

GENERAL PURPOSE STANDING COMMITTEE NO. 6

Friday, 2 September 2016

Examination of proposed expenditure for the portfolio area

LOCAL GOVERNMENT

UNCORRECTED PROOF

The Committee met at 09:00

MEMBERS

The Hon. P. Green (Chair)

The Hon. L. Amato

The Hon. C. Cusack

The Hon. S. Farlow

The Hon. S. Moselmane

The Hon. M. Pearson

The Hon. P. Primrose

Mr D. Shoebridge

The Hon. E. Wong

PRESENT

The Hon. Paul Toole, *Minister for Local Government*

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**

The CHAIR: Welcome to the General Purpose Standing Committee No. 6 public inquiry into budget estimates for the year 2016-17. Before I commence I acknowledge the Gadigal people, who are the traditional custodians of this land. I also pay respect to the elders past and present of the Eora nation and extend that respect to any Aboriginals who may be present today or listening through the webcast. I welcome Minister Toole and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Local Government.

Today's hearing is open to the public and is being broadcast live via Parliament's website. A transcript of today's hearing will be placed on the Committee's website when it becomes available. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of filming or photography. I remind media representatives that they must take responsibility for what they publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what witnesses may say outside of their evidence at this hearing. I urge witnesses to be very careful about any comments they may make to the media or to others after they complete their evidence as such comments would not be protected by parliamentary privilege if another person decided to take an action for defamation. Copies of the guidelines are available on the table at the back of the room.

There may be some questions that witnesses could only answer if they had more time or with certain documents to hand. In these circumstances witnesses are advised that they can take the question on notice and will have 21 days to provide an answer. Any messages from advisers or members of staff seated in the public gallery should be delivered through the Committee secretariat. Minister Toole, I remind you and the officers accompanying you that you are free to pass messages and refer directly to your advisers seated at the table behind you. Transcripts of this hearing will be available on the web from tomorrow morning. 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 in as you have already sworn an oath to your office as a member of Parliament.

STEVE ORR, Executive Director, Local Government Reform, Department of Premier and Cabinet, sworn and examined

TIM HURST, Acting Chief Executive, Office of Local Government, sworn and examined

The CHAIR: I declare the proposed expenditure for the portfolio of Local Government open for examination. As there is no provision for the Minister to make an opening statement we will go straight to questions from the Opposition.

Mr DAVID SHOEBRIDGE: But the good news is I can see the budget papers this year. The Minister is a learning animal. That is nice to see.

The Hon. PETER PRIMROSE: Minister, you are attending the local government conference in Wollongong this year, are you not?

Mr PAUL TOOLE: I am, yes.

The Hon. PETER PRIMROSE: After the announcement about the forced council mergers on 20 December last year, many councils, academics and others, including myself, applied to the Office of Local Government for a copy of a KPMG report that had been used to justify those mergers. However, as reported in the *Sydney Morning Herald* on 25 January, the Office of Local Government wrote back to everyone advising that they had not seen the report. Had you seen the KPMG report prior to the announcement of the forced mergers?

Mr PAUL TOOLE: The KPMG report identified \$2 billion in savings over 20 years. That is \$2 billion in savings that could be passed back to communities. It could be going into more infrastructure, better services or keeping rates at a steady level. Importantly, when I travel the State and talk to communities they tell me that they want better roads and better footpaths, they want more parks and gardens.

The Hon. PETER PRIMROSE: I am happy to go into more detail, and I will, but I am just asking had you seen the report from KPMG prior to the forced mergers being announced?

Mr PAUL TOOLE: The report was there and on the 20th when the Premier and I announced the potential for mergers to occur in this State we announced that there was a \$2 billion saving that could be made over 20 years.

The Hon. PETER PRIMROSE: Had you seen that report? Had you read the report?

Mr PAUL TOOLE: I have seen the report. As you would have noticed, on 6 January when I released my 35 merger proposals they also listed savings that could be made from modelling that had been done by KPMG.

The Hon. PETER PRIMROSE: Had you read the KPMG report prior to the announcement of the mergers?

Mr PAUL TOOLE: KPMG is only one of many reports that have been undertaken during this merger process.

The Hon. PETER PRIMROSE: I understand that but the Premier and you specifically referred to and continue to refer to the KPMG report. My simple question is had you read that prior to the announcement?

Mr PAUL TOOLE: I have read that report and I clearly identified that \$2 billion in savings could be made, and that has got to be a win for communities.

The Hon. PETER PRIMROSE: Can I confirm then that you had read the report prior to the announcement?

Mr DAVID SHOEBRIDGE: He has never said that.

Mr PAUL TOOLE: I read all the reports that have come through to my office, whether that be the KPMG report, the Independent Pricing and Regulatory Tribunal [IPART] report or the Independent Local Government Review Panel report.

The Hon. PETER PRIMROSE: Is it the case that you had not read that report prior to the announcement?

Mr PAUL TOOLE: I have read all the reports that have come back.

The Hon. PETER PRIMROSE: Yes or no?

Mr PAUL TOOLE: All the reports that have come back to me have all indicated a similar—

The Hon. PETER PRIMROSE: You are prevaricating, Minister.

Mr PAUL TOOLE: No, what I was saying was the KPMG report also says what the Independent Local Government Review Panel said, TCorp and IPART—

The Hon. PETER PRIMROSE: It is a very simple question.

The Hon. CATHERINE CUSACK: Point of order: The member is entitled to ask the Minister a question but not to direct how the Minister answers it. He is hectoring the Minister.

The Hon. PETER PRIMROSE: I am asking for a simple yes or no. Minister, had you read the report?

The Hon. CATHERINE CUSACK: The Minister is entitled to answer.

Mr PAUL TOOLE: I am answering the question, Mr Primrose. What I am saying to you is the KPMG report, Independent Local Government Review Panel report, TCorp report, audit infrastructure backlog report and IPART report all came up with a very similar conclusion that change is needed in the local government sector.

The Hon. PETER PRIMROSE: Your prevarication makes it clear.

Mr PAUL TOOLE: When I have read those reports—

The Hon. CATHERINE CUSACK: Point of order—

The CHAIR: The member well understands how questions should be asked and the Minister has a great understanding too. He has been through a few of these hearings now. He has a choice to answer the question. I encourage members not to badger the Minister or staff if they cannot get an answer but move on to some other valuable questions.

The Hon. PETER PRIMROSE: I cannot get an answer on that one. Were you interviewed by the consultants during the preparation of that KPMG report?

Mr PAUL TOOLE: All my meeting disclosures are made publicly available through my ministerial diary. As you would know, this was an independent process that was done at arm's length from the Minister so they could undertake their work. The work that KPMG did was looking at merger preferences that had been put forward by councils themselves. It also identified merger preferences that were put forward by the Independent Local Government Review Panel and that was the starting base for a number of the assumptions and the work that was undertaken by KPMG through this process.

The Hon. PETER PRIMROSE: Thank you, Minister. I will let the public decide about that answer. Why was your department, the Office of Local Government, not trusted to see that report?

Mr PAUL TOOLE: When we are talking about the largest reform in local government in this State—

The Hon. PETER PRIMROSE: We do not give it to the Office of Local Government.

Mr PAUL TOOLE: Nobody has tackled local government reform in this State for far too long. Previous governments have put it into the too-hard basket.

The Hon. PETER PRIMROSE: But why did your office not see the report before it was announced?

Mr PAUL TOOLE: Let me finish. This is a major reform in local government here in this State. We are talking about the largest reform of councils here in New South Wales. We are creating a modern and stronger system of local government reflective of the twenty-first century. When we are looking at this major reform there are two components to it. We need additional support as well from the Department of Premier and Cabinet [DPC] and it has a very specific role in working with new councils that have been formed in the State of New South Wales. The Office of Local Government [OLG] also has a significant role when it comes to creating and supporting new councils around the State of New South Wales and also supporting existing councils. DPC has a specific role but its role is not separate; it is a role done in partnership with one another. It is a partnership, it is a supporting role, but when you are looking at DPC—

The Hon. PETER PRIMROSE: Given the importance of this—and I accept what you are saying about how important this is—why was the Office of Local Government not sufficiently respected by you and the Premier to allow it to have access to that report? They wrote back to all of us and said that they had not seen the report.

Mr PAUL TOOLE: Mr Primrose—

The Hon. PETER PRIMROSE: If it is so important for everyone to work together why was it not trusted enough to see that report? Is that a real partnership?

Mr PAUL TOOLE: They are trusted because when you are looking at a reform of this magnitude we have both areas working significantly in supporting reform here in the State of New South Wales.

The Hon. PETER PRIMROSE: But they were not.

Mr PAUL TOOLE: DPC, as you asked the question, is also involved in local government reform. It is involved in actually supporting, providing advice, collating the performance of councils, supporting councils if there is legal action to be undertaken and helping them to develop new policies. OLG has been working hard on the ground as well in creating joint organisations across this State, supporting councils in the Far West when it comes to creating a Far West consultation paper that has now gone out. It has been working on modernising the Local Government Act. It has also been working—

The Hon. PETER PRIMROSE: Can I just ask one final question?

The Hon. SCOTT FARLOW: Let the Minister answer the question.

The Hon. PETER PRIMROSE: I have limited time. Can I just ask one final question on this matter?

Mr PAUL TOOLE: It has also been working on helping councils—

The Hon. SCOTT FARLOW: Point of order: The Minister is trying to answer the question and the member will not allow him to.

The CHAIR: Order! I have ruled that members may choose to switch their questions at any time given time limits. Minister, with all due respect, the member has indicated that he would like to do that.

The Hon. PETER PRIMROSE: I direct my question, through you, Minister, if it is appropriate, to either of the public servants who are here. Has the Office of Local Government now seen that KPMG report?

Mr PAUL TOOLE: I will ask Mr Orr to answer first.

Mr DAVID SHOEBRIDGE: But he is not from the Office of Local Government.

Mr PAUL TOOLE: Both gentlemen have been asked to answer.

The Hon. PETER PRIMROSE: Through you, Minister, I am asking has the Office of Local Government now seen that report as opposed to DPC?

Mr PAUL TOOLE: I will ask Acting Chief Executive Mr Tim Hurst to answer.

Mr HURST: I can confirm the advice that was provided at the time was that the Office of Local Government did not have the KPMG reports. I point out that the next stage in the process, after the Minister made the proposals, is for those proposals to be referred to the Boundaries Commission or to the Chief Executive of the Office of Local Government for examination and reporting. The material in those reports—

The Hon. PETER PRIMROSE: With due respect, do you have a copy of the report now?

The Hon. CATHERINE CUSACK: Just let him finish.

Mr HURST: The material in those reports incorporated advice from KPMG, as required. I can also confirm that since that time obviously we have seen all of the material prepared by KPMG in addition to that which formed part of the original proposal.

The Hon. PETER PRIMROSE: There is only one Minister for Local Government in New South Wales, is there not? You are the Minister.

The Hon. CATHERINE CUSACK: This is so inane. That is pathetic.

Mr DAVID SHOEBRIDGE: Point of order—

Mr PAUL TOOLE: That is why we are here today.

The Hon. CATHERINE CUSACK: Is that meant to be funny? Are we supposed to laugh?

The CHAIR: Order! The Hon. Catherine Cusack will not speak over a member when they are taking a point of order. A point of order is taken to bring order to the hearing. Mr David Shoebridge has a point of order.

Mr DAVID SHOEBRIDGE: Gratuitous insults from the Hon. Catherine Cusack do not assist. Indeed, I think they are unparliamentary and in breach of the standing orders.

The Hon. CATHERINE CUSACK: What about the Hon. Peter Primrose?

The CHAIR: Order! The Hon. Peter Primrose will continue his questioning of the Minister for Local Government.

The Hon. PETER PRIMROSE: Just to confirm, there is only one Minister for Local Government?

The Hon. CATHERINE CUSACK: This is pathetic. You can say that is gratuitous but it is pathetic.

Mr PAUL TOOLE: Is there only one shadow Minister for Local Government in the State of New South Wales?

The Hon. PETER PRIMROSE: Yes, there is. It is me.

Mr PAUL TOOLE: There you go.

The Hon. PETER PRIMROSE: So you would expect the person—

The Hon. CATHERINE CUSACK: And he worries about running out of time.

The Hon. PETER PRIMROSE: —who is the Minister to be the one who speaks and is mentioned the most about that portfolio.

Mr PAUL TOOLE: I am sorry?

The Hon. PETER PRIMROSE: The Minister for Local Government is the one you would expect to be talking about local government.

Mr PAUL TOOLE: Absolutely, and that is what I am continually doing through visiting councils, talking to communities and, as you started right upfront, being at the Local Government NSW conference later in the year. I have regular meetings with the United Services Union and only last week I met with Local Government NSW again. I will continue to tour the State and talk to councils and communities about what their needs and concerns are. I will make sure, as the Minister, that this Government is addressing, as I said, longstanding issues that were put into the too-hard basket for far long. It is also important to note that this Government has taken some significant steps to ensure that whilst we are doing the mergers we are also doing many other things to reform local government here in the State of New South Wales.

The Hon. PETER PRIMROSE: If I do a simple Google search on the phrase "local government in New South Wales" Premier Baird is mentioned 1,830 times; you are only mentioned 920 times.

The Hon. CATHERINE CUSACK: If the member has run out of questions can he be advised that he can give the time to someone else?

The Hon. PETER PRIMROSE: So I guess we know who is actually running the portfolio, do we not? Your own department had not received a copy of the report, which you say was the basis for the most important reform in local government by this Government, and the person who is mentioned most in news items relating to local government is the Premier.

The Hon. SCOTT FARLOW: How many times is Peter Primrose mentioned?

The Hon. PETER PRIMROSE: I see that Mr Orr is also—I am not the Minister.

The Hon. CATHERINE CUSACK: In all seriousness, have you run out of questions?

The Hon. SHAOQUETT MOSELMANE: Point of order—

The CHAIR: Government members have waived their right to ask questions.

The Hon. SHAOQUETT MOSELMANE: That was why I have taken a point of order.

The CHAIR: Order! Government members will remain silent. Mr Primrose will continue with his questions.

The Hon. CATHERINE CUSACK: These are not questions; this is drivel.

The Hon. PETER PRIMROSE: The Government paid KPMG \$499,895 for "local government reform scenario modelling" in July to August 2015. Can you tell us what the key findings were?

Mr PAUL TOOLE: I thank you for your question. I point out once again that KPMG obviously made a number of assumptions and did a lot of work in looking at councils and at savings that could be identified

through this process. The role of KPMG in this process was to undertake modelling, to analyse any findings and inputs, including datasets used, and the merger configuration model was selected by the New South Wales Government.

The Hon. PETER PRIMROSE: That is a good briefing note. Half a million dollars—can you tell us what the key findings of that report were?

Mr PAUL TOOLE: The key findings are what KPMG has shown—\$2 billion in savings. At the end of the day, I do not laugh at \$2 billion in savings. These are documents that have been out there and they clearly show that we can deliver more for communities.

The Hon. PETER PRIMROSE: Is that a public document?

Mr PAUL TOOLE: All the information of KPMG has been made available. This has been raised on numerous occasions. We have seen the technical analysis reported—it is on the website, available for you to go and view. As you know, when I put my 35 merger proposals out on 6 January the savings identified for those merger proposals—

The Hon. PETER PRIMROSE: The report is not there, is it?

Mr PAUL TOOLE: Actually, Mr Primrose, that is not right.

The Hon. PETER PRIMROSE: The KPMG report is now public?

Mr PAUL TOOLE: The overarching report outlining the merger benefits of local government reform—

The Hon. PETER PRIMROSE: The report is not there, is it?

Mr PAUL TOOLE: —merger impacts and analysis is available.

The Hon. PETER PRIMROSE: Your own department has not got a copy.

Mr PAUL TOOLE: The technical report outlining the financial modelling and assumptions is available and, as I said, the 35 merger proposals that were put out show the financial outputs and merger benefits for those areas.

The Hon. PETER PRIMROSE: You are starting to dissemble, Minister. You will not tell us what the findings were of that. We have got the \$400,000 report from KPMG that your office did not see. The Government also awarded KPMG Australia another contract for preparation and delivery of merger proposals valued at \$380,500, but the contract duration is listed as both starting and ending on 1 December 2015, which seems very strange. Were you interviewed by those consultants?

Mr PAUL TOOLE: As I have said to you, it has been an independent process and, as you can see, I do list my ministerial meetings in my diary; they were disclosed every few months, so it is available for people to see who I meet with from time to time.

The Hon. PETER PRIMROSE: Have you seen that report?

Mr PAUL TOOLE: I have seen many reports that all indicate that change was needed in this State for local government.

The Hon. PETER PRIMROSE: This is a \$380,000 report that the Government paid for.

Mr PAUL TOOLE: I have seen many reports. There has been a lot of research, consultation; there has been analysis that has been undertaken to show how we can improve communities across this State. I am already seeing the benefits that are being delivered into communities from new councils that have been created. They are getting additional services in some areas that they have—

The Hon. PETER PRIMROSE: May I then ask Mr Hurst, through you, Minister, have you seen that report from KPMG—the preparation and delivery of merger proposals valued at \$380,000?

Mr HURST: The documents that comprise the KPMG report, as the Minister mentioned, are those three elements. They include the Minister's merger proposals themselves; they are the technical documentation provided by KPMG. Those three elements have been provided to the Office of Local Government.

The Hon. PETER PRIMROSE: But has the report been provided to you?

Mr HURST: That is the KPMG report, which the Office of Local Government has access to.

The Hon. PETER PRIMROSE: Were you consulted during the preparation of that report?

Mr HURST: The work of KPMG was undertaken by the Department of Premier and Cabinet; they hosted that consultancy.

The Hon. PETER PRIMROSE: Was the Office of Local Government—the specialists, the body that the current Minister for Local Government in New South Wales is responsible for—consulted?

Mr PAUL TOOLE: I can answer that, Mr Primrose. There is a local government task force that has been established that is made up of the Office of Local Government, the Premier's office, the Deputy Premier's office, DPC and OLG.

The Hon. PETER PRIMROSE: I am talking about a report that was published in December 2015.

Mr PAUL TOOLE: I am pointing out that the task force is the principal group that is overseeing local government reform and its implementation.

The Hon. PETER PRIMROSE: Has the Office of Local Government seen that report?

Mr PAUL TOOLE: The task force has held its first meeting, if we go back to May 2015, and since then it has held 47 meetings in relation to local government reform.

The Hon. PETER PRIMROSE: But has it seen the \$380,500 report that was important? Has the office got a copy of that report?

Mr PAUL TOOLE: As a part of the task force, all information, all reports, all merger preferences were put forward by—

The Hon. PETER PRIMROSE: You are refusing to answer the question.

Mr PAUL TOOLE: No, I am not refusing. You just do not like the answer.

The Hon. PETER PRIMROSE: Yes or no?

Mr PAUL TOOLE: I said the task force looks at all that information provided.

The Hon. SHAOQUETT MOSELMANE: He just will not answer the question.

The Hon. PETER PRIMROSE: He will not answer the question. The Government awarded yet another contract to another consultant, this time Hudson Global Resources, for "assessment of GM and LG", and that contract, curiously, again was for one day's duration—1 May 2016. The amount was \$200,000. Minister, have you seen that report?

Mr PAUL TOOLE: I have seen that report as well, and if you are talking about the work that Hudson did in relation to looking at who would be the appropriate interim general managers if a new council was created, I think it is important that we go out, run a proper process and have the best people put in to act in those roles.

The Hon. PETER PRIMROSE: We shall return.

The CHAIR: I just want to ask you something about the inequity of water and sewer pensioner rebates, as you will see in the document you have just been given. Are you aware of an inequity of pensioner rebates for water and sewer between customers of Sydney Water and those of other providers in regional New South Wales? If you have a look at the graph there you will see that Sydney received a pensioner rebate on water in the first column of about \$102 and then Gosford, Coffs Harbour, Tweed Shire, Dubbo City Council and Shoalhaven City Council all received about \$87.50. If you flick over to page 2, there is a graph showing the percentage rate of that—only 12.5 per cent in terms of Sydney Water but 21 per cent for the regional areas, up to 24 per cent.

Then it says after the word "concessions" at mid-paragraph, "However the pension rebates for Sydney Water are not funded from Sydney Water business but are fully funded by the State Government". Minister, are you aware of this discrepancy between rural, regional and coastal communities and Sydney Water and is the Government working to close that gap for the equity purposes of our pensioners throughout regional and rural New South Wales?

Mr PAUL TOOLE: Can I put on record that the New South Wales Government understands that we need to support pensioners in this State. Already the New South Wales Government in this budget has \$79 million to provide pensioner rebates across the State. Pensioner rebates are going to support those in our communities, and in some cases they can be the most vulnerable in our communities—those who are watching every penny that they spend, watching every dollar that they pull out of their pocket. So it is important that we continue to support them through this process. I do note, even when the Commonwealth Government withdrew

its support only a few years ago in relation to the pensioner rebates, this was picked up by the New South Wales Government, and it has been retained by the New South Wales Government so that that burden and that cost is not placed upon pensioners here in New South Wales.

As to the question in relation to water rates—and I am pleased that you have brought that to me—Sydney Water rebate is not put on local government pensioner rebates. But I do note that some councils across the State can actually have increases in the pensioner rebate and how they support councils above and beyond what is available. So in some cases I know that even, for example, one of our new councils that has been created, the Georges River Council—and if I could just tell you about a new council created and the benefits to those pensioners in that community—

The Hon. SHAOQUETT MOSELMANE: It should have been the St George council.

Mr PAUL TOOLE: It is the Georges River Council and the council is already now providing discounts to more pensioners. There are a further 3,300 eligible pensioners in the Georges River and they are going to benefit from the council's decision to extend the voluntary pensioner rebate scheme to pensioners in the former Kogarah. These savings have already been made since the merger and this additional rebate provided to pensioners in the former Hurstville area will now be available to pensioners in the former Kogarah City Council area.

The CHAIR: Thank you, Minister. I need to move on. If you could give me an undertaking that you will look into that?

Mr PAUL TOOLE: We will look into that. That is even part of the IPART rating review that has been undertaken.

The CHAIR: That is right. You note there on that final sheet that IPART has made a comment that the rebate costs are recovered from NSW Treasury as a community service obligation. I am merely asking that that be right throughout New South Wales, not just for Sydney Water based pensioners. Minister, in terms of some amalgamation issues, do you know what each current administrator is paid, particularly in the Dubbo regional area, Western Plains? Who pays the administrator of the council? Is it State Government?

Mr PAUL TOOLE: It is paid by—

Mr DAVID SHOEBRIDGE: Ratepayers.

Mr PAUL TOOLE: It is paid by the ratepayers. Can I just put on record that the administrators that have been appointed here in New South Wales have been appointed independently; some have been picked because of their experience, their ability to communicate with the community and their ability to engage with community. A number of them have been involved in major reforms in the past as well.

The CHAIR: Minister, with due respect, I understand that. Could you answer these questions because I do not have a lot of time and I need answers on this. How much are they actually paid? Who pays the administrators? I think we have settled that.

Mr PAUL TOOLE: They are paid by the council itself. But I do put on the record—

The CHAIR: How much, Minister?

Mr PAUL TOOLE: There are two parts of it. The other point I want to point out is that the New South Wales Government has given the largest financial support to councils that have been created in this State. The Government has given up to \$25 million to help councils in this process. There is up to \$10 million for implementation.

The CHAIR: I understand that but I need some answers, so if you can keep it brief.

Mr PAUL TOOLE: The answer is, for a small rural council—

The CHAIR: Like Dubbo?

Mr PAUL TOOLE: Dubbo would be a regional town city council, so it would be paid between \$180,000 to \$220,000 per annum.

The CHAIR: Have all the administrators adopted an expense policy?

Mr PAUL TOOLE: It is up to the administrators to do that. In some cases they have retained the expenses policy that has been with the former council and they have carried it on.

The CHAIR: Do you know what has been charged for LDAs by the administrators in addition to the administrators' wages? Are there any additions?

Mr PAUL TOOLE: Under the expenses policy this is a matter for each council. I cannot answer that; that is a matter for each council.

The CHAIR: Are administrators required to maintain the same pecuniary interest standards as elected members?

Mr PAUL TOOLE: Yes, they are.

The CHAIR: If a mayor stated that they would not make a decision if they thought it would affect their investments, would the Pecuniary Interest Tribunal be asked to investigate?

Mr PAUL TOOLE: They fit under the same rules as under the Local Government Act and yes, they would have to apply for pecuniary interest disclosures through that process.

The CHAIR: If an administrator made a similar comment, should they keep their appointment and how would you address this issue, given the fact you have the same standards?

Mr PAUL TOOLE: As there is a process that is undertaken, as the Minister I am the one responsible for appointing the administrators. If there are concerns raised about administrators, I can look at measures that may be taken, if need be.

The CHAIR: How many councils have launched legal challenges since the amalgamation that are still current?

Mr PAUL TOOLE: On 12 May the New South Wales Government announced that there would be 19 new councils created in this State and we supported another nine councils, in-principle support, pending legal action and the outcomes of the courts. There are six court cases: one is Woollahra; one is Botany Bay; one is Hunters Hill, Strathfield, North Sydney, Mosman and Lane Cove; another is Walcha, Oberon, Cabonne and the former Gundagai councillors; the next is Shellharbour; and the sixth is Ku-ring-gai.

The CHAIR: In terms of a previous inquiry about rate pegging, given the fact that you talk about being fit for the future, obviously fixing the funding is important. Are you going to review the rate pegging structure and whether it can be freed up?

Mr PAUL TOOLE: I want to make sure that in the State of New South Wales we still protect ratepayers. I have concerns that when one looks over the last couple of years or the last three years there are over 60 councils that have gone out to their communities and applied special rate variations. In some cases rates have gone up by 50 per cent. This is not sustainable in the longer term. Communities cannot afford to keep paying more and more and receive no additional infrastructure or services. As part of this, councils through the Fit for the Future process have now prepared performance plans to show how they are going to address their finances.

Our Local Infrastructure Renewal Scheme [LIRS]—a \$120 million investment by the Government—has shown just under a billion dollars being allocated towards addressing infrastructure across this State. I point out that when I became the Minister there was about \$7.4 billion in infrastructure backlog for councils across the State. Today it is \$3.3 billion. I am proud that this Government is investing heavily in councils and communities across the State to ensure that they get the appropriate infrastructure and services they need.

The CHAIR: Minister, can you table where you got that figure from and the reduction?

Mr PAUL TOOLE: Yes.

Mr DAVID SHOEBRIDGE: Minister, did you say the infrastructure backlog has gone from \$7.4 billion to what?

Mr PAUL TOOLE: From \$7.4 billion to \$3.3 billion.

Mr DAVID SHOEBRIDGE: And how much has the State Government invested in local government infrastructure to reduce that deficit?

Mr PAUL TOOLE: As you would know, we had our LIRS scheme that gave councils a low interest rate subsidy.

Mr DAVID SHOEBRIDGE: I am after a figure, not a history lesson.

Mr PAUL TOOLE: Well, Mr Shoebridge, I am pointing out that a lot of these councils were unable to undertake these projects without being given significant support from the New South Wales Government.

Mr DAVID SHOEBRIDGE: How much?

Mr PAUL TOOLE: I have just said, in the LIRS program alone the \$120 million almost equated to low interest rate subsidies that equated to almost a billion dollars in infrastructure. That meant that some communities were starting to see roads being repaired, bridges being fixed, and some of those essential services such as airport upgrades that were needed in those communities but were not being addressed.

Mr DAVID SHOEBRIDGE: Are you saying, on oath, that a billion dollars of that reduction has come about through infrastructure provided through the LIRS scheme. Is that really your evidence, Minister? And if so, can you tell us on what basis you are giving that evidence?

Mr PAUL TOOLE: Mr Shoebridge, when I travel the State and talk to councils they specifically tell me that they would not have been unable to do the project unless they were given the support by the New South Wales Government through this program. I want to point out that one of the other issues that came out of the independent local government review was the need for this program to be continued. We have created a State borrowing authority here in New South Wales, and through this State borrowing authority we have already seen 12 councils that have now applied through the extension of that program. We are now seeing another \$57 million worth of works happening, and it is only the beginning.

Mr DAVID SHOEBRIDGE: Did you say \$57 million?

Mr PAUL TOOLE: It is only the beginning.

Mr DAVID SHOEBRIDGE: Minister, you have been talking about a \$3.6 billion reduction in deficit. I will direct the question to Mr Hurst. Mr Hurst, has the bulk of that reduction in the so-called deficit been because councils have reassessed their infrastructure and calculated their infrastructure backlog using different formula? Is that not the main reason there has been a reduction, Mr Hurst?

Mr PAUL TOOLE: I can answer that, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: I do not think you can, Minister.

Mr PAUL TOOLE: I answered it before when I told you that through the Fit for the Future reform program that is where councils have reassessed themselves, that is where councils have made changes to reflect the needs of the community and that is where they are ensuring that projects can be delivered in those communities. As I have said, councils say that the LIRS program was a fantastic initiative of the Government. The independent panel recommended that the LIRS program be continued.

Mr DAVID SHOEBRIDGE: Will you let Mr Hurst actually answer the question?

Mr PAUL TOOLE: Well, that is exactly what is being done.

Mr DAVID SHOEBRIDGE: Why is Mr Hurst here, if not to give evidence?

Mr PAUL TOOLE: I am answering it because I think it has been answered already for you.

Mr DAVID SHOEBRIDGE: Mr Chair, I ask that we be allowed to move on from the Minister's answer and have the question put to Mr Hurst.

The CHAIR: No, the process is that the Minister has a right to defer to other members of his executive. If the Minister chooses to take the question, that is up to him.

Mr DAVID SHOEBRIDGE: Minister, why are you not letting Mr Hurst give the answer?

Mr PAUL TOOLE: I am happy to allow Mr Hurst to add information to what I have already provided to you but I thought you needed to hear the background as to—

Mr DAVID SHOEBRIDGE: I didn't.

Mr PAUL TOOLE: You didn't but I wanted to share that with you because that has been well received across the State in relation to the infrastructure support that has been given by this Government.

Mr HURST: Yes, I can reiterate what the Minister said, that through programs like the Local Infrastructure Renewal Scheme and through the State borrowing authority the State has been making funds available to councils to address the infrastructure backlog and—

Mr DAVID SHOEBRIDGE: Mr Hurst, did you understand my question? It was: Is it not true that the bulk of the reduction in the infrastructure backlog from \$7.4 billion to \$3.8 billion has occurred not because of investment in infrastructure but because councils have recalculated their infrastructure deficits?

Mr HURST: I was getting to that. I was saying that there is also a contribution from councils placing a greater focus on the management and renewal of their assets as part of the Fit for the Future process. We have

obviously been working with key stakeholders and the sector to improve those asset management processes and reporting, particularly through changes to Special Schedule 7 made last year and further changes this year.

Mr DAVID SHOEBRIDGE: How much has come through the recalculation of the infrastructure backlog and how much has come through actual investment in infrastructure? I am happy for you to take that on notice, Mr Hurst.

Mr HURST: I do not know that it is possible to split those components.

Mr DAVID SHOEBRIDGE: Can you do your best? I ask because the Minister's statement of a reduction from \$7.4 billion to \$3.8 billion is obviously intended to give the impression that there has been a \$3.6 billion investment in infrastructure. But, Minister, that is simply not true. It is a false figure and you know it.

Mr PAUL TOOLE: I am sorry, Mr Shoebridge, it is actually \$3.3 billion. I am pleased that this Government has actually been able to work with councils and provide support in this State. I do not know anyone who can sit back and say, "We have been able to reduce the infrastructure backlog in councils by working in partnership and by supporting—

Mr DAVID SHOEBRIDGE: Through smoke and mirrors and accountancy tricks.

The Hon. SCOTT FARLOW: Laudable, Minister.

Mr PAUL TOOLE: It is council information that is being provided. It clearly shows that they have looked at their performance and changed the way things have been done. The Auditor-General will also, going forward, have a supporting role in this process to ensure that councils are audited the same way and to ensure that we get a true reflection of what the infrastructure needs of communities are, as well as of that backlog across councils here in this State.

Mr DAVID SHOEBRIDGE: Minister, are you aware that ICAC has found that on 13 December 2010 the then Liberal mayor of Hawkesbury received \$18,000 from a company called Boardwalk Resources, but actually sourced from Buildev, which was then laundered through the Liberal Party and provided to Mr Bassett for his State election campaign?

Mr PAUL TOOLE: Whilst matters have been before ICAC, I can—

Mr DAVID SHOEBRIDGE: It is no longer before ICAC.

Mr PAUL TOOLE: I can tell you what I am doing as the Minister for Local Government.

Mr DAVID SHOEBRIDGE: No, Minister, I want you to answer the question. Are you aware of the fact that I just told you?

Mr PAUL TOOLE: I am aware you have just told me, yes.

Mr DAVID SHOEBRIDGE: Are you aware of the fact that a former Liberal mayor of Hawkesbury received \$18,000 from a property developer laundered through the Liberal Party in breach of the law on 13 December 2010—yes or no?

Mr PAUL TOOLE: I am making changes to clean up local government here in New South Wales. That is why, as you have seen, a number of legislative changes have been introduced into this Parliament to ensure that communities can have confidence in those that are elected in this State.

Mr DAVID SHOEBRIDGE: Minister, the question was very specific. Are you aware that the former Liberal mayor of Hawkesbury laundered \$18,000, a prohibited donation from a property developer, through the Liberal Party? Are you aware of that?

Mr PAUL TOOLE: I have seen lots of media reports.

Mr DAVID SHOEBRIDGE: It is not a media report; it is the report of ICAC.

The Hon. SCOTT FARLOW: Point of order: The Minister has answered the question on three occasions.

The Hon. PETER PRIMROSE: It is hardly an answer.

The Hon. SCOTT FARLOW: He has—three times.

The CHAIR: Order! Allow the Minister to give a reply to the member. It is the third time. I will encourage Mr Shoebridge, if he does not get an answer, to move on to the next set of questions.

Mr DAVID SHOEBRIDGE: I will move on to the next point.

Mr PAUL TOOLE: I am happy to put on the record that I think communities in New South Wales are sick and tired of councillors who put self-interest ahead of their communities. I am appalled at some of the behaviour and actions of some individuals and at what we have seen occurring at some councils across the State of New South Wales. I make no apology, as the Minister, for calling public inquiries into councils where their communities have lost confidence in them. Those communities deserve to have a public inquiry to get to the bottom of things and show exactly what has been happening in those local government areas.

Mr DAVID SHOEBRIDGE: I hear you are wanting to re-establish confidence. That is great, Minister. Are you aware that in May 2011 Mr Bassett used his casting vote as mayor to approve the rezoning of the Redbank development, which directly benefited Buldev, the company that gave him the 18 grand? Are you aware of that?

Mr PAUL TOOLE: That is exactly why I am saying that—

Mr DAVID SHOEBRIDGE: Are you aware of that fact?

Mr PAUL TOOLE: I am aware of many facts. What I am saying is that we have even foreshadowed, as part of our councillor integrity changes, that action will be able to be taken against individual councillors who do not declare a pecuniary interest. Further, if a financial benefit is found to have accrued, the chief executive can refer that on to the Supreme Court, which can then require the financial benefit to be paid back to the council involved.

Mr DAVID SHOEBRIDGE: Do you agree, Minister, that Mr Bassett—and anybody associated with Mr Bassett—should not be allowed within a country mile of Hawkesbury council?

Mr PAUL TOOLE: What I said to you, Mr Shoebridge, is that we are addressing issues in relation to councillor integrity in this State.

Mr DAVID SHOEBRIDGE: Do you agree that Mr Bassett, and anybody associated with Mr Bassett, should not be allowed within a country mile of Hawkesbury council, and definitely not on a Liberal ticket?

Mr PAUL TOOLE: I think communities want people who are elected to actually represent their community and not self-interest.

The Hon. PETER PRIMROSE: Minister, if an administrator, who is essentially the council, has a conflict of interest, do they need to leave the council chamber when a matter is being debated?

Mr PAUL TOOLE: That is a matter for the administrator to determine. As a councillor and a mayor, they are the ones who are responsible for determining whether a matter or an item is a conflict of interest for him or her. In this situation, the administrator is bound by the same rules under the Local Government Act as councillors and mayors are and therefore, accordingly, would be required to do so.

The Hon. PETER PRIMROSE: From the perspective of procedure—you have established this new mechanism; I know how it applies for ordinary councillors—what advice would your office give if, for example, an administrator said, "I believe I have a conflict of interest and need to leave the chamber"? How are decisions then made at that council?

Mr PAUL TOOLE: There are a number of options. With the 19 newly created councils, you would have seen that those in the metropolitan area have already established independent hearing assessment panels, whereby a number of planning decisions will now go off to the independent body for consideration before they come back to the council. In the case you described, there are a number of mechanisms that could be considered. It could be referred to an independent authority, it could be referred to a neighbouring local government area, or it could even be referred to another administrator to come in and make the determination.

The Hon. PETER PRIMROSE: I think Mr Orr has just given you a cheat sheet.

Mr PAUL TOOLE: I think I have just given you a great answer.

The Hon. PETER PRIMROSE: Mr Orr, what would be your advice in this situation?

Mr ORR: Further to the Minister's comment, the guidance we have given to administrators—and, as the Minister said previously, they are bound by the same rules as councillors are—is that in those circumstances they have a number of options. One of those options would be to delegate the decision down to a staff member within the council. Another option would be, if it were a matter that the council had to determine, to bring in and appoint another administrator to determine that matter.

The Hon. PETER PRIMROSE: Thank you, I appreciate that. Minister, last calendar year, until the beginning of December—before you abandoned Professor Samson's report—the Government had paid \$2,227,731.67 for the so-called Stronger Councils, Stronger Communities advertising campaign. This included contracts to Saatchi and Saatchi, Marchant Consulting, JWS Research and UM Marketing. To date this calendar year, how much has the Government paid for advertising in relation to its local government merger campaigns?

Mr PAUL TOOLE: As you know, advertising is very important to this process. I think that when you are talking about changing and reforming local government here in the State of New South Wales, it is important that communities are informed about the changes that are taking place, and the changes that were possibly going to take place, in their local government areas. It has been an opportunity for those millions of people who have been affected by possible changes to engage with the Government throughout this process.

The Hon. PETER PRIMROSE: How much, Minister?

Mr PAUL TOOLE: I am just making a point. We also know that when the delegates went out, 116 public meetings took place across the State of New South Wales. Over 14,000 people made submissions—there were 45,000 written submissions through this process. It is important that we advertise in those communities, whether it be on radio or in print, to inform people about the public meetings and all the matters around them.

The Hon. PETER PRIMROSE: Minister, I understand that. I have limited time. My question was very simple: How much? The Government spent \$2.227 million last year to advertise a policy from Professor Sansom that it then abandoned. **How much has the Government paid for advertising to date this calendar year? It is not an unreasonable question.**

Mr PAUL TOOLE: I am about to answer it.

The Hon. PETER PRIMROSE: Thank you.

Mr PAUL TOOLE: It is important for the Government to advertise. I have seen some councils that have spent not tens of thousands but hundreds of thousands of dollars of ratepayers' money. They misled their communities by saying that the sky would fall in, libraries would close, swimming pools would be shut and senior citizens' centres would close down if a merger took place.

The Hon. PETER PRIMROSE: How much, Minister?

Mr PAUL TOOLE: We can clearly see that that is not true.

The Hon. PETER PRIMROSE: How much? Chair, it is not an unreasonable question.

Mr PAUL TOOLE: You asked for the figures for this financial year.

The Hon. PETER PRIMROSE: No, for this calendar year.

Mr PAUL TOOLE: I point out that, because some public meeting processes have only recently been completed, those figures are not all in yet. They will be available in the annual report.

The Hon. PETER PRIMROSE: So you do not know. You have issued contracts and you do not know.

Mr PAUL TOOLE: The figures will be available in the annual report, as I have just said.

The Hon. PETER PRIMROSE: You do not know. An amount of \$2.227 million was wasted last year.

Mr PAUL TOOLE: I said that we have just finished another round of public meetings in areas where proposals for mergers have been put forward. Some of them have been instigated by councils. The Government advertised in those areas to inform the community so that they could attend public meetings and be part of the process.

The Hon. PETER PRIMROSE: You must have issued contracts for that. How much were the contracts for?

Mr PAUL TOOLE: That information will be in the annual report. I am happy to take that on notice as well, to provide information the available information.

The Hon. PETER PRIMROSE: I have seen your annual reports. The information is not available.

The Hon. SCOTT FARLOW: The Minister has just agreed to take the question on notice.

The Hon. PETER PRIMROSE: He said it will be in the annual report.

The Hon. CATHERINE CUSACK: You were not listening.

The Hon. SCOTT FARLOW: You were not listening. He agreed to take it on notice. He is being very helpful.

The Hon. ERNEST WONG: Point of order: There is too much interference from Government members. They have compromised the time we have for questions.

The CHAIR: We will move on.

The Hon. PETER PRIMROSE: The Minister will not answer that question.

Mr DAVID SHOEBRIDGE: He said that he will take it on notice. It might be useful to confirm that. Is that right?

The Hon. CATHERINE CUSACK: That is right.

Mr PAUL TOOLE: I said it will be available in the annual report and I will take it on notice to provide what information we can.

The Hon. PETER PRIMROSE: For the two KPMG contracts, as well as the contracts that I mentioned earlier, under the heading "Method of Tendering", the comments are "Limited" and "Non Tender". Would you tell me what the terminology means?

Mr PAUL TOOLE: The report is one of many. I can take that on notice and provide you with a proper and long explanation in answer to the question.

The Hon. PETER PRIMROSE: I ask this question in relation to that. If it is about prequalification, from looking at the contracts awarded and the document entitled *Prequalification Scheme Contingent Workforce Government Expenditure Report—May 2016*, I am unable to find any matching amounts of money listed by Premier and Cabinet, either by supplier or by amount of money. I ask that you advise the Committee whether this work was awarded without any form of tender process. I know you have agreed to take that on notice, so I will move on. Thank you, Minister. I just wanted to make clear the purpose of my question.

The New South Wales Electoral Commission, in its public statements, says that it operates at the direction of the Government. Last December the Premier indicated in a number of media interviews and through public statements that elections for all councils could be held in September 2016, or March 2017 at the latest, for those councils being forcibly merged. Would you advise why there is now a delay until 9 September 2017? What are the specific reasons for the delay, given the fact that the boundaries of the councils, the award structures and the number of councils were gazetted in May?

Mr PAUL TOOLE: Thank you for your question. As you would be aware, those councils that are not merging are going to an election on 10 September. Those councils that are proposed to merge will go to an election in September 2017. The Electoral Commission has advised the Government that the preferred date for the election of new councils is September 2017 to ensure the commission has adequate time to make arrangements and so that the elections can run smoothly.

The Hon. PETER PRIMROSE: What precisely are the reasons? The Electoral Commission keeps the boundaries of councils, the wards of councils, the numbers to be elected and the electoral roll electronically. Why do they have to wait from May this year to September next year? What are the specific reasons that have caused the Government to choose to delay those elections?

Mr PAUL TOOLE: I point out two things. Elections are run by the Electoral Commission. It is important to allow time for those new councils to implement changes, put in new policies and create a stronger council for their communities. That is a matter that has been determined by the Electoral Commissioner.

The Hon. PETER PRIMROSE: We received information under the Government Information (Public Access) Act that the Electoral Commission advised that March 2017 could be an appropriate time for the elections. Then we heard the announcement from the Government that elections would be held in September 2017. The Electoral Commission advises that it acts on the direction of the Government.

Mr PAUL TOOLE: The advice that I have been given by the Electoral Commissioner is that the most appropriate time to run the election smoothly would be September 2017.

The Hon. PETER PRIMROSE: Will you table that information?

Mr PAUL TOOLE: I have said this on the record on a number of occasions. It has also been mentioned by the Premier in the Parliament. The Premier quoted the information that was provided on this particular matter.

The Hon. PETER PRIMROSE: Will you table the letter from the Electoral Commissioner giving the reasons?

Mr PAUL TOOLE: The Electoral Commissioner provided advice that it was best to run elections in September 2017 to ensure smooth running. I think that is exactly what the people of New South Wales want to happen.

The Hon. PETER PRIMROSE: Will you table the letter?

Mr PAUL TOOLE: I have made it very clear that that is the advice I have been given.

The Hon. PETER PRIMROSE: But will you table the letter from the Electoral Commissioner?

The Hon. CATHERINE CUSACK: Chair—

The Hon. PETER PRIMROSE: I am just asking the Minister to say yes or no.

The Hon. CATHERINE CUSACK: I know what you are asking him.

Mr DAVID SHOEBRIDGE: Can he answer it?

The Hon. CATHERINE CUSACK: He has asked the question. We are running on a loop.

The CHAIR: Order! I ask members to be respectful of the process. The member has asked three times. The Minister has given the same answer. I encourage the member to proceed with other questions.

The Hon. PETER PRIMROSE: The Minister will not answer that one.

Mr PAUL TOOLE: I would be happy to provide the information that I have been given.

The Hon. PETER PRIMROSE: Minister, would you tell the Committee where the Office Of Local Government has identified Alucobest and other flammable building materials in New South Wales?

Mr PAUL TOOLE: I will have to take that on notice.

The Hon. PETER PRIMROSE: Would Mr Hurst be able to provide an answer?

Mr PAUL TOOLE: I will ask Mr Hurst if he has any information on that.

Mr HURST: Thank you, Minister. I am not aware of any information that has been provided to us on that issue. I am happy to conduct research and provide further information on that through the Minister.

The Hon. PETER PRIMROSE: I appreciate that, thank you. Are you aware of any involvement in this matter by the Office of Local Government or do you not know at this stage?

Mr HURST: I am aware of the matter because I have seen the media reports. We will conduct the appropriate searches to determine the involvement of the Office of Local Government and provide an answer.

The Hon. PETER PRIMROSE: Thank you. How many swimming pools are there in New South Wales with out-of-ground pool walls as part of the pool barrier?

Mr PAUL TOOLE: I want to put on the record that only up to a few years ago we would not have known how many backyard swimming pools were in this State. It was this Government that made it compulsory for backyard swimming pools to be registered with local councils in New South Wales. Already, we know that more than 320,000 backyard swimming pools have been identified in New South Wales. Before, we would not have had a clue which local government area they were in. We did not know exactly where they were but now the information that has come through from people registering with their local council has given us that information.

The Hon. PETER PRIMROSE: I accept that Minister. I think that is a good result.

Mr PAUL TOOLE: On 29 April, 331,901 properties with at least one pool were recorded on the Swimming Pool Register and as at 1 September, 336,758 properties with at least one pool. Since the Government introduced sale and lease requirements of swimming pools, from 29 April 2016 there has been a 61.1 per cent increase in the number of pools recorded of being compliant with child-safe barriers in New South Wales.

The Hon. PETER PRIMROSE: I will say publicly that I think that anything we can do to assist child safety is obviously really important. My specific question related to those pools with out-of-ground pool walls as part of the pool barrier. How many are there? Were such pools ever legal in New South Wales?

Mr PAUL TOOLE: I will take that question on notice to see if we have those numbers. We only have information that is provided by swimming pool owners to councils in this State. Already pool registrations have been increasing and they are continuing to increase. In the past year it is a 1.5 per cent continuing improvement.

The Hon. PETER PRIMROSE: Will you also take on notice not only the number—and my guess from the advice I have received is it is about 20,000—but also were such pools ever legal in New South Wales, even if their construction had been approved by a local government authority? Are they legal now? If not what action has been taken by you to alert the owners of such pools that their pools are illegal? How are the owners of such non-complying pools being notified? How is the rectification being monitored and by whom? What penalties apply for non-compliance? I appreciate that you have agreed to take those questions on notice.

The Hon. MARK PEARSON: Is the Minister aware that in most council pounds in New South Wales, even those administered by the RSPCA, the euthanasia or kill rate of dogs is more than double but not triple that of Victoria due to a failure to co-operate with animal protection groups, who would be willing to adopt those animals?

Mr PAUL TOOLE: I want to put on the record that this Government is committed to improving responsible pet ownership in New South Wales and it has made some significant changes that allow people to enjoy the benefits of owning a pet and also to minimise risks in our communities. The Government has provided \$900,000—\$300,000 per year over the next three years for grants.

The Hon. MARK PEARSON: I am sorry but that is not answering the question. My question related not to animals owned and looked after perhaps well by the owners but to those animals that come into a pound and are killed because their owners cannot be found. The number of dogs being killed is more than double but not triple that in Victoria where there are proactive policies that allow councils to work with animal protection groups to try to rehome these totally healthy animals and therefore the kill rate is reduced.

Mr PAUL TOOLE: Recently I attended the Rangers Conference. Councils are responsible for managing seized and surrendered cats and dogs in their local government areas councils and must use their best endeavours to identify the owners of the cat or dog and notify the owner that their animal is held at the pound. A seized animal must be kept for a minimum of 14 days and a surrendered animal must be kept by a council pound for a minimum of seven days. An animal may be rehomed or euthanised at the end of its in-pound period under the Companion Animals Act 1998. The Government has been working with councils and other groups to promote responsible pet ownership.

The Hon. MARK PEARSON: It is still not quite an answer to my question. Are you willing to give a directive to all councils to proactively work with animal protection groups in order to adopt those animals which do not go back to their owners or the owners cannot be found, and rather than those healthy animals being killed at the end of seven or 14 days that they be given to groups that are willing to try to spend much more time to find a home for them?

Mr PAUL TOOLE: If we can do more to improve the chance of these dogs finding a home rather than being euthanised that is a good thing.

The Hon. MARK PEARSON: Are you willing to give a directive of that nature?

Mr PAUL TOOLE: We have a Companion Animals Taskforce and I will put it on its agenda for consideration and to look into it in more detail.

The Hon. MARK PEARSON: Are you committed to put that on the agenda?

Mr PAUL TOOLE: I will put it on the agenda to look at. I will give one example of a new council that has been created. I know you will be very impressed by what the Murray River Council is now undertaking. The Murray River Council, a newly created council—the former Murray Shire Council and the former Wakool Shire Council—has launched a new approach to managing stray dogs across the entire area.

They have a not-for-profit group guaranteeing that no animal in that local government area will be euthanised. Previously, council rangers surrendered about 60 dogs to the pound annually, two-thirds of which were euthanised. However, thanks to the hard work of council rangers, the Murray River Council has engaged a service across the entire region and all abandoned animals will now be rehomed. The rehoming initiative will dramatically lower euthanasia rates and give unwanted dogs a second chance.

The Hon. MARK PEARSON: This could be rolled out right across New South Wales.

The CHAIR: We have been very generous with the time. If the Minister wants to table any further answers on that matter he can.

Mr DAVID SHOEBRIDGE: Minister, you said that the administrator for a small rural council gets between \$180,000 and \$220,000 as a salary. Is that right?

Mr PAUL TOOLE: No, that was a regional city. I will get the figures for a rural council.

Mr DAVID SHOEBRIDGE: To be brief, can you provide the salary range for the different bands for the different councils?

Mr PAUL TOOLE: Yes, I can. For a small rural council it is between \$100,000 and \$150,000 per annum. For a regional town, city council or large rural council it is between \$180,000 and \$220,000 per annum. For a metropolitan council it is between \$280,000 and \$320,000 per annum.

Mr DAVID SHOEBRIDGE: Is that the total remuneration package or are there additional elements on top of that? Is that just the base salary?

Mr PAUL TOOLE: That would be the base salary.

Mr DAVID SHOEBRIDGE: Will you give on notice the total remuneration package for each of the administrators you have appointed?

Mr PAUL TOOLE: That is what is paid under what I have proclaimed for those administrators of those local government areas.

Mr DAVID SHOEBRIDGE: I do not want to argue with you for ages on this matter. Will you give the total remuneration package for each administrator you have appointed? I do not pretend you have got that in your head now but will you provide that on notice?

Mr PAUL TOOLE: Are you asking for a breakdown of each one?

Mr DAVID SHOEBRIDGE: The total remuneration package. If you want to break it down, I would appreciate that too.

Mr PAUL TOOLE: I have given you the bands for each of those councils but if there are other expenses they are in line with what councils provide. I cannot give you that because that is a matter for each council and each administrator and the policies and expenses that are delivered by each of those council areas.

Mr DAVID SHOEBRIDGE: I want to know their remuneration package, how much they are getting for salary, how much they are getting for superannuation and how much they are getting for non-salary entitlements. I do not want to know what they are getting in a monthly expenses package.

Mr PAUL TOOLE: I cannot give you that information anyway. I can give you the remuneration bands as I have given you.

Mr DAVID SHOEBRIDGE: Please provide that for all of the administrators. What role did you have in choosing the administrators and why were so many of those appointed as delegates who wrote favourable reports appointed as administrators?

Mr PAUL TOOLE: The administrators have a very important role to play when it comes to leading those new councils that have been created. These administrators, as I have said previously—

Mr DAVID SHOEBRIDGE: I am not after their character references; I am after what your role was in appointing them and why so many of the delegates who gave favourable reports were appointed by you.

The Hon. SCOTT FARLOW: Point of order: Explaining the reason why they were appointed seems to be exactly relevant to Mr Shoebridge's question.

The CHAIR: Let us hear what the Minister says.

Mr PAUL TOOLE: There are two questions. You have asked me one about delegates and one about the administrators. I will answer the first one in relation to the delegates. As you know, the delegates had a very important task to go out and engage with the community. The delegates had to go through—

Mr DAVID SHOEBRIDGE: With all due respect, my question was about why so many of the delegates who had written favourable reports were then appointed as administrators. It is not about the initial appointment of the delegates. It is just about why the ones who gave favourable reports were appointed as administrators by you.

Mr PAUL TOOLE: I do not agree with the premise of your question because administrators were not appointed until after I received all of the reports from the delegates. They then went to the Local Government Boundaries Commission before I made a determination. The administrators, as I have said, have an important

part to play. I also went out with an expression of interest. While a number of independent people have been appointed to the role of administrator I also went to councils with an expression of interest. When I went out asking mayors and councillors a number of them wrote back to me and indicated through the expression of interest process that they wished to have a role as an administrator. Some of them wanted to be considered as a member of a local representation committee. Some of them also said they wanted to be part of an implementation advisory group.

The criteria was very specific in relation to being considered for that. The criteria was around a commitment to make the new council a success, their willingness to make decisions that were in the best long-term interest of the broader community, a commitment to working collaboratively with government in implementation, a desire to represent the views of the community, a commitment to promote the new council to the community and the availability to serve the new council until the next local government elections. As I have said, Mr Shoebridge, that expression of interest went out and I received an overwhelming response in relation to people being considered for that.

As you know, when I appointed the administrators through the proclamation they were given the duty to provide advocacy and representation to all residents of the new council areas. They are charged with leading and building that new entity to ensure that they get better services, better infrastructure and value for money. Administrators are empowered to perform the roles and the functions of the council. This means council business and service delivery will continue without disruption.

Mr DAVID SHOEBRIDGE: Mr Chair, we might move on.

The CHAIR: Order! We will move on to another question.

Mr DAVID SHOEBRIDGE: You said that you wanted to re-establish faith between residents and councils. Do you agree that the behaviour of Mr Bassett, the former Liberal mayor of Hawkesbury, in pocketing \$18,000 of illegal donations was an example of a gross breach of faith with the electorate?

Mr PAUL TOOLE: This is a matter that has been dealt with by the Independent Commission Against Corruption [ICAC]. I cannot comment on the specifics of that particular matter, but I will tell you this: I, like many in this State, am appalled by the actions of individuals in some councils across this State. While I continue to be the Minister I will continue to make the changes that are necessary to clean up local government in New South Wales.

Mr DAVID SHOEBRIDGE: I have heard your answer.

Mr PAUL TOOLE: As you know, we have foreshadowed that we are even in a situation whereby mayors, councillors, general managers of council staff when there is a planning decision that goes before that council into the future will no longer be able to sit and determine that particular matter at that local council. It will have to go to an independent authority.

Mr DAVID SHOEBRIDGE: Mr Chair, I have enough from this answer.

The CHAIR: Order! The member chooses to ask another question.

Mr DAVID SHOEBRIDGE: Minister, you say you want to re-establish faith with the electorate but Mr Bassett's close political ally, indeed his partner, has now been preselected by the Liberal Party to run on the Liberal ticket for Hawkesbury. How can you possibly say that you are re-establishing faith with the electorate when someone so closely associated with a disgraced official like Bassett is now preselected on the Liberal Party ticket for Hawkesbury council?

Mr PAUL TOOLE: I just make the point that I will continue to make the integrity changes that are needed. As you know—

Mr DAVID SHOEBRIDGE: It means nothing. You have property developers running for council, you will not get them out and you have Mr Bassett's close political allies ready to take over Hawkesbury council again. You have made no changes.

The CHAIR: Order! The member's time has expired.

Mr PAUL TOOLE: I am very proud that this Government has got public inquiries—

The CHAIR: Minister, have you finished answering the question?

Mr PAUL TOOLE: I will just say, importantly, where there have been actions of individuals I as the Minister and this Government will continue to act.

Mr DAVID SHOEBRIDGE: Then you preselect their close political allies to run for the same council again. Nothing has changed. Nothing changes in New South Wales on your watch.

The CHAIR: Order!

Mr PAUL TOOLE: I have seen the farce that has occurred at councils like Auburn. It has been appalling and that community deserves better. We continue to make changes that are needed.

The Hon. PETER PRIMROSE: What about the corruption in Hawkesbury?

Mr DAVID SHOEBRIDGE: You talk of Auburn but corruption has been found in Hawkesbury and the same political team is running on the Liberal Party ticket.

The CHAIR: Order! I will start with my questions. I have been advised that Georges River Council, which I think you mentioned earlier, has applied to you to enact a compulsory acquisition of Hurstville Baptist Church. The land is owned by Hurstville Baptist Church and the congregation has resided at its current premises since the 1930s. Georges River Council last year released an updated master plan and suggested an 11-storey community, retail, council and commercial building for the site. The plan was apparently released without consultation with Hurstville Baptist Church.

The current local environment plan [LEP] restricts building heights to four storeys and those restrictions have been applied to reject the church's plans for development. Further, because of the current LEP building height restrictions the property is valued under the current LEP, not under the Georges River Council master plan for an 11-storey building. That is obviously affecting a fair valuation and best-use compensation. Are you aware of the situation? Are you prepared to meet with the proponents, who I think have made contact with your office? Finally, can you give us an idea of the process you use to sign off on compulsory acquisitions?

Mr PAUL TOOLE: I am not aware of that particular matter. Whilst they may have written to me let me put on record that I would be happy for someone in my office to follow up and have discussions with them in relation to that matter and listen to their concerns as part of that process. Compulsory acquisitions that come to my office for signing off are around matters that affect local government issues. I have to say that it is a fairly extensive process and it is thoroughly researched by a division in the Office of Local Government. They try to be fair and transparent. Also, where there is an opportunity they try to get as much community feedback as possible in that process. I give you the commitment that we will follow that matter up.

The CHAIR: There seem to be different scales being used in this situation, which I encourage you to look into. In regard to section 94, we heard about the great job being done in addressing the maintenance backlog. Would it not also be prudent that, where councils can secure the debt—particularly through property portfolios— they use section 94 funds or interest to address a further backlog of maintenance?

Mr PAUL TOOLE: I have had a number of different representatives raise this particular item with me. I think if we are in a situation where we can take a backlog from \$7.4 billion down to \$3.3 billion that has to be a good outcome for communities across this State. That particular matter is one that has been raised with me and I have been speaking to councils. Some are in favour and some are not in favour. Through this process I give you a commitment that I will continue to talk to those interested parties to see if we can look at a mechanism that is going to be of benefit to communities across this State if we are going to change it. But I also want to ensure that the funds which come out of that are not going to see a shortfall into the future for planning in particular regions when we see areas of growth occurring.

The CHAIR: It was reported on *ABC News* that eight councils in the Far West region will be part of the Far West Initiative planned for the regional authority that will take on the larger planning functions and interactions with State and Federal governments. Apparently the new governing body for the State's Far West is not about taking power away from local councils. Can you give the Committee an idea as to what this governing body aims to do and how it will affect local regional councils?

Mr PAUL TOOLE: Can I put on the record that the councils in the Far West face very unique challenges. That is why the Government through its reform process has no one size fits all.

The CHAIR: I am glad to hear that.

Mr PAUL TOOLE: We understand that there are different needs in different communities across this State. For example, when we look at those eight councils in the Far West and some of the challenges they face—they have declining populations, they have large geographical areas that they must cover, and they also have a large Aboriginal population—some of them are actually facing financial difficulties as well. We know when we look at Central Darling, which is one of those eight councils, they were at financial risk a number of years ago and an administrator had to be appointed. They were facing a situation where services and

infrastructure were not going to be delivered on the ground; it even got to a point where staff were at risk of not being paid.

Having worked with all of the eight councils in the Far West a consultation paper is now out asking for input. We have started a very strong community engagement and we have asked the community to provide feedback to that authority. This is not about taking the role of councils away. This is about making sure that we think strategically and regionally; not just within our boundaries. This is about making sure we can get what is right for communities across this State.

The CHAIR: Unfortunately time for questions has expired. Minister, you have 21 days to reply to any questions taken on notice. Minister, I thank you for what you do and for appearing before the Committee this morning.

(The witnesses withdrew)

The Committee proceeded to deliberate.