

GENERAL PURPOSE STANDING COMMITTEE NO. 3

Monday 1 December 2003

Examination of proposed expenditure for the portfolio area

FAIR TRADING

The Committee met at 9.30 a.m.

MEMBERS

The Hon. A. R. Fazio (Chair)

The Hon. M. J. Pavey

The Hon. G.S. Pearce

The Hon. I. W. West

PRESENT

Department of Commerce

Ms K. McKenzie, *Director-General*

Office of Fair Trading

Mr D. O'Connor, *Commissioner for Fair Trading*

Mr M. Silk, *Director, Management Services*

Mr B. Given, *Assistant Commissioner, Operations*

Mr R. Stowe, *Assistant Commissioner, Policy and Strategy*

Mr L. Le Compte, *General Manager, Home Building Service*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

Corrections should be marked on a photocopy of the proof and forwarded to:

**Budget Estimates
General Purpose Standing Committee Secretariat
Parliament House
Macquarie Street
SYDNEY NSW 2000**

CHAIR: I declare the meeting open. I welcome you to this supplementary estimates hearing of General Purpose Standing Committee No. 3. I thank departmental officers for attending this morning, particularly those who were asked to attend at short notice. At this meeting the Committee will examine the proposed expenditure for the portfolio area of Fair Trading. I remind members of the Committee that questions should relate to the Office of Fair Trading. As members would be aware, the Office of Fair Trading is now an entity within the Department of Commerce, which is a different situation from hearings in previous years. As I outlined at the original estimates hearings into this area, the Minister for Fair Trading shares dual administration of the Home Building Act with the Minister for Commerce.

The Minister for Fair Trading has day-to-day operational responsibility for the administration of the Home Building Act and the operations of the Home Building Service. The Minister for Commerce, the Hon. John Della Bosca, has overall sole responsibility under the Home Building Act for home building insurance, BigCorp—that is, the HIH rescue team—and the Fair Trading Administration Corporation. This is consistent with the other responsibility of the Minister for Commerce—that is, for insurance matters. Questions on such issues are more appropriately addressed to the Minister for Commerce rather than being asked today. This matter was also explained at the original estimates hearing of General Purpose Standing Committee No. 1 and attended by the Minister for Commerce. This was done to ensure that Committee members are aware of the various subjects that are permissible to be questioned at the hearings.

The Hon. MELINDA PAVEY: I seek clarification on that, Madam Chair. What building questions are we allowed to ask?

CHAIR: You can ask questions related to building issues, such as how Fair Trading has dealt with a rogue builder. However, home building insurance is not dealt with within the Fair Trading portfolio. Questions related to home building insurance should be asked at hearings of General Purpose Standing Committee No. 1. Before questioning commences, some procedural matters need to be dealt with. Referring to the broadcasting of proceedings, part 4 of the resolution referring the budget estimates to the Committee requires evidence to be heard in public. The Committee has previously resolved to authorise the media to broadcast sound and video excerpts of its public proceedings. Copies of the guidelines are available from the attendants. In accordance with the Legislative Council's guidelines for the broadcast of proceedings, only members of the Committee and witnesses before the Committee 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, you must take responsibility for what you publish or what interpretation you place on anything that is said before the Committee. Referring to the delivery of messages, there is no provision for members to refer directly to their staff while at the table. Witnesses, members and their staff are advised that any messages should be delivered through the attendants on duty or the Committee clerk. For the benefit of members and Hansard, could departmental officials identify themselves by name, position and department or agency before answering questions. Where a member is seeking information in relation to particular aspects of a program or sub-program, it would be helpful if they identified that when asking the question.

I encourage witnesses to answer the questions put to them during this hearing, particularly when an indication has been given of possible areas of questioning. The Committee needs to report to the House by Thursday of this week, so we are on a tight timetable. I hope that only a few questions will be taken on notice. I ask members to place questions on the *Notice Paper* tomorrow if they are not answered during this hearing. I declare the proposed expenditure open for examination. Do any departmental officials wish to make an opening statement? If not, I ask the members of the Opposition to ask questions.

The Hon. MELINDA PAVEY: One of the reasons we are back here is that the Opposition felt that a lot of questions posed during the original budget estimates were not sufficiently or adequately answered, and that was across all of Government. For example, question 17 to Minister Meagher was: What contractors or consultants were engaged by your office in the last financial year and to date to undertake work or advice on your behalf and/or on behalf of your office? The answer that came back to us was: Expenditure on consultancies is reported in annual reports. All expenditure is in accordance with appropriate guidelines. The answer was in respect of consultancies, but the

question covered both contractors and consultants. The Opposition understands that there is an increasing amount of expenditure going into contractors across government. I now pose that question again: What contractors or consultants were engaged by the Minister's office in the last financial year and to date to undertake work or advice on your behalf and/or on behalf of your office?

Mr O'CONNOR: The answer to that question is that we do not really distinguish between contractors and consultants. They are both lumped in together, so to speak. I am prepared to advise on where we are with our overall consultancies, which includes contractors. If you want us to break that down by giving you some sort of definition we will take that question on notice. However, so far as we are concerned it is the same thing—consultants and contractors. I know that there is confusion in some agencies but the Office of Fair Trading tends to call them consultants.

Ms McKENZIE: Are you talking about the Minister's office or about the Office of Fair Trading?

The Hon. MELINDA PAVEY: Both. Does that answer stand for both?

Ms McKENZIE: Yes. I thought you were asking about the Minister's office. The answer to that is nil.

The Hon. MELINDA PAVEY: What about within the Office of Fair Trading?

Mr O'CONNOR: In the 2002-03 financial year the number of consultants was 18 and that covered 23 projects.

The Hon. MELINDA PAVEY: What were those projects?

Ms McKENZIE: There is a wide range of projects. I think the vast majority of them are projects that have to do with the introduction of electronic commerce of various sorts. So the vast majority of those consultancies would involve various sorts of expert advice, setting up the computerised accounting service on line and various other electronic forms so that people are able to use the services of the Office of Fair Trading. That covers the vast bulk of them.

The Hon. MELINDA PAVEY: Could you supply the Committee with a list of those consultancies? I know that you said that those figures are reflected in annual reports but that occurs only to a certain degree. We would like details on all consultancies, to whom those consultancies were awarded and the cost of those consultancies.

Mr O'CONNOR: I am sure that that would not be difficult.

The Hon. GREG PEARCE: Do you have total expenditure at the moment?

Mr O'CONNOR: Yes. I gave the number of consultants and the number of projects. The total amount in 2002-03 for the Office of Fair Trading was \$1,022,894.

The Hon. GREG PEARCE: And the budget for 2003-04?

Ms McKENZIE: I do not think there is a budget for 2003-04 as such. We tend to make a decision when we have decided that we are going to engage in a particular kind of project or work that we do not have the skills for in-house, so we do not have a specific budget for it.

The Hon. GREG PEARCE: Where can we find that figure of \$1.8 million in the budget papers?

Ms McKENZIE: I am advised that it is to be found on page 89 of Budget Paper No. 4, under the State Asset Acquisition Program.

The Hon. GREG PEARCE: Why would it be under asset acquisition?

Mr SILK: The reason it has gone to asset acquisition is that all information technology developments are capital funded. Therefore, the capital funding funds not only the development of the software and applications but also the engagement of contractors and consultants associated with that development. That is the principal funding source.

The Hon. GREG PEARCE: On page 89 there are listed the Superannuation Administration Corporation, the Office of Government Business and the Office of Procurement. Does that figure come under that?

Mr SILK: The asset acquisition figure of \$8.607 million is to be found at the bottom of page 88 to page 89. The figure of consultancies is incorporated in that figure of \$8.6 million.

The Hon. GREG PEARCE: Where is the figure of \$8.6 million?

Mr SILK: It is in Budget Paper No. 4, on pages 88 to 89. The figure is to be found at the bottom of the page under net cost of services for the Office of Fair Trading.

The Hon. MELINDA PAVEY: You received a letter that was sent by this Committee last week requesting information on general issues in respect of media monitoring. How much was spent by the Office of Fair Trading, including the Minister's office, on media monitoring by the Rehome Australia monitoring service in 2002-03?

Mr O'CONNOR: We did not get a letter. I do not know where that letter went. I have a total for both the Minister's office and the Office of Fair Trading for the year 2002-03 for Rehome media monitoring and something called "Other", which was \$145,311.

The Hon. MELINDA PAVEY: That represents a considerable share of your budget. You do not have a big communications department.

Mr O'CONNOR: With respect, we actually have quite a large public relations area. One of the major functions of the Office of Fair Trading, apart from its enforcement and compliance area, is consumer protection, or consumer information and customer services, which is a large part of the organisation. In order for the Office of Fair Trading to be informed of what is happening in the community at any one time we rely heavily on media reports so that we can respond. You might be aware that many of our officers actually have weekly columns in rural newspapers. That is based on the information that we are getting from the media and letters to the editor that may be on the television. We rely heavily on that to find out what is happening in the community, apart from correspondence, complaints, information from phones, et cetera.

Ms McKENZIE: It is also a source of intelligence on emerging issues that we might pick up. Advertisements might reveal that there is something at which we should be looking more closely. So I think it is essential for the agency to keep on top of all that.

The Hon. MELINDA PAVEY: So your local officers would not act as media monitoring deposits?

Mr O'CONNOR: No. That is done centrally to the extent that our officers in the region can do that. If there is an emerging issue we will certainly be advised about it. Often, if there is a headline or something in a local newspaper they will send that to us quickly as it is something that will affect them on day-to-day basis. So any response is prepared centrally. But, as Ms McKenzie said, we rely on that heavily for trends in the community so that we can be aware of it. But if there is something happening, for instance, in Broken Hill you can be fairly sure that our person in Broken Hill or our Dubbo central office will be getting questions fairly quickly. We need to know what they are.

The Hon. MELINDA PAVEY: Between October 2002 and September 2003 how many complaints did the Office of Fair Trading receive?

Ms McKENZIE: I do not know whether we can give you information specific to those dates. We do not necessarily have a separate category called "complaints", but it depends on what you mean. You might mean written consumer complaints or verbal things that come in over the phone. If you

extend it to inquiries, the numbers are a fair bit bigger. Is there something in particular that you are interested in?

Mr O'CONNOR: What we call a "complaint" is something that is written down. Someone might come into an office, say, in Broken Hill. If someone comes to an office in Broken Hill with an issue we try to resolve it. If it cannot be resolved that person is given a complaint form. That complaint form is then registered and treated accordingly. The figures that I have for the last financial year—I do not have them on a monthly basis and I am referring to written consumer complaints—is 24,458. I cannot give you a monthly breakdown now.

The Hon. MELINDA PAVEY: So that is the figure for written complaints. How many verbal contacts from consumers did you receive over the phone?

Mr O'CONNOR: I will have to count them all, but it would be more than one million.

The Hon. MELINDA PAVEY: Have you categorised the written complaints into home building, residential parks, motor vehicles and so on?

Mr O'CONNOR: I do not have those figures in the papers before me but I am sure that information would be available somewhere.

The Hon. MELINDA PAVEY: I will complete the question. How many of the 24,458 written complaints related to home building, residential parks, motor vehicles, retirement villages, tenancy, strata and community schemes, commercial and others?

Mr O'CONNOR: I have the chart but it is difficult to read so I will take that question on notice. That information is available. It is broken into categories such as real estate, building and fair trading.

The Hon. MELINDA PAVEY: How many of those complaints were dealt with by the Consumer, Trader and Tenancy Tribunal [CTTT]?

Mr O'CONNOR: I can try to answer that question. The figures for the tribunal include tenancy matters. They are usually not complaints—people who have a problem, landlords or tenants, will go to the tribunal. Of the number of applications before the tribunal—of which 61,500 were lodged in the previous financial year—45,000 related to tenancy issues. That is by far the largest chunk. The next category is what is called "general", which could be complaints about the local shop, a contract issue and so on. The next big division of applications lodged before the tribunal is home building. Some 5,685 applications were lodged in the home building division, which is about one-twelfth of matters lodged with the tribunal.

The big issue for the tribunal relates to tenancy. As far as home building complaints are concerned, as with any area of fair trading, to the extent possible our customer service people in the regions try to respond and answer those questions at a local level. The success rate as a result of doing that and preventing matters going to the tribunal is between 70 per cent and 80 per cent. The customer service function is quite successful. It is a case of asking, "Have you gone back to the builder or the trader and asked this question?" In many cases the answer is no; they have come to us first. We try to respond to matters before they become complaints and go to the tribunal.

Ms McKENZIE: Even more emphasis is placed on that approach since the establishment of the home building service in July this year. We have more resources devoted to trying to resolve issues before they get to the CTTT.

The Hon. MELINDA PAVEY: Do you have any figures regarding how many of the decisions handed down by the CTTT were challenged by way of complaint to the CTTT, by requests for rehearing or through challenges in the Supreme Court?

Ms McKENZIE: We do not have those figures to hand, but I am sure that we can find them.

Mr O'CONNOR: I do not think we have a breakdown. We have the number of applications finalised by the tribunal in the same period.

Ms McKENZIE: We have the number of rehearing applications.

Mr O'CONNOR: This figure is in the annual report of the CTTT for 2002-03—if we have it then it has obviously been tabled in Parliament. I will go to the categories. This relates to sections 68 and 68 (7). Do you want all the figures? Which area are you particularly interested in?

The Hon. MELINDA PAVEY: You can read them all.

Mr O'CONNOR: There were 1,577 rehearing applications for tenancy, of which 946 rehearings were refused and 357 rehearings were approved, which means that 27 per cent of tenancy applications were approved. Some 584 applications were lodged in the general division, of which 372 were refused and 105 were approved, which means that 22 per cent of applications were approved. Some 466 home building applications were lodged, of which 287 were refused and 75 were approved. They did not work out the percentage for approvals—there is a typo—but it looks to be about 20 per cent. Some 178 applications were lodged in the motor vehicle division, of which 113 were refused and 26 were approved, which means 19 per cent of applications were approved. Some 35 applications for residential parks were lodged, of which 19 were refused and 7 were approved, which means that 27 per cent were approved. Ten strata and community scheme applications were lodged, two were refused and none were approved. Some 36 applications were lodged in the commercial division, 24 were refused and 8 were approved, with an approval rate of 25 per cent. In the retirement villages division, three applications were lodged, three were refused and none were approved.

Ms McKENZIE: Those figures appear to be roughly proportional to the number of applications. For example, the number of rehearings appears to be roughly proportional to the number of applications.

Mr O'CONNOR: The other part of your question related to the Supreme Court. Under section 67 of the Consumer, Trader and Tenancy Tribunal Act 2001 a party may appeal to the Supreme Court against a decision of the tribunal on a question with respect to a matter of law. During the year the tribunal was notified of 81 appeals of its decision to the Supreme Court. Of these matters, three settled, 10 were remitted for hearing and 30 were dismissed. One order was substituted and 37 are yet to be determined.

CHAIR: Questions will be put in 20-minute blocks. So you may ask one more question, the Hon. Ian West will continue and we will return to you when his time has expired.

The Hon. MELINDA PAVEY: Thank you, Chair. Has the Office of Fair Trading received any complaints about allegations of corruption against, or undue influence being applied to, CTTT members when issuing formal orders?

Mr O'CONNOR: I have the figures for referrals to ICAC but they make no mention of allegations against CTTT members. I have only figures; I do not have incidents. This information has obviously been tabled in recent days.

The Hon. MELINDA PAVEY: I am sure you understand that many departments table reports.

Mr O'CONNOR: I appreciate that. The report's index makes no reference to ICAC. I am certainly not aware of any through Fair Trading.

The Hon. IAN WEST: What is the Office of Fair Trading doing to crack down on shonky traders?

Ms McKENZIE: The office is very active in relation to shonky traders. Under the legislation the office can take—and regularly does take—a range of actions beginning with education and awareness raising and the provision of information to traders and consumers. That is a very effective response for the general trader who wants to do the right thing. For those who do not, we have an

escalating suite of remedies or actions that can be taken against those traders, ranging from formal cautions, penalty notices, Local Court prosecutions, notice to show cause actions, public warning statements—the naming power, which over time I think in many cases has proven to be a very effective way of stopping shonky traders from doing the wrong thing—enforceable undertakings, Supreme Court injunctions and the permanent disqualification of those who ultimately refuse to comply with the law and continue to engage in improper actions or behaviour that is in breach of the Fair Trading Act.

I will give some examples of where these remedies have proven to be effective. I highlight particularly the escalating suite of available remedies for shonky traders who do the wrong thing.

In the case of Operama Pty Ltd, Fair Trading obtained Supreme Court orders freezing the bank account of the company and restraining its operations manager, a Dutch national, from leaving Australia. These orders were in place while Fair Trading carried out its inquiries into the failure of the company to stage a heavily subscribed and heavily promoted production of the opera *Aida*. This was an example of making sure that the assets that were at risk—the money already paid to the company—were secured until such time as consumer redress could be arranged.

Michael Helsby Knight became notorious throughout Australia for many promotions where he claimed to have excess stock—excess jeans, sheets, mobile phone minutes, hotel accommodation and air travel capacity. In each scheme promoted by Knight he offered stock at very low prices and then moved on without supplying the promised goods or services, or he supplied to only a small proportion of the consumers who responded, or he supplied materially different goods and services. Knight was not willing to comply with his obligations and orders were eventually obtained in the Supreme Court, to which he consented, to permanently ban him from offering to supply goods or services in New South Wales.

Boss Communications Incorporated is another good example of a Canadian company that was sending scam mail to Australian consumers to entice them to pay money for worthless tarot readings or fortune telling or to enter a sweepstakes. Fair Trading intercepted 5,568 letters from Australian consumers who had responded to these fraudulent promotions. The letters contained up to \$180,000 in cash, cheques, money orders and credit card authorisations from consumers who had been misled by the scam letters. The Supreme Court granted injunctions prohibiting Boss from sending scam mail to any part of Australia and authorising the commissioner to return the seized mail to consumers. They are just a smattering of examples of where the office has taken action to ensure that these scam traders are not permitted to continue with their activities.

The Hon. IAN WEST: I am aware that last week was Consumer Week. What does Consumer Week provide for the people of New South Wales?

Mr O'CONNOR: Consumer Week was instituted in about 2000. We have been trying over a number of years to try to strike the right chord with the community as to how we deliver our message. As the Chair and members would know, we have a vast number of publications and facts sheet and a web site that is regarded as one of the most user friendly of all government agencies that have the information. Last year, the successful Consumer Week related to scams. This year the theme was one of a growing concern in the community about young people and debt. This matter was highlighted by the Minister for Fair trading at the August meeting of the Ministerial Council on Consumer Affairs, as was the suggestion that it should be raised at a national level. That was accepted by all Ministers of the States, Territories and the Commonwealth.

We took that on board for Consumer Week this year. We arranged for some research into youth debt, including all the factors that contribute towards it; to prioritise those factors for which the office has some measure of responsibility; to assess, with the help of all the relevant stakeholders, areas of possible action to address the issue of youth debt; and, based on what has happened this week, to raise general awareness in the community, as Consumer Week did. Dangar Research Group conducted the research and was asked to determine the extent of youth debt in the community, evaluate the degree of financial literacy among young people, gain insight into the experience of youth with debt, and identify strategies to overcome this very serious and growing problem in the community.

We used nine focus groups and 600 in-depth phone surveys which sought the views of parents and young people from all over the State. Half of the focus groups were held in regional New South Wales—Bathurst, Dubbo, Gosford and Tweed Heads. In order to get across the entire community we also canvassed the ethnic community, in particular, the Arabic, Vietnamese and Chinese communities. Young people were encouraged to respond to a survey on debt issues that was hosted by the Internet provider Yahoo, and promoted by the youth radio station NOVA FM. The Internet survey commenced in early November and runs until mid-December. Some of the key findings included: a majority of respondents thought that debt was an issue of major concern among young people, and that debt ranks behind excess drinking, and is close to drugs and interestingly ahead of unemployment and youth suicide. We believe this is a major problem that was under the surface and we are now trying to do something about it.

Other key findings are: nearly 25 per cent of 18- to 24-year-olds have at some time experienced debt that has caused them some level of grief; credit cards, mobile phones and car expenses were regarded as the biggest debt threats they had, and for those at university it was the HECS debt that was of concern; young people in the lower income and education brackets are more likely to get into a cycle of bad debt than those in the higher economic groups, probably because parents might help the others out. A Youth Forum kicked off Consumer Week and it brought together people from government, the community, people with youth interests, as well as representatives from industries with vested interests in young people and debt, such as banks, credit providers and telecommunication companies.

The forum allowed for the findings of the quantitative and qualitative research to be presented and for workshops to be conducted. That is how we looked at the first issue and from that we will evaluate what I believe was a highly successful morning. Last Friday, I briefed my colleagues nationally on the results, and they were quite interested in the lead that New South Wales has taken in relation to the matter of youth debt. Also, as part of Consumer Week there was the consumer awards presentation, as has happened during the past few years. The keynote speaker was Hugh MacKay and the award categories were: Consumer Youth, Consumer Journalism, Consumer Service and Consumer Advocate. These awards are highly competitive right across the community. Some of the entrants, particularly from some schools, were absolutely first-class.

Also well attended was an ethnic media conference later in the week to reinforce the work we had already done. A number of events were held throughout the regions, including the Central Coast, Bathurst, Cabramatta and Wollongong. We held banners on poles to the extent we could, staff got special t-shirts and handed out information at a lot of railway stations throughout the city, together with promotions on NOVA FM and Internet Yahoo and a number of editorials in major Chinese, Arabic and Vietnamese newspapers. I could speak about a lot more work that was done in Consumer Week, but that is an overview of what happened.

The Hon. Greg Pearce: An answer more befitting a Minister.

The Hon. IAN WEST: Would you tell us how you have assisted in the development of co-operatives?

Ms McKENZIE: As members would probably be aware, the office is responsible for the development and regulation of the co-operatives sector through the Registry of Co-operatives and Associations under the Co-operatives Act 1992. It also exercises a similar function in relation to co-operative housing and Starr-Bowkett societies under the Co-operative Housing and Starr-Bowkett Societies Act 1998. The registry manages the co-operatives legislation to try to ensure the provision of appropriate rules and guidelines for the operation of co-operatives in New South Wales. This includes monitoring and analysing co-operatives' performance and viability through desk audits, checking financial returns, conducting targeted field inspections, preparing reports detailing exceptions identified, and providing recommendations to organisations to assist them with compliance. It conducts formal investigations, assists with wind-ups, undertakes deregistration and conducts prosecutions for offences under the co-operatives legislation.

This very busy registry is located in Bathurst. I have been out there recently to visit the staff of the registry. They are a very active group of people. They are constantly reviewing and approving rules and disclosure statements associated with the formation of new co-operatives and the registration

of new co-operatives, as well as examining and approving the content of disclosure statements lodged by existing co-operatives associated with fundraising proposals, sale of assets, mergers, transfers of engagement, schemes of arrangement and liquidations. It is quite appropriate that the registry is located in Bathurst because many of those interested in forming co-operatives tend to come from the smaller rural communities, and it is great for them to have services accessible from a regional centre like Bathurst. The registry encourages and assists the establishment of new co-operatives through programs aimed at promoting the use of co-operative solutions for business and community development—particularly, as I said, in regional areas.

One initiative that the registry has under way at the moment is an education program aimed at broadening awareness and reducing some negative perceptions about co-operatives that exist among some professional associations. This has involved a series of information seminars to inform members of regional law societies throughout New South Wales. It has included the preparation of fact sheets and publication material, field presentations, seminars and workshops. The registry also administers a grants program to support prospective and new co-operative ventures during their first two years of operation. The grants are provided to assist in assessing feasibility and enhancing viability, including developing business plans, undertaking market research, et cetera.

The registry produces quarterly statistical reports relating to the performance of the co-operative housing sector, and maintains a public register of documents lodged. It provides advice and assistance to the sector on compliance matters, and has assisted in developing appropriate standards for the prudential regulation of the sector. It also reviews and approves applications that have been made under statutory provisions in relation to various matters, including disclosure statements relating to mergers, transfers of engagements, windups, et cetera. It is also contributing to the Government's community renewal and capacity building program for regional and rural New South Wales.

The self-help values of our regional and rural communities have always had a strong synergy with the democratic, member control and member involvement principles that underpin co-operatives. The capacity to co-operate has proven to be an essential factor in successful rural community efforts to meet sustainable objectives. To assist efforts to rejuvenate declining communities in rural and regional New South Wales, the registry has implemented a major initiative known as CARDS, the Co-operatives and Regional Development Strategy. Under this initiative the registry is giving a priority focus to promoting and encouraging mutual assistance endeavours, particularly through the formation of co-operatives, to assist communities achieve their development objectives. Over the past 18 months the registry has been networking with other government agencies, such as the Premier's Department, the Department of State and Regional Development, and, increasingly, local councils, to encourage and participate in regional development programs where the registry's expertise in co-operative formation can assist a whole-of-government approach.

Earlier this year the registry embarked upon a joint initiative with the Barwon Darling Alliance to develop a co-operative pilot under its Aboriginal Enterprise Project. This is just an example of the innovative ways in which co-operatives can be used to help some remote regional communities. The alliance, which comprises five shire councils—Bourke, Brewarrina, Central Darling, Coonamble and Walgett, as well as the Murdi Paaki Regional Council of the Aboriginal and Torres Strait Islander Commission—has been formed to develop and promote sustainable social and economic growth in the Barwon-Darling region. The joint initiative is seeking to reduce unemployment and improve the quality of life for Aboriginal communities in the region by helping them to establish commercially viable businesses using the co-operative structure as the legal framework for new ventures.

The registry assists a range of other communities. Other community groups have recently expressed an interest in being involved in enterprise initiatives of this kind, and it is proposed to run a series of workshops similar to the one conducted in Goodooga early next year. The registry is hoping to be able to use the experiences learned from the Aboriginal enterprise co-operative pilot initiative to encourage similar alliances with other local government councils in order to further assist and promote the development of Aboriginal communities around New South Wales.

CHAIR: What are Starr-Bowkett societies, and why are they so called?

Mr GIVEN: Starr-Bowkett provide the members of organisations, which are formed as legal entities, with a loan facility. The money for the loan is provided by the members' contributions. It is very much a self-help basis upon which people can get lending for housing.

CHAIR: And why are they called that?

The Hon. GREG PEARCE: Mr Starr and Mr Bowkett got together and formed the first of these entities.

Mr GIVEN: I think that is right, but I am not sure.

The Hon. GREG PEARCE: It is true.

Mr O'CONNOR: Madam Chair, could I correct an answer I gave to a question asked by the Hon. Melinda Pavey? I said that there were a million incoming telephone calls requesting information. The figure is in fact 1.5 million.

The Hon. GREG PEARCE: Ms McKenzie, in your answer to a question asked by Mr West you mentioned scams. I do not want you to go over your answer again. Were those scams discovered because of the use of the online SCAM system and the NetMap analytical software? Have they become operational yet?

Mr GIVEN: If I could answer that. The particular matters that were identified were not brought to notice through those facilities. NetMap in particular was something that we have acquired in recent times, and we are integrating that into our system, so that it will allow us to compare and bring together data across a range of our databases and, through intelligence analysis, to be able to link people who perhaps do not have linkages that are obvious to us.

Ms McKENZIE: If I could interrupt to say that generally that software helps to identify patterns. You feed in all of the bits of data and intelligence and it spits out aberrations—things that might warrant further investigation.

The Hon. GREG PEARCE: Is that software operational yet?

Mr GIVEN: Yes, we have got it, and we are going through the process of applying it to our various databases and other information sources.

The Hon. GREG PEARCE: Is it at the stage yet where you would have identified individual cases of concern?

Mr GIVEN: No, it is not. We have got it and we are going through the process now of implementing its use with our databases.

Ms McKENZIE: I do not think it was ever designed to identify an individual case. What is really given are patterns—so it would help us to target our activity in particular areas in which we can see there is a pattern of behaviour that does not look like it adds up. It is not likely to identify individual cases.

The Hon. GREG PEARCE: How much has been spent on those software systems to date? Are they part of the consultancies that we were talking about earlier?

Ms McKENZIE: Some aspects of it would be, yes.

Mr SILK: NetMap analysis software is a capital-funded project of half a million dollars. We were in the process of developing it last year, and this financial year we are actually bedding in that software application. In regard to the SCAM system, that was its predecessor in business software applications. The development of that product cost approximately \$200,000 in its latter form. But, with the introduction of NetMap we will be looking to go forward, and also to put forward a future business case to further develop and refine the SCAM system that we have, together with the NetMap intelligence information that is being made available.

The Hon. GREG PEARCE: Is NetMap replacing the SCAM system?

Mr SILK: NetMap is complementary to the SCAM system. NetMap, as the director-general mentioned, is a tool for providing information on patterns and trends.

The Hon. GREG PEARCE: You have spent \$500,000 on NetMap?

Mr SILK: NetMap was a capital funded project of up to \$500,000. I do not have the exact figure here.

The Hon. GREG PEARCE: How much was spent on it? Has it gone over \$500,000?

Mr SILK: No, the project was completed within budget and on time.

The Hon. GREG PEARCE: And SCAM cost \$200,000?

Mr SILK: SCAM has gone through a number of stages of its development. The last stage was approximately \$200,000.

The Hon. GREG PEARCE: What is the total of all the stages?

Mr SILK: I do not have that information with me.

The Hon. GREG PEARCE: Can you take that on notice and get back to me? I notice that that your position is Director, Management Services, Office of Fair Trading. How many staff report to you?

Mr SILK: I have 85.

The Hon. GREG PEARCE: Can you tell me the total budget for employee-related expenses for your division, or whatever you call it, for that 85 staff?

Mr SILK: For the division it currently stands at approximate \$5 million. However, with the creation of the Department of Commerce, management services division is collapsing into a more refined division that will service the whole of Commerce, including all the offices that now make up Commerce.

The Hon. GREG PEARCE: That \$5 million will go out of the Fair Trading budget?

Mr SILK: The cost of corporate services support to Fair Trading will continue. However, services will be provided from one aggregated corporate services division under the banner of Commerce and in total they will service the Office of Industrial Relations, Office of Government Business and Office of Government Procurement, and Office of Information and Communications Technology. It is part of the Government's corporate services reform strategy to lower corporate services overheads and costs and rechannel those funds to core activity.

The Hon. GREG PEARCE: If it is going to be the same cost—?

Ms McKENZIE: It will not be exactly the same cost, but we are just in the process now of working through exactly what we need to be able to provide for the whole of the new agency. Mr Silk has been very closely involved in that. We would not be in a position to give you numbers just yet about exactly how that will pan out.

The Hon. GREG PEARCE: We will ask you that next year.

Ms McKENZIE: Yes.

The Hon. GREG PEARCE: In written responses to the Committee's questions, No. 16 says that a Minister is provided with a car and a Minister's driver assistant. All costs associated with the

Minister's car are met from the budget from the Minister's office. What is the budget for the Minister's office?

Mr SILK: The Minister's budget is determined by the Cabinet committee on budget. The Minister's office budget for 2003/04 is \$1.2 million, which is broken up into \$0.6 million for employee-related expenses, \$0.35 million for rent, and the balance of \$0.25 million to cover operational costs such as stores, stationery and other overheads such as travel, et cetera.

The Hon. GREG PEARCE: Was it \$600,000 for employee-related expenses?

Mr SILK: Approximately \$600,000.

The Hon. GREG PEARCE: How many people does that cover?

Mr SILK: There are seven full-time staff and one part-time staff member attached to the Minister's office.

The Hon. GREG PEARCE: Where would I find that figure in the budget?

Mr SILK: The Minister's office budget forms part of the Office of Fair Trading's overall budget. The Office of Fair Trading is the host agency, and the budget is allocated to the Office of Fair Trading to administer as part of its overall operating budget.

The Hon. GREG PEARCE: In answer to question No. 9 from the Committee, which related to the budget for salaries for the ministerial office, the answer provided was that ministerial staff are employed by the Director-General of the Premier's Department.

Ms McKENZIE: That is correct.

Mr O'CONNOR: The staff are. We administer the budget. It is called a host agency. When a Minister is appointed, the day-to-day payment of accounts does not go through the Premier's Department. A department that comes within the portfolio is designated as the host agency, and that host agency takes on the payment of accounts, the payment of salaries, et cetera, that have been determined according to the budget. But the money is given by a central fund in the Premier's Department. You mentioned a driver. The driver is the only one who continues to be paid centrally through the Premier's Department. That does not come through because, as I understand it, there is a pool for drivers.

The Hon. GREG PEARCE: How does that compare to your written answer to the question relating to the rent of the ministerial office? In that answer you said that all leasing of government accommodation is undertaken in accordance with appropriate guidelines and needs?

Ms McKENZIE: That is true.

Mr O'CONNOR: That would be correct.

The Hon. GREG PEARCE: But why did you not answer the question? Mr Silk has been able to answer it by telling us that it is \$350,000.

Mr O'CONNOR: As I understand it, the Minister did not answer it. You would have to ask the Minister why it was not answered to your satisfaction. I do not know.

The Hon. MELINDA PAVEY: It was not answered, but now it is. Thank you.

The Hon. GREG PEARCE: In the operating statement, under retained revenue, there is reference to investment income of \$2.9 million, roughly. What is that for?

Ms McKENZIE: Would you be able to tell us what page that is on?

The Hon. GREG PEARCE: Page 89, and I refer to Budget Paper No. 4.

Mr SILK: That figure of \$3.9 million?

The Hon. GREG PEARCE: \$2.9 million.

Mr SILK: The item of \$2.9 million for 2003/04 is income derived from interest on funds held by the Office of Fair Trading in its bank accounts and \$25.5 million investments held on behalf of the property compensation fund.

The Hon. GREG PEARCE: Are they rental bonds?

Mr SILK: No. The rental bonds are held in different investment facilities under the management of New South Wales Treasury Corporation. It is a separate item.

The Hon. GREG PEARCE: They are not in your budget?

Mr SILK: The Rental Bond Board is a separate program attached to the budget papers.

The Hon. GREG PEARCE: Can you answer me a question on the income of that?

Ms McKENZIE: There are two lots of income. There is one on interest and there is one for the property.

Mr SILK: The Rental Bond Board has two forms of investment funds. It has its rental bonds, which are held in trust, and there is approximately \$525 million worth of those as at 30 June.

The Hon. GREG PEARCE: They are bonds that tenants have paid?

Mr SILK: Yes, that tenants have lodged and are being held in trust, and will be refunded when the tenancy arrangements are discontinued.

Ms McKENZIE: With interest now.

Mr SILK: With interest. The interest account that the Rental Bond Board maintains, which had approximately \$37 million as at 30 June, is used to fund the operations of the Rental Bond Board. Any interest that is earned is used to fund the operations of the Rental Bond Board so that any interest earned on that statutory interest account goes towards meeting the operating costs of the Rental Bond Board. Within the Office of Fair Trading we conduct a range of activities on behalf of the Rental Bond Board. The Board is in place and the overheads attached to that are recouped from the statutory interest account on an annual basis.

The Hon. GREG PEARCE: Is the statutory interest account the \$525 million?

Mr SILK: The \$37 million and the rental bond's account is \$525 million, and that is held in trust.

The Hon. GREG PEARCE: What interest is earned on the \$525 million?

Mr SILK: Over the last 12 months the average interest earned was about 6 per cent.

The Hon. GREG PEARCE: What is the rate paid to tenants when their bond is repaid?

Mr SILK: I would have to check the exact figure, but it is less than 1 per cent.

The Hon. GREG PEARCE: You are earning 6 per cent and you are paying back to the tenant less than 1 per cent?

Mr O'CONNOR: That is correct. As Mr Silk pointed out, the interest earned on those bonds—as I understand it New South Wales is the only State that pays interest on rental bonds—is spent on the administration of the tribunal. As I mentioned earlier, 75 to 80 per cent of the tribunal

relates to tenancy. The Act is specific that interest on the rental bonds would be used for the administration of the tribunal. In areas of the Office of Fair Trading that relate to tenancy advice or anything of that nature, that also pays for that part of the administration of Fair Trading. Also, and equally importantly, the rental bond interest rate pays for a number of programs within the community, including the very successful Tenancy Advice and Advocacy Program [TAAP]. The annual grants for that program are in excess of \$6 million a year. That is how the money is spent from the rental bond account.

The Hon. GREG PEARCE: You said it was \$6,000,040 for the Tenancy Advice and Advocacy Program.

Mr O'CONNOR: That is right. That was last year.

The Hon. GREG PEARCE: Can you show me where that is? I am looking at Budget Paper No. 2, Volume 3, which shows \$3.6 million last year. It might be in another place as well.

Mr SILK: The Tenancy Advice and Advocacy Program [TAAP] is actually jointly funded by the Rental Bond Board and statutory interests. The Rental Bond Board only reflects half the actual costs of TAAP.

Mr O'CONNOR: I am sorry, the program is \$6 million, and 50 per cent is paid to the Rental Bond Board and 50 per cent is from the property services statutory interests account, which is related to the first question. I am sorry about that.

The Hon. MELINDA PAVEY: I seek clarification on the amount returned to the renters over the past four or five years. I understood that it was a higher interest rate quite a few years ago. Has there been a change in the return to tenants?

Mr O'CONNOR: I could try to answer but I do not think I would be right. When it was first introduced the interest rates were fairly high, and it is related to some figure published by the Reserve Bank, though I do not know it. Interest on deposits under \$1,000 in the Commonwealth Bank—that is how it is determined. Obviously, when it first came in it was higher.

The Hon. MELINDA PAVEY: But the administrative costs have remained on a par at a percentage of the overall cost of the scheme?

Mr SILK: The Rental Bond Board's administrative costs have remained fairly static in terms of costs, taking into account the escalation due to the consumer price index [CPI] and other award salary increases.

The Hon. GREG PEARCE: In the past 12 months how many products have been returned to the Office of Fair Trading as defective or dangerous? You might answer at the same time in relation to how many have been recalled.

Mr O'CONNOR: I have a schedule of product recalls. These are published figures. For 2002-03 there were 19.

The Hon. GREG PEARCE: That was recalls?

Ms McKENZIE: Recalls.

The Hon. GREG PEARCE: Mr Le Compte, we were sent an interesting story, which you might have starred in, concerning a visit to a Kellyville home. I am not sure which newspaper the article appeared in.

The Hon. MELINDA PAVEY: It related to a defective house that was open for inspection.

Mr Le COMPTE: Yes, I am aware of the matter.

The Hon. GREG PEARCE: Can you tell us about the report in which Mr Boules cites a figure of \$261,000 to fully repair the home's defects? You apparently inspected the home. Can you tell us whether that figure is correct and how that sort of problem can occur?

Mr Le COMPTE: Yes. The question relates to a defective house exhibition which took place on a Sunday a couple of weeks ago. The house is owned by Mr Kamal Boules. I inspected the property in conjunction with one of my staff who is involved in insurance-related matters. We looked at the property on the basis of the extent of the defects that were there and we also examined issues relating to processes going forward. Mr Boules has indicated that he believes the cost of fixing the defects amounts to approximately \$261,000. We have not confirmed that that is an accurate figure. There has been no decision in relation to whether or not all the defects require the rectification that Mr Boules considers is needed. That is where the matter is at the moment. We are further assessing the process of the insurance side of things.

The Hon. GREG PEARCE: When you say you are assessing it, can you outline the process you are going through on something like this, which is obviously quite a serious case?

Mr Le COMPTE: This is a matter in which we have been involved with building inspectors operating in the Home Building Service who have been out there and have inspected the site. I also inspected it on the Thursday before the exhibition. We look at the reports which are brought forward by consumers in terms of any specialist examination of the sites themselves. In appropriate circumstances we will refer those reports to persons retained by my office to provide us with advice on insurance-related matters. We do that because we wish to ensure that whatever amount is paid out where it comes under our administration, it is paid out on the basis of effective, appropriate and transparent assessment of the defects involved. That is to protect the community's interests as a whole in terms of the expenditure of public moneys. So that process is now in play. We are assessing Mr Boules's claims and, if the insurance claim is accepted, there will be a scope of works which will have to be worked through to finalise the matter. We will go forward from there.

The Hon. GREG PEARCE: According to the written answers to questions, as at October 2003 the Home Building Service had an approved establishment of 150 positions. Is that correct?

Mr Le COMPTE: That was correct. It is now 143.

The Hon. GREG PEARCE: Are they established positions, or actual staff on board?

Mr Le COMPTE: The number of established positions, as of today, is 143.

The Hon. GREG PEARCE: And staff on board?

Mr Le COMPTE: Staff on board at the moment is 121—I am sorry, 120.

The Hon. GREG PEARCE: What are the positions for the 23 or so that are not filled? Are they inspector-type positions or administrative positions?

Mr Le COMPTE: I can go through those. Some of them relate to compliance-related positions and some of them are administrative. I preface my response by indicating that, as part of the establishment of the organisation, we took into account the type of staff we would need and when we would need them, based on our original assessment. In some respects we held off appointing some positions because of the Grellman inquiry. Obviously there are a significant number of issues that come out of that. But in operational terms, at the moment in the building investigation branch, there are 24 approved positions and 22 positions have been filled. In the regulatory analysis and assessment branch there are seven positions and two have been filled, and five are in the process of being finalised through recruitment action at the moment, as are the two in relation to the investigation branch.

In dispute resolution and inspection, which incorporates the building inspectors, there are 32 positions and 29 have been filled, with two positions about to be filled. When I get back to my office, probably the reports will be there for me to sign through. There is another position which has been advertised and which is in the process of being completed. In licensing, insurance and industry

standards branch, we have 64 positions and 57 are currently filled. In this area a number of positions are about to go forward, as I said, in relation to insurance issues which picked up the process going forward with Mr Grellman's report. In the executive area, operations and governance, we have 16 approved positions, and 10 have been filled, with six in the course of being filled.

The Hon. IAN WEST: How does the Office of Fair Trading ensure that consumers and traders are aware of their rights and responsibilities in relation to fair trading legislation?

Ms McKENZIE: I suppose I would say that building that awareness is a core business activity of the office. As we mentioned earlier, there is a rigorous compliance and enforcement regime, but we certainly believe that prevention is better than cure. In some cases that can prevent a lot of heartache—the sort of heartache that we just heard Mr Le Compte talking about. We have a highly professional team that is responsible for the web site and a huge range of information, publications, and some frequent consumer awareness campaigns that spread the fair trading message. Mr O'Connor has already talked about Consumer Awareness Week. As well as the publications and web site type of material, we take the view that everyone in fair trading who has an interaction with traders and consumers plays an important role in educating the community on their responsibilities and rights.

In 2002-03 more than 2.25 million printed publications were produced for distribution to consumers and traders across New South Wales. It is estimated that there will be a similar number for this financial year. In total 120 different publications and promotional items were produced in 2002-03, including 34 new publication titles, 46 reprints and revisions, and 40 promotional items. An advertising campaign was conducted targeting consumers of second-hand vehicles at risk of inheriting debt. Advertisements were placed on Internet sites—we are all learning to use those electronic means a lot more effectively—specialising in car sales. On-field banner advertisements were also placed at Aussie Stadium for the duration of the 2003 football season. A similar program is planned for 2003-04.

A consumer education program for youth was conducted targeting New South Wales secondary schools and teenagers in general through the promotion and development of the Money Stuff web site, video and teacher workbooks, in light of earlier conversation about the level of youth debt and that it has become a serious issue. Money Stuff provides information and education about using credit, buying cars and mobile phones, and renting shared housing—all big issues for young people. We have certainly had a lot of positive feedback from teachers and students. Money Stuff has won several national awards. It formed the basis for the highly successful Consumer Youth Award, one of the categories of the 2002 Consumer Protection Awards and was promoted by press advertising and competition kits sent to all high schools in the State.

We are planning enhancements to the Money Stuff web site specifically to meet the needs of teachers, because it is a good way of getting the message to young people about how to manage their finances when they first leave school. In response to requests from high school students a new section entitled School Projects was created for the office's web site. School Projects contains information about the history of consumer protection in New South Wales as well as a students' guide to consumer rights and other topics of interest to students and teachers. To improve small businesses' understanding of their responsibilities to consumers as well as boost their bottom line in the process, a new information resource called the Good Business Matters kit was developed. The kit allows for tailored information packages to suit specific business audiences and is designed primarily for distribution through Fair Trading centres. It has a range of loose-leaf, one-page publications that can be packaged together to suit a particular business.

To assist seniors with awareness of their consumer rights an updated edition of Fair Trading's publication, *The Seniors' Guide*, was produced and launched during Consumer Week 2002 and was promoted by television advertising through metropolitan and regional areas for two weeks in November. An education program for consumers and businesses supplying information on safe and unsafe products has been produced. A range of booklets and fact sheets were produced on topics such as electrical safety, child-safe products, toughened glass, inflatable pools, shower screens and child-safe window blinds. Press advertisements were placed in major metropolitan and ethnic media. Support for media events was provided. Many other extensive consumer education programs have been run, including Scam Smart, a program designed specifically for seniors, which was launched in

Consumer Week 2002. A kit aimed at informing seniors about scams and encouraging them to report scam activity was distributed via seniors' agencies and Meals on Wheels.

An education program for consumers to assist them with all aspects of the experience of buying a car, including where to buy, financing the purchase, the importance of vehicle inspections and the Register of Encumbered Vehicles [REVS] checks, and service and repairs. Produced in partnership with the Roads and Traffic Authority and REVS and with the support of other agencies including the NRMA, the Motor Accidents Authority, the Motor Traders Association and the Motor Vehicle Repair Industry Authority. An education program was also conducted to communicate the home building reforms to industry and consumers. Industry was advised of the establishment of the Home Building Service and other key features of the reforms through a direct-mail campaign. A range of home building contracts has been produced for use by the industry. Again, they were promoted through direct mail to the trade, Australia Post outlets and local councils.

A publication for owner-builders was revised, reprinted and distributed and two new fact sheets developed relating to the requirement for owner-builders to undertake a course as a condition of applying for an owner-builder permit. An education program to communicate the Property Services Reforms to industry and consumers was also conducted. A mail-out to industry and an advertising campaign to alert consumers to the 1 September implementation of reforms to the Property, Stock and Business Agents Act were undertaken. The mail-out to real estate agents included an initial supply of two consumer fact sheets, entitled "Bidders Guide" and "Agency Agreements", as well as an industry fact sheet explaining the new auction laws. That received a lot of publicity and two more consumer fact sheets were revised and reprinted, entitled "Being a landlord" and "Buying a home". That is just a smattering of the sorts of things we do to ensure that consumers and traders are aware of what they need to comply with.

We produced also a number of publications including "Residential Park Living" and new and revised fact sheets for operators and residents outlining their rights and responsibilities. Standard agreements for residency in residential parks were revised and made available from Fair Trading's web site and intranet, in a user-friendly format. An education program was also conducted for retirement village operators and consumers. The statutory publication for retirement operators, entitled "Retirement Village Living", was updated and reprinted. A range of 10 fact sheets were produced, including information for residents if they hear that their park may close. The key publication for strata managers and residents, "Strata Living", was updated and reprinted. That publication is also available in Chinese, Vietnamese and Arabic. "Buying into a Strata Scheme", a publication to inform prospective strata scheme buyers about strata schemes, was distributed. A new publication outlining changes to the status of caretakers in strata schemes and addressing concerns over contractual arrangements was developed. Advertisements were placed announcing the commencement of strata reforms in February 2003.

The "Renting Guide" must by law be given to every tenant in New South Wales when they commence a tenancy. More than 590,000 copies were produced and distributed. In addition to English, the "Renting Guide" is produced in 17 community languages. The "Indigenous Youth Guide: Mad Choices" was developed for Aboriginal and Torres Strait Islander youth with limited education and knowledge of their consumer rights; again, that has proved to be most popular. The booklet covers the relevant consumer issues for indigenous youth including tenancy, car purchase, shopping, credit, and mobile phones. The magazine was launched in March 2003 and is distributed through the network of Aboriginal customer service officers in Fair Trading as well as appropriate community associations including the Police and Community Youth Clubs network. There are many other publications, but that is a good smattering of the main ones.

The Hon. IAN WEST: What are the effects upon rural and regional New South Wales in regard to rights and responsibilities?

Mr O'CONNOR: In a number of responses we have talked about rural and regional New South Wales. Needless to say, across New South Wales we are committed to ensuring the services we provide meet the diverse needs of the community, both metropolitan and regional, and to the people regarded as vulnerable or disadvantaged: Aboriginal, ethnic, et cetera. We have a large outreach to the people of New South Wales outside metropolitan areas. Of the complaints we received, 15,000, or more than 61 per cent, were from rural and regional New South Wales. It is not only a question of

disadvantage but people in the rural and regional areas tend to know their rights better than others, and they exercise those rights. Our people in regional offices spend more time with the people in their communities, because the outreach is greatest through local newspapers, television and radio. A lot of our people are involved in that.

In July last year our last office opened in Bathurst in regional New South Wales. So 17 of our 23 Fair Trading centres are located outside metropolitan Sydney. All those offices provide a full range of services, including the provision of information, complaint resolution, business name and association registration, and contractor licensing and lodgement of claims with the tribunal. As I mentioned earlier, information is also provided on home building, landlord and tenant issues and consumer credit. We have a number of partnerships with other organisations. We work with those organisations to provide other sorts of information through seminars and all those sorts of things. We have what we call the Regional Access Program—a program delivered through other government agencies, and that is established in regional areas.

So complementing our 23 Fair Trading centres we have almost double that number of arrangements with government access centres to provide information and in some cases services to the business community throughout New South Wales. We have also been experimenting most successfully with business enterprise centres in the southern part of New South Wales, where a fee for service is paid for the work that they do to keep them in operation. That is a highly successful program that we are operating for the business community. Electronic service delivery is an important area for people in regional and remote New South Wales. Just a few days ago the Minister for Fair Trading, the Hon. Reba Meagher, issued advice and launched what we call the problem solver part of our web site.

That part of our web site provides opportunities for both consumers and traders to establish their rights and responsibilities on line, 24 hours a day, seven days a week. That user-friendly gateway approach guides customers and traders to retrieve relevant information, including sample letters to traders, empowering them to resolve matters before they escalate, with the final option of lodging electronic complaints. It also improves our complaint-handling centre. The Office of Fair Trading also funds 24 financial counselling services for people outside Sydney. I mentioned earlier that we fund 10 tenancy advice and advocacy services in regional New South Wales. Three of those services are particularly arranged to meet the concerns of Aboriginal people.

The weighbridge testing service conducted by Fair Trading throughout regional and rural New South Wales ensures the accuracy of hundreds of public and private weighbridges. These include those used intensively for the harvest of wheat and other grains as well as cattle-weighing scales in sales yards. I mentioned earlier the location of the Registry of Co-operatives and Associations and the opening of the Fair Trading centre in Bathurst. That was another example of a major commitment to regional New South Wales. Previous research and consultation with Aboriginal communities has identified tenancy issues, complex contracts and discrimination as the most important consumer issues. For that reason, since launching our Aboriginal program we now have 12 designated customer service officers in regional New South Wales looking after tenancy issues. I could go on all morning about the good work that Fair Trading is doing in regional New South Wales, but that might be enough for the moment.

The Hon. MELINDA PAVEY: Has the Office of Fair Trading given consideration to the introduction of vendor-provided mandatory presale building and pest inspections by licensed inspectors as part of the sale process for residential properties?

Mr Le COMPTE: These proposals have previously been the subject of consideration but, after that consideration, they were rejected because of particular difficulties in taking them forward. Some of the issues that caused concern in relation to disclosure matters were the fact that these are vendor-related documents on which purchasers would need to rely. It creates some specific issues in relation to the conveyancing process. So those processes have not been taken forward.

The Hon. MELINDA PAVEY: Mr Silk, I am trying to clear up some confusion in my mind in relation to ministerial office expenses. I refer to the \$1.2 million that the Office of the Minister for Fair Trading cost the department in 2002-03.

Mr SILK: That is the budget for 2003-04.

The Hon. MELINDA PAVEY: That money is coming straight out of the allocation for the Office of Fair Trading?

Mr SILK: Out of its program, yes. It was specifically funded by Treasury and it was added to our funding arrangements to give us a total operating budget for the year.

The Hon. MELINDA PAVEY: So your budget has been increased?

Mr SILK: It has been adjusted by Treasury by \$1.2 million.

Mr O'CONNOR: That is all consolidated funding which Treasury adds to the funds that we already have.

The Hon. MELINDA PAVEY: In the budget papers for 2003-04 the ministerial office positions in the Premier's Department have increased from 29 to 132. I realise that this is not your department. However, the explanatory notes for the Premier's Department state, "It has assumed that host agency responsibility for an additional seven Ministers' offices since the new ministry was sworn in." The Office of Fair Trading is not one of those?

Mr O'CONNOR: That would be correct. That would probably be done by a central group. It looks after a number of departments and a number of Ministers. I am sure that would relate to that.

The Hon. MELINDA PAVEY: And you are not one of them?

Mr O'CONNOR: No, we are not.

The Hon. MELINDA PAVEY: Has the Office of Fair Trading employed any staff that formerly worked for a Minister or the Premier since 2000, excluding departmental liaison officers?

Mr O'CONNOR: I am sorry, I do not know the answer to that question.

The Hon. MELINDA PAVEY: Will you take that question on notice?

Mr O'CONNOR: Yes. Anyone who would have been employed on a permanent basis would have been selected on merit.

Ms McKENZIE: The problem is that there are 1,200 people in the agency. They were all employed based on merit selection. But I doubt very much whether we could even discover somewhere in their curriculum vitae whether any of them might have worked for one of those people in the past without going through every job application that has been made to the agency.

The Hon. MELINDA PAVEY: So you are unable to answer that question?

Ms McKENZIE: I doubt very much whether we could answer that question, unless someone happens to be aware of it.

Mr O'CONNOR: I am not aware of any permanent staff in the department.

The Hon. MELINDA PAVEY: Mr Silk, are you aware of any?

Mr SILK: No.

The Hon. GREG PEARCE: You said earlier that there were 1,200 people in the agency. What does that cover?

Ms McKENZIE: In the Office of Fair Trading.

The Hon. GREG PEARCE: Just the Office of Fair Trading? That does not include the Consumer, Trader and Tenancy Tribunal [CTTT]?

Mr SILK: That includes the CTTT.

The Hon. GREG PEARCE: What else?

Mr SILK: Staff of the Office of Fair Trading perform the activities of the Rental Bond Board. That is included.

The Hon. GREG PEARCE: Can you give a rundown of the numbers in each of the different bodies?

Mr O'CONNOR: Yes. The number that we have is 1,241. In the commissioner's unit there are five, in our operational area there are 104, in compliance and standards there are 130, in legal services there are 29, in our customer property services area there are 527, in policy and strategy there are 74, in the Home Building Service there are 147, but that figure has changed, and in management services there were 92. In the tribunals, which do not include members, there are 133.

Ms McKENZIE: We should just be clear that those are approximate numbers. Those numbers go up and down all the time.

Mr O'CONNOR: That was in June 2003. That would have changed by now anyhow. They are funded and the positions are advertised. At any one stage in any agency you could have as many as 10 per cent of vacancies waiting to be filled.

The Hon. GREG PEARCE: What is your policy in relation to conferences or staff that are paid for by the agency?

Mr O'CONNOR: What do you mean by that?

The Hon. GREG PEARCE: Do you pay for any staff to attend conferences or seminars?

Ms McKENZIE: It depends on whether it is part of their training needs or whether it is of relevance to the department. If it is of relevance to the department and it is relevant to the training needs of the staff member, it would be part of normal management arrangements. People would apply and their manager would make a judgment about whether it was an appropriate conference for them to attend. If it was it would be paid for and if it was not the answer would be no.

The Hon. GREG PEARCE: I am trying to get an understanding of the way it is managed and then I want to ascertain whether you have any central controls and whether you know what is the total cost?

Mr O'CONNOR: We have a central fund of several hundred thousand dollars but it is usually part of the budget of the particular cost centre, and the manager or the assistant commissioner in that area will make that decision on an as-needs basis with the individual person. It does not come from a central point; it is done at a local level.

The Hon. GREG PEARCE: Would you have an overall cost to the agency of those sorts of activities?

Mr O'CONNOR: It could not be identified easily.

Ms McKENZIE: It would be part of the general cost centre budget.

The Hon. GREG PEARCE: How do individual cost centres calculate their budgets? They must have a figure at the beginning of the year and they must report on it?

Ms McKENZIE: It would be rare for an individual cost centre—I doubt whether there are any in our organisation—to have a separate vote for those sorts of things. It tends to be managed as

part of the ongoing training and development budget. You may well have a separately identified budget for staff training but you would not have a separately identified budget for conferences. You might engage in a whole range of activities as part of somebody's ongoing training. Some of it might involve internal courses or conferences—it depends on the nature of the work, the nature of the staff and what their development needs are.

The Hon. MELINDA PAVEY: How much money did the Office of Fair Trading spend on advertising in 2002-03? How much of that total sum was spent on employment-related advertising and on non-employment-related advertising?

Mr O'CONNOR: In 2002-03 we spent a total of \$384,069 on advertising. Of that, recruitment advertising was \$119,693 and non-employment-related advertising was \$264,376. The topics covered in the non-employment-related advertising area include notification of issues papers—as you know, we release quite a lot of issues papers. They also include commencement of legislation—we are one of the agencies that has a large amount of legislation; in fact, we are responsible for more than 50 pieces of legislation—invitations for people to comment on legislation, product safety notices, office relocations, and education and information advertisements.

The Hon. MELINDA PAVEY: Do you engage a company to do your media buying?

Mr SILK: Yes, Rehame.

The Hon. MELINDA PAVEY: What are your agency fees?

CHAIR: We have reached 11.00 a.m. so that must be the final question.

Mr SILK: We will take that question on notice.

Ms McKENZIE: We might be able to answer it now.

Mr O'CONNOR: Does your question relate to the agency's fee—how much it charged us for its work?

The Hon. MELINDA PAVEY: Yes.

Mr O'CONNOR: We do not have that information. We will take that question on notice.

The Hon. MELINDA PAVEY: But your total advertising budget is \$384,000 and Rehame covers all that work. Is that correct?

Mr O'CONNOR: No.

Mr SILK: In 2002-03 total expenditure on Rehame was about \$57,000. That included the Minister's office and the Office of Fair Trading.

The Hon. MELINDA PAVEY: Is that media monitoring or media buying?

Mr O'CONNOR: They are two different questions. We do not have the answer to your question but we can get that information. We will take that question on notice.

CHAIR: I thank departmental officers for their attendance before the Committee today.

The Committee proceeded to deliberate .