

## Budget Estimates 2018: Minister for Finance, Services and Property

### Questions taken on Notice – 3 September 2018

#### 1. Page 6 of transcript

The Hon. DANIEL MOOKHEY: We will start elsewhere. What was the value of total government asset sales sold for the last financial year?

Mr VICTOR DOMINELLO: It was about \$2 billion.

Mr NEWMAN: It was \$2.07 billion.

....

The Hon. DANIEL MOOKHEY: What did you sell last year?

Mr NEWMAN: Properties, Mr Mookhey.

The Hon. DANIEL MOOKHEY: Indeed. What comprised the biggest amount of the \$2 billion?

Mr NEWMAN: I would need to take that question on notice. Just keep in mind the policy: The Government is to sell surplus and under-utilised assets which are no longer required for service delivery so they can be reinvested back into capital support. So it tends to be vacant land and—

#### **ANSWER**

\$209,000,000 - Landcom (UrbanGrowth) sale (Lachlan's Line Development) - 15 Halifax Street, Macquarie Park. Settlement 8/08/2017.

#### 2. Page 7 of transcript

The Hon. DANIEL MOOKHEY: Last year you made some reference to a three-year target, range or projection?

Mr NEWMAN: I would need to check the records from last year to be able to confirm that for you.

#### **Answer**

As advised in correspondence to the committee provided 27 September 2017, Mr Brett Newman provided the following clarification: Property NSW (PNSW) does not have a whole-of-government asset sales target. The reason for that is there are a number of significant agencies which have their own asset sales programs for which PNSW is not responsible. Notwithstanding, PNSW's FY 2018/19 target is \$400 million and in future years PNSW is targeting sales volumes broadly in line with historical performance in the order of \$400-500 million per annum.

#### 3. Page 7 of transcript

The Hon. DANIEL MOOKHEY: What was the value of properties acquired by Property NSW last year?

Mr NEWMAN: I will need to take that question on notice. Many agencies undertake their own acquisitions. For example—

**ANSWER**

\$31m.

**4. Page 8 of transcript**

The Hon. DANIEL MOOKHEY: Just before you go on, you said "many agencies". Does the Department of Education undertake its own or do you do it for the department?

Mr NEWMAN: In certain circumstances agencies will undertake their own acquisitions, particularly where they are undertaking compulsory acquisitions and where those assets are required for government purposes—so the Department of Transport and Infrastructure and the Department of Education in certain circumstances where they have got big acquisition programs. If the Department of Transport and Infrastructure needs to acquire lots of land to build a road, for example, they would undertake their own acquisitions. Where agencies—

The Hon. DANIEL MOOKHEY: What about the Department of Education?

Mr NEWMAN: The Department of Education may come to us and ask for our assistance in relation to an acquisition or a sale, particularly if it is large or complex, but they may also undertake acquisitions on their own. They are required to come to us and confirm with us if they can do it, whether or not they are undertaking compulsory acquisitions or even acquisitions at the moment whether or not they are compulsory. I would need to check and take that question on notice.

**ANSWER:**

Department of Education generally undertakes its own acquisitions. No properties were acquired by PNSW on behalf of the Department of Education in FY 2017/18.

**5. Page 8 of transcript**

Mr JUSTIN FIELD: Just to be clear, the deed, the information in it and those concessional arrangements are not for the public to see?

Mr VICTOR DOMINELLO: I will double-check in relation to the details of that. Mr Hoffman, would you like to answer that?

**ANSWER:**

The concession deed is a commercially negotiated document and, consistent with other concessions of this nature, the terms are kept confidential.

The Office of the Registrar-General has made key aspects publicly available through presentations and speeches, copies of which are available on its website:

<http://www.registrargeneral.nsw.gov.au/publications-and-rules/presentations> and  
<http://www.registrargeneral.nsw.gov.au/publications-and-rules/speeches>.

**6. Page 9 of transcript**

Mr JUSTIN FIELD: I am getting a sense that they have come to you potentially to try to make other changes as well as the one that has been referred to in this additional fees announcement.

Mr HOFFMAN: You may need to be more specific, Mr Field.

Mr JUSTIN FIELD: I am not sure I can be. You suggested that there has been an interpretation, and from what I heard you say there has been some questioning around the interpretation. So there has obviously been a decision made on this particular interpretation. Are there others that might relate to fee increases that have come to your—

Mr HOFFMAN: Not that I am aware of. I am happy to take that on notice to confirm. What you may be referring to, of course—in an effort to be helpful, Mr Chair—is that there are the regulated services that were in place that are covered by the deed. It was always the intention that the operator should be innovative and bring new services to market that customers wanted to pay for that were not compulsory in the sense of completing transactions, that it was value-added services, and discussions about those are ongoing with the operator, yes.

**ANSWER**

Nil.

**7. Page 9 of transcript**

Mr JUSTIN FIELD: Have we seen any examples of title insurances being offered in the New South Wales market place?

Mr HOFFMAN: Not that I am aware of, no. But, again, I am happy to take that on notice. The Government has always been, as I can confirm, absolutely of the view that the State stands behind the titles with the operating environment and title insurance is not required in New South Wales.

**ANSWER**

It is understood that title insurance has been sold in NSW for approximately 15 years by two United States-based insurance companies. Title insurance purports to protect purchasers and owners of land from risks that might affect ownership or the right to occupy or use land. Examples of risks covered include illegal building work, boundary issues, fraud and forgery, unpaid rates and zoning non-compliance that may not have been known to the purchaser when the property was purchased.

The Torrens Assurance Fund that operates under the Real Property Act 1900 covers all land owners and people with an interest in land against fraud or errors in the Torrens land register. The Government has been of the view that the State stands behind the titles with the operating environment and title insurance is not required in New South Wales. This protection means that title insurance was not necessary before or after the LPI concession came into effect.

**8. Page 9 of transcript**

Mr JUSTIN FIELD: Since the operator started, how many claims have we seen on the assurance fund?

Mr HOFFMAN: I apologise, Mr Field, I do not have that number to hand. I will happily provide it on notice.

Mr JUSTIN FIELD: Would the Valuer General be aware of that number, potentially?

Mr GILKES: No, Mr Field, sorry I am not.

The CHAIR: You will take it on notice anyhow?

Mr HOFFMAN: Absolutely. And I am happy to compare it to before the operator commenced as well, if that would be of assistance.

Mr JUSTIN FIELD: That would be appreciated...

**ANSWER**

16 claims have been made against the Torrens Assurance Fund since 1 July 2017. The number of claims made annually tends to reflect the number of transactions lodged for registration. There has been no apparent increase in the number of claims since the concession commenced.

**9. Page 12 of transcript**

The Hon. DANIEL MOOKHEY: Thank you, Mr Chair, for allowing me to disturb some of your prerogative. Minister, I want to resume our wonderful conversation about the Department of Education acquisition program. How many properties has Property NSW acquired for the Department of Education in the past 12 months?

Mr NEWMAN: I apologise if I was not clear. I think that is a similar question to the one you asked earlier.

The Hon. DANIEL MOOKHEY: It is identical.

Mr NEWMAN: Indeed. I do not have those specific details at hand. I will take the question on notice.

**ANSWER**

Nil.

**10. Page 12 of transcript**

The Hon. DANIEL MOOKHEY: Has School Infrastructure NSW written in the past 12 months to exercise its compulsory acquisition powers?

Mr NEWMAN: That is the question I need to take on notice.

**ANSWER**

School Infrastructure NSW has not written to PNSW in the past 12 months to exercise its compulsory acquisition powers and it is not required to do so under the Education Act 1990. The compulsory acquisition of land for public schools falls within the portfolio responsibility of the Minister for Education.

Agencies normally consult with PNSW if they are approaching commercial land owners on acquisitions and disposals of property however it has not been the practice in the past for agencies to advise PNSW if they are exercising powers of compulsory acquisition.

**11. Page 13 of transcript**

The Hon. PETER PRIMROSE: Are there things called "collection opportunity events"?

Mr BRADY: I am not aware of the term. I will have to take that on notice.

**ANSWER**

Yes. This term is used in relation to the collection of overdue fines by Revenue NSW.

**12. Page 13 of transcript**

The Hon. PETER PRIMROSE: Do performance measures for fines collection staff include a measure of the average amount of revenue collected relative to their contact with members of the public?

Mr BRADY: That is quite an operational measure, Mr Primrose. I will have to take that on notice as well.

**ANSWER**

Yes.

**13. Page 15 of transcript**

The Hon. PETER PRIMROSE: Apology accepted. What I am trying to look at is Mr Brady's words—and *Hansard* will reflect this—that you are talking about that as a review. I am trying to understand how the phone assessment—which is, using your term, a "review"—does not breach sections 24F and 30 of the Fines Act. Are you familiar with the Fines Act and the relevant sections 24F and 30?

Mr BRADY: I will have to take your question on notice, Mr Primrose. I do not have the Fines Act.

**ANSWER**

Customers have always been able to request that a penalty notice is reconsidered over the phone. This practice does not breach either section 24F (actions to be taken if decision is to issue a penalty notice) or section 30 (due date for payment of a penalty reminder notice) of the Fines Act 1996.

**14. Pages 17-18 of transcript**

Mr JUSTIN FIELD: One of the recommendations related to people who had been dealt with unfairly in relation to compulsory home and business acquisitions. Will these people have the right to recourse or compensation without having to take independent legal action?

Mr HOFFMAN: Mr Field, I can certainly say that a number of the recommendations have been implemented and a range of new processes, payments and approaches have already been put in place for this. In respect of resolving matters that were in dispute at that time—which I think is what your question is going to—my understanding is that many of those have been resolved, particularly with the new arrangements, and new payments and allowances that were put in place, but I am happy to take that on notice and confirm that point for you.

Mr JUSTIN FIELD: If there are outstanding ones.

Mr VICTOR DOMINELLO: And we adopted all the recommendations bar one, from memory.

**ANSWER**

Yes. They are able to lodge an Administrative Claim for compensation from the Torrens Assurance Fund (TAF).

**15. Page 18 of transcript**

Mr JUSTIN FIELD: If there are outstanding ones.

Mr VICTOR DOMINELLO: And we adopted all the recommendations bar one, from memory.

Mr JUSTIN FIELD: Adopted, but have they been put in place at this point?

Mr VICTOR DOMINELLO: The answer is yes—with all the ones we have adopted—but we will take it on notice. We will get you the specific details. It is a fair question. We will find out.

**ANSWER**

Arrangements are in place allowing administrative claims for compensation from the Torrens Assurance Fund to be submitted to the Office of the Registrar General for determination.

Information on how to apply is available on the ORG website at:

<http://www.registrargeneral.nsw.gov.au/title-guarantee/taf-compensation>

**16. Page 18 of transcript**

Mr JUSTIN FIELD: Minister, there were unregistered titles on properties in Lord Street in Newtown due to delays by NSW Land Registry Services at the time in relation to the metro construction works. Have those been resolved?

Mr HOFFMAN: I am sorry, Mr Field, I do not have that specific piece but I will be happy to confirm that.

Mr JUSTIN FIELD: I understand—you could take that on notice as well...

**ANSWER**

Refer to the response to Supplementary Question 36.

**17. Page 18 of the transcript**

Mr JUSTIN FIELD: I understand—you could take that on notice as well. Has there been any assessment of the value of assets held by Property NSW that fall within the coastal zone and could be impacted by coastal erosion or inundation as a result of rising sea levels or increasing storm events?

Mr VICTOR DOMINELLO: I will defer to Mr Newman.

Mr NEWMAN: Mr Field, specifically in relation to property owned by Property NSW—I think that is your question—

Mr JUSTIN FIELD: It is.

Mr NEWMAN: I am not aware—I will confirm but I am not aware—of any property owned by Property NSW within the coastal zone. We may have some properties in that zone so I will confirm that for you. But I can confirm there has been not to date a review of the entire portfolio to assessment of the impact of coastal erosion.

Mr JUSTIN FIELD: I appreciate that.

**ANSWER**

Property NSW is aware of six assets which fall within the Coastal zone and could be impacted by coastal erosion or inundation as a result of rising sea levels or increasing storm events. Three of these sites are occupied by Fisheries. Two of the remaining three sites are listed for divestment. The remaining site (Peat Island) is subject to a Planning Proposal with a conditional Gateway determination by the Minister for Planning.

**18. Page 19 of the transcript**

Mr DAVID SHOEBRIDGE: How much land was bought in the last six years?

Mr NEWMAN: I would need to take that question on notice. We did not report—

**ANSWER**

7,656 lots.

**19. Page 19 of the transcript**

Mr DAVID SHOEBRIDGE: How much was bought in the last financial year?

Mr NEWMAN: It is the same, I would need to take—

**ANSWER**

723 lots.

**20. Page 19 of the transcript**

Mr DAVID SHOEBRIDGE: Are you including the recent asset sale, which was the land that was acquired for WestConnex which was sold recently? Most of the infrastructure that is so-called "purchased for public purposes" ends up being sold to a private entity anyhow.

Mr NEWMAN: No, Mr Shoebridge. I was just trying to answer your question, which was about whether or not the amount of sales—the amount of acquisitions was a small fraction compared to sales and—

Mr DAVID SHOEBRIDGE: I am suggesting to you that if you acquire assets for an infrastructure project and you then sell the infrastructure project to a private entity, that is not a net gain for the people of New South Wales and it would be a false comparator.

Mr NEWMAN: What you need to do is look at the entire portfolio. This State's—

Mr DAVID SHOEBRIDGE: I am happy if you want to get some more detail on notice rather than have an abstract discussion here.

Mr NEWMAN: No, it will not be abstract.

Mr DAVID SHOEBRIDGE: Well, give us the numbers.

**ANSWER**

The Government Property Register captures transactions via land title change. For clarification on details of individual WestConnex asset sales these matters fall within the portfolio responsibility of the Minister for WestConnex and the Minister for Transport and Infrastructure.

**21. Page 19 of the transcript**

Mr DAVID SHOEBRIDGE: What about the property aspect of it?

Mr NEWMAN: I would need to take that—

Mr DAVID SHOEBRIDGE: That is what I am asking you about, not plant and equipment.



Mr NEWMAN: Yes, I understand.

Mr DAVID SHOEBRIDGE: I also want it in real terms.

Mr NEWMAN: I would need to take on notice whether or not I can provide it. It may well be a Treasury answer. We do not—Mr Shoebridge, I cannot answer that question. It would be a Treasury question. We do not have access to the split between property and other plant and equipment on the State's—

**ANSWER**

Refer to response to Question 20 above.

**22. Page 22 of the transcript**

The Hon. DANIEL MOOKHEY: I do not charge them. It is a simple question. Did you or your office ask for that disclaimer to be removed from the letter that was sent to business—

Mr VICTOR DOMINELLO: I will take that question on notice.

**ANSWER**

No.

**23. Page 25 of the transcript**

The Hon. PETER PRIMROSE: I have plenty of questions to allow you to enjoy yourself. Since last year's budget estimates when we discussed school cleaning, you have made the following guarantees in relation to cleaning at schools and other government properties under the next whole-of-government facilities management cleaning contract starting in 2019. I will read out four of them: all employed cleaners at the end of the current contract will be guaranteed employment under the new contract; cleaners' hours of work will be guaranteed so that no cleaner gets a pay cut; current entitlements including rostered days off will remain; and subcontracting will be strictly limited with a proactive auditing system implemented, ending the risk of subcontracting and worker exploitation taking place at our local schools. Is it correct that those guarantees will apply under the new government cleaning contract letting in 2019?

Mr VICTOR DOMINELLO: That is my understanding but I will defer to the secretary. I was engaged in most of the meetings with United Voice. I take this quick opportunity to thank United Voice. They were very constructive in their discussions with us and they had some valid points and we took that on board. That is why we had to taper—I asked for a further review. As a result of that further

review, those additional protections were put in place. I want to give credit to United Voice for doing a good job.

Mr HOFFMAN: Could I just add, Mr Primrose, in general, yes. The exact wording that you used on some of those, I am not sure if that is exactly how it turns out in the contracts, so I am not agreeing to the precise word-by-word listing. But in general, yes, they are the commitments and guarantees that have been made.

The Hon. PETER PRIMROSE: Thank you. I ask if you may, through you, Minister, take that on notice?

Mr VICTOR DOMINELLO: Definitely. It is something I am very passionate about. I want to make sure we do the right thing there.

**ANSWER**

All permanent Full-time and Part-time cleaners as at 1 March 2018 are guaranteed employment under the new contract which commences on 1 March 2019.

**24. Page 25 of the transcript**

Mr HOFFMAN: Sorry, what is the question on notice?

The Hon. PETER PRIMROSE: The question on notice is my question.

The Hon. DANIEL MOOKHEY: You will be provided with it.

The Hon. PETER PRIMROSE: And you will be given a copy of it. But essentially what I am saying is: Are those guarantees in place and, if there is a difference from what I read out previously, can you please indicate?

Mr VICTOR DOMINELLO: Were you reading from a press release, Mr Primrose?

The Hon. PETER PRIMROSE: No, no, just my understanding of the agreement?

**ANSWER**

Details are provided in the response to in the supplementary questions paper at Q643.

**25. Page 28 of the transcript**

Mr DAVID SHOEBRIDGE: Just some quick numbers to Mr Newman that may be taken on notice. Last budget estimates you said in the five years, I think from the financial year 2011 onwards, there had been in the order of 20,000 properties sold. Can you update us in terms of the total number of properties sold during this Government's tenure and can you also provide us with the total number of properties sold in the last five years to the end of the last financial year?

Mr NEWMAN: The total number of properties sold for the five years up to 2016-17 is on our website.

Mr DAVID SHOEBRIDGE: What is the number?

Mr NEWMAN: The total number is 19,074. For the last financial year is the number missing from that report because it has only just been completed. That part of the question I will need to take on notice. I do not have that.

**ANSWER**

30,508 Total properties transacted to non-government during this Government's tenure, between 26 March 2011 to 11 September 2018.

19,952 have been sold or transferred FY 2013/14 to FY 2017/18. This figure is sourced from the Government Property Register as at 11 September 2018. This is aggregate data of all property assets transferred by NSW State Government Cluster agencies (including State Owned Corporations and Public Trading Enterprises), as at the above date, over the period disclosed.

- This figure excludes transfers within NSW Government agencies and entities.
- This figure includes sale/transfer of land, commercial, infrastructure and residential assets and transfers to non-government/not for profit sector(s).
- Other than the stated exclusion, this figure includes all property asset sales/transfers (registered dealings) for each cluster which have been registered on the Land Titles System and identified in the Government Property Register.
- The year of recorded sales is based on when the settlement date is recorded through the registration of a property dealing in the Land Titles System.

**26. Page 28 of the transcript**

Mr DAVID SHOEBRIDGE: And the total number of properties sold over the currency of this Government, so from March 2011 onwards. If you cannot do March 2011 onwards, from 1 July 2011 onwards?

Mr NEWMAN: I will take that year on notice as well, if you do not mind, Mr Shoebridge.

**ANSWER**

Refer to response to Q25 above.