should dramatically reduce consumer confusion about what is being purchased.

**Mr ANTHONY ROBERTS:** One of the other issues of concern is discounted prices. We found some alarming trends in the marketplace. Significant discounts were being offered to people based on credit card usage. Mr Jones will elaborate for the Committee.

**Mr JONES:** There was a number of alarming practices. One involved motorists being required to use a particular credit card to get a discount. However, that discount was not given at the time of purchase but at the end of the month—that is, the motorist would receive a rebate on the credit card at some stage in the future. That rebate also depended on the amount of fuel purchased during the month. In another case the discounted price was displayed and a discount offer was also displayed. It was not until the motorist got to the cash register that he or she found that the discount had already been deducted. The discount that motorists assumed they would get when they paid for their fuel had already been applied. A number of service stations also offered discounts if goods and food items were purchased along with a certain amount of fuel. However, it was not until motorists had filled their vehicles that they discovered the detail of the offer. In one case the operators themselves did not know the terms and conditions of the offer.

**Mr ANTHONY ROBERTS:** This issue is being addressed at the national level. It has spread around the world. It is a great way for consumers to see what they will be required to pay before they commit to filling their vehicle. The NRMA has said that this will result in savings for motorists across the board, and that is important for a vital product like fuel.

**The Hon. SCOT MacDONALD:** On coming to office in March last year you made reform of the State's strata and community title sector a key priority for the Government's first term in office. On 15 September 2012—the same day that you announced the release of the issues paper on strata reform—the shadow Minister for Fair Trading stated on ABC Radio that you had "serious questions to answer about why you are changing the strata laws". Was she justified in making that statement and why do you classify the reform of this sector as a priority? You have stated that this reform is long overdue. However, the shadow Minister effectively said that you have much to answer for because you are meddling with this sector. What does the evidence support?

**Mr ANTHONY ROBERTS:** That is an important question. Since 1961 more than 70,000 strata plans have been registered, ranging in size from two lots to more than 500 lots. I understand that strata plan No. 1 still exists on Burwood Road. If members want to visit it, I can provide the details—although perhaps not today. It is now estimated that residential strata schemes may provide housing for up to 25 per cent of the State's population, and the strata sector is still growing. However, we have reached a point at which the current strata and community title laws are seen as complex, outdated and restrictive. My office has undertaken extensive consultation with industry stakeholders and members of the public. Every person whom we have met has clearly stated that these laws need a major overhaul.

As I have said, these laws are 50 years old and are not representative of twenty-first century living. The comments on the radio by the shadow Minister are disappointing. Any view that nothing should be touched or done is probably the reason why New South Wales has fallen behind the rest of the Commonwealth. I am looking forward to working closely with the Opposition in developing these new changes to strata laws. We owe it to future generations to get this right.

Upon coming to office the Government initiated a review of the existing strata and community title legislation. That first stage, as I discussed with Dr John Kaye, involved the independent public policy think-tank

Global Access Partners [GAP]. Global Access Partners organised an extensive publicity campaign, which included promotion through mainstream and community media, networks, open forums, subscriber base and social media. This Government also ran a broad promotional campaign and Fair Trading sent information about the online forum to more than 2,300 people. On 15 December 2011 I was proud to open and launch that forum, which subsequently got 25 blogs from a wide range of strata stakeholders, groups and experts. Both my colleague the Minister for Finance and Services and I contributed blogs. By the time it closed on 29 February 2012, the forum received almost 20,000 visits from about 13,500 individual visitors.

Forum participants made more than 1,200 individual comments with almost 600 suggestions for procedural changes or law reforms. Of course, due to the sustained level of public interest, GAP decided to leave all the comments and blogs online indefinitely as a free information resource. Soon after the GAP report was released, the City Futures Research Centre of the University of New South Wales released its strata research report called "Governing the compact city: the role and effectiveness of strata management". This too made clear the need for reform of this sector. This incredible avalanche of views, comments and information these reports generated was channelled into the development of the Government's strata and community title law discussion paper, "Making NSW number one again: Shaping future communities".

On 15 September 2012 I released the discussion paper for two months public consultation. The key strata issues that this discussion paper looks at are: the future regulatory framework; strata governance and by-laws; financial management; managing and resolving disputes; strata renewal; and red tape reduction. Fair Trading sent invitations to comment on this discussion paper to more than 3,000 strata industry professionals, industry organisations, strata residents and members of the public. I understand that submissions started rolling in almost the minute the discussion paper was released, and they continue to do so at a steady rate. In addition to the discussion paper, there is also an online survey on the Fair Trading website. I understand that some of the early submissions have been concise and have focused on a single issue. As more people have time to consider the questions and issues in the discussion paper, the number of these submissions is bound to climb, and substantial submissions are likely to arrive later in the consultation period.

**The Hon. SCOT MacDONALD:** How many meetings has your office held with stakeholders on the matter?

**Mr ANTHONY ROBERTS:** I cannot provide the exact number but I would estimate that since coming to Government we have met with stakeholders on more than 50 occasions on every issue one could possibly think of.

**The Hon. SCOT MacDONALD:** I refer to the media release of 15 September. You have said that reform is well overdue. Will you elaborate on why this is so significant? What was done by previous governments?

**Mr ANTHONY ROBERTS:** It is easy to tinker around the edges of strata. It is complex and difficult. I like to see myself as part of our reforming Government prepared to take on the hard battle to make sure we do things right, and that requires a complete rework of strata. As I said, we are going to have a housing shortage of some 140,000 dwellings by 2016. There is nothing to me more disturbing than seeing people queue around corners not to go to an auction to purchase a home but just to try to find somewhere to rent in this city. We owe more to our future generations. We have been left in a fairly good position which we need to build upon, and it is an area where we have fallen behind. I look forward to cross-party support in Parliament on these reforms. Quite frankly, we need to get this right. We are developing how we are going to live for the future. With all its problems and associated issues we have a great opportunity in strata to make it not just an acceptable way to live but a preferred way to live.

**The Hon. RICK COLLESS:** Prior to the election of the Government in March 2011, the Coalition made significant commitments to the electorate to deliver on key reforms within the Fair Trading portfolio, namely, to reform the Residential Parks Act and to deliver standard terms for retirement village contracts. Will you provide the Committee with an update as to the current status of those commitments?

**Mr ANTHONY ROBERTS:** The Government has made substantial progress in delivering upon its election commitments right across the board. In respect to its reform to residential parks, the Government is determined to strike the right balance between park residents and park owners. The first step in the review process was to establish a register of residential parks throughout the State, and that is being delivered upon. The park register is now publicly available on the Fair Trading website. The next step of the residential parks

review process involved the release of a discussion paper on 3 November 2011. The discussion paper looked at ways to help strengthen and grow the residential parks sector, including options for licensing park operators, education for new park operators and better ways overall to resolve disputes about rent increases.

Comments closed earlier this year on 29 February and more than 870 submissions were received. All of those submissions were carefully analysed by NSW Fair Trading and a draft bill is currently being developed. I want to put on the record my thanks to the great officers and staff of NSW Fair Trading and my own ministerial staff who worked incredibly hard to ensure that it has occurred. I plan to release the draft bill in the coming months so that stakeholders will be able to comment on the detail of the proposed reforms. Park residents should feel comfortable and secure in their own homes, and we need to support and foster a strong and viable residential park industry. These reforms will achieve that balance.

With regard to retirement village contracts, our commitment recognises the concerns of residents about the complexity and length of contracts used in retirement villages. In July 2011, I appointed a committee of experts to take on this project. Each committee member has extensive skills and experience related to retirement village contracts. The Retirement Village Advisory Council has also provided input. During the course of this project the expert committee has met no fewer than 18 times. The draft standard contract was released for public comment earlier this year on 29 March. Comments closed on 18 March 2012, and a total of 63 submissions were received.

The expert committee has completed its review of the submissions and I anticipate receiving the committee's advice on a final set of contract terms soon. I intend to publish the standard contract terms at the end of this year or early next year. A simple set of plain English contract terms will make the contracts process simpler, clearer and more certain for retirement village residents and operators. It will help residents to feel confident in their choices and improve overall confidence in the retirement village industry. I have also asked the expert committee to examine how pre-contractual disclosure requirements can be streamlined to be more effective and relevant for prospective residents while reducing costs for owners.

**The Hon. LYNDA VOLTZ:** On 31 August 2012 a newspaper article by Sean Nicholls states:

Responding to the claims of verbal assault, Mr Roberts said the document outlining the claim had "been withdrawn and is of no factual nor legal status ..."

He said that you added, "... any allegations made in reliance upon that document would be unlikely to be true and may be defamatory". Were you giving a legal opinion?

**Mr ANTHONY ROBERTS:** Thank you for that question. These issues have already been raised and addressed by the Parliament. It would be improper for me to discuss those matters relating to my position as the member for Lane Cove with this Committee.

**The Hon. LYNDA VOLTZ:** I am asking if you are giving a legal opinion. Minister, you seem to be giving a legal opinion in regards to a woman who claims that she was verbally assaulted by you for 48 hours, yet you refuse to outline to the Committee whether you think that Masterton Homes is involved in the making of relevant planning applications in regards to residential properties for the ultimate purpose of the sale or lease of that land for profit?

**Mr ANTHONY ROBERTS:** There are two issues here. The issue you are trying to draw has already been raised and addressed by the Parliament. It would be improper for me to discuss those matters relating to my position as the member for Lane Cove with this Committee. I am always happy to help. That is what Fair Trading is about. We do our best. If I may try to assist, the member wants to know whether or not Masterton Homes is or is not a developer. That question should be directed to Masterton Homes. But can I put on the record again that no money changed hands, no developer paid for any lunch or any access at any time. Mr Chair, I have already stated that to this Committee and it is on the record here.

**The Hon. LYNDA VOLTZ:** You are saying that Masterton Homes and Mr Cavasinni did not pay for a lunch with you at an auction?

**Mr ANTHONY ROBERTS:** Mr Chair, I have already answered that question.

**The Hon. LYNDA VOLTZ:** You answered that you had given permission for Andrew Rohan to hold an auction.

**Mr ANTHONY ROBERTS:** This is a question better directed to the member for Smithfield.

**The Hon. LYNDA VOLTZ:** Returning to the issue of the staff member. Is it not correct that the allegations involved both yourself and your ministerial chief of staff, Tim James?

**Mr ANTHONY ROBERTS:** These issues have already been raised and addressed by the Parliament. It would be improper for me to discuss matters relating to my position as the member for Lane Cove with this Committee. If you have issues, take them up with the Speaker.

**The Hon. ADAM SEARLE:** Point of order: The Minister's chief of staff is employed by the Department of Premier and Cabinet. It goes directly to the Minister's responsibility as a Minister of the Crown, not as the member for Lane Cove. The question is in order and the Minister should answer it.

**CHAIR:** I rule the question in order. The Hon. Linda Voltz will restate her question and allow the Minister to answer it.

**The Hon. LYNDA VOLTZ:** Do these allegations involve yourself and your chief of staff, Tim James?

**Mr ANTHONY ROBERTS:** These issues have already been raised and addressed by the Parliament. It would be improper for me to discuss these matters relating to my position as the member for Lane Cove with this Committee; however—

**The Hon. ADAM SEARLE:** Point of order: The Minister is not being responsive.

**The Hon. Dr PETER PHELPS:** To the point of order: The Minister can answer the question as he sees fit. It is not up to the questioner to determine whether the answer is the one he wants.

**The Hon. ADAM SEARLE:** Further to the point of order: The Minister is answering on the basis that the question was directed to him as the member for Lane Cove when it was clearly directed to him in his capacity as Minister. The Minister is seeking to evade the question on a particular basis that is not available to him here.

**The Hon. Dr PETER PHELPS:** Further to the point of order: Will the member indicate where evading a question is in breach of standing orders?

**CHAIR:** There is no point of order. The Minister will answer the question to the best of his ability.

**Mr ANTHONY ROBERTS:** Mr Chair, as always, I will assist where I can. As reported in the *Sydney Morning Herald*, I confirmed that the document setting out the allegation of a staff member had been withdrawn. I said it was of no factual or legal status and its contents could not be relied upon. I was not advised of the document nor was I aware of its contents until it was emailed in error to Parliament House staff by the Parliament.

The Parliament has confirmed in its statement to the media that at no stage has the staff member made a workers compensation claim. Further, the Parliament has confirmed in its statement that it has never been of the view nor does it intend to assert that the contents of the document outlining the staff member's allegations are true. The Parliament's statement also confirmed that an investigation was not pursued in relation to the staff member's allegations, as the matter was satisfactorily resolved between the parties.

I can once again state that I have acted appropriately at all times, as has my chief of staff. I have nothing further to add other than to note that the Executive Manager of Parliamentary Services in a letter to me and my chief of staff thanked us for dealing with this difficult situation in a gracious and dignified manner in keeping the wellbeing of staff in mind at all times. I have nothing further to add.

**The Hon. LYNDA VOLTZ:** Minister, is that staff member still in your employ?

**The Hon. Dr PETER PHELPS:** Point of order: This does not relate to the Minister's portfolio. The person in question was an electorate staff member, which is outside the remit of the Minister's portfolio responsibility.

**CHAIR:** I rule the question out of order.

**The Hon. LYNDA VOLTZ:** Minister, another article was written about you and the use of your ministerial office in sending emails in relation to factional disputes. Was the person who was the subject of the complaint disendorsed by the Liberal Party as a candidate?

**The Hon. Dr PETER PHELPS:** Point of order: The internal endorsement, disendorsement and preselection procedures of the Liberal Party do not fall within the remit of the Minister's portfolio and the question should be ruled out of order.

**The Hon. LYNDA VOLTZ:** To the point of order: The Minister has clearly been using his ministerial office to send emails and it has been publicly reported. I do not think it is outside the purview to ask a question in regard to that.

**The Hon. Dr PETER PHELPS:** You have not established that at all.

**Dr JOHN KAYE:** To the point of order: The matter relates to the use of ministerial resources, which is directly relevant to budget estimates. The intent of the emails is not really at play here. What is at play here is the way in which the Minister used ministerial resources, and therefore the matter would be relevant.

**CHAIR:** If the question is restricted to the use of ministerial resources I will allow it.

**The Hon. LYNDA VOLTZ:** Minister, do you believe it is appropriate to use your work email during office hours to email your parliamentary colleagues urging them to sign a petition to requisition a special meeting of the State Council to vote on the move to direct election and undermine the position of the Premier?

**The Hon. Dr PETER PHELPS:** Point of order: Pursuant to Standing Order 65 (1) (b) the question, certainly the second half of it, contains arguments, pursuant to Standing Order 65 (1) (c) it contains inferences, and pursuant to Standing Order 65 (1) (d) it contains imputations. I ask that at least the second half of the question be ruled out of order.

**The Hon. LYNDA VOLTZ:** Mr Chair, I am happy to rephrase the question if it helps.

**CHAIR:** I uphold the point of order. The question will be rephrased.

**Mr ANTHONY ROBERTS:** I might be able to assist.

**The Hon. LYNDA VOLTZ:** Minister, do you believe it is appropriate to use your work email during office hours to email your parliamentary colleagues urging them to sign a petition to requisition a special meeting of the State Council to vote on the move to direct election?

**Mr ANTHONY ROBERTS:** Can I firstly start in answering this question by only wishing the member would ask the real questions, such as, how is the member going to explain why she is asking these ridiculous questions? How are we going to find 140,000 dwellings for families by 2016? The member does not care about the real issues.

**The Hon. LYNDA VOLTZ:** Point of order: I have been very patient with the Minister, who has constantly raised issues that fall within the purview of the Minister for Planning—who is actually the one who allocates land for housing developments. I have asked the Minister a direct question and I would like the Minister to answer the question relevantly.

**CHAIR:** Members will be aware that I do not have the ability to direct a witness to answer a question in any particular fashion. I ask the Minister to answer the question as he sees fit.

**Mr ANTHONY ROBERTS:** I make no apology for communicating with my colleagues in this Parliament.

**The Hon. ADAM SEARLE:** Minister, is it appropriate for you to use your parliamentary or ministerial entitlements to communicate with your colleagues about internal Liberal Party matters?

**The Hon. Dr PETER PHELPS:** Point of order: That question also contains arguments. It presupposes that the Minister has sent an email in relation to internal party members. So far the Opposition has adduced no evidence to that effect nor have they asked the Minister whether such an email took place.

**CHAIR:** I uphold the point of order.

**The Hon. ADAM SEARLE:** If the Minister wants to hide behind the Hon. Dr Peter Phelps that is a matter for the Minister.

**The Hon. Dr PETER PHELPS:** He is not hiding. Why do you not ask him a question that is not rigged?

**Mr ANTHONY ROBERTS:** I make no apology for communicating with my colleagues in this Parliament.

**The Hon. ADAM SEARLE:** Minister, last year your Government made changes to legislation dealing with the warranty period for structural and non-structural defects. Despite those changes another review is now on foot looking at that same subject matter. That is the case, is it not?

**Mr ANTHONY ROBERTS:** That is correct.

**The Hon. ADAM SEARLE:** Why the need for the second review so hard on the heels of the first review, which occurred only last year?

**Mr ANTHONY ROBERTS:** Thank you very much for that question. On coming to government we found a building industry that quite frankly was broke and, as you would do in a lot of situations, we looked at it and a form of triage occurred. As the first step in a broad and comprehensive review that we were always going to undertake in the Home Building Act to ensure that it was operating as efficiently and effectively as possible, we made a number of urgent amendments through the Home Building Amendment Bill of last year, as you would recall, which was passed by Parliament in October last year.

Some of the reforms contained in that amendment included raising the threshold of home building contract requirements from \$1,000 to \$5,000, introducing a small works contract to work above \$1,000 and below \$5,000 and exempting statutory warranty claims from the application of the proportionate liability provisions of the Civil Liability Act 2002 so consumers only have to pursue the builder or the developer in disputes, not all responsible parties.

Concerns have been raised by some stakeholders and reported in the media regarding the change from a blanket seven-year statutory warranty period to two years for non-structural defects and six years for structural defects, with a further six months for both if the defects become apparent in the last six months of that period. In particular—and I think this goes very much to the core of your question—concerns were expressed that the revised time periods would reduce consumer protection. We thought long and hard about this. I will sum up the answer, but I might get Assistant Commissioner Tansey to give a very brief background as to how we came to this position.

**The Hon. ADAM SEARLE:** Just to be clear, the question is: Why the second review when those reforms were made only last October?

**Mr ANTHONY ROBERTS:** Yes, thank you.

**Mr TANSEY:** Continuing the line the Minister was answering, the other point that is material to those changes being made last year prior to the review now is that the Minister has made the point that there were issues already in front of the Government when it came to power, and the bill dealt with that. On the issue specifically of the warranty periods, it was in itself aligning the warranty periods because since 2002 the distinction between two years and six years and the separation between structural and non-structural defects have been features of home warranty insurance, a reform made under the former administration. The change made last year in fact brought the system into alignment and consistency.

**The Hon. ADAM SEARLE:** Yes, but why review it again this year when the changes were made only last October? It is a fairly straightforward question.

**Mr ANTHONY ROBERTS:** I think it is important to understand the background of why we had to make some immediate changes. We are committed to those changes. We needed to send a very clear message to the industry that here was a government prepared to act to enable the industry to get a move on, to start employing people, to have at least some hope and some confidence in improvements. Of course, the issues paper addresses home building contracts, statutory warranties, dispute resolution, owner-builders, disciplinary provisions and home warranty insurance. We are receiving some pretty heavy and quite informative stakeholder submissions.

**The Hon. ADAM SEARLE:** Just on that, Mr Masterton has made a submission to the current review which says that the current time periods for these structural and non-structural defects are still onerous and excessive and should be further reduced. Are you aware of that?

**Mr ANTHONY ROBERTS:** No, I am not aware of that.

**The Hon. ADAM SEARLE:** Did he raise that at the lunch he had with you?

**Mr ANTHONY ROBERTS:** No, not to my recollection.

**The Hon. ADAM SEARLE:** Did Mr Fowler or Mr Cavasinni raise these issues with you at your lunch?

**Mr ANTHONY ROBERTS:** I will come back to that, but I think it is important that the commissioner outlines exactly where we are going with this review.

**Mr STOWE:** Certainly. As the Minister outlined, those initial amendments were those that were considered to be urgent and necessary immediately. This broader review is intended—

**The Hon. ADAM SEARLE:** I understand why those things occurred. I really want to know why they are being further reviewed now and what has prompted the further review, particularly with the structural and non-structural warranty periods. The matter was addressed by Parliament in October last year and now you are looking at it again in very quick succession. So far, neither you, Commissioner, nor the Minister, or indeed Mr Tansey have been able to get to the pitch of the ball and answer a straight question about why you are looking at it again now.

**The Hon. Dr PETER PHELPS:** So governments should not review legislation?

**The Hon. ADAM SEARLE:** No, I am just asking why it is reviewing it.

**The Hon. Dr PETER PHELPS:** Legislation set in stone.

**CHAIR:** Members should not respond to interjections.

**Mr ANTHONY ROBERTS:** It is now becoming clearer what you are driving at. It was an election commitment to have a full review. In the meantime we are able to undertake a triaged review, but this is basically responding to our election commitment for a full review. Despite the protestations of certain members of the media, I am very much consumer driven. It is important to have consumer confidence in the marketplace.

If you do not have consumer confidence in the marketplace, the marketplace will not operate efficiently; in fact, there will not be a marketplace. We are looking at everything but, of course, in the back of my mind is always the importance that there is consumer protection. Unless you have strong consumer protection you do not have that strong level of consumer confidence and if you do not have that strong level of consumer confidence, as you would be aware, you do not have a satisfactory or strong marketplace.

**The Hon. ADAM SEARLE:** On the issue of consumer protection, are you satisfied with the current time limits for structural and non-structural defects or do you agree with Mr Masterton that they are excessive and onerous and should be reduced further?

**Mr ANTHONY ROBERTS:** I am satisfied at the moment. I think the drive from both consumers and industry is how those are defined as structural and non-structural. I hope to see, as this policy develops, some

pretty significant high levels of transparency and clarity for the legal profession, consumers and everyone, so that both consumers and developers are fully aware of what is structural and what is non-structural. That enables people to make those significant financial decisions.

Again, it reinforces the marketplace, and that is why I was very happy to see that this Parliament took a collaborative approach to reviewing the legislation, triaging it, last year. I look forward again to working cooperatively with the Opposition in making sure that we have a strong building sector within New South Wales. That is the way this Government and Fair Trading like to work. By carrying all stakeholders together, I think you come out with some very strong legislation.

**CHAIR:** We will now move to questions from Dr Kaye.

**Dr JOHN KAYE:** Thank you, Chair. Before we were interrupted by Government and Opposition members—

**The Hon. LYNDA VOLTZ:** I am sorry.

**Dr JOHN KAYE:** I did not say "rudely". We were talking about the University of New South Wales study entitled "Governing the Compact City: The Role and Effectiveness of Strata Management in Higher Density Management". In fact, I note that you use the same term as Dr Hazel Easthope, who was the lead researcher. She refers to strata as the fourth tier of government. Obviously you were saying glowing things about that.

**Mr ANTHONY ROBERTS:** Either that or one of us was channelling the other.

**Dr JOHN KAYE:** She may well have been imitating you, Minister. I was interested in Mr Tansey's remarks when he effectively cast doubt on the statistical validity, given the sample size, and on the research methodology. Minister, do you accept the finding of the report, which is on the website of the University of New South Wales, which states:

The most common problems were that the developer and/or builder held control of the [building] scheme and was delaying the rectification of defects ... and that the builder was no longer operating and therefore could not remedy the defects.

Let me take first the issue of the builder or the developer holding control of the strata scheme?

**Mr ANTHONY ROBERTS:** I think, from memory, page 34 deals with some of that, or it could be page 35—one of those two pages.

**Dr JOHN KAYE:** I run out at page 32.

**Mr ANTHONY ROBERTS:** You did not get a full copy?

**Dr JOHN KAYE:** No, I have just printed it off the web, but anyway continue.

**The Hon. ADAM SEARLE:** Cover-up.

**The Hon. Dr PETER PHELPS:** You printed it? What about those trees?

**The Hon. ADAM SEARLE:** I am sure it is double-sided.

**Mr ANTHONY ROBERTS:** Can I direct that question to Assistant Commissioner Tansey to further develop?

**Mr TANSEY:** Thank you, Minister. I did use the time in the other questions, Dr Kaye, to quickly do a little bit of research on this. I think the question does come up in a couple of places in the strata discussion paper, both in the section at the back, which is page 33 dealing with defects specifically, and earlier in the paper, around page 5, on broader governance issues. It specifically deals with the interaction of developers and other members of committee in strata and overtly deals with the competing interests. So consistent with the earlier advice it is one of those high-level themes that has been picked up for discussion, consultation and a discussion paper.

**Dr JOHN KAYE:** Minister, a priori, do you hold some concerns about developers holding positions or even dominating the strata company? Do you hold concerns about developers running or being the strata management company?

**Mr ANTHONY ROBERTS:** I believe it all comes down in life to what is fair. It is how you balance the marketplace with consumer expectations. In answer to your question, I have some very strong feelings about this, and I reserve those feelings. I do not want in any way to influence the public consultation or where this is going and I have purposefully stayed out of the way when it has come to public consultation. Together with Global Access Partners and my department, I am trying to keep this public consultation absolutely pure, as best we can, from political interference because again this is an opportunity for our society to build what we are going to become and I do not think people quite understand the importance of strata.

Prior to becoming Minister I probably could have told you not very much—not being a lawyer like the Hon. Adam Searle, who undoubtedly has dealt with strata issues. Everyone, I understand, now has a strata story, and I will talk for hours on strata. I am passionate about strata because it is a great way to live, if you get it right. What we have here is a great opportunity for people to get involved in creating, shaping and influencing not just the bricks and mortar they are going to live in from a planning perspective but also from the perspective of how we are going to interrelate with each other without going to some sort of North Korean-style of over-government in these vertical villages.

**The Hon. Dr PETER PHELPS:** John will be unhappy about that.

**The Hon. RICK COLLESS:** It is an upper House joke.

**Dr JOHN KAYE:** And therefore not very funny.

**The Hon. RICK COLLESS:** Typical Greens.

**The Hon. ADAM SEARLE:** Particularly in the absence of some of them from this particular room.

**Dr JOHN KAYE:** Minister, please ignore the noise sources.

**Mr ANTHONY ROBERTS:** It is how we are going to give residents within these vertical villages the option, for example, to turn around and say, "We want to be able to dry our clothes on balconies. We want to have a more green style of living." These are just small democracies where we are able to hopefully build future communities and again we need to get this right. It is just so important to get this right because the chances are that this is where our children and our grandchildren will be living, in stratum community schemes.

**Dr JOHN KAYE:** I take your point on not wishing to prejudge the outcome of the next stage of the process that you are going through and I look forward to your response after November, after we have all put in our submissions. Also, no doubt, the legislative process will take some time. But when your discussion paper hit the media and the public, the issue that stood out was the one that the Hon. Adam Searle made reference to, which was the suggestion that you might be thinking of changing the regulations or law so that strata companies could be wound up without the 100 per cent approval of the owners corporation members. Do you appreciate that a number of people became very concerned when they heard that?

**Mr ANTHONY ROBERTS:** I have to say it is just part of the discussion paper and that aspect was about the issue of urban renewal and strata terminations. I want to reaffirm that the Government does not set out any policy proposals in this area. This is very much intended to stimulate discussion. From memory, the last person in this Parliament who raised it was Minister Sartor. In fact, I have almost completed reading his book. It has been long and onerous.

**Dr JOHN KAYE:** You have not enjoyed it, Minister?

**Mr ANTHONY ROBERTS:** There are parts that are enjoyable.

**Dr JOHN KAYE:** Some members are waiting until it is remaindered before they will buy it.

**The Hon. ADAM SEARLE:** And some not even then.

**Mr ANTHONY ROBERTS:** I can pass on my copy to you.

**Dr JOHN KAYE:** I do not know that you would want to share the annotations with me, Minister.

**CHAIR:** You do not have a signed copy, do you?

**The Hon. LYNDIA VOLTZ:** Not that we will admit to.

**Mr ANTHONY ROBERTS:** That is worth even less.

**The Hon. Dr PETER PHELPS:** That has devalued it.

**Mr ANTHONY ROBERTS:** I want to make it clear that absolutely no policy decisions have been made with respect to this matter. It has always been since strata was first developed as legislation—and I have spoken to people who were part of that original drafting of that legislation—that the termination of strata was the elephant in the room. It is a conversation that we need to have as a community.

It is a conversation that we need to get out there and seek people's views on, because you only have to go through Sydney to see buildings that have reached years or decades beyond their lifespan or expectancy. There are costs in small units rising exponentially, with the people living in those units on a fixed income or pension unable to continue living in those units because their savings have been eaten up trying to maintain an older building. I do not want to push this in any way, but there are conversations that need to occur.

I want to confirm and reconfirm to the Committee what would underpin anything that this Government does. I know Singapore has models and there are models right across the world. I am sorry that the Opposition did not get around to asking me had I travelled overseas last financial year, but I will quickly throw it in now. No, I have not. In Singapore, for example, they have a very Singaporean way of doing things.

**The Hon. ADAM SEARLE:** Shocking!

**Mr ANTHONY ROBERTS:** Surprising, but whatever we did there would have to be a significant level of consumer protection before we even ventured down that path. Something that I am particularly passionate about is the protection of the most vulnerable in our community.

**Dr JOHN KAYE:** You spoke of urban renewal as the objective behind this particular feature of the discussion paper. Did you misspeak then or did you really mean it was about urban renewal?

**Mr ANTHONY ROBERTS:** No, it is not just about urban renewal.

**Dr JOHN KAYE:** I was interested to hear that because I had seen it as an issue of resolving issues of apartments becoming aged and beyond their design life, and so on.

**Mr ANTHONY ROBERTS:** Yes.

**Dr JOHN KAYE:** You are talking about urban renewal, which is a different issue. It is more of a planning concept than a structural engineering concept, and that is another dimension—

**Mr ANTHONY ROBERTS:** And another Minister.

**Dr JOHN KAYE:** Not only another Minister but also a whole other set of concepts because you say you are driving this outcome, for example, in order to increase density in areas. It would be a really frightening matter if someone was to lose what is for them their largest investment in life in order to drive an urban renewal outcome.

**Mr ANTHONY ROBERTS:** This is a conversation that we need to have not only as a community. I think it is a conversation we need to have as a Government and as a Parliament, right across the board, because the only way this is going to be solved is through a whole-of-government approach. But it is important that we start the conversation.

**Dr JOHN KAYE:** Do I take it then that you are not ruling out the idea that a strata or stratum could be wound up because there are urban planning reasons for doing so?

**Mr ANTHONY ROBERTS:** I cannot tell you what is going to come out of this. We are still seeking discussions. This is being developed. This is a conversation. It is like you asking me to say who is responsible if an asteroid crashes into half of a strata block.

**Dr JOHN KAYE:** That is a good question.

**Mr ANTHONY ROBERTS:** Yes, why did I ask that? You are the lawyer.

**Dr JOHN KAYE:** I will put that one on notice.

**The Hon. ADAM SEARLE:** That is a very tricky one; stay away from that, Minister. You say you have no pre-conceived ideas on this, Minister?

**Mr ANTHONY ROBERTS:** I have no pre-conceived ideas. We need to have the conversation.

**Dr JOHN KAYE:** You would appreciate that there are elderly people living in strata units who are disturbed by the suggestion they could lose the capacity to control their futures as a result of any change to the law relating to a 100 per cent majority being required to wind up a strata unit. You would be aware that for at least 12 months these people are going to live with a substantial amount of uncertainty.

**Mr ANTHONY ROBERTS:** It always interests me when people start a conversation, "Are you aware of so many ...?" Name five of them. For every person who could be concerned about moving out of a unit block there would be someone else who would say that if someone came along and offered them twice the amount of money for their unit so they could move into a new unit with half the cost to the strata they would jump at that. I think it is too early to start pulling out ideas and options. Again, we are developing a conversation. I do not think it will be a difficult conversation to have. It will be hard, it must be open and it will be robust at times but as a Government and a society we at least have to tick this off as a way of going forward or find other solutions.

**Dr JOHN KAYE:** What security are you offering as a Minister to those people who are concerned?

**Mr ANTHONY ROBERTS:** About what—a discussion paper?

**Dr JOHN KAYE:** No, the people who are concerned about where the law might go. Their life savings, the thing they have struggled all their lives to put together could now be at risk from a developer moving in and saying to the other strata title members, "I can offer you a good deal here."

**Mr ANTHONY ROBERTS:** I can say that internationally there are safeguards. Under the law there would be safeguards. There will always be safeguards to protect the vulnerable in our community. When you have this conversation and you move on, if these things were to occur—I cannot see honourable members here agreeing to something going through the upper House unless there were safeguards. I should hope not.

**Dr JOHN KAYE:** Minister, you have more faith in the upper House than I have. I refer now to the appropriate licensing of tradespeople who install security systems such as locking systems, screen doors, window screens, films on windows, security glasses, blinds, shutters, roller doors, and door reinforcements. Perhaps Mr Stowe can help us here. There seems to be some degree of disagreement between what the Minister for Police and Emergency Services is saying and what you and the Department of Fair Trading is saying.

I am not seeking to deliberately create political disagreement. I am seeking to try to resolve what is being said. The Minister for Police and Emergency Services suggests that such people require a tradesperson not with a home building licence but a contractor holding a mandatory police master security industry licence. The Strata Management Schemes Act requires only properly licensed tradespeople to carry out such work whereas Fair Trading's website seems to be saying that all that is required is a standard tradesperson's licence. Can you resolve that?

**Mr ANTHONY ROBERTS:** I will pass that to Assistant Commissioner Tansey.

**Dr JOHN KAYE:** It is not a political question. It is a matter I would like resolved.

**Mr ANTHONY ROBERTS:** It is practical and sensible.

**Mr TANSEY:** I say at the outset I do not think I can give a definitive answer because I am aware that there are distinctions in this area between installing a lockable screen door as against something that is determined to be a security product. I am aware that debate about those elements comes up. If there is something you want further clarified we can take it on notice because it goes to the deep detail of the scope of work of different licences.

**Dr JOHN KAYE:** I would like you to take that on notice and provide some clarity for us. I would also like you to comment on the advice provided on Fair Trading's website with respect to this matter. I must admit it has been a while since I looked at it and you may have updated it. From my understanding it does not mention the requirement to hold a police master security industry licence.

**Mr ANTHONY ROBERTS:** So I can get my mind around this, is this a complaint or an issue that has been brought to you by industry or by consumers?

**Dr JOHN KAYE:** It is an issue that has been raised with me by what one might call an interested industry observer.

**Mr ANTHONY ROBERTS:** That is fine.

**Dr JOHN KAYE:** Since the Minister has asked, it is a matter that seemed to stack up when we investigated it. There was an apparent contradiction between what Police and Emergency Services thought was the appropriate licensing and what Fair Trading thinks is appropriate, or at least what is being communicated from the two different arms of government. All I am asking is whether there is a way this can be resolved to get clarity.

**Mr TANSEY:** I have here in incredibly small print that I can barely read excerpts from some of the licensing detail from our website. It does go into installation of security doors, grilles and equipment and the difference between security industry licences and home building licences. It also creates related information links to the Security Industry Registry. I am happy to answer further questions, but I can literally read it to you. It says:

A person who installs security doors, grilles and equipment in any building must hold a Security Industry Act licence (Class 2C or 2E or 2F).

If the building is residential, the installer is exempt from the provisions of the *Home Building Act 1989*, provided the contract is confined to the work authorised under their licence ...

That is their security licence. Further on under the heading "Home building licensees" it says:

A person licensed under the *Home Building Act* in the categories of **general building work**, **metal fabrication** or **minor maintenance** is exempt from the provisions of the Security Industry Act provided the person in the course of their building activities or maintenance services, installs basic security equipment such as locks but only to the extent to which the person provides the services.

Then there are related hyperlinks to the Security Industry Registry and licensing.

**Dr JOHN KAYE:** Perhaps you could provide on notice the link to that web page.

**Mr TANSEY:** I am happy to do that.

**The Hon. SCOT MacDONALD:** I raise the matter of public awareness. I know you are a shy person, Minister, but could you give some details about what you do in terms of public awareness of current issues, consumer and business rights and public warnings? Since you assumed high office, what actions have you taken to ensure that awareness of these issues has grown? What have you done to promote your agency to people outside the major metropolitan centres?

**Mr ANTHONY ROBERTS:** Thank you for the question. We have worked out that I have travelled about 25,000 kilometres—

**The Hon. SCOT MacDONALD:** We saw you in Armidale.

**Mr ANTHONY ROBERTS:** Yes, beautiful Armidale. It has been very much in rural and regional New South Wales. As you would be aware, we have 24 Fair Trading centres, seven tribunal registries and about 70 places where the Consumer, Trader and Tenancy Tribunal does its fantastic work. Educating consumers and traders is a core business activity. Do you want the associated costs for key activities for 2011-12?

**The Hon. SCOT MacDONALD:** I was looking more for the range you have covered in that period.

**Mr ANTHONY ROBERTS:** Okay. I have very much made it my responsibility to promote the services and highlight the role performed by Fair Trading across the State. Since coming to office I have undertaken more than 50 trips across the State to promote the agency, speaking to consumers, stakeholders and community groups. As I said before, I have travelled more than 25,000 kilometres visiting countless rural and regional communities as well as metropolitan areas. It is great to see here our upper House members who represent their rural and regional communities so well. I have done this representation quite aggressively to ensure that services, information and protections provided by Fair Trading reach as wide an audience as possible.

I have made it a requirement of my role to visit regional and remote towns across the State to ensure that services are readily available in those areas as it is in downtown Sydney. I do not care whether you live in Balmain or Bourke, you should have access to the same level of Fair Trading services—end of story. That is my commitment to the people of New South Wales and it reflects this Government's commitment to the people of New South Wales. I visited places like Nyngan, Cobar, Bourke, Broken Hill, Wilcannia, Narromine, Wagga Wagga, Albury, Dubbo, Lismore, Grafton, Casino, Yamba, Iluka, Armidale, Cowra and Ballina. In those places I have spoken to people and particularly listened to the issues.

**The Hon. SCOT MacDONALD:** Are there any radio stations you have not been on?

**Mr ANTHONY ROBERTS:** No. My favourite radio station, if you were to ask me, is the great radio station in Wilcannia. I am a frequent contributor to that station as I am to the great radio station in Bourke where I almost have a full-time program. In fact, I think I am on Bourke radio more often than I am on Ray Hadley, so I apologise to the poor people of Bourke.

**The Hon. SCOT MacDONALD:** That might be good, or safer.

**Mr ANTHONY ROBERTS:** It is important for all Ministers to get out to rural and regional New South Wales, but particularly for a Fair Trading Minister to visit places in the west that have not seen a Fair Trading Minister since Kerry Chikarovski. Of all the Fair Trading centres across New South Wales, I have managed to visit all but one or two. I really want to commend our staff. We are an incredibly decentralised organisation and proudly so. The staff I have working in rural, regional and remote communities are phenomenal. They eat, live and breathe consumer protection. For them it is not a profession; it is very much a way of life. It is a vocation. Particularly with remoteness, we are very much able to provide a huge level of support.

I pay tribute to my senior staff, who travel widely and regularly, particularly Assistant Commissioner Gavrielatos, who is here today and who looks after many of the staff across New South Wales. Again, they are part of their communities and I am proud to say that I am looking at expanding Fair Trading services in these rural and regional areas. We have been discussing that for some time. I want to give my staff the opportunity to move out of Sydney and into fantastic communities such as Lismore, Dubbo, Bourke and Broken Hill. Again, these are great opportunities and it is my personal commitment to rural and regional New South Wales. I will continue to do that. I will continue to travel and to make sure through our regional access programs that people across New South Wales have the same level of access to these services no matter where they are.

**The Hon. RICK COLLESS:** I congratulate you on your commitment to regional New South Wales. It is important to members of The Nationals, as you would appreciate. Perhaps you will give consideration to opening an office in Come By Chance at some stage?

**Mr ANTHONY ROBERTS:** I will do a radio interview there or at least go to the races.

**The Hon. RICK COLLESS:** I have an important question about the Tweed Heads electorate. I know you have spent a fair amount of time there with its very good member, Geoff Provest. In May this year a *Sunday Telegraph* article claimed that while on a visit to that electorate you opened the Tweed Heads Fair Trading Centre and unveiled a plaque to commemorate that occasion. When did the centre first open its doors and start operating?

**Mr ANTHONY ROBERTS:** In this case, the article mentioned here was correct. In May this year I did travel to the Tweed; Geoff Provest is doing a fantastic job up there. It is a great place and it has plenty of residential parks. I met plenty of good Nationals and Liberal supporters, as well as plenty of shooters and, in fact, quite a few Labor supporters.

**The Hon. Dr PETER PHELPS:** Really?

**Mr ANTHONY ROBERTS:** No. I just thought I would be nice.

**Dr JOHN KAYE:** No Greens?

**Mr ANTHONY ROBERTS:** Further south.

**The Hon. RICK COLLESS:** There are more Greens in Come By Chance.

**Dr JOHN KAYE:** We had 14 per cent of the vote in the Tweed.

**Mr ANTHONY ROBERTS:** While there I had the pleasure of officially opening the Tweed Heads Fair Trading Centre and presenting a plaque to staff to commemorate the occasion. In answer to your question, I have to say, of course, in light of the fiscal restraints we face these days, that the Tweed Heads Fair Trading Centre has been operational since 2009 and a plaque had been made for a previous Minister to come and open the centre. However, I am advised that previous Ministers for Fair Trading had never really been able to make it up that far.

**The Hon. Dr PETER PHELPS:** No, surely not?

**Mr ANTHONY ROBERTS:** They cancelled quite often at the last minute due to other duties. However, the plaque had been made and, therefore, had been lying around at the Fair Trading centre collecting dust. So I decided to grab a pen and together with Mr Provest scratched out the name of the previous Minister, who could never make it, and unveiled the plaque displaying my name and Geoff Provest's name in biro. It proudly sits there in recognition of an official opening some years after the Fair Trading Centre officially opened.

**The Hon. Dr PETER PHELPS:** Very frugal.

**The Hon. LYNDA VOLTZ:** That will change when they make announcements. One day the office will end up without having the plaque on the front.

**Mr ANTHONY ROBERTS:** I do not think you can underestimate the importance of having—

**The Hon. ADAM SEARLE:** A plaque?

**Mr ANTHONY ROBERTS:** The lesson here is about having a Minister who visits Fair Trading centres and staff. That is my commitment to our rural and regional staff. It is important to show support, particularly for staff in decentralised offices. In these times of great technology they still can feel as though they are a long way from head offices or the seat of power, which many here would appreciate. Certainly, it was not assisted under the previous Government by lack of action in developing rural and regional New South Wales. It was great to be up there. Again I place on record the great work that the local member is doing.

**The Hon. LYNDA VOLTZ:** Justine, she is great.

**Mr ANTHONY ROBERTS:** The office next door.

**The Hon. RICK COLLESS:** Thank you once again for taking that interest in regional New South Wales. The Government has made red tape reduction a major part of its policy reform process, essentially to boost productivity in New South Wales and fuel economic growth and job creation. How has Fair Trading under your watch met the Government's commitment to reduce red tape?

**Mr ANTHONY ROBERTS:** Thank you for that question. The Government has made a commitment to reduce regulatory costs for business and community by 20 per cent by 30 June 2015 under the "One on, Two off" policy. The number of principal legislative instruments repealed within the Fair Trading portfolio, Acts and regulations, will be at least twice the number of new principal instruments introduced.

**The Hon. Dr PETER PHELPS:** Hear! Hear!

**Mr ANTHONY ROBERTS:** I thought it was especially a question of which Dr Phelps would be very proud. In addition, the regulatory burden imposed by any new legislation will be less than that of repealed instruments. To date, the Government has made substantial progress to reduce complexity and streamline regulation, and reduce regulatory burden within the Fair Trading portfolio. As such, on 6 January this year the Price Exploitation Code (New South Wales) Act 1999 was repealed.

A review of strata title legislation is underway, which will reduce the provisions presently covered by five principle Acts into two—from five to two. The number of principal regulations will also reduce. A review of the motor vehicle consumer protection legislation is underway, and the outcome will be a reduction of principal Acts from two to one, and the removal of any duplicate provisions with those in the Australian Consumer Law.

I am pleased to inform the Committee that in the near future I will be consulting on a proposal to repeal a further six Acts. This activity represents a solid commitment to ensure that unnecessary legislation is removed from the statute books. Again, this is sound administration by the O'Farrell-Stoner Government that makes it easier for business and the community to get on with their lives and to remove the dead-handed Government from their back.

**The Hon. SCOT MacDONALD:** Speaking of previous governments, can I ask about travelling conmen. Since coming to office, you have been heavily active in promoting awareness and action to combat scammers and travelling conmen across New South Wales. Earlier this year you announced that agreements have been reached with Victorian and Tasmanian consumer affairs agencies to coordinate efforts to deal with the issue. What results can you talk to us about? And I have heard you on the radio.

**Mr ANTHONY ROBERTS:** Thank you very much. I have to say, travelling conmen, present company around this table excluded, this has been quite exciting.

**CHAIR:** Thank you, Minister.

**Mr ANTHONY ROBERTS:** For years, we have not just got our own homegrown travelling conmen—and we have successfully put some away and been able to round up a number of the others—we have travelling conmen from overseas, particularly from the United Kingdom, and I will ask my commissioner for compliance and enforcement to give you a further brief on this, because it is quite interesting. They would turn up in Melbourne each year for our summer, move their way through Victoria, ripping the old and the vulnerable off, particularly in rural and regional Victoria, and then the Victorians would pump them into New South Wales.

The Victorian Minister would say, with plenty of media, "We have got rid of them. They have gone to New South Wales. How good am I?" They would then slowly move their way through New South Wales, ripping off people in New South Wales. The New South Wales Minister would pump them into Queensland, big win for New South Wales, and of course, the Queenslanders, after they had been ripped off, would pump them back into New South Wales.

It would all occur again and then the following year they would return, stealing tens of millions of dollars from Australians, using dodgy practices and basically thieving. Again, these people are not terribly nice people. In fact, they run a very sophisticated organised criminal scam operation that targets the most vulnerable in our community. We, in New South Wales, took it upon ourselves, and we were able to find money within our budget to the tune of \$1.5 million to lead a nationwide campaign against these travelling conmen. It is the most sophisticated campaign against travelling conmen, both homegrown and imported, ever seen in this nation. It

has been incredibly successful. I will ask Mr Jones to brief you further on this. Again, it is an exciting development, and I can proudly say there are people out there today who still have their life savings because of this campaign.

**Mr JONES:** I can advise the honourable member that we now have four States signed to arrange a memorandum of understanding involving the exchange of information. It is the eastern seaboard States from Queensland, New South Wales, Victoria and Tasmania, and that deals with one of the common paths of these travelling commen who would land in Queensland, stay there in the cooler months and move their way south as it got warmer and then move their way back. This week represents the first anniversary of the project, which was formally established on 6 October 2011. Since the launch of the campaign, 34 individuals have been prosecuted in New South Wales for 119 breaches of the Australian Consumer Law and New South Wales home building legislation; 42 people have left Australia, either because they have been detected for overstaying their visa or for working in contravention of one of the terms of their visas.

Through the great assistance of the Department of Immigration and Citizenship, which we now have a new relationship with, those 42 people have elected voluntarily to be removed or have been removed from Australia as part of this process. The fines that have been imposed by courts and court-related costs are now near enough to \$350,000. The other aspects of this project are to build those relationships with local police forces, and through our own task force we have been able to build a lot of good working relationships with local area commands. In most cases where they are picking on elderly consumers, it would be the children of those consumers who would report it to either the local police station or to Fair Trading or to another authority, so there was no common point of collection of data and intelligence about where these people were operating.

Through good grassroots cooperation with the police services of New South Wales, Victoria and Queensland, we now have those arrangements in place. I mentioned the arrangements with the Department of Immigration and Citizenship, but we can also say that the Australian Federal Police have played a good role in this as well. We are now reaching out through the Australian Federal Police to police forces in the countries of origin of these particular criminal gangs and providing the information we know about them in Australia back to those particular countries. That is important because, in most of these cases, these people typically use a number of aliases.

They have access to a number of documents demonstrating various identities. Because they are travelling commen, they do not stay in one place for very long and they are quite used to slipping from identity to identity. Up until now, the usual forms of detection and police work has been insufficient to capture the true extent of the detriment these people are doing to consumers. We thought it was in the order of about \$30 million a year in terms of detriment to the Australian community. It is probably at least that. We have identified significant losses from some people, and there is a matter that is close to being finalised that involved one gentleman in Western Sydney who has lost \$145,000 of his own savings.

**Mr ANTHONY ROBERTS:** Sorry to interrupt. I think it is important for this Committee to understand the depths that these people go to, and the types of people we are dealing with. Can you give the example of this recent prosecution in respect of the gentleman who was taken for \$145,000.

**Mr JONES:** This gentleman, who has lived in a house in Western Sydney for a considerable period of time, was literally being driven to the bank by these travelling commen and they were removing large amounts of money from his bank account. Through work with the bank, it was identified that this man has eventually lost his life savings to these people over a course of a number of months. This is not the only instance of those sorts of things. That was a typical process where they commence a job and then come down off the roof if they were doing roof painting, or something like that, and literally say to the householder, "We need another cheque to complete this work", and if it is not available, they would literally put the person in the car and drive them to the local bank and watch them withdraw the money, or take their identity and attempt to take that money themselves.

It is an issue that has been around for a long time, and through good work and good cooperation with a number of regulatory authorities, including Consumer Affairs Victoria, we have been able to make some serious inroads into it. One aspect which I did not mention, through the memorandum of understanding, it is not just the exchange of information. We have also been able, for the first time, to swear investigators in from the various Fair Trading centres across the various States, so five Consumer Affairs Victoria officers and two Tasmanian investigators are actually also Fair Trading investigators in New South Wales, and we use that so that we can put people on planes and fly them down. I mentioned the issues with identity. We need investigators to

positively identify these people in a place so that the police can arrest them and detain them and then immigration officials step in. That is the model and how it works and it is working well.

**CHAIR:** We are out of time, unfortunately. Questions on notice will be provided to you. We would like answers within 21 days.

**(The witnesses withdrew.)**

**The Committee proceeded to deliberate.**

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