

PORTFOLIO COMMITTEE NO. 1 – PREMIER AND FINANCE

Friday, 12 March 2021

Examination of proposed expenditure for the portfolio area

FINANCE AND SMALL BUSINESS

UNCORRECTED

The Committee met at 9:30

MEMBERS

The Hon. Tara Moriarty (Chair)

Ms Abigail Boyd
The Hon. Ben Franklin
The Hon. John Graham
The Hon. Taylor Martin
The Hon. Daniel Mookhey

PRESENT VIA VIDEOCONFERENCE

The Hon. Catherine Cusack

PRESENT

The Hon. Damien Tudehope, *Minister for Finance and Small Business*

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 public hearing for the inquiry into budget estimates 2020-2021 initial hearings. Before I commence, I acknowledge the Gadigal people, who are the traditional custodians of this land. I also pay respects to Elders past, present and emerging of the Eora nation, and extend that respect to other Aboriginals present. I welcome Minister Tudehope and accompanying officials to the hearing. Today the Committee will examine the proposed expenditure for the portfolios of Finance and Small Business. Today's hearing is open to the public and is being broadcast live via the Parliament's website. 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 any filming or photography. I also remind media representatives that they must take responsibility for what they publish about the Committee's proceedings. The guidelines for the broadcast of proceedings are available from the secretariat.

All witnesses in budget estimates have a right to procedural fairness, according to the procedural fairness resolution adopted by the House in 2018. There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In these circumstances, witnesses are advised that they can take a question on notice and provide an answer within 21 days. Minister, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers seated at the table or behind you, but any messages from advisers or members of staff seated in the public gallery should be delivered through the Committee secretariat. We expect the transcript of this hearing will be available on the web from tomorrow morning. I remind everyone to switch their mobile phones to silent for the duration of the hearing.

All witnesses will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament. I also remind Ms Wilkie and Mr Gardner that they do not need to be sworn, as they have been sworn at an earlier budget estimates hearing before this Committee.

JOANN WILKIE, Deputy Secretary, Economic Strategy and Productivity, NSW Treasury, on former oath

PHILIP GARDNER, Deputy Secretary, Commercial, Commissioning and Procurement, NSW Treasury, on former oath

SCOTT JOHNSTON, Chief Commissioner of State Revenue, Revenue NSW, sworn and affirmed

CULLEN SMYTHE, Commissioner of State Revenue, Revenue NSW, sworn and affirmed

CHRIS LAMONT, Small Business Commissioner, sworn and affirmed

The CHAIR: Today's hearing will be conducted from 9.30 a.m. to 12.30 p.m. with the Minister and from 2.00 p.m. to 5.00 p.m. with the departmental witnesses, with questions from the Opposition and crossbench only. If required, an additional 15 minutes is allocated at the end of each session for Government members to ask questions. We will be having a break midmorning. As there is no provision for any witnesses to make an opening statement before the Committee commences questioning, we will start with the Opposition.

The Hon. DANIEL MOOKHEY: Greetings, Minister. Thank you for your appearance and thank you for the appearance of your officials as well this morning. Minister, why has your Government gone on a hiring spree of top public servants?

The Hon. DAMIEN TUDEHOPE: Thank you for that question, Mr Mookhey. As you would expect, I had anticipated that that question would have arisen this morning. I want to start by saying—and you well know this—that the emphasis of the Government in relation to the pandemic, and generally its position, has been to create jobs in New South Wales. We have gone through the most significant pandemic in the history of this State. The gold standard recognised by everyone in this State and across Australia has been that we have delivered, or New South Wales has delivered, the best response to that pandemic, whether it is in terms of a health response or an economic response. What I would say to you is this: Rather than question the jobs which have been created—and I will come to that in a moment about job creation—maybe it was an opportunity for you today to say thank you to the great public servants of New South Wales, who have by and large carried this State through to an outstanding result for the people of New South Wales.

A really important thing to bear in mind is that the public servants of this State, by and large, have in many respects delivered that to us, whether that is frontline workers or the people who are in executive positions. We owe them a huge debt of gratitude in respect of our response to the pandemic. We are where we are today, ahead of every other jurisdiction in this country, because of the dedication of our executives, the dedication of our frontline workers and those people and, by and large, the response of businesses and small businesses to the Government's initiatives in relation to making sure that this State was at the pinnacle of response. That is my first response.

The Hon. DANIEL MOOKHEY: Thank you for your first response.

The Hon. DAMIEN TUDEHOPE: I am happy to elaborate.

The Hon. DANIEL MOOKHEY: You have invited me to praise the hard work of our public servants, and I do. I praise the hard work of our cleaners, I praise the hard work of our paramedics, I praise the hard work of our nurses, our doctors, our teachers, our police officers, all of whose pay you have frozen—your Government has frozen. At the same time that you have frozen the pay of these pandemic heroes, you have gone on a hiring spree for top public servants on six-figure salaries, breaking your own election promise. Do you accept that the Government has broken its election promise in this respect?

The Hon. DAMIEN TUDEHOPE: I do not accept that as a premise. In fact, what you ought to do is potentially this: It is a difficult analysis to do in terms of the increase in executive positions. What I would say is this: If you go from 2011 when we came to Government to 2020 and look at the figures in respect of staff increases, we have created in that period of time—and this is the whole point about jobs—20,273 full-time equivalents of frontline workers while non-frontline workers in that same period have decreased by 1,784. So when you say to me that we have gone on a spending spree in relation to senior executives, frankly, that is wrong. We have, in fact, as a government taken action to support and give jobs to people who need jobs, and we have created jobs.

The Hon. DANIEL MOOKHEY: Minister, are you seriously suggesting that in the last financial year you did not increase the size of the SES by 203 executives? Are you seriously maintaining that view that your Government did not increase it by 203 after promising to decrease it by 10 per cent every year?

The Hon. DAMIEN TUDEHOPE: I say this to you, Mr Mookhey, and it is really the important thing that people need to understand: they get value for money out of this State and they get value for money in respect of our response to the COVID crisis. To the extent that we needed additional employees to respond to that crisis, they were in fact employed, but they were employed in conjunction with frontline workers. Put it in context. At the same time as potentially employing an executive, make sure that you paint the picture in terms of the number of additional nurses and police and cleaners and medical staff that we have employed at the same time. Only giving that part of the response to the COVID pandemic is, in a sense, misleading. So I would ask you to do this—two things I would ask you to do.

The Hon. DANIEL MOOKHEY: Please ask.

The Hon. DAMIEN TUDEHOPE: Put the whole picture in context. When you say how many additional senior executives have been employed, make sure that you put that in the context of how many additional frontline workers have been employed. The second thing I would ask you to do is use language which recognises the enormous contribution which has been made by the senior executives of the public service. It is really inappropriate, I have to tell you, to call those people fat cats. It is an opportunity—these people here with me today, I never ever would have thought that I would hear someone call them fat cats.

The Hon. DANIEL MOOKHEY: Minister—

The Hon. DAMIEN TUDEHOPE: Now, I have to say they are just fantastic people who contribute to this State. To the extent that, whether for political reasons or not, the language of calling them fat cats is okay, I do not think it is okay and it is an opportunity for you to apologise for that today.

The Hon. DANIEL MOOKHEY: Minister, I borrowed the term from one of the Liberal Opposition press releases that you guys put out. But I will put that aside.

The Hon. DAMIEN TUDEHOPE: No, no. It was attributed to you, Mr Mookhey. It was attributed to you.

The Hon. DANIEL MOOKHEY: Minister, I asked you a simple question and you gave me a three-minute answer, which by our terms is pretty generous.

The Hon. DAMIEN TUDEHOPE: Good. Thank you.

The Hon. DANIEL MOOKHEY: But the question was really simple. You accept the size of the State executive service in the last financial year has increased by 203, yes or no?

The Hon. DAMIEN TUDEHOPE: I accept that the New South Wales Government has responded appropriately to the pandemic and has employed people to give the appropriate response to the pandemic.

The Hon. DANIEL MOOKHEY: Minister, every department files an annual report. Is that correct?

The Hon. DAMIEN TUDEHOPE: Every department files an annual report.

The Hon. DANIEL MOOKHEY: That report is produced under the Annual Reports (Departments) Act 1985. Is that correct?

The Hon. DAMIEN TUDEHOPE: If this is a general knowledge quiz, okay, correct.

The Hon. DANIEL MOOKHEY: No, it is specific knowledge about your responsibilities.

The Hon. DAMIEN TUDEHOPE: Well, that is not one of my responsibilities.

The Hon. DANIEL MOOKHEY: Incidentally, they also produce them under the Public Finance and Audit Act, do they not?

The Hon. DAMIEN TUDEHOPE: Let us understand where this is going. You have had in front of you the Minister for planning, the Minister for health, the Minister for transport, the Minister for—well, not the Minister for police, who is over in another place. The opportunity to ask each of those individual Ministers about additional employment and what is contained in the annual reports of their offices was available to you. Did you ask those people—

The Hon. DANIEL MOOKHEY: Minister—

The Hon. DAMIEN TUDEHOPE: Did you ask them these questions?

The Hon. DANIEL MOOKHEY: Minister, you are the finance Minister. It is your job to do cost control.

The Hon. DAMIEN TUDEHOPE: No, no—

The Hon. DANIEL MOOKHEY: You are meant to be the hard man of government, but when it comes to SES employment, you are as soft as a marshmallow. That is the problem, and that is why I am asking you. So do you accept that those—

The Hon. DAMIEN TUDEHOPE: Well, you can engage in the commentary.

The Hon. DANIEL MOOKHEY: Do you accept that those annual reports are required by law to be truthful?

The Hon. DAMIEN TUDEHOPE: Of course I do.

The Hon. DANIEL MOOKHEY: So no-one is lying in them. Correct?

The Hon. DAMIEN TUDEHOPE: I would anticipate that no-one is lying in them.

The Hon. DANIEL MOOKHEY: Yes, because lying in them would be an offence and it would be an offence against the Parliament as well, would it not, because they are actually tabled in Parliament. Do you accept that?

The Hon. DAMIEN TUDEHOPE: Do you accept that you have not asked any of those individual Ministers in relation to the content of those reports?

The Hon. DANIEL MOOKHEY: Yes, because I am asking the Minister whose job it is to make sure that your costings—election promises are kept. Can I table this and pass this to the—

The Hon. DAMIEN TUDEHOPE: I do not accept necessarily that that is the response.

The Hon. CATHERINE CUSACK: Point of order: The Hon. Daniel Mookhey is asking questions about the SES, which is clearly in the portfolio responsibilities of the Premier, and badgering the Minister in relation to the Annual Reports (Departments) Act, which is also in the preserve of the Premier. He has had plenty of opportunities to address those questions appropriately. He is also using offensive terms like saying the Minister is a marshmallow, and I think these insinuations are inappropriate. Can he please just get to his question in relation to the Minister's portfolio? Thank you.

The Hon. DANIEL MOOKHEY: To the point of order: I had the naive view that cost control is a responsibility of the finance Minister. I had this sort of simple view that the finance Minister's job is to make sure that cost savings are implemented across government, and I had that view because that is what was nominated in the costing which I am about to ask the Minister about. That is the reason why I am asking my questions to this Minister.

The Hon. CATHERINE CUSACK: It is your lucky day today, Mr Mookhey, because you have me here to explain to you portfolio responsibilities and to clarify those. Thank you.

The Hon. BEN FRANKLIN: To the point of order: I do think there has been an immediate tendency to drift slightly into ad hominem arguments—

The Hon. DANIEL MOOKHEY: From both of us.

The Hon. BEN FRANKLIN: Well—

The Hon. DAMIEN TUDEHOPE: No, no, that is okay.

The Hon. BEN FRANKLIN: So therefore I draw that to your attention as well.

The Hon. DANIEL MOOKHEY: Don't leave him out.

The CHAIR: Can I say in relation to the point of order, the questions are relevant and perfectly fine. Both the Minister and the member are engaging in robust conversations with each other and over each other. Perhaps if we could just have a question followed by an answer, it will be a smoother morning. Thank you.

The Hon. DAMIEN TUDEHOPE: Thank you, Madam Chair.

The Hon. DANIEL MOOKHEY: Minister, I have just provided you with the relevant excerpts of your annual reports. Let us start with your own cluster here. It is the first document. It says Treasury 2020—

The Hon. DAMIEN TUDEHOPE: I am part of that cluster, yes.

The Hon. DANIEL MOOKHEY: Yes. Well, you are. You are in the cluster.

The Hon. DAMIEN TUDEHOPE: Did you ask the Treasurer about this?

The Hon. DANIEL MOOKHEY: I am asking the finance Minister, because I have this naive view that you are in charge.

The Hon. DAMIEN TUDEHOPE: Well, is that right?

The Hon. DANIEL MOOKHEY: You tell me. Minister, it says here quite clearly that in your own cluster the number of SES services executives has gone up from 105 to 118 last year. That is an increase of 13. If the Treasury cannot be expected to keep the Government's election promise, how can you expect every other department?

The Hon. DAMIEN TUDEHOPE: Are you preparing to give me the figures since 2010 so that I could—

The Hon. DANIEL MOOKHEY: I will give you the figures since you made the promise. I am more than happy to give you the figures since you made the election promise. When you made the election promise, it was 105.

The Hon. DAMIEN TUDEHOPE: And give me a comparison in relation to what Labor's record was.

The Hon. DANIEL MOOKHEY: It was 105. We will take the Chair's advice, question and answer.

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. DANIEL MOOKHEY: I ask you a question; you do not ask me a question back. I am asking you the question and you give an answer.

The Hon. DAMIEN TUDEHOPE: I am giving you the answer back. So of the people here at this table—

The Hon. DANIEL MOOKHEY: Do you want to explain why your own cluster has gone up by 13?

The Hon. DAMIEN TUDEHOPE: Of the people here at this table—let us take procurement; we have got Mr Gardner. That is specifically the Procurement Board, which is a specific part of my portfolio responsibility.

The Hon. DANIEL MOOKHEY: Mr Gardner was here in 2018, 2019.

The Hon. DAMIEN TUDEHOPE: No, no—

The Hon. DANIEL MOOKHEY: He was not hired. He was here last year. I was asking him questions last year.

The Hon. DAMIEN TUDEHOPE: In respect of the Procurement Board, there has been a decrease of 8.3 per cent remuneration for senior executives from 2018-19 to 2019-20. Revenue is the same. In terms of my portfolio responsibilities, have we met our targets in relation to reduction in remuneration and positions? The answer is yes.

The Hon. DANIEL MOOKHEY: So you have met your target—

The Hon. DAMIEN TUDEHOPE: If you had the opportunity of asking the Treasurer in respect of—

The Hon. DANIEL MOOKHEY: So you are saying the Treasurer has failed, not you?

The Hon. DAMIEN TUDEHOPE: If you had the opportunity of asking—

The Hon. DANIEL MOOKHEY: That is your position: the Treasurer has failed?

The Hon. DAMIEN TUDEHOPE: Let me finish. If you had the opportunity of asking the Treasurer in respect of that, then he would no doubt have been given the opportunity of answering. I have always worked on the premise that the best evidence is given by the person who has the opportunity of giving the evidence effectively, not indirectly. It is almost hearsay to get it from me. Let me just ask you this: In terms of context—I have given you the context in respect of making sure that you paint the picture in terms of job creation generally in terms of frontline workers. Secondly, there is additional context which needs to be taken into account about whether the changes to machinery of government have also played into a portfolio having increased employees. The third part of the context, which you should accept and I invite you to accept, is that for the purpose of dealing with a pandemic there will always be potentially a need to create additional positions according to making sure that we get the response to that pandemic correct.

The Hon. JOHN GRAHAM: Can I pull you up on that point, Minister, because Health was explicitly excluded from this promise.

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. JOHN GRAHAM: So I do not accept that this could all be COVID related. Across the board, you are declining to answer my colleague's questions. You will not answer the global figures. We would like to go through point by point.

The Hon. DAMIEN TUDEHOPE: I am not—

The Hon. JOHN GRAHAM: But you accept Health was out of this—

The Hon. DAMIEN TUDEHOPE: Why do you differentiate—and I accept that Health was exempted.

The Hon. JOHN GRAHAM: Great. Thank you.

The Hon. DAMIEN TUDEHOPE: Transport, for example, in terms of additional cleaners and additional requirements on transport to deliver a response, which is consistent with a COVID response—

The Hon. JOHN GRAHAM: Well, Transport was also excluded.

The Hon. DAMIEN TUDEHOPE: If you look at Customer Service—

The Hon. JOHN GRAHAM: Sydney Trains and New South Wales trains were also excluded.

The Hon. DAMIEN TUDEHOPE: —and the additional strain placed on Customer Service, I would suggest to you that there was also an additional need to employ—

The Hon. JOHN GRAHAM: But, Minister, also excluded from this promise: Sydney Trains, New South Wales trains—out.

The Hon. DAMIEN TUDEHOPE: In respect of employing cleaners and in respect of employing additional communications staff and the like, I have to say to you that—

The Hon. JOHN GRAHAM: But that is not the promise you have breached here. It is these details.

The Hon. DAMIEN TUDEHOPE: At the end of the day, Mr Graham, when the transport Minister appeared, or the health Minister, or the customer service Minister, or the Premier, or the Treasurer, you had the opportunity of asking them exactly those questions. You have left it to today. The proper person to ask those questions of is the cluster head who is responsible for them.

The Hon. DANIEL MOOKHEY: Minister, are you saying, as finance Minister that it is not your job to implement cost savings, particularly the ones promised in the election? Is that seriously the position? You are saying that, as finance Minister, it is not your job?

The Hon. DAMIEN TUDEHOPE: The premise of your question is that I have some sort of oversight authority in respect of every cluster. We have a framework in respect of what we introduced for procurement across each cluster. I am responsible, with the procurement board, for setting that procurement policy framework in respect of those things which we do and ask agencies to deliver in respect of their obligations for procurement. I am responsible for contingent labour. I am responsible for consultancy fees. I am sure you will come to that shortly. I am responsible for fleet management—

The Hon. JOHN GRAHAM: Minister, how is this promise—

The Hon. BEN FRANKLIN: Hang on. Let him finish.

The Hon. JOHN GRAHAM: —ever going to get delivered—

The Hon. BEN FRANKLIN: Point of order—

The Hon. JOHN GRAHAM: —if you have got your hands off the wheel?

The Hon. BEN FRANKLIN: Point of order—

The CHAIR: I will hear the point of order. I will make a general comment but I think I know where you are going.

The Hon. BEN FRANKLIN: The point is simply this: The Minister is going to the absolute nub of the issue that the shadow Minister has raised and explaining in detail what his response to that is. He is not being repetitive yet. This is actually the issue that is going to the heart of it. If he continues on down this line three or

four or five times, certainly jump in. But now, this is important new information to contextualise why he does not agree with the fundamental premise of the shadow Minister's questioning.

The Hon. DANIEL MOOKHEY: To the point of order: I am very happy to hear from the Minister to explain why he is not responsible for cost control.

The CHAIR: Indeed. I will make a general comment. I am all for robust estimates hearings, that is completely appropriate, but we also have Hansard trying to record this and there is a lot of speaking over each other. We need to be mindful of having question, answer; one at a time where possible so that the record can be kept. Minister, you have the call.

The Hon. DAMIEN TUDEHOPE: Thank you. I was trying to articulate those things which fall to the finance Minister to set the policy parameters in respect of the devolved model of each agency. In terms of meeting that model, and their requirement to meet their obligations under that model, that falls to each of the cluster heads to meet the targets which have been set for them.

The Hon. DANIEL MOOKHEY: I appreciate the explanation, Minister. Do you mind turning to the documents that I have provided you, which is the actual election policy costing that the Government put forward? The policy is entitled *Reducing Procurement Spending, Saving Taxpayer Dollars*. Do you see that? If you do not have it, I can provide you with another copy.

The Hon. DAMIEN TUDEHOPE: You have given me a lot of documents here.

The Hon. DANIEL MOOKHEY: I have. I am happy to tell you I have given you the excerpts of every annual report that has been tabled in Parliament.

The Hon. DAMIEN TUDEHOPE: And you did not ask one of these people this question. You did not ask any of them.

The Hon. DANIEL MOOKHEY: Because I have this naive view that maybe the finance Minister's job is to rein in finances. Anyway, we have gone over that point before, Minister.

The Hon. DAMIEN TUDEHOPE: What this indicates to me is that you have—

The Hon. DANIEL MOOKHEY: No, what this indicates is you are eschewing responsibility, Minister. That is what this indicates.

The CHAIR: We really need to get this under control. It is still very early in the day. We need a question followed by an answer. I will make this point: The questions can be whatever members want them to be. If we are going to spend the morning debating questions then we are not going to get very far. A question followed by an answer; one at a time where possible.

The Hon. DAMIEN TUDEHOPE: And I am just responding.

The Hon. DANIEL MOOKHEY: I have not even asked.

The Hon. DAMIEN TUDEHOPE: You have provided me with a list of annual report documents for a variety of clusters and you have sought to demonstrate something from them. What you have also indicated to me today is that you have failed. I have to say, I am really disappointed in your role as the Opposition spokesman who prosecutes these things that you have failed to put any of this material to any of those cluster Ministers. I have to say that you are one of the most forensic questioners in this place and you do your work. But if you were in a court and failed to put these questions to the relevant person responsible for them, how do you come here today and realistically expect them to be reasonably credible by putting them to me? You should go back and really examine, "Why did I not do my job?"

The Hon. DANIEL MOOKHEY: Did the Premier make you a senior Minister last year?

The Hon. DAMIEN TUDEHOPE: Yes, she did.

The Hon. DANIEL MOOKHEY: Did you get an extra \$17,000 for that promotion?

The Hon. TAYLOR MARTIN: That is Abigail's line of questioning.

Ms ABIGAIL BOYD: That is my line.

The Hon. DANIEL MOOKHEY: Did you get an extra \$17,000 for that promotion?

The Hon. DAMIEN TUDEHOPE: I was promoted. I thank you for making that concession because it has been—

The Hon. DANIEL MOOKHEY: Your colleagues do not think you were promoted?

The Hon. DAMIEN TUDEHOPE: They do, in fact.

The Hon. DANIEL MOOKHEY: Can I just ask you—

The Hon. DAMIEN TUDEHOPE: I think my colleagues will accept that I have been promoted.

The Hon. DANIEL MOOKHEY: Did you get an additional \$17,000 as a result of the Premier's decision?

The Hon. DAMIEN TUDEHOPE: We are getting into the politics of wage envy, are we?

Ms ABIGAIL BOYD: Oh, convenient.

The Hon. DANIEL MOOKHEY: No, I am asking you a really straightforward question. Did you get an additional \$17,000 as a result of the Premier promoting you?

The Hon. DAMIEN TUDEHOPE: You know I was promoted, Mr Mookhey.

The Hon. DANIEL MOOKHEY: So if we are paying you to be a senior Minister, if you have been promoted to be a senior Minister, my advice to you is to act like a senior Minister and to answer this question, which is—

The Hon. DAMIEN TUDEHOPE: Mr Mookhey, come on. You do not need to go on like that.

The Hon. BEN FRANKLIN: Point of order: That is a personal reflection. It is unnecessary and not becoming of the shadow Minister. I ask that he withdraw that implication.

The Hon. DANIEL MOOKHEY: To the point of order: I was treated to a character analysis by the Minister, unprompted.

The Hon. TAYLOR MARTIN: It was a positive one.

The Hon. DANIEL MOOKHEY: Therefore, I think it is legitimate that if we are going to exchange views, we exchange views.

The Hon. BEN FRANKLIN: And under the parliamentary standing orders, if you took offence you could draw attention to that fact.

The CHAIR: I am going to say this again because it is still very early in the morning: A question should be followed by an answer. To be fair, Minister, you cannot argue every question that is asked of you. The questions are relevant. Whether you like them or not does not matter. You can answer them as you see fit.

The Hon. DAMIEN TUDEHOPE: Correct.

The CHAIR: You cannot continue to argue whether the questions are appropriate. The member can ask as he wishes.

The Hon. DAMIEN TUDEHOPE: I agree with you.

The CHAIR: Again, it is going to be a long day and we are still very early in the day. One at a time: question, followed by an answer, followed by question, followed by an answer.

The Hon. DAMIEN TUDEHOPE: Happy?

The Hon. DANIEL MOOKHEY: Thank you, Chair. Can we turn to the election costing?

The Hon. DAMIEN TUDEHOPE: Yes. Where is that document?

The Hon. DANIEL MOOKHEY: I think it has been provided to you. Do you have it?

The Hon. DAMIEN TUDEHOPE: Yes, I have got that.

The Hon. DANIEL MOOKHEY: Can you turn to the second page. It says that the number of senior executives—do you see the first sentence of the third paragraph?

The Hon. DAMIEN TUDEHOPE: Yes:

The number of senior executives is based on the Public Service Commission's 2018 headcount

The Hon. DANIEL MOOKHEY: Do you see it reads:

The PBO assumes that the 10% reduction will occur evenly throughout 2019-20 at a rate of around 17 executives at the beginning of each month.

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. DANIEL MOOKHEY: That means, given that we are 22 months past the point of the Government election—sadly—we should have reduced the size of the SES by now by approximately 380. Instead of falling by 380, we have increased by 203, meaning that you have breached your promise effectively by 503, Minister.

The Hon. DAMIEN TUDEHOPE: I thank you for pointing that out.

The Hon. DANIEL MOOKHEY: You are welcome, but the question is: If you are not being trusted to meet these reductions so far, what are your intentions to meet them next year?

The Hon. DAMIEN TUDEHOPE: Let me say this: I have answered that question already because what has happened since 2018? What has happened in New South Wales that may explain the potential increase in relation to the public service generally and the employment of frontline workers which has been necessitated? It is about jobs, isn't it? If you look at the bushfire response, if you look at the drought response, if you look at the COVID response, it is not unreasonable. I say this to you: Go back and look at the manner in which New South Wales has handled probably two of the most catastrophic events that have occurred, in one sense, on the planet—the COVID crisis and the bushfires.

The bushfires which ravaged New South Wales were catastrophic in their nature and made worldwide news, so the response to those necessitated a strong Government response. What I would be saying to you is that if you look at the raw numbers, sure, there is a difference between what is on page 2 paragraph 3 and what now exists. But if you just relate the numbers without acknowledging what may have been behind the increase in numbers, it is misleading.

The Hon. DANIEL MOOKHEY: Minister, sitting there, are you saying that the Government is now abandoning this promise and is not intending to continue with it?

The Hon. DAMIEN TUDEHOPE: I am not saying it is abandoning it at all. I think that there is an obligation on a fiscally responsible government always to be looking at manners in which it can make savings and this election commitment, which you have pointed out, is consistent with a government that is looking to make savings in respect of those opportunities which arise from time to time. At the point in time we found ourselves in 2018, that was an absolutely realistic commitment to make. If you say that the circumstances are the same today as they were in 2018, I must say that I think there is a significant divorce from reality between your position and my position.

The Hon. DANIEL MOOKHEY: If you say that these positions have been created as part of the pandemic response and part of the bushfire response, can you identify if all 203 are working on the pandemic and bushfire response?

The Hon. DAMIEN TUDEHOPE: The answer is, I do not know the answer to that and you do not know it. But I am saying that there is a different set of circumstance which exist, which impact government today, which existed in 2018. I expect that Treasury could provide that analysis if necessary.

The Hon. DANIEL MOOKHEY: We will ask them.

The Hon. DAMIEN TUDEHOPE: You asked them?

The Hon. DANIEL MOOKHEY: No, we will ask them.

The Hon. DAMIEN TUDEHOPE: You had the Treasurer here and you did not ask him. You have already had one go.

The Hon. JOHN GRAHAM: Treasury.

The Hon. DAMIEN TUDEHOPE: I know that.

The Hon. DANIEL MOOKHEY: But you are the one who is sitting here now and saying that it is collated to the bushfire and the pandemic. If you are going to say that, it is a serious claim to make because these are serious crises—

The Hon. DAMIEN TUDEHOPE: Yes, but it is not a question to ask me though.

The Hon. DANIEL MOOKHEY: Let me finish. This is a serious point you are making. I am asking you to explain and justify. If you are saying that these 203 were created as part of the pandemic and COVID response, can you tell us precisely what these 203 additional executives are doing?

The Hon. DAMIEN TUDEHOPE: No, I am not saying that. I am saying that the set of circumstances which exist today are significantly different from what existed in 2018 when that commitment was made. I come back to this point, Mr Mookhey, it was open to you to ask each portfolio Minister in respect of increases in their executive staff, how they were justified, what jobs they were doing. That is all within their province and responsibility, and it just really amazes me that I am sitting here today answering your questions which you failed to ask someone else.

The Hon. JOHN GRAHAM: Further to my colleague's point, Minister, look at that paragraph above the one he pointed you to. It has got the list of exclusions and it really begs the question whether this is about the COVID response. The 380 jobs that should have gone by now were not to come from health, police, teaching, transport and other crown services, Sydney Trains and NSW Trains. They are the agencies which have borne the brunt—

The Hon. DAMIEN TUDEHOPE: Exclude.

The Hon. JOHN GRAHAM: —of the COVID response. It is the other agencies where your Government promised to cut 380 jobs, and that has not happened. In fact, you have missed it by a country mile. Do you accept that?

The Hon. DAMIEN TUDEHOPE: You would agree with me, would you not, that when you had the opportunity of asking those Ministers about increases in their executive, you failed to do so. Would you agree with that?

The Hon. JOHN GRAHAM: If the finance Minister—

The Hon. DAMIEN TUDEHOPE: Would you agree with that?

The Hon. JOHN GRAHAM: —is not driving this policy, it is never going to happen. Do you accept that, Minister?

The Hon. DAMIEN TUDEHOPE: I would say that Treasury—and you had the Treasurer and Treasury here on Monday of this week and you had the opportunity of putting all that position to them and you did not do so.

The Hon. JOHN GRAHAM: Minister, you know enough about government to know that no line Minister is going to go cutting jobs at this level if the finance Minister will not even turn up and ask the question. Did you ask the question?

The Hon. DAMIEN TUDEHOPE: I reject the premise of that. The nature of the manner in which the Government operates is that each Minister operating at a devolved model is responsible for their own budget and meeting the targets.

The Hon. JOHN GRAHAM: Do you accept that for this policy and this promise that you made at the election, that approach has hopelessly failed by a country mile?

The Hon. DAMIEN TUDEHOPE: I do not accept that for one moment. What I put to you and I continue to put to you is that when this promise was made it was against a background in terms of the circumstances which existed, which were completely different than they are today. There are machinery-of-government changes which were made after the 2019 election. In those circumstances, comparing apples with apples in terms of the nature and number of people which exist in respect of a particular portfolio needs to be made before you can actually dive into whether in fact the increases which you have identified are true increases or whether they are explained by changes in machinery of government. But more importantly, do not try and tell me that this Government is not committed to creating jobs when since 2011, when we came to power, we have created 20,000 frontline jobs in this State. This is a government which is committed to creating jobs.

Ms ABIGAIL BOYD: Minister, picking up on the questioning of my colleague, Mr Mookhey, I take it you view your designation as a senior Minister for pay purposes as a promotion and not a pay rise. Is that correct?

The Hon. DAMIEN TUDEHOPE: I was promoted.

Ms ABIGAIL BOYD: You were promoted. Who vacated the position you were promoted into?

The Hon. DAMIEN TUDEHOPE: I was made the Leader of the House and let me just give you some context in respect of this. When Labor were in power, Michael Egan was the Leader of the Government—

Ms ABIGAIL BOYD: Sorry, is this to do with Labor or to do with the—

The Hon. DAMIEN TUDEHOPE: No, just bear with me. When Labor were in power and Michael Egan was the Leader of the Government, Tony Kelly was the Leader of the House. The Premier did ask me to become the Leader of the House and promoted me as a senior Minister on the basis of the increased responsibilities I would have as Leader of the House. We are in the same House, Ms Boyd.

Ms ABIGAIL BOYD: Let's think about this. Before Minister Harwin was sidelined because of the controversy over the COVID stuff, there was no Leader of the House, there was just—

The Hon. DAMIEN TUDEHOPE: Yes there was.

Ms ABIGAIL BOYD: Who was the Leader of the House?

The Hon. BEN FRANKLIN: Scott Farlow.

The Hon. DAMIEN TUDEHOPE: Scott Farlow.

Ms ABIGAIL BOYD: He was the Leader of the House. Did he get a senior—

The Hon. DAMIEN TUDEHOPE: He was not a Minister.

The Hon. TAYLOR MARTIN: He was not a Minister.

Ms ABIGAIL BOYD: Did he get an additional salary for Leader of the House?

The Hon. BEN FRANKLIN: He was not a Minister.

Ms ABIGAIL BOYD: No, he did not get an additional—

The Hon. DAMIEN TUDEHOPE: He was not a Minister.

The Hon. BEN FRANKLIN: Because he was not a Minister.

Ms ABIGAIL BOYD: That is right. As Leader of the House, that position came with no additional salary and it is not listed on the Parliamentary Remuneration Tribunal salary stages, is it?

The Hon. JOHN GRAHAM: You should have joined a union.

The Hon. DAMIEN TUDEHOPE: No, but the Premier, and it is within the province of her jurisdiction—

Ms ABIGAIL BOYD: Within her complete discretion.

The Hon. DAMIEN TUDEHOPE: —to promote me in relation to what she sees as my increased responsibilities by asking me to take over responsibility as Leader of the House.

Ms ABIGAIL BOYD: Okay, but you can understand from an external perspective, we are looking at a group of members of the Government who were performing all of those roles previous to you getting that promotion. Then there is a reshuffling of responsibilities and suddenly more money is going to you. It has not come from someone else; no-one else has lost money. There is no demotion of anybody else. There is no, presumably, application process for that. It is just a handing out by the Premier of an additional \$17,000 to you.

The Hon. DAMIEN TUDEHOPE: I am glad you recognise first and foremost that it is a promotion that I have received. The Premier took the view that if she promoted a Minister to also be the Leader of the House and take on the responsibilities for doing the work in relation to the Leader of the House, then in those circumstances she would promote me to a senior Minister.

Ms ABIGAIL BOYD: I appreciate that you do not see the problem with that, but can we agree that with that "promotion"—I am putting that in inverted commas because I think it is semantics. For the purposes of that additional \$17,000, we have an aggregate amount going to members of the Government in terms of their aggregate salary, which was an increase on what it was prior to you being a senior Minister, correct?

The Hon. DAMIEN TUDEHOPE: Let me say this to you: Are you the Chair of a committee?

Ms ABIGAIL BOYD: I am the Chair of a committee and I get around \$10,000 extra for that.

The Hon. DAMIEN TUDEHOPE: Correct.

Ms ABIGAIL BOYD: That is something that is on the Parliamentary Remuneration Tribunal.

The Hon. DAMIEN TUDEHOPE: The provision in relation to a senior Minister—

Ms ABIGAIL BOYD: There is a set number—

The Hon. DAMIEN TUDEHOPE: It is the same provision, in respect—

Ms ABIGAIL BOYD: But there is a set number of chairs and when we had new committees established where there were new chairs of those committees, we had to go to the Parliamentary Remuneration Tribunal and they had to then designate that those additional chairs would also get money. What we have here with the situation between Ministers and senior Ministers is that there is no limit on the amount of Ministers who can be designated senior by the Premier and there is no transparency over that. Is that not correct?

The Hon. DAMIEN TUDEHOPE: Quite frankly, I disagree with that premise. You are aware that I am a senior Minister. It was fairly well reported in the media that I was a senior Minister 12 months ago, that I had been promoted.

Ms ABIGAIL BOYD: I have not seen any media. We had to obtain that document.

The Hon. DAMIEN TUDEHOPE: I am happy for you.

The Hon. TAYLOR MARTIN: There was a fair bit of media.

The Hon. DAMIEN TUDEHOPE: There was a fair bit of media at the time. Do you acknowledge, Ms Boyd, and you appear to have an obsession about my role as a senior Minister—

Ms ABIGAIL BOYD: I have an obsession with transparency and democracy.

The Hon. DAMIEN TUDEHOPE: I do not think there is nearly enough transparency around the amount of work that committee chairs do, or the like. But I would never criticise people for being promoted to that position, and I do not think anyone around this room—

Ms ABIGAIL BOYD: For the record, I am not criticising you. I am criticising the lack of transparency over the process where a Premier can just hand out pay rises, effectively—

The Hon. DAMIEN TUDEHOPE: It was not a pay rise.

Ms ABIGAIL BOYD: Or promotions. She can make every Minister a senior Minister, can she not, technically?

The Hon. DAMIEN TUDEHOPE: Technically she can.

Ms ABIGAIL BOYD: Right. Can you see how that might be a concern and look to the public like it is actually a pay rise?

The Hon. DAMIEN TUDEHOPE: The position of senior Minister is available. It is out there. It is on the record. You can see that it is something that anyone can be appointed to, so that is transparent.

Ms ABIGAIL BOYD: Yes, but it is not transparent to know who they are, how many there are.

The Hon. DAMIEN TUDEHOPE: It was transparent.

Ms ABIGAIL BOYD: You tell us then? How many senior Ministers are in Cabinet?

The Hon. BEN FRANKLIN: Point of order: This is a question for the Premier, not the finance Minister. You talk about transparency. You asked the finance Minister if he was a senior Minister. He said "yes". How can you be more transparent than that? He has literally answered the question that you asked. There are two definitions of "Ministers"—a senior Minister and a Minister.

Ms ABIGAIL BOYD: I am sorry, you are not the one being questioned.

The Hon. BEN FRANKLIN: That is the transparent definition.

Ms ABIGAIL BOYD: Point of order—

The Hon. BEN FRANKLIN: No. The point of order is that this does not go to the relevance of the Minister's portfolio. This is now within the Premier's purview and should be directed to her.

The CHAIR: The question is relevant. It does not have to be specific to finance, it can be anything that is relevant to the Minister's work across government. The question is fine. He can answer it how he sees fit.

Ms ABIGAIL BOYD: I think he is more than capable of answering. Do you know how many senior Ministers are in this Cabinet?

The Hon. DAMIEN TUDEHOPE: It has not been drawn to my attention, I must say. In fact, I think you have asked just about every one of them.

Ms ABIGAIL BOYD: I have. I am getting to the bottom of it, slowly.

The Hon. DAMIEN TUDEHOPE: Why are you asking me a question you know the answer to?

Ms ABIGAIL BOYD: I do not know the answer. That is the point.

The Hon. BEN FRANKLIN: You are the one who was telling us to ask.

Ms ABIGAIL BOYD: I did ask the Premier and she could not tell me how many senior Ministers, even though it is completely at her discretion. So I am asking you: Do you know how many senior Ministers?

The Hon. DAMIEN TUDEHOPE: No.

Ms ABIGAIL BOYD: You say it is a promotion and that everyone knew and that it was all—

The Hon. DAMIEN TUDEHOPE: No. But I am sure in our House, if you ask the Clerk, because the process is that the Premier must notify the Clerk out of respect for the House when they are appointing someone as a senior Minister.

Ms ABIGAIL BOYD: This is new information because the Premier was not able to tell me. She said that was not to her knowledge—the process.

The Hon. DAMIEN TUDEHOPE: There is a letter that goes to the Clerk of the House notifying.

Ms ABIGAIL BOYD: There was in relation to your promotion.

The Hon. DAMIEN TUDEHOPE: Yes.

Ms ABIGAIL BOYD: It was part of correspondence relating to the shuffle between you and Minister Harwin.

The Hon. DAMIEN TUDEHOPE: Shuffle?

Ms ABIGAIL BOYD: Sorry, when he came back.

The Hon. DAMIEN TUDEHOPE: Do you know that? Do you know this? I took a pay cut.

Ms ABIGAIL BOYD: Ah, yes.

The Hon. DAMIEN TUDEHOPE: When I was being paid when I was the Leader of the Government, so—

Ms ABIGAIL BOYD: You went from being a non-senior Minister to someone who got paid \$30,000-odd more—

The Hon. DAMIEN TUDEHOPE: That was when I became the Leader of the Government.

Ms ABIGAIL BOYD: For being Leader of the Government in the House.

The Hon. DAMIEN TUDEHOPE: And you accept that that is okay?

Ms ABIGAIL BOYD: Then as a sweetener for putting you back, instead of putting you straight back to junior Minister, they made you a senior Minister. Is that correct?

The Hon. DAMIEN TUDEHOPE: Well, if that is the allegation you are putting to me, that this was some sort of sweetener.

Ms ABIGAIL BOYD: I am asking.

The Hon. DAMIEN TUDEHOPE: I have to say to you that is in one sense a bit offensive. I say this to you, so that you are clear in relation to my position: I never sought or asked for any promotion in relation to the increase, and I was happy to take those responsibilities on. And just for your enlightenment—although it is not necessarily something that I need to share with you—I did not ask for that money. My brother runs the St Vincent de Paul soup kitchen in Dandenong in Melbourne. I gave him the whole of the money that I received by way of a pay increase. I sent him a cheque for \$17,000.

Ms ABIGAIL BOYD: That is very nice of you. Again, I am not criticising you. I am asking about the process. I am criticising the process and the lack of transparency.

The Hon. DAMIEN TUDEHOPE: The suggestion is that this position was given to me as a sweetener. I never asked for it, and in terms of my approach to seeking extra money, I have no desire to seek a pay increase in respect of being promoted.

Ms ABIGAIL BOYD: And I accept that.

The Hon. DAMIEN TUDEHOPE: And I thank the Premier for recognising that there is extra work involved in being the Leader of the House and promoting me to be a senior Minister. I think that is entirely something that is in her province to recognise, and she did so.

Ms ABIGAIL BOYD: Do you think that if there were more transparency over the process, then that kind of implication could not be made?

The Hon. DAMIEN TUDEHOPE: Well, I thought that there was a significant amount of transparency around it. She was asked a significant amount of questions about it by *The Daily Telegraph* at the time. She was very clear that there was additional remuneration coming with it. I must say that I am surprised by this line of questioning now because at the time there was a great deal of public controversy around Minister Harwin coming back and me being appointed as a senior Minister. There was transparency. Lots of questions were asked about it at the time. You have resurrected the issue. For me it was a surprising line of questions, that you were not aware of it.

Ms ABIGAIL BOYD: I am simply looking for some criteria and limits to be placed on the numbers.

The Hon. DAMIEN TUDEHOPE: I think the appropriate place to ask those questions—and you did, I acknowledge—is to the Premier. She formed a view in relation to what she was asking me to do, that that required the appointment of a senior Minister, and she appointed me.

Ms ABIGAIL BOYD: Thank you, Minister.

The Hon. DANIEL MOOKHEY: A few more questions about your hiring spree, and then we will move on. The Government repeated its promise in its 2019-2020 budget. It said in the 2019-2020 budget that there would be a 10 per cent reduction in the number of senior executives. It made a promise before the election and it made a promise after the election, it's first budget.

The Hon. DAMIEN TUDEHOPE: The Treasurer made that.

The Hon. DANIEL MOOKHEY: It was in the budget papers.

The Hon. DAMIEN TUDEHOPE: So it was the Treasurer.

The Hon. DANIEL MOOKHEY: They were the budget papers that the Treasurer obviously did present but you also presented and carried into the House, if you recall?

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. DANIEL MOOKHEY: It was you who moved the budget in our House that year and I presume the finance Minister has something to do with the budget so I am asking you: Was the target met in the 2019-2020 budget?

The Hon. DAMIEN TUDEHOPE: I will take that on notice. You have the annual report, so you know.

The Hon. DANIEL MOOKHEY: I do. But to be fair, I have counted the annual reports. It showed me in 2019-2020 there were 1,816. I compared last year's and we are now above 2,000, hence the questioning. It also made the point that we were cutting 2,500 public service roles at that time. Are we still cutting 2,500 public service roles?

The Hon. DAMIEN TUDEHOPE: The answer is: The appropriate person to ask that question to is the Treasurer. I do not like taking questions on notice. I like to give you a response so that—

The Hon. DANIEL MOOKHEY: You certainly do not like answering them on notice, that is true.

The Hon. DAMIEN TUDEHOPE: I do like answering them on notice. The fact of the matter is that the Government is about job creation, not about job cutting. One of the things, for example, that you may well be aware of in respect of the Government's approach is that we had a significant commitment not to cut any regional

jobs. You have asked me on the one hand why we are not cutting senior public servants. On the other hand you are asking me whether there is a commitment to cut—

The Hon. DANIEL MOOKHEY: I am asking you whether you are keeping your commitment to cut 2,500 jobs. I am happy to give you context. At the time the Government said:

Any government can take the lazy route of increasing taxes, but that's the last thing our economy and the households of NSW need right now. That's why we're cutting taxes, finding savings and giving more back to families.

That was in the context of announcing 2,500 public service roles to go. At the same time that the Government was cutting public service roles, which you describe as being—

The Hon. DAMIEN TUDEHOPE: None of those were front line. To be absolutely clear, the commitment has to be around none of them were front line.

The Hon. DANIEL MOOKHEY: Minister, let me finish and you will have ample time to respond.

The Hon. DAMIEN TUDEHOPE: Thank you.

The Hon. DANIEL MOOKHEY: We were told that you were removing 2,500 back office jobs. The Government has not specified what those roles were. Now we check on your promise a year later and we have seen that the SES has gone up by 203. Do you accept that this is further proof that you have failed in this regard?

The Hon. DAMIEN TUDEHOPE: This is a different way of asking the same question that you have asked me on numerous occasions, and I will keep giving you the same answer, Mr Mookhey. What I will say to you is—and this is the undeniable part of the context which you identify—that this is a government that has been committed to the creation of frontline jobs. If you do not first and foremost acknowledge that then in one sense this fixation that you have in respect of whether we are getting rid of what you describe as fat cats, in those circumstances you mislead in terms of what you have understood the Government is doing.

I get it that in many respects increasing taxes should be off the table. We had a large debate in the House about wage rises. I answered that in one sense when I spoke in the House by acknowledging that whilst it would be in every government's desire to give people a pay rise, in times of a pandemic what we were focused on at a time when others were losing their jobs throughout the community and in the private sector—we should have a focus on job creation. We did that in relation to frontline workers across the State. I have to say that the fixation which you have on senior public servants without also putting in context also our fixation on creating jobs for the—

The Hon. DANIEL MOOKHEY: Minister, I will ask my final question and then we will move on. How do you explain to a low paid cleaner in a hospital who has kept us safe in this pandemic that their pay has been frozen but the top brass of the public service has been expanded dramatically?

The Hon. DAMIEN TUDEHOPE: I say that this is a Government which has been committed to creating jobs and making sure that you have a job. We can have a different ideological position in relation to that. I think the position of the Opposition in respect of the pay rise was that a pay rise was job creating. We had a large debate about whether, in fact, by limiting the pay rises we created additional opportunities for infrastructure spending and that was the job creation program.

But no-one can deny, Mr Mookhey, that we have in fact through the course of the pandemic sought to preserve people's jobs and create jobs. What I would be saying to every family across the State is that the most important thing that we can do for you, as a family, is to make sure you have got a job. Additionally, I say any government would love to give a pay rise. When I was employing people one of the greatest things you could do was walk into their office and say, "I recognise what you have done and here's a pay rise." It is much better than going in and giving a pink slip.

The Hon. DANIEL MOOKHEY: Minister, I want to move on to another matter. When did you find out that the Premier was establishing Investment NSW?

The Hon. DAMIEN TUDEHOPE: Well, this is a Premier who has always had a commitment towards creating jobs as part of the focus of her role as the Premier. Every time I am involved in a decision by the Premier, she highlights those things she has done in respect of the creation of those jobs. When I became aware of the creation of that entity almost, in a sense, is irrelevant—

The Hon. DANIEL MOOKHEY: It is somewhat relevant, Minister.

The Hon. DAMIEN TUDEHOPE: It is somewhat relevant.

The Hon. DANIEL MOOKHEY: So I would like to ask when did you become aware about the creation of Investment NSW?

The Hon. DAMIEN TUDEHOPE: What I would say to you is: It is irrelevant when I became aware Mr Mookhey. What I would say is: I point to a history where the Premier has always had, as part of her focus, an interest in the manner in which we manage investment in this State. Whether it is in relation to the airport which we are building at Badgerys Creek or whether it is in relation to the development of rail infrastructure, the Premier's primary interest—

The Hon. DANIEL MOOKHEY: Minister, was the first time you became aware of the creation of Investment NSW when you read it in the newspaper on Tuesday?

The Hon. DAMIEN TUDEHOPE: No, it was not.

The Hon. DANIEL MOOKHEY: Did you find out about it on Monday?

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. DANIEL MOOKHEY: Was that the first time you found out about it?

The Hon. DAMIEN TUDEHOPE: I come back to the position that I keep repeating—

The Hon. DANIEL MOOKHEY: It is straightforward question.

The Hon. DAMIEN TUDEHOPE: I am not going to get involved in when—

The Hon. JOHN GRAHAM: It is a relevant question.

The Hon. DAMIEN TUDEHOPE: I am not going to get involved.

The Hon. DANIEL MOOKHEY: It is a really simple question.

The Hon. DAMIEN TUDEHOPE: I am not going to get involved.

The Hon. DANIEL MOOKHEY: Did you find out about it on Monday?

The Hon. DAMIEN TUDEHOPE: I am not going to get involved in when, Mr Mookhey. All I will point you to is we should not be surprised that the Premier, given her absolute commitment to job creation—

The Hon. JOHN GRAHAM: Why are you avoiding the question?

The Hon. DAMIEN TUDEHOPE: I am not avoiding the question.

The Hon. DANIEL MOOKHEY: It is a simple question. Was the first time you found out about this when Secretary Pratt told you on Monday?

The Hon. DAMIEN TUDEHOPE: I have to say that I only found out about the decision recently.

The Hon. DANIEL MOOKHEY: Did you inquire into why you only found out about the decision recently?

The Hon. DAMIEN TUDEHOPE: I was not surprised by it because it was consistent with the Premier's interest in making sure that she was driving job creation in the State.

The Hon. DANIEL MOOKHEY: Were you asked by the Premier your views about the establishment of Investment NSW?

The Hon. DAMIEN TUDEHOPE: The premise of that question is predicated upon the fact that—

The Hon. DANIEL MOOKHEY: Minister, you do not need to debate the premise of every question, you just need to answer them.

The Hon. BEN FRANKLIN: He has the right to answer any way he wants to.

The Hon. DAMIEN TUDEHOPE: You ask them, I will answer them. I will not necessarily give you the answer you want.

The Hon. JOHN GRAHAM: Or the answer you want.

The Hon. DANIEL MOOKHEY: I do not really ask you the questions you like. It is a two-way street.

The Hon. JOHN GRAHAM: Just give the answer.

The Hon. DAMIEN TUDEHOPE: Let us just assume that the Premier and I are on the same song sheet in respect of wanting to create jobs in New South Wales.

The Hon. DANIEL MOOKHEY: I will accept that. We learnt in estimates earlier this week that as part of the creation of Investment NSW, 400 of the Treasury's 1,000 staff are transferring to Premier and Cabinet, including the team that covers Business Connect, which is your team. Is your team at Business Connect—120 advisers plus—transferring to the Premier's cluster?

The Hon. DAMIEN TUDEHOPE: The short answer to that is yes.

The Hon. DANIEL MOOKHEY: Are you transferring to the Premier's cluster?

The Hon. DAMIEN TUDEHOPE: To say yes is—no, is the short answer to the second part of your question.

The Hon. DANIEL MOOKHEY: So you are not transferring?

The Hon. DAMIEN TUDEHOPE: No, I am not transferring.

The Hon. DANIEL MOOKHEY: So you are staying in Treasury.

The Hon. DAMIEN TUDEHOPE: I am staying responsible for Business Connect. Customer Service will have some responsibility, potentially, for Business Connect. The nature of government is not that we have all these individual silos which do not interconnect with each other and have just the total responsibility within each of those silos. There are some circumstances where the policy direction of the particular organisation might be driven by Department of Premier and Cabinet. The other part might be driven by Treasury, or whatever.

The Hon. DANIEL MOOKHEY: I accept that no-one likes silos in government, particularly on things as important as investment and Business Connect.

The Hon. DAMIEN TUDEHOPE: I am glad you make that concession.

The Hon. DANIEL MOOKHEY: Yes, I am happy to concede. We want governments to work. We all have that interest. Minister, 120 of the people for whom you are responsible are moving and the Premier did not tell you that that was her intention?

The Hon. DAMIEN TUDEHOPE: Can I use this opportunity to say that, during the pandemic, Business Connect—and we increased the budget for Business Connect—provided outstanding support—

The Hon. DANIEL MOOKHEY: I accept the importance of Business Connect and I applaud them for the work that they did, hence the question.

The Hon. DAMIEN TUDEHOPE: —for Business Connect.

The Hon. DANIEL MOOKHEY: Is the Small Business Commissioner moving to the Premier's cluster or are they staying in Treasury? Do you know?

The Hon. DAMIEN TUDEHOPE: There is no suggestion that the Small Business Commissioner is moving to any other ministerial or policy responsibility other than—

The Hon. DANIEL MOOKHEY: Is Business Connect going to be merged into Investment NSW or is it going to be stand-alone entity?

The Hon. DAMIEN TUDEHOPE: Let us just wait and see how that pans out.

The Hon. DANIEL MOOKHEY: That decision has not been made, has it?

The Hon. DAMIEN TUDEHOPE: Let us just wait and see how that pans out, because—

The Hon. DANIEL MOOKHEY: The reason that decision has not been made—

The Hon. DAMIEN TUDEHOPE: —why the nuts and bolts of that has not been made is to make sure that we do not act like a silo and say, "You have all this responsibility." The right model for delivering business advice is what is important to this Government, not necessarily if it sits there or I have this—

The Hon. DANIEL MOOKHEY: Minister, let me put this to you: The reason why that decision has not been made as to whether or not Business Connect is going to be merged into Invest NSW is because Treasury was ambushed, was it not?

The Hon. DAMIEN TUDEHOPE: That is just not true.

The Hon. DANIEL MOOKHEY: You were ambushed, were you not?

The Hon. DAMIEN TUDEHOPE: What I would say, Mr Mookhey, is that I sit here today committed to making sure that Business Connect continues to provide proper advice to small businesses across the State that have been involved in a very significant impact on businesses. If I was to be—

The Hon. DANIEL MOOKHEY: Is the leadership of Business—

The Hon. DAMIEN TUDEHOPE: If I was to be concerned—if Ministers are so precious—

The Hon. DANIEL MOOKHEY: Is the leadership of Business—

The Hon. BEN FRANKLIN: Let him answer the question.

The Hon. DAMIEN TUDEHOPE: If Ministers are so precious that they have to have some sort of tantrum every time that a decision is made in terms of where policy direction is coming from then—

The Hon. DANIEL MOOKHEY: No, Minister, I accept your point, but—

The Hon. DAMIEN TUDEHOPE: —that would be bad government.

The Hon. DANIEL MOOKHEY: I accept your point, but my concern is not—to be fair, I am not concerned about any hurt feelings you may or may not have.

The Hon. DAMIEN TUDEHOPE: I do not have hurt feelings.

The Hon. DANIEL MOOKHEY: I am glad that you do not. I respect you enough to know that you will get over it. That is not my issue. My issue is that this was policy made on the run, was it not? Treasury was not advised and was not consulted, was it?

The Hon. DAMIEN TUDEHOPE: I cannot speak for what communications—

The Hon. DANIEL MOOKHEY: You were not advised and you were not consulted, were you?

The Hon. DAMIEN TUDEHOPE: I cannot speak for what occurred in relation to this decision—

The Hon. DANIEL MOOKHEY: This never went to Cabinet, did it?

The Hon. DAMIEN TUDEHOPE: You and I both know that I am not going to tell you what went—

The Hon. DANIEL MOOKHEY: This—

The Hon. BEN FRANKLIN: Let him finish the sentence!

The Hon. DANIEL MOOKHEY: Sorry.

The Hon. DAMIEN TUDEHOPE: You and I both know that I am not going to tell you what did or did not go to Cabinet.

The Hon. DANIEL MOOKHEY: This was a policy made by press release, was it not?

The Hon. DAMIEN TUDEHOPE: Mr Mookhey, what I would say to you is that you and I are on the same page in wanting to get the best outcomes for businesses. Business Connect is a very fundamental part—and let me just talk to you about that.

The Hon. DANIEL MOOKHEY: No, I just want the—

The Hon. DAMIEN TUDEHOPE: No, in answer to your question—

The Hon. DANIEL MOOKHEY: No, it is not—

The Hon. DAMIEN TUDEHOPE: In answer to your question, I—

The Hon. DANIEL MOOKHEY: We both respect Business Connect and the work that it has done, hence the questions. This was a policy made by press release from the Premier's office, was it not?

The Hon. DAMIEN TUDEHOPE: I do not accept for one moment that the Premier ever engages in policy or decision-making by press release.

The Hon. DANIEL MOOKHEY: Then when will we see the new administrative orders and arrangements that spell out the structure that will take place, given you are the Minister?

The Hon. DAMIEN TUDEHOPE: You have identified that the decision involves I think some 400—

The Hon. DANIEL MOOKHEY: Some 40 per cent of Treasury staff, yes.

The Hon. DAMIEN TUDEHOPE: Some 400 potential staff members being moved from Treasury. I agree with you that that is something that—the circumstances will be spelt out over time. But if you ask me whether I feel precious about whether I am consulted or not—

The Hon. DANIEL MOOKHEY: No, I am not asking you that. I am asking you—

The Hon. DAMIEN TUDEHOPE: —the answer is no. The answer is no.

The Hon. DANIEL MOOKHEY: —when will the new administrative arrangements be agreed? When will we see the administrative orders so that we know how this is all going to work?

The Hon. DAMIEN TUDEHOPE: Well, you are correct in identifying—

The Hon. DANIEL MOOKHEY: You do not know, do you?

The Hon. DAMIEN TUDEHOPE: —that I have not seen the administrative orders yet.

The Hon. DANIEL MOOKHEY: No, because right now there is no process in place to create them, is there?

The Hon. DAMIEN TUDEHOPE: I have not seen the administrative order.

The Hon. DANIEL MOOKHEY: And you have not been asked to advise.

The Hon. DAMIEN TUDEHOPE: I have not seen the administrative order.

Ms WILKIE: Mr Mookhey, could I just correct the record? I am not sure what team you are referring to when you are referring to 120 people in Business Connect.

The Hon. DANIEL MOOKHEY: I am working off—it is 120 advisers that are on their website. But to be fair, if that is not a part of the team—

Ms WILKIE: Those are not public servants.

The Hon. DANIEL MOOKHEY: Thank you. I appreciate that. We might pick it up this—

Ms WILKIE: There are only 11 people.

The Hon. DANIEL MOOKHEY: Sure. We will pick that up this afternoon.

The Hon. DAMIEN TUDEHOPE: In fact, that—and I thank Ms Wilkie for making that distinction because the actual movement of the public servants responsible for that team—

The Hon. DANIEL MOOKHEY: It is a valid point and I accept it—it is helpful—but that is not the point I am asking. The point is that Business Connect is moving and the Minister responsible does not seem to know why, when or how.

The Hon. DAMIEN TUDEHOPE: Anyway, I am sure you will take it up with Treasury officials this afternoon. I am sure the administrative—

The Hon. DANIEL MOOKHEY: Yes, we will. Over to Mr Graham.

The Hon. JOHN GRAHAM: Minister, I just wanted to ask about some of the budget figures, in particular for fines. The figures in the budget indicate that in 2020-21 the figure was \$651 million but it was forecast to leap significantly in 2021-22 to \$864 million. I wanted to know how we are travelling—and that is as a result of some policy changes that are going on in Transport; there may be some other factors as well that are driving that. I wanted to know what the estimate is, now we are this far into the financial year, for how we are travelling on that fines figure at the moment.

The Hon. DAMIEN TUDEHOPE: Thanks, Mr Graham. I know that you have a significant interest in the collection of fines—I hope you have not got any. The short answer to that question is that I do not know what the estimate is going forward in terms of the budgeting for additional revenue for fines. Do we have that, Mr Johnston?

The Hon. JOHN GRAHAM: Surely we have that to hand.

The Hon. DAMIEN TUDEHOPE: I think Mr Johnston may have that.

The Hon. JOHN GRAHAM: Very good.

Mr JOHNSTON: Just to clarify the question, how—

The Hon. JOHN GRAHAM: For 2020-21 the figure projected was \$651 million. Are we going to exceed that, at the moment? Are we going to drop below that? How are we tracking?

Mr JOHNSTON: In broad terms, we are going fairly close to expectations. It is very difficult to predict what the next few months will be with fines because over the past 18 months with COVID et cetera there were quite a lot of changes in terms of people's behaviour, particularly on the roads.

The Hon. JOHN GRAHAM: You may not be able to predict the next few months, but how are we tracking seven months in? You must keep track of that? That is a relatively routine—

The Hon. DAMIEN TUDEHOPE: I can give some—to date, in relation to camera fines, to February 2021 I think the revenue from camera fines is \$239 million.

The Hon. JOHN GRAHAM: Yes, \$239 million. Great.

The Hon. DAMIEN TUDEHOPE: There is a range of fines, of course.

The Hon. JOHN GRAHAM: Yes, exactly, which is why I asked the broader figure first.

The Hon. DAMIEN TUDEHOPE: Generally revenue collected, of course, may be dependent upon behaviour change.

The Hon. JOHN GRAHAM: Indeed. Mr Johnston, do you want to keep looking for that figure? What is the current Treasury projection for where we will be at the end of the financial year on that fines line item in the budget?

Mr JOHNSTON: Yes, I will come back to you.

The Hon. JOHN GRAHAM: In this session?

Mr JOHNSTON: Yes.

The Hon. JOHN GRAHAM: Great. I might turn to that camera fines question, Minister. Camera fines are up, as you have identified. For example, for red-light and speed camera fines this year, in the first seven months of the financial year they are \$160 million. You might think that is heading towards \$275 million over the year?

The Hon. DAMIEN TUDEHOPE: Yes, an increase.

The Hon. JOHN GRAHAM: An increase, absolutely. But it would be reasonable to think it would be around that level.

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. JOHN GRAHAM: The mobile phone detection cameras—new offences coming in, camera detection, driving revenue in—are on track for \$70 million for the first year. Can you confirm that puts us well on track for a record amount of camera revenue for New South Wales? You are the revenue Minister. We will have never collected this much revenue; that is correct, is it not?

The Hon. DAMIEN TUDEHOPE: Mr Graham, I would agree with you. On the raw figures that is self-evident—and the new technology, of course. What we hope, of course—and I am sure everyone around this table would acknowledge this—is that the use of that new technology and, I suppose, the obligation for people to comply with the law is something we would all applaud.

The Hon. JOHN GRAHAM: But there is no question we will hit a record number of fines at the end of this financial year. One of the—

The Hon. DAMIEN TUDEHOPE: Well, a record collection, consistent with advances in detection technology.

The Hon. JOHN GRAHAM: Yes, and one of the reasons those fines will leap is we are tripling the use of those cameras, for example, for mobile speed detection. It is new technology and the dramatic roll-out of those—

The Hon. DAMIEN TUDEHOPE: We probably do not have the break-up of that yet, but as time goes by you will potentially be able to have the break-up of those.

The Hon. JOHN GRAHAM: One of the questions that raises—and I did put this to the transport agencies during budget estimates. Minister Toole got me very excited when he gave a very generous answer to

this question, but I want to put it to you as the finance Minister. One of the issues this creates is this: All that camera revenue goes into the Community Road Safety Fund. Generally, governments then top that up by about 50-50; that has been the principle. All the camera revenue goes in and then government tops up on road safety another 50 per cent. Revenue is going through the roof. To give you an example, we are on track this financial year for about \$340 million to \$350 million. That was the total fund in 2020.

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. JOHN GRAHAM: As revenue goes through the roof, do you accept, do you agree, that we do not want to see government cut its contribution to this fund; that is, we do not want to see that principle that has existed ever since your Government promised this fund would exist about fifty-fifty funding? We do not want to see that cut as a result of fines going through the roof. Do you accept that principle?

The Hon. DAMIEN TUDEHOPE: What I do accept—and it is interesting you have already raised this with Minister Toole—is that there is an obligation on government to drive down the road toll. We have a government which has—I think the program is called Towards Zero or whatever. What this Government is committed to, and the Minister for Transport and Roads is passionate about, is driving down the road toll, driving down the number of people who are injured in road accidents.

The Hon. JOHN GRAHAM: I accept that, Minister.

The Hon. DAMIEN TUDEHOPE: Primarily, fines which are collected in relation to traffic offences should go into programs which are driving down—

The Hon. JOHN GRAHAM: I accept what you are saying about the Ministers. I have put these questions to some of the relevant Ministers.

The Hon. DAMIEN TUDEHOPE: So, putting to me—

The Hon. JOHN GRAHAM: But you are around the table. You are the revenue Minister. You are the finance Minister. I want to know from you: Do you accept that principle, that is, fines go through the roof—and they are for a range of reasons I am not disputing—we do not want to see the Government use it as a backdoor way to cut its 50 per cent contribution to road safety. That would be of community concern. Do you accept that principle?

The Hon. DAMIEN TUDEHOPE: The principle which I think better articulates where you are going is: Do we have a government that remains committed to making sure that the road safety of this State is its highest priority and providing the appropriate level of funding to make sure that those road safety goals are achieved.

The Hon. JOHN GRAHAM: That flows from the dollars. Will you commit to the dollars or not—that principle? I do not want to misquote you but I am asking you to commit to that principle. If you are not happy to, understood.

The Hon. DAMIEN TUDEHOPE: I am committing to a principle where the Government is committed to driving the road toll in this State down to zero and where we are reducing the level of injuries down. And so—

The Hon. JOHN GRAHAM: But as the revenue Minister, you will not commit to backing that.

The Hon. DAMIEN TUDEHOPE: —the revenue necessary to do that, in my view, ought to be a high priority for every government. So to the extent that that fund needs to be topped up to try to achieve those goals, sure, I am committed to supporting—

The Hon. JOHN GRAHAM: So case by case, but you will not support that principle today.

The Hon. DAMIEN TUDEHOPE: I support the principle that we as a government are committed to driving down the road toll.

The Hon. JOHN GRAHAM: Thank you.

The Hon. DANIEL MOOKHEY: Minister, I want to ask you now about the bushfire recovery. We have been speaking about this in some contexts this morning and it is a very important issue. You would recall that on 4 February 2020 you made a joint announcement with the Deputy Premier, the Federal Minister and of course the Minister for Local Government in which, among other things, you announced grants of up to \$50,000 for eligible small businesses and non-profit organisations with direct damage to their premises including equipment or stock from the bushfires. Can you tell us how much money was spent through that program to date?

The Hon. DAMIEN TUDEHOPE: In relation to bushfire grants and loans?

The Hon. DANIEL MOOKHEY: Yes. I am happy to give you a copy of the press release, incidentally, if you wish.

The Hon. DAMIEN TUDEHOPE: No, no.

The Hon. DANIEL MOOKHEY: It is the small business grant program that you announced on 4 February 2020. At the time you said you were encouraging small businesses to apply for the funding. This is the grants of up to \$50,000 that are available for eligible small businesses and non-profit organisations with direct damage to their premises equipment or stock from the bushfires, to help pay for repairs.

The Hon. DAMIEN TUDEHOPE: Correct.

The Hon. DANIEL MOOKHEY: Can we get an update of how much was paid?

The Hon. DAMIEN TUDEHOPE: The figure that I have available to me is \$275.7 million paid out in approved grants and loans to small businesses.

The Hon. DANIEL MOOKHEY: No. I am talking specifically about that grant program. Can you break it down by specific grant program, or is that the aggregate number?

The Hon. DAMIEN TUDEHOPE: Well, that is the aggregate number in respect of grants and loans.

The Hon. DANIEL MOOKHEY: You see, I am going to ask you about each of them because there is more than one.

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. DANIEL MOOKHEY: And I am eager to find out precisely how each of them went.

The Hon. DAMIEN TUDEHOPE: I do not know that I have the details. I do not know if I have the breakdown. Ms Wilkie, do we have the breakdown?

Ms WILKIE: I have got them.

The Hon. DAMIEN TUDEHOPE: Perhaps Ms Wilkie has that breakdown.

Ms WILKIE: Mr Mookhey, for the disaster recovery grants for small businesses of up to \$50,000, Service NSW has indicated that there have been—gosh, I will have to do some quick maths here—the total value of approved grants is just over \$51 million.

The Hon. DANIEL MOOKHEY: So \$51 million in approved grants. How many people got them?

Ms WILKIE: That is the number I do not have.

The Hon. DANIEL MOOKHEY: How many people applied?

Ms WILKIE: There were just over 4,000 applications.

The Hon. DANIEL MOOKHEY: How many were rejected?

Ms WILKIE: Two thousand one hundred and sixty have been rejected.

The Hon. DANIEL MOOKHEY: So over half the people who applied for this \$50,000 grant had their application rejected. Do we know why?

Ms WILKIE: You would need to ask Service NSW that question. I do not have that information with me.

The Hon. DANIEL MOOKHEY: Minister, have you been advised as to the reasons why half the bushfire-affected businesses who asked for that particular grant were rejected?

The Hon. DAMIEN TUDEHOPE: Well, I would assume that they did not meet the eligibility criteria.

The Hon. DANIEL MOOKHEY: Yes, and given that the eligibility criteria is a policy of government, which you are responsible for—

The Hon. DAMIEN TUDEHOPE: Well, both the Federal Government and the State Government.

The Hon. DANIEL MOOKHEY: Yes, but you accept that you are at least half responsible for it.

The Hon. DAMIEN TUDEHOPE: Absolutely. The administration of that grants program was the—

The Hon. DANIEL MOOKHEY: So when were you advised that half of the people who applied for this grant had had it rejected? Have you been advised?

The Hon. DAMIEN TUDEHOPE: I think the important thing is that the eligibility criteria in fact identified the requirement that premises had to be directly impacted. Now, I think that there was some dispute in relation to what direct impact amounted to, but really this was a—the Deputy Premier had responsibility for the rollout of this grants program.

The Hon. DANIEL MOOKHEY: Look, I do not dispute that he is the Minister—

The Hon. DAMIEN TUDEHOPE: I anticipate you have asked him these questions.

The Hon. DANIEL MOOKHEY: Well, no. But this is about small business grants.

The Hon. DAMIEN TUDEHOPE: Sure.

The Hon. DANIEL MOOKHEY: You are the small business Minister. Surely it is fine to ask you about the criteria for small business to access this help. Do you accept that?

The Hon. DAMIEN TUDEHOPE: And I have just told you.

The Hon. JOHN GRAHAM: I hope you're not leaving it to the Deputy Premier. I really hope you are not leaving it to him.

The Hon. DANIEL MOOKHEY: My actual question, which you did not answer, was: Have you been advised that half the people who applied for that program had their claim rejected?

The Hon. DAMIEN TUDEHOPE: Well, the actual number of people who had their claims rejected I was not specifically provided with advice of, but I was certainly aware that there was—and I have received some considerable correspondence in relation to that, so—

The Hon. DANIEL MOOKHEY: Did you take any steps to inquire into whether the eligibility criteria had to be adjusted?

The Hon. DAMIEN TUDEHOPE: Well, I may have formed a view that the eligibility criteria were consistent with what the Commonwealth had agreed to.

The Hon. DANIEL MOOKHEY: But you have the power to pick up the phone to the Commonwealth and say, "Hey, you know what? Half the businesses aren't getting the money. We need to change the criteria."

The Hon. DAMIEN TUDEHOPE: Yeah, but—

The Hon. DANIEL MOOKHEY: Minister, I am not being rude.

The Hon. DAMIEN TUDEHOPE: No, no.

The Hon. DANIEL MOOKHEY: This is a serious matter. We asked you this in other forums. We have asked you this in previous estimates.

The Hon. DAMIEN TUDEHOPE: Correct, correct.

The Hon. DANIEL MOOKHEY: So has anything happened? Has anything changed?

The Hon. DAMIEN TUDEHOPE: What has happened, of course, Mr Mookhey, is the manner in which we have supported small business through every other opportunity which is available to us. So again—

The Hon. JOHN GRAHAM: But not this one.

The Hon. DAMIEN TUDEHOPE: What I always say to you is that putting a proposition to a Minister which does not contextualise the Government response to bushfire support really does you a disservice.

The Hon. DANIEL MOOKHEY: Well, Minister—

The Hon. DAMIEN TUDEHOPE: Let me—

The Hon. DANIEL MOOKHEY: No, no, let me just be clear—

The Hon. BEN FRANKLIN: Let him finish the sentence, Daniel. You have had a good run.

The Hon. DANIEL MOOKHEY: No, no. Sorry, but he is now reflecting on me. So I think he has finished. Can I just say—

The Hon. BEN FRANKLIN: Well, I am not sure.

The Hon. DANIEL MOOKHEY: Can I just say, Minister, no-one—

The Hon. BEN FRANKLIN: Perhaps we should determine whether the Minister was finished or not. To me, it sounded like he was halfway in the middle of a sentence.

The Hon. DANIEL MOOKHEY: Minister—

The Hon. DAMIEN TUDEHOPE: You see, it does not recognise—

The Hon. DANIEL MOOKHEY: I encourage you to provide context.

The Hon. DAMIEN TUDEHOPE: It does not recognise the fact—

The Hon. DANIEL MOOKHEY: I encourage you to provide context, but the specific context is about the 2,100 businesses—

The Hon. BEN FRANKLIN: Point of order—

The Hon. DAMIEN TUDEHOPE: I am answering your question.

The Hon. BEN FRANKLIN: I am sorry to do this, Madam Chair.

The CHAIR: No, no; it is fine. I will hear the point of order.

The Hon. DANIEL MOOKHEY: —whose applications were rejected.

The CHAIR: But I will also say this: We need one at a time.

The Hon. DAMIEN TUDEHOPE: I am answering his question.

The CHAIR: Well, both of you were interrupting each other.

The Hon. DAMIEN TUDEHOPE: He ought to give me the opportunity to answer it.

The CHAIR: One at a time.

The Hon. DAMIEN TUDEHOPE: The context is that we in fact embarked, because we thought the eligibility criteria may not have been satisfactory, on a \$10,000 grant program which was made available to small business. To the extent that they were businesses which were finding the eligibility criteria for the \$50,000 grant too tough, we embarked upon the \$10,000 grant.

The Hon. DANIEL MOOKHEY: The COVID one?

The Hon. DAMIEN TUDEHOPE: Sorry?

The Hon. DANIEL MOOKHEY: The COVID one are you talking about?

The Hon. DAMIEN TUDEHOPE: No, this is the bushfire grant.

The Hon. DANIEL MOOKHEY: Yeah, okay. There are different ones, Minister.

The Hon. DAMIEN TUDEHOPE: It is a bushfire grant.

The Hon. DANIEL MOOKHEY: I accept that.

The Hon. DAMIEN TUDEHOPE: But to be entirely frank, you asked me what I did about it. What we did is we developed a policy to make the eligibility criteria easier—

The Hon. DANIEL MOOKHEY: Can I ask you now about—

The Hon. DAMIEN TUDEHOPE: —for a smaller grant.

The Hon. DANIEL MOOKHEY: Can I ask you now: There are the bushfire working capital and recovery loans. You announced that as well at the same time. Do we have an update as to how much has been given to the bushfire working capital recovery loans?

The Hon. DAMIEN TUDEHOPE: The \$10,000 grants?

The Hon. DANIEL MOOKHEY: No. I read from your press release:

The Bushfire Working Capital Loan is up to \$50,000 and is specifically designed to provide an immediate injection of money to help return and continue business operations ...

The Hon. DAMIEN TUDEHOPE: I will ask Ms Wilkie—

The Hon. DANIEL MOOKHEY: Just to be fair to you, there was an additional larger Bushfire Recovery Loan of up to \$500,000 for 10 years. So there were two categories of loans. Do we know how many small businesses applied for the Bushfire Working Capital Loan of up to \$50,000?

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. DANIEL MOOKHEY: Ms Wilkie, I am happy to hear from you.

Ms WILKIE: It was 645.

The Hon. DANIEL MOOKHEY: How many were successful?

Ms WILKIE: Sorry, I have got the numbers and I just need to calculate that. There are 436 applications that were successful.

The Hon. DANIEL MOOKHEY: So there were about one-third that did not make it. Do we know why?

Ms WILKIE: There are 39 applications that are still pending and there are 170 applications that have been rejected.

The Hon. DANIEL MOOKHEY: The bushfires were two years ago. This was an emergency program. Why do we have 39 that have not had their applications processed?

The Hon. DAMIEN TUDEHOPE: For a multiplicity of reasons. I am only assuming this and this is the problem with that sort of question. When files remain open it generally means that there are requirements still to be fulfilled to finalise the files. I think you and I would agree that that is—

The Hon. DANIEL MOOKHEY: Minister, to be fair, I accept that.

The Hon. BEN FRANKLIN: Daniel, you have got to let him finish.

The Hon. DAMIEN TUDEHOPE: Can I just round off the question which you asked me previously about eligibility criteria. It is really unfair to talk about a circumstance where you want to criticise the Government in respect of eligibility criteria without acknowledging that we did in fact put in place a system of grants—the \$10,000 grants—which had far less stringent eligibility criteria for which I think there were 21,000-odd.

The Hon. DANIEL MOOKHEY: Minister, I welcome that context because it is a serious matter. But I am not criticising. I am asking you—

The Hon. DAMIEN TUDEHOPE: That is what we did.

The Hon. DANIEL MOOKHEY: Just let me finish. I am just asking you about the specific programs you announced as to how they have gone. That is all I am doing.

The Hon. DAMIEN TUDEHOPE: But you then went on to say—

The Hon. DANIEL MOOKHEY: The next one I wanted to know is about the larger loans.

The Hon. DAMIEN TUDEHOPE: But you then went on to say that in relation to the \$50,000 loan—

The Hon. DANIEL MOOKHEY: Minister, I am now asking you—the larger Bushfire Recovery Loan of up to \$500,000, how many applications and how many were successful?

The Hon. DAMIEN TUDEHOPE: I think Ms Wilkie was giving you those figures.

Ms WILKIE: For the Special Disaster Loans—the disaster relief loans that, as you said, are between \$50,000 to \$500,000—there were 106 applications received, 31 applications rejected and 10 applications pending. So—I don't trust my maths this fast—there were 65 applications agreed to.

The Hon. DANIEL MOOKHEY: That is helpful. Thank you, Ms Wilkie. Minister, in that category—between the ones that are rejected and still pending, that is close to 40 per cent of applications. Did you make any inquiries as to why that rate of rejection and delay has taken place?

The Hon. DAMIEN TUDEHOPE: Again, I have to say to you, Mr Mookhey, generally rejection of a claim is related to eligibility.

The Hon. DANIEL MOOKHEY: But that is not my question. My question is: Did you make inquiries?

The Hon. DAMIEN TUDEHOPE: My answer is that I did not need to make inquiries if in fact rejection was related to eligibility. That is the reason that the claims were being rejected.

The Hon. DANIEL MOOKHEY: You accept that you did not make inquiries because you thought the eligibility criteria was fine.

The Hon. DAMIEN TUDEHOPE: The answer is that this was a policy worked out by the Federal and State governments in respect of assisting bushfire-impacted communities. It had its eligibility criteria. There are a whole lot of reasons why. You might have asked me why there were so few applications.

The Hon. DANIEL MOOKHEY: I was about to ask you. Why are there so few applications?

The Hon. DAMIEN TUDEHOPE: I should not—

The Hon. DANIEL MOOKHEY: Why are there so few applications? We have only had 100.

The Hon. BEN FRANKLIN: Do not do that anymore, Mr Tudehope.

The Hon. DANIEL MOOKHEY: There are 165,000 businesses.

The Hon. DAMIEN TUDEHOPE: Would you stop—

The Hon. DANIEL MOOKHEY: But, Minister, this is a serious point. I was going to get there. There are 165,000 businesses at the time that were thought to be bushfire affected. We have only had 100 applications and of them only 65 got through. Didn't that worry you?

The Hon. DAMIEN TUDEHOPE: What I think it indicates is this: In circumstances where people are bushfire impacted or the like, people are less likely to want to take up more loans and more debt. That is what that indicates to me.

The Hon. DANIEL MOOKHEY: Sure, but it was your choice to structure it as a loan.

The Hon. DAMIEN TUDEHOPE: It was the Government's choice.

The Hon. DANIEL MOOKHEY: You are the Minister.

The Hon. DAMIEN TUDEHOPE: I have to say I was probably the Minister responsible for the administration and the delivery rather than the—

The Hon. DANIEL MOOKHEY: But, Minister, accepting that you were responsible for administration and delivery, can you explain why they have not been processed?

The Hon. DAMIEN TUDEHOPE: Let us not get involved in blame games here. I think you and I can agree that a program which is predicated upon loaning money to people and asking them to pay it back in circumstances where people have been significantly impacted—there is some resistance. That is why all the other measures which the Government adopted in relation to bushfires were so important. That is whether it is grants, whether it is—can I tell you—

The Hon. DANIEL MOOKHEY: No, Minister—

The Hon. DAMIEN TUDEHOPE: No. I want to tell you this because the most important thing we can do—

The Hon. DANIEL MOOKHEY: I have two other questions I want to ask you about two other programs which are important. Then you will have more than enough time.

The Hon. BEN FRANKLIN: Can he just finish the one sentence he was about to make? It was the most important thing. I want to hear it.

The Hon. DAMIEN TUDEHOPE: If you want to acknowledge the Government's response to the bushfires, there are a number of ways that we can do it. Loans were one—not well taken up. Grants were others—\$50,000 grants and \$10,000 grants. But then the stimulus package, which was the best take-up, was that package which offered opportunities for small business to be part of the bushfire recovery. If we are going to sit here and talk about the Government's policy commitment, the policy commitment which I think you ought to start with is to say how right the Government got it in respect of getting local businesses to do the bushfire recovery on behalf of the Government in terms of the clean-up of—

The Hon. DANIEL MOOKHEY: Minister, we will get there.

The Hon. DAMIEN TUDEHOPE: I am sure we will get there, but do it in context of the complete response to the bushfire response.

The Hon. DANIEL MOOKHEY: I appreciate the context. We will get there, but there are specific programs which you announced that I want to inquire about. The next one I want to find out about is at the time you announced that you will be providing stamp duty relief, waiving the stamp duty, for people who are transacting as a result of the bushfires—that is, leaving or buying into the market.

The Hon. DAMIEN TUDEHOPE: And motor vehicles I think we did as well.

The Hon. DANIEL MOOKHEY: Yes, you did, actually. I just want to talk about the stamp duty on houses, that part of it. Do we know how many people claimed that stamp duty relief?

The Hon. DAMIEN TUDEHOPE: I think the exact number—

Mr JOHNSTON: I can provide that answer, Mr Mookhey. As of 31 January, 189 applications for stamp duty waiver have been approved to the value of \$3.82 million.

The Hon. DANIEL MOOKHEY: Out of how many applications?

Mr JOHNSTON: We have got a further seven applications under review.

The Hon. DANIEL MOOKHEY: Any rejections?

Mr JOHNSTON: I have not got that quickly at hand, but I will take that on notice and come back to you.

The Hon. DANIEL MOOKHEY: Do we know how many people applied for it?

Mr JOHNSTON: I have not got that number in front of me. I will clarify.

The Hon. DANIEL MOOKHEY: Can we get that because it is important. It is good that those 189 got their stamp duty approved, but I want to know how many actually asked for it and, therefore, what the percentage is. What about the payroll tax exemptions? You announced on 29 November 2019:

... wages—excluding certain leave payments—paid to an employee while volunteering with the Rural Fire Service [RFS], or an emergency services organisation, will be exempt from payroll tax ...

How many people claimed that exemption?

The Hon. DAMIEN TUDEHOPE: Again, I will refer to Mr Johnston. Good policy though, wasn't it?

The Hon. DANIEL MOOKHEY: I would like to find out if it worked, then I will let you know.

The Hon. JOHN GRAHAM: Let us find out.

The Hon. DANIEL MOOKHEY: Can you tell us if it worked? Do we not have these figures at hand? Minister, this is squarely within your remit. There is no-one else that I can ask this question to.

The Hon. DAMIEN TUDEHOPE: I know, I agree with it.

The Hon. DANIEL MOOKHEY: Do you know how much? Have you been advised as to how many people were claiming this?

Mr JOHNSTON: I will have to come back to you on that number.

The Hon. DANIEL MOOKHEY: I appreciate that, Chief Commissioner. But, Minister, the question to you is: Have you been kept up to date about how many people are claiming all of these programs that you promised?

The Hon. DAMIEN TUDEHOPE: No. But in terms of the actual administration of the policy—just let me have a look at this.

The Hon. DANIEL MOOKHEY: Surely, Minister, it is not unreasonable to ask you, the person who is responsible for payroll tax, how many people got the exemption.

The Hon. DAMIEN TUDEHOPE: Mr Mookhey, the real gauge for assessing the rollout of that policy is the level of correspondence you get from people who say that they have applied for and have not received it. I do not think I have received one complaint from any business—

The Hon. DANIEL MOOKHEY: Minister, I do not think that is the yardstick we use. It is not an unreasonable—

The Hon. DAMIEN TUDEHOPE: I think you are entitled to assume—

The Hon. DANIEL MOOKHEY: So you are telling me if no-one complains, you make no inquiries?

The Hon. DAMIEN TUDEHOPE: I think you are entitled to assume that it is a policy that was well received and well rolled out.

The Hon. DANIEL MOOKHEY: But you cannot explain how many people asked for it and how many people got it? You said to us before you have not been kept apprised of how many people are seeking these waivers—seriously? You are the Minister for payroll tax and you are telling us, in the wake of the bushfires, you have not checked how many people claimed the exemption that you offered? I really want to give you the opportunity to correct the record, Minister.

The Hon. DAMIEN TUDEHOPE: Well, I have to say to you I am entitled to sit here and say that the policy framework was put in place. In terms of the rollout of that policy, it appears to have worked because the level of complaint in relation to it was zero.

The Hon. DANIEL MOOKHEY: I am just astonished by that.

The Hon. DAMIEN TUDEHOPE: But why are you astonished?

The Hon. DANIEL MOOKHEY: Let me tell you why I am astonished, Minister. You are telling me that the only basis upon which you are going to check whether a bushfire support program is working is if someone complains about it.

The Hon. DAMIEN TUDEHOPE: Generally that is a pretty good gauge to start with.

The Hon. DANIEL MOOKHEY: Surely a person who volunteered with the RFS and the organisation that let them are entitled to expect that the Minister for revenue would pay more attention.

The Hon. DAMIEN TUDEHOPE: And you would expect that if an organisation was assessed for payroll tax in circumstances where they had advised that staff members were engaged in volunteer bushfire work and had been rejected, you would get some level of complaint in relation to their—

The Hon. DANIEL MOOKHEY: I cannot take it much further than that.

The Hon. DAMIEN TUDEHOPE: Of course you cannot, because it is entirely consistent.

The Hon. DANIEL MOOKHEY: Sure. Turning to deferral of fines, you said that people can defer fines and taxes. Do we have any update on that? How many fines were deferred? How many people requested to have a tax deferred? Do we know?

The Hon. DAMIEN TUDEHOPE: How many—

The Hon. DANIEL MOOKHEY: You announced the deferral—

The Hon. DAMIEN TUDEHOPE: I just want to go back to the point about the number of people who applied for payroll tax—I am surprised you do not know how payroll tax works. Do you know how payroll tax works? People make self-declarations in relation to payroll tax and make their own assessment in respect of payroll tax. So to ask me the number of people who have applied for it—

The Hon. DANIEL MOOKHEY: But you are the one who promised the waiver.

The Hon. DAMIEN TUDEHOPE: No, listen. What it shows me, Mr Mookhey, is you have asked me a question which fundamentally is flawed because you do not know how payroll tax works.

The Hon. DANIEL MOOKHEY: The only question I am asking you is how many people claimed the deferral on payroll tax that you offered. That is it.

The Hon. DAMIEN TUDEHOPE: You often would not know—

The Hon. DANIEL MOOKHEY: You do not know.

The Hon. DAMIEN TUDEHOPE: You would not know because it is a self-assessment. It is a self-assessment.

The Hon. DANIEL MOOKHEY: Minister, can you tell me about the deferral of fines and taxes? You promised people in bushfire-affected communities that they could defer fines and taxes.

The Hon. DAMIEN TUDEHOPE: Before we move on from that, do you agree with me that your questions in relation to payroll tax are flawed?

The Hon. DANIEL MOOKHEY: No, I do not.

The Hon. DAMIEN TUDEHOPE: They are flawed.

The Hon. DANIEL MOOKHEY: The time is limited and we want to give you a break. Can we please get an idea of how many people in bushfire-affected communities had their fines and taxes deferred? Do we know that?

The Hon. DAMIEN TUDEHOPE: I am sure Mr Smythe would have some sort of detail in relation to that.

Mr SMYTHE: With fines, we identified 356 customers, with debts of around \$592,000.

The Hon. DANIEL MOOKHEY: Collectively?

Mr SMYTHE: Yes.

The Hon. DANIEL MOOKHEY: So \$592,000 worth of debt—

Mr SMYTHE: Worth of fines debt.

The Hon. DANIEL MOOKHEY: —from 336.

Mr SMYTHE: No, 356.

The Hon. DANIEL MOOKHEY: Thank you.

Mr SMYTHE: We worked on data-matching activities to identify the locations or to correlate the locations of the fines recipients with bushfire-affected areas, and then we proactively attempted to contact all of the people who were affected. Out of them, 18 per cent of customers did not require assistance; 61 per cent could not be contacted by phone; and 21 per cent required assistance, with most applying for a write-off under hardship grounds.

The Hon. DANIEL MOOKHEY: How many people actually got the deferral?

Mr SMYTHE: Forty-eight.

The Hon. DANIEL MOOKHEY: So 48 people, out of everyone who was affected by bushfires, got that deferral. Firstly, it is good that you guys went through that data-matching process. That is a welcome thing to have done: to proactively look for people who could benefit.

Mr SMYTHE: Sorry to interrupt, Mr Mookhey—

The Hon. DANIEL MOOKHEY: I was just complimenting you, but sure.

The Hon. DAMIEN TUDEHOPE: Do not interrupt praise.

Mr SMYTHE: At Revenue NSW we are not always on the receiving end of praise, Mr Mookhey. I am sure you could understand. That number was actually 48 applicants who were approved for a write-off, as opposed to deferral.

The Hon. DANIEL MOOKHEY: So 48 had it written off. How many had it deferred?

Mr SMYTHE: Just bear with me. Sorry, I have a little bit more data for you.

The Hon. DANIEL MOOKHEY: I am always happy to take your data, Mr Smythe.

Mr SMYTHE: Out of the 61 per cent that I referred to, 198 letters were sent to customers who could not be contacted by phone. Enforcement action was stayed until 30 June 2020 to allow customers to contact us. Of the 198, 13 per cent made contact with us and an additional six write-off applications were approved.

The Hon. DANIEL MOOKHEY: So 54 people have had it written off, out of 198 that were identified. Is that fair?

Mr SMYTHE: Yes.

The Hon. DANIEL MOOKHEY: So there are about 144 for whom actions resumed on 30 June 2020. Is that correct?

Mr SMYTHE: That is correct.

The Hon. DANIEL MOOKHEY: What is the value of the amount that remains after you take out the amount that you waived? I think you identified \$596,000 collectively.

Mr SMYTHE: I would have to take that on notice.

The Hon. DANIEL MOOKHEY: How many people who were affected by bushfires have had enforcement actions taken against them since 30 June 2020—since you resumed enforcement?

Mr JOHNSTON: We will have to come back with a number to that. But through that period enforcement action has been very empathetic to their circumstances. Some of the information Mr Smythe shared was about the challenges we have had in contacting people.

The Hon. DANIEL MOOKHEY: Yes.

Mr JOHNSTON: As we progress through an enforcement approach, we then often elicit a conversation with someone so that we can continue to work the best way to respond

The Hon. DANIEL MOOKHEY: Trust me, Chief Commissioner—and Commissioner—we will go through the fine details of this this afternoon. You can look forward to it. I do want to praise Revenue NSW for proactively looking for people who would require assistance. Minister, it is a good initiative, but surely—

The Hon. DAMIEN TUDEHOPE: They did keep me up to date on that, by the way.

The Hon. DANIEL MOOKHEY: I am glad. But did we think about whether it was wise to continue the deferral? That is a policy decision that only you can answer. Did you at all contemplate further deferring it, given that these communities are still heavily bushfire impacted?

The Hon. DAMIEN TUDEHOPE: What I will say in relation to that, Mr Mookhey, is Revenue NSW takes the hardship provisions contained in respect of their management of fines pretty seriously. To the extent that any action is taken to continue proceedings in respect of any fines, the opportunity is always available to discuss those with Revenue NSW with a view to reaching payment plans and the like. What I would say in respect of that is whether we adopted a continuation of the deferral or not is one thing, but the important thing to consider is the attitude by Revenue NSW in relation to the collection of fines in circumstances where people are under significant hardship.

The Hon. DANIEL MOOKHEY: I will leave you with this final question: Once we get back the figures, are you open to examining whether another deferral should be applied? The debts are quite meaningful at this level and a lot of these people may still need it. Are you at least open to the idea, after receiving this advice, that we might continue this?

The Hon. DAMIEN TUDEHOPE: Strategies that address hardship, I am always open to and in discussions with Revenue NSW as to the level of hardship which they identified. I have every confidence that they manage those processes really well. Can I tell you—and it does allow me to say this—we have frontline people who are on the phones to people who owe money under various auspices to Revenue NSW. The first thing we are often discussing with them is their personal circumstances, and some of our people are pretty traumatised by that experience themselves. Caring for those people—caring for our people, as well as the people who are experiencing hardship—is a very significant part of the role that they perform.

I had one woman who I spoke to personally whose husband had passed away as a result of, I think, the *Ruby Princess* COVID outbreak. For her, making that phone call was a really traumatic event. I must say that the support that I think Revenue NSW has given to its own staff and to people who owe money to Revenue NSW has been predicated on being compassionate.

The CHAIR: We will take a 10-minute break.

(Short adjournment)

The CHAIR: Welcome back, everybody. Ms Boyd.

Ms ABIGAIL BOYD: Minister, I understand you have got an answer for me?

The Hon. DAMIEN TUDEHOPE: Ms Boyd, before you start, I would like to revisit the issue of senior Ministers.

Ms ABIGAIL BOYD: The number is eight. Is that correct?

The Hon. DAMIEN TUDEHOPE: The number is eight but let me go through the figures, which you are able to get on top of—which is good. In 2005 there were 10; in 2007, 12; in 2009, 12; in 2011, eight; in 2013, eight; in 2014, seven; in 2015, nine; in 2017, 11; in 2019, seven; and in 2020, eight.

Ms ABIGAIL BOYD: That is right, thank you.

The Hon. DAMIEN TUDEHOPE: Correct.

The Hon. BEN FRANKLIN: As announced to the Legislative Council publicly—

The Hon. DAMIEN TUDEHOPE: I thank the Parliamentary Secretary for that advice. That, in fact, is announced to the House.

Ms ABIGAIL BOYD: Yes. So we now know that—

The Hon. DAMIEN TUDEHOPE: It is transparent.

Ms ABIGAIL BOYD: Well, I think that is a bit of a stretch. But yes, if you dig around, I think it is fantastic that the Government now knows how many of its Ministers are senior, because you were the only person to be able to answer the question after having the advice you have received, which is fantastic. It does not answer my questions around criteria and other issues, but it is great that we have a number. So thank you for that.

The Hon. DAMIEN TUDEHOPE: I would have thought it was self-evident that the criteria were—

Ms ABIGAIL BOYD: Just brilliance?

The Hon. DAMIEN TUDEHOPE: Thank you. Is that your assessment?

Ms ABIGAIL BOYD: It absolutely was a question. It was a question not a statement, Minister.

The Hon. BEN FRANKLIN: Try it for your next preselection brochure.

The Hon. DAMIEN TUDEHOPE: Thank you.

Ms ABIGAIL BOYD: Are you the Minister responsible for the Minimum Viable Product grants scheme?

The Hon. DAMIEN TUDEHOPE: I think that is Minister Ayres.

Ms ABIGAIL BOYD: Mr Ayres?

The Hon. DAMIEN TUDEHOPE: Yes.

Ms ABIGAIL BOYD: Okay, thank you. That is another one I have been trying to get somebody to answer. Excellent, that will make my questions a bit shorter.

The Hon. TAYLOR MARTIN: That was easy.

Ms ABIGAIL BOYD: When we had a chat during the Public Accountability Committee COVID hearings, we were talking about the measures that were put in place to help small businesses during COVID and we were talking specifically about how you would measure the success of those measures when we looked back. At the time you mentioned that a lot of the way that you gauge success is through business confidence surveys. Are you able to update us on the level of business confidence through those surveys at the moment?

The Hon. DAMIEN TUDEHOPE: Well, I think each of the major banks carry out—certainly Ms Wilkie will be able to give you the up-to-date figures.

Ms ABIGAIL BOYD: These are ones that the office of small business was conducting, according to your evidence.

Ms WILKIE: Yes. Mr Lamont, the Small Business Commissioner, is here, and he can answer those questions.

Mr LAMONT: The Small Business Commission conducted surveys from April through to December of last year. In the past six months of last year they improved considerably on all the measures: business confidence and sentiment. Those surveys have been provided to industry associations and we have made reference to those results through various communications that the commission has produced.

Ms ABIGAIL BOYD: Can you tell me what it was at the end of December?

Mr LAMONT: No, I cannot. There was a range of measures, so the survey is quite comprehensive. There are about nine measures that we aggregate in total. They look like business confidence to invest, general outcome, trade, confidence in the future et cetera, but they have improved considerably.

Ms ABIGAIL BOYD: Let me be more specific.

The Hon. DAMIEN TUDEHOPE: I can give you additional information in relation to that. This time last year—that is March 2020—the National Australia Bank surveyed businesses and found that New South Wales business confidence had fallen to its weakest level on record, to negative 62 index points—32 points lower than at any stage during the global financial crisis. Fast-forward to March 2021, in the latest business confidence survey from February 2021 results indicate business confidence rising to plus 19 index points, up another five points from the plus 14 in January. This is three points higher than the national average and the highest of the mainland States. Business conditions so rose to plus 18, up 12 points from plus six in January. This is also three points higher than the national average and second highest on the mainland States, after Western Australia.

Ms ABIGAIL BOYD: That is great, but in the interests of time can I bring you back to my question? When we talked in May, you said in response to one of my questions:

At the beginning of the pandemic, when businesses were shut, when Health orders were in place, the community was in hibernation, business confidence was very low, it was about 17 per cent. As we have started to get the pandemic under some sort of control, it has increased and I think it was 32 per cent at the next time they did the survey in terms of business confidence.

Again, you are talking about "The office of small business has conducted surveys".

The Hon. DAMIEN TUDEHOPE: Yes.

Ms ABIGAIL BOYD: In relation to those figures that you quoted me in May of last year, how have those figures progressed? What were you talking about then?

The Hon. DAMIEN TUDEHOPE: I think the Small Business Commissioner—

Mr LAMONT: Ms Abigail, I have got references to wave one, which was conducted at the beginning of last year, through to wave 10. I have just located the measures: "Predict revenue increase in coming months" was four per cent in wave one and 24 per cent in December; "Fairly confident in future business prospects" was 17 per cent in wave one and 55 per cent in December; "Businesses currently trading" was 74 per cent in the first wave and 90 per cent in December; and "May definitely find it difficult to pay loans or overdrafts" was 27 per cent in wave one and 9 per cent in December. I can keep going if you would like.

Ms ABIGAIL BOYD: No, that is fine. That clarifies. That second set of numbers would have been what you were referring to.

Mr LAMONT: Yes.

Ms ABIGAIL BOYD: Do we have any indication of what it was before the pandemic? Or were you not doing those surveys before then?

Mr LAMONT: The commission did not conduct surveys then.

The Hon. DAMIEN TUDEHOPE: No.

Ms ABIGAIL BOYD: Do you have any up-to-date figures on the number of failures of small businesses in New South Wales in the past 12 months?

Mr LAMONT: Sorry, the number of small businesses?

Ms ABIGAIL BOYD: The number of failures, so the number of insolvencies and bankruptcies.

Mr LAMONT: I do not have the exact number. I can tell you that the number of insolvencies dropped relative to previous years, and we have been monitoring that very closely with the Australian Taxation Office [ATO] and the Australian Securities and Investments Commission. We think there are some interesting observations to make in the past 12 months on account of changes in Federal law with respect to insolvencies—

The Hon. DAMIEN TUDEHOPE: Correct.

Mr LAMONT: —and obviously the support measures that were announced by each level of government.

Ms ABIGAIL BOYD: Do you have any visibility over the overall impact of COVID on small businesses in New South Wales in terms of their ability to continue to survive?

Mr LAMONT: We know that there were more small businesses, as recorded in June last year, compared with the previous year. There was a 1.9 per cent increase, taking the total number in New South Wales to 800,000. In terms of what we see going forward, that is a prediction I cannot make.

Ms ABIGAIL BOYD: No, but looking back over the past 12 months?

Mr LAMONT: So there is an increase in the number of small businesses.

Ms ABIGAIL BOYD: And what about the number of businesses that have closed? I understand that we have got a net increase, but how many have closed down?

Mr LAMONT: All I can say is the number of insolvencies reduced year-on-year.

The Hon. DAMIEN TUDEHOPE: That is as a result of, in one sense, some steps taken by the Federal Government pursuant to the Bankruptcy Act in relation to bankruptcies.

Ms ABIGAIL BOYD: Yes.

The Hon. DAMIEN TUDEHOPE: I want to stress that last point that was made by the commissioner. Since COVID has started, we now have more businesses in New South Wales than we did previously. So people have actually started businesses.

Ms ABIGAIL BOYD: I agree, that is encouraging.

The Hon. DAMIEN TUDEHOPE: That is encouraging.

Ms ABIGAIL BOYD: There is no angle here. I am just trying to get an understanding of the number of insolvencies.

The Hon. DAMIEN TUDEHOPE: Ms Boyd, I do not for one moment suggest you have got an angle.

Ms ABIGAIL BOYD: The other thing we talked about in May was—and again, we were talking about how we measure the success of government interventions once we are able to be in a position where we look back at how things have gone. One of the things that you were saying, Minister, was that obviously when JobSeeker and JobKeeper are wound back, we will need to be looking at the gaps in New South Wales and what new measures we may need to put in at that time.

The Hon. DAMIEN TUDEHOPE: Sure.

Ms ABIGAIL BOYD: Could you elaborate on where we are at with that?

The Hon. DAMIEN TUDEHOPE: Sure. I think that is a good question. In fact, some of the announcements made in the last couple of days have potentially highlighted that. The Treasurer was asked similar questions—I do not know if it was by you—on Monday about how the New South Wales Government drove policy in relation to the filling gaps. He said, generally, the position was that we worked hand in glove with what the Federal Government was doing. In the last couple of days, two things have been announced by the Federal Government. The first was, I think, another opportunity for loans to small businesses—again, can I tell you I am not necessarily a fan of that sort of scheme. The second one is the tourism package where the Federal Government is going to subsidise airfares.

I have to tell you—and I am sure Mr Mookhey will potentially ask me questions about this—that I am fundamentally disappointed in that as a response to what New South Wales has done. On any view of it, if you are looking potentially at the impact on New South Wales as a State and you are making policy decisions which are driven by where the greatest impact has been, as we sit here today the greatest impact is probably on the CBD of Sydney. It is fantastic news that we are putting flights into Merimbula. I acknowledge the impact of the border shutdown on the economy of Merimbula, and that is a really welcome tourism opportunity. Potentially, a package of tourism opportunities—and these are the sort of gaps which I think you are asking about how we identify them.

Ms ABIGAIL BOYD: Yes, absolutely.

The Hon. DAMIEN TUDEHOPE: It is: Where is the need? The need appears to me to be in both getting tourists back into the CBDs of Sydney. It struck me as we were working this through in my office that an appropriate package potentially would be a voucher system which says, "Go to Sydney and we will have a voucher system for staying at a CBD hotel." Whether that is Sydney or Melbourne, it recognises, "Here is where the impact is. If you stay in Sydney, then take a bus trip to the Blue Mountains, then take a bus trip to the Hunter Valley," so you use that as your stimulus.

While I welcome the Federal Government seeking to do something in there and I welcome the impact for the people of Merimbula, it is a wholly inadequate response to identifying where the greatest impact currently is. Sure, you can say that New South Wales does not need it because it has done so well. Well, we have done so well, but do not walk away from the fact that there are significant small businesses in the CBD which need support. We will have to look at opportunities and we will work with the Federal Government again, I think, in relation to that.

Ms ABIGAIL BOYD: And that is the point, isn't it? I absolutely agree with you on the wrong-headedness of that Federal initiative, and I agree with you that what we need is a boost to not just tourism in the CBD but all the local businesses that rely on that.

The Hon. DAMIEN TUDEHOPE: Correct.

Ms ABIGAIL BOYD: So your department is looking into that and is looking to plug that hole?

The Hon. DAMIEN TUDEHOPE: Well, it is. We have done some significant things in relation to trying to promote events in the CBD and the Sunset Piazza-type things, which I am sure Mr Graham is well aware of, across all the event opportunity. But events rely on people. Getting people back into the CBD to work is a challenge—whether it is for a private enterprise or a public service, it is a challenge. Getting events and tourism back into the CBD is the real challenge and there are some roles that transport potentially has to play. People are reluctant to get on a train or on a bus and those sort of things at the moment. So it is not an easy solution.

When JobKeeper goes off, there is potential impact on those businesses which we need to handle appropriately. I acknowledge and I am grateful for your input in relation to that. One of the things that has emerged out of the pandemic is the strength of the domestic tourism market and that is benefiting large parts of regional New South Wales. If you went up to Port Macquarie, you cannot get a hotel over Easter for love or money in Port Macquarie. So people are travelling and spending dollars, but where we would like them to come and spend some money is supporting the businesses in the metropolitan CBDs.

Ms ABIGAIL BOYD: Thank you.

The CHAIR: The Opposition.

The Hon. JOHN GRAHAM: Thank you, Minister. I am certain Mr Mookhey was going to ask you about that tourism package. I was too, though, and I appreciate your comments. I think they are really useful. You have joined your other colleagues in pointing to that need for Sydney and Melbourne. I think that is an important point. Listening to what you are saying about what your hopes are for how the Federal Government might deal with this, are you really calling for them to look at what they have done as a phase one and maybe consider a phase two tourism response that might look at those CBD is? Is that a fair—

The Hon. DAMIEN TUDEHOPE: I think that is a fair characterisation. It struck me when I first saw the policy that this policy was worked out two months ago.

The Hon. JOHN GRAHAM: Yes.

The Hon. DAMIEN TUDEHOPE: I thought to myself two months ago that would have been something, which you have sort of said, is a good thing. If you look at it today, in circumstances where it is supposedly a response to JobKeeper coming off, well, I just say to them: "Where are the greatest number of jobs potentially under threat at the moment?" I would be saying generally in CBD areas because that is where the people are not there and the small businesses are not recovering as quickly as, potentially, other areas. So we ought to be on the same page in relation to that.

The Hon. JOHN GRAHAM: I appreciate that. Potentially phase two might be required in tourism around that need. I would also like to ask about other industries. JobKeeper is coming to an end and there has been some speculation about the Federal Government extending similar assistance packages to some other industries. From your discussions or your knowledge of the interaction with the Federal Government, is there any hope that, separate to what happens in tourism, there might be other industry-specific assistance anywhere beyond tourism? Is that on or off the table? Can you give us some insight into that?

The Hon. DAMIEN TUDEHOPE: Sure. One of the significant—the events industry, for example, is also heavily impacted. The hospitality industry generally is seriously impacted. The tourism industry, so far as it is centred on the CBD and was previously dependent upon international tourism, is significantly impacted. I have received significant representations in relation to that. If you look at the sort of policy positions we can adopt, one of the other things that we did, of course, was adopt the national leasing code and had some relief pursuant to that code. That is really tricky as to how you extend that code and target it to—and I am not blind to potentially doing

so if I can make out the case, but I do not want to necessarily say that I am moving the responsibility for assistance to landlords.

The Hon. JOHN GRAHAM: Yes.

The Hon. DAMIEN TUDEHOPE: That is the problem with continuing the code. You say that there is one specific body of people that bear the responsibility of continuing to support. Any continuation of the code, if it was to exist, would have to be on the basis of: How do you acknowledge the contribution that landlords are making in respect of that? So what I would welcome is the continuation of the discussion. But I really do pay some credit to the Small Business Commissioner in respect of the way that the Small Business Commissioner has handled mediation and the like through the pandemic, because—

The Hon. JOHN GRAHAM: I might come back to that issue.

The Hon. DAMIEN TUDEHOPE: Sure.

The Hon. JOHN GRAHAM: I want to ask you to—and feel free not to be able to have much to say on this because it is moving just at the moment. Outside of tourism, those other industries, some of which are the key economic engines of Sydney and New South Wales—entertainment, obviously I am concerned about that, but also the universities and the international education; they are big economic engines. Is there any hope, do you believe, that the Federal Government industry-specific assistance that they have said may apply will extend beyond tourism? Have you got any insight? It would be reasonable if you did not, given how this has been moved, but can you give us any information?

The Hon. DAMIEN TUDEHOPE: I was interested on Monday when the Treasurer seemed to indicate that he is talking to the Tasmanian Treasurer about it. I thought that was innovative. Can I tell you that, really, I am loath to speak outside of my portfolio area; although, I would like to think that I was the Minister for everything.

The Hon. DANIEL MOOKHEY: Take the opportunity.

The Hon. DAMIEN TUDEHOPE: If I go around New South Wales generally, if you ask businesses what is their greatest problem at the moment, it is getting workforce. You might find that surprising in circumstances where we have had a pandemic. Getting skilled workers or getting workers to come, whether it is a barista in a coffee shop or whether it is someone to work in a mechanic shop in Broken Hill, everywhere in regional New South Wales I go, that is there.

The Hon. JOHN GRAHAM: We have heard similar feedback.

The Hon. DAMIEN TUDEHOPE: If I was looking at a policy position that we ought to be doing to assist small businesses at the moment, I would be saying, "How are we supporting skilling people and skills policy?"

The Hon. JOHN GRAHAM: I might turn back to that leases question though, because that is important and that is in your portfolio. That potentially comes to an end quite soon; we are talking a matter of weeks. You have talked about the circumstances under which you might consider an extension. How likely is that to occur because this is material for a whole range of businesses?

The Hon. DAMIEN TUDEHOPE: Let me just be absolutely clear: In fact, it finished for commercial leases on 31 December. The component that is finishing on 31 March is for retail premises with a turnover of \$10 million or—

The Hon. JOHN GRAHAM: And why was it that that commercial lease protection finished on 1 January?

The Hon. DAMIEN TUDEHOPE: Why was it?

The Hon. JOHN GRAHAM: Yes, up until then they had been included and then they dropped out. Now it is coming to a head as JobKeeper ends. Why?

The Hon. DAMIEN TUDEHOPE: We took the view that in circumstances where small businesses had a turnover of less than \$10 million, that covered over 90 per cent of small businesses. So we took the view that in respect of those premises that were leased that had a turnover greater than \$10 million or alternatively were not retail premises, in those circumstances the policy position that Treasury in conjunction with us took was that it was the appropriate time to move the economy forward. I agree with you.

The Hon. JOHN GRAHAM: One of the impacts of that, just to be more specific, is it carves out almost all of hospitality—restaurants, pubs, all of those largely come out. They are not retail leases, by and large. There would be some exceptions. As always, there are grey areas here, but that restriction on 1 January has really carved out most of hospitality. Their future is coming to a head as JobKeeper ends. That is when live decisions are being made. The ability to hibernate is coming to an end at the end of this month. Are you concerned about the implication for that sector as live decisions get made, landlords are under pressure, tenants are under pressure?

The Hon. DAMIEN TUDEHOPE: The answer is: Of course. However, do not discount things. We are going to inject into the economy, through Diner & Discover, half a billion dollars. In terms of the hospitality industry and the tourism or events industry getting an uplift, the Government is, in fact, going to inject a significant amount of money in relation to—

The Hon. JOHN GRAHAM: But there is just no safety net. Since 1 January, if you are on one of those leases, there is just no safety net in the way there had been or in the way there is for retail leaseholder. That is gone.

The Hon. DAMIEN TUDEHOPE: I acknowledge that. I have always been of the view that governments should always be reluctant to intervene in the agreements that people reach, the ordinary course of conduct. However, what you identify is that COVID is non-discriminatory and that there will be an impact to businesses. The steps we ought to take here are, first and foremost, do we strengthen mediation opportunities for those businesses?

The Hon. JOHN GRAHAM: Perhaps make it compulsory. Is that an option, Minister?

The Hon. DAMIEN TUDEHOPE: Potentially it is an option to look at.

The Hon. JOHN GRAHAM: That is not the case now, but potentially?

The Hon. DAMIEN TUDEHOPE: It is an option.

The Hon. JOHN GRAHAM: Which would certainly be very welcome. That is one of the laws at the moment.

The Hon. DAMIEN TUDEHOPE: Correct.

The Hon. JOHN GRAHAM: A landlord who takes a tough approach could refuse to mediate.

The Hon. DAMIEN TUDEHOPE: And, for that matter, tenants who do not provide significant information is also an issue for the landlord.

The Hon. JOHN GRAHAM: May not come to the table, yes.

The Hon. DAMIEN TUDEHOPE: The additional thing is that I have met with a shopping centre provider and some of the things that they have indicated to me is that they are adopting a voluntary leasing code in respect of the way that they manage their premises. To the extent that the shopping centre proprietors that would be dealing with the end of the leasing codes, they have adopted the view that we will have our own voluntary leasing code, and I expect that they will provide a copy of that to my office at some stage. I welcome that position adopted by them.

The Hon. JOHN GRAHAM: I agree, and there are some good players. I definitely agree with that. One of the reasons this is of concern to me, Minister, is a case that I raised with Minister Ayres, who was very helpful. A prominent music venue in Sydney, that is a key part of the East Coast touring circuit—

The Hon. DAMIEN TUDEHOPE: I think I know the one.

The Hon. JOHN GRAHAM: I am pleased to hear you are also familiar with it. They have no protections at the moment because they are not in a retail lease, they are in a commercial lease.

The Hon. DAMIEN TUDEHOPE: Correct, a commercial lease.

The Hon. JOHN GRAHAM: I will not name them because as soon as we name them they will have to cancel gigs and put people out of work. Minister Ayres indicated that he had—I asked him if he would ensure the Small Business Commissioner would assist. He indicated he had referred the case that morning to the Small Business Commissioner. Mr Lamont, could you give us a very brief description in terms you are comfortable with, without identifying the parties, where that matter is up to?

Mr LAMONT: Sure. Thanks, Mr Graham. We have contacted both parties and mediation has been agreed in that both parties have agreed to mediation. I do not think it will be next week, but we are trying to schedule it for the week after. So we have contacted both and both have agreed to participate in mediation.

The Hon. JOHN GRAHAM: Which is a very good result, noting that the Minister said this is not always compulsory.

Mr LAMONT: No, and further to the mediation success, we are seeing 90 per cent of disputes resolved at, through or prior to mediation, so we are getting some good results.

The Hon. JOHN GRAHAM: Yes. Minister, I am very happy to have that update and I hope this matter ends well. But what it reveals is that these businesses, in this case a key part of the music sector, is sitting there with, since 1 January, no real safety net. If they face a landlord who is taking JobKeeper on the one hand, but threatening to turn them out on the streets, lock the doors, while demanding the full rent for the period, almost no protection as these changes happen. And the reason this has come to a head now is because JobKeeper is ending now. It did not happen in January or February because JobKeeper is ending now. Is that of concern?

The Hon. BEN FRANKLIN: Hear, hear!

The Hon. DAMIEN TUDEHOPE: I do not know the specifics in relation to whether that landlord is in fact getting JobKeeper.

The Hon. JOHN GRAHAM: To be fair, I do not either. But I am saying that it is likely in some of these circumstances, possibly in this circumstance.

The Hon. DAMIEN TUDEHOPE: And what your question indicates is potentially a strong consideration of the obligation to mediate.

The Hon. JOHN GRAHAM: I agree. The national code is still in force. Those principles, which are really clear and very strong, just say that if you are in this position, you are a landlord, you are getting JobKeeper, you should offer a deferral proportionate to the business dropping, rental waivers—very strong. That relies, though, on State legislation being in place. How does that interact with the national code? It is still in force, still applying to people.

The Hon. DAMIEN TUDEHOPE: The national code, I think, is coming to an end as well.

The Hon. JOHN GRAHAM: Yes, but it is relevant for this January to March period and it may be relevant if there is an extension.

The Hon. DAMIEN TUDEHOPE: Where is that question?

The Hon. JOHN GRAHAM: For the period January to March, let me put it to you that way, does the national code offer any protections?

The Hon. DAMIEN TUDEHOPE: The State code does not in circumstances where we repealed the regulation and the new regulation. But I only say this: The national code in a sense does not apply to the premises that you have identified. There is no particular code which does and it is very difficult to comment on a case which you have identified—

The Hon. JOHN GRAHAM: Yes, and I accept that.

The Hon. DAMIEN TUDEHOPE: —and say that we need to make a provision to solve every single problem in that cohort. There will be other landlords, I must say, in my experience who will be much more conciliatory in respect of—

The Hon. JOHN GRAHAM: Yes, exactly.

The Hon. DAMIEN TUDEHOPE: So to make a new regulation—

The Hon. JOHN GRAHAM: But these protections are there when that fails.

The Hon. DAMIEN TUDEHOPE: I would like to be giving these people legal advice but I cannot. If they had rights of course arising before 31 December—

The Hon. JOHN GRAHAM: Understood. Minister, I am just conscious of time.

The Hon. DAMIEN TUDEHOPE: Can I just clarify one thing? I think I said earlier that the current regulation applies to businesses with a turnover of \$10 million. I think it is \$5 million, as I have been corrected.

The Hon. JOHN GRAHAM: I might just ask finally, do you agree with me that if a business was taking JobKeeper—and under that national code it is very clear that your obligation is to help out—and they are not prepared to play ball, they should really hand the JobKeeper back? That is not a State issue but it is a moral issue. If they are getting significant assistance on the one hand but giving no assistance on the other—and this individual case should be judged on its merits. Where that happens, they should hand the JobKeeper back, shouldn't they?

The Hon. DAMIEN TUDEHOPE: Mr Graham, the short answer to that is yes, but you would have seen this morning that the Commonwealth Government was moving in relation to where significant tax benefits had been given to industries that in those circumstances those industries ought to be giving that money back to the Commonwealth in circumstances where they took a decision to leave Australia or the like. That is consistent with the sentiment that you have just expressed to me.

The Hon. JOHN GRAHAM: Yes, agreed.

The Hon. DAMIEN TUDEHOPE: And I must say that I welcome that sort of decision. If we as a country give assistance to someone, whether it is JobKeeper, and then that organisation accepts that money and then leaves the jurisdiction, certainly if I was a franchisee of one of those companies who was left in the circumstances of some of those Holden dealers—and I am sure Mr Mookhey will ask me about AMP's franchisees in a moment but I will leave that line of questioning to him. It is consistent with the approach that you have identified that if you get a benefit, play the game.

The Hon. DANIEL MOOKHEY: I am not going to ask you about AMP—

The Hon. DAMIEN TUDEHOPE: Good.

The Hon. DANIEL MOOKHEY: —but I do agree with you in terms of a lot of the hardships that are facing franchisees in the motor vehicle industry right now. But maybe we will save that for a slightly later time—it could be the House. Can we talk about some of the COVID relief programs. I want to talk about the key ones and we will start with the land tax waivers first. As of 6 November 2020, as advised to the Parliament, I understand that we have only paid \$7.8 million of the \$220 million that was on offer in terms of land tax residential relief. Is that accurate?

The Hon. DAMIEN TUDEHOPE: In relation to land tax relief—

The Hon. DANIEL MOOKHEY: Residential, please.

The Hon. DAMIEN TUDEHOPE: The residential?

The Hon. DANIEL MOOKHEY: There are two components. There is a residential—

The Hon. DAMIEN TUDEHOPE: Yes, there are two components. The total land tax relief was \$93.95 million; 14,470 properties have been the subject of that land tax relief. Thirty three per cent of those were for residential properties and 67 per cent were for commercial properties.

The Hon. DANIEL MOOKHEY: That is helpful, but the dollar figures that I have, which were advised I think by you to the House as of 6 November, were that only \$7.8 million had been paid of the land tax relief residential. It seems like it has gone up a little bit. Do we have the most up-to-date number?

Mr JOHNSTON: I have the proportions of the split between residential and commercial.

The Hon. DANIEL MOOKHEY: But you do not have an exact number. Can we get it for this afternoon?

Mr JOHNSTON: Yes, absolutely.

The Hon. DANIEL MOOKHEY: Minister, I am quoting from an answer that you gave on notice in which it said—

The Hon. DAMIEN TUDEHOPE: This will be good.

The Hon. DANIEL MOOKHEY: To be fair, I am really not trying to—it says:

As of 6 November 2020, land tax totalling \$69.7 million has been waived - \$7.8 million for 3,215 landlords in relation to 3,515 residential properties ...

That was an answer that you gave. Is there any update you can provide us on the number or not yet?

The Hon. DAMIEN TUDEHOPE: I think—

The Hon. DANIEL MOOKHEY: It is fine. I understand. We will hopefully have it this afternoon. The commercial number that you said was—

The Hon. DAMIEN TUDEHOPE: As a percentage.

The Hon. DANIEL MOOKHEY: Yes, sure, but the commercial number you said to us in the House was that of the commercial that had been provided, \$61.9 million had been provided of the \$220 million. Do we have any update on that number?

The Hon. DAMIEN TUDEHOPE: Again, I think—

The Hon. DANIEL MOOKHEY: We will have it this afternoon, maybe?

Mr JOHNSTON: We will have it this afternoon, yes.

The Hon. DANIEL MOOKHEY: Minister, we can agree that everyone supports land tax relief but there is a huge amount left over here—massive amounts of money.

The Hon. DAMIEN TUDEHOPE: I think we budgeted for \$440 million.

The Hon. DANIEL MOOKHEY: If you budgeted for \$440 million, on my figures there is at least over \$300 million of that still available. Are you considering perhaps using that to extinguish some of the arrears that my colleague John Graham was asking you about?

The Hon. DAMIEN TUDEHOPE: Are you asking me whether it is under active consideration that Revenue extinguish fines?

The Hon. DANIEL MOOKHEY: The specific question I am asking is: With the end of JobKeeper—and you and I both know that a lot of businesses and a lot of residents are going to face a debt hangover of rent arrears—can we think about—

The Hon. DAMIEN TUDEHOPE: That is a different question. If you are saying—

The Hon. DANIEL MOOKHEY: I am asking you: Can we think about using the leftover money to establish some relief for them around extinguishment? Is that something that you can consider?

The Hon. DAMIEN TUDEHOPE: I am open to any discussion in respect of assisting small business, Mr Mookhey.

The Hon. DANIEL MOOKHEY: What about residents and tenants?

The Hon. DAMIEN TUDEHOPE: The Residential Tenancies Act is not mine, but—

The Hon. DANIEL MOOKHEY: But the land tax is.

The Hon. DAMIEN TUDEHOPE: The land tax is. To the extent that the Government is committed to supporting small businesses and lessees, whether it is residential or commercial, I think that is self-evident.

The Hon. DANIEL MOOKHEY: Do we know how much of this land tax relief went to regional New South Wales?

The Hon. DAMIEN TUDEHOPE: Payment of land tax is dependent upon value.

The Hon. DANIEL MOOKHEY: It is of course, and I am not—

Mr JOHNSTON: I think we would have to take that on notice to give that type of detail.

The Hon. DANIEL MOOKHEY: Do you mind? That would be helpful. Can we turn to the payroll tax deferral, Minister. The Government announced on 27 March 2020 that there would be a deferral of payroll tax for businesses with payrolls over \$10 million for six months and up to \$4 billion deferred. As I understand it, as you advised the House, the amount that actually has been deferred to date, certainly as of 31 October 2020, was \$424 million. Have we got an updated figure on that?

The Hon. DAMIEN TUDEHOPE: What I can say to you is that the deferral probably depends upon whether they are paying monthly. There are 52,000 customers registered to pay monthly. These customers and 75 per cent of those businesses chose to do so. As restrictions were lifted and the economy revived, this dropped to around 60 per cent for July and September.

The Hon. DANIEL MOOKHEY: We might pick this up later. My colleague Mr Shoebridge has another room he might need to get back to. I will just hand to him through you, Chair.

The CHAIR: Just so that we are clear, because we are changing times a little bit, this is the tail end of crossbench time and by the time we get to 12.00 p.m. we will be splitting it evenly anyway, so it does work out. But I understand you are going to jump in because you are going to go back, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: It did not have the appearance of crossbench time.

The Hon. DAMIEN TUDEHOPE: Fire away.

The Hon. BEN FRANKLIN: Because there were no crossbenchers.

The Hon. DAMIEN TUDEHOPE: I think, Mr Mookhey, it has just been said to me that the total amount of deferred payroll tax is about \$620 million.

The Hon. DANIEL MOOKHEY: Okay, so it has gone up to \$620 million. We will pick it up in a minute.

Mr DAVID SHOEBRIDGE: Good morning, Minister. I am just in time to say that. That was my aim. Have we found your portfolio yet?

The Hon. DAMIEN TUDEHOPE: How did you go in the other—

Mr DAVID SHOEBRIDGE: The usual edifying spectacle from the police commissioner and the police Minister.

The Hon. DAMIEN TUDEHOPE: Hopefully I will be edifying.

Mr DAVID SHOEBRIDGE: Have we found your portfolio yet, Minister?

The Hon. DAMIEN TUDEHOPE: I am looking for it.

Mr DAVID SHOEBRIDGE: I was going to ask you about the State Debt Recovery Office [SDRO]. Has the State Debt Recovery Office been engaged to seek to reclaim some payments that were made under any one of the bushfire recovery schemes?

The Hon. DAMIEN TUDEHOPE: I think probably inherent in that question is, if they have been incorrectly paid or alternatively the Auditor-General has discovered that those payments have—

Mr DAVID SHOEBRIDGE: Yes, that is right. You are quite right, Minister, in circumstances where payments were and we could have a broad subject of "incorrectly paid"?

The Hon. DAMIEN TUDEHOPE: Yes, either by way of eligibility or—

Mr DAVID SHOEBRIDGE: Intentional or otherwise.

The Hon. DAMIEN TUDEHOPE: —fraudulently.

Mr DAVID SHOEBRIDGE: Correct.

The Hon. DAMIEN TUDEHOPE: The State Debt Recovery Office does not recover grants, as I understand it.

Mr JOHNSTON: Which grants would you specifically—

The Hon. DAMIEN TUDEHOPE: The bushfire grants.

Mr DAVID SHOEBRIDGE: Any one of the \$10,000, \$50,000 or \$75,000 bushfire grants?

Mr JOHNSTON: Revenue NSW is not part of the recovery of any grants incorrectly paid.

Mr DAVID SHOEBRIDGE: Has there been any approach to the State Debt Recovery Office from either Service NSW or the New South Wales police in relation to the recovery of payments made?

Mr JOHNSTON: Not that I am aware of. The function of those grants had no responsibility falling to Revenue NSW, so I would say unlikely that we would be engaged in actually—

Mr DAVID SHOEBRIDGE: I am not asking about the payment of it. In circumstances where the payment has been identified as being incorrect, to use a broad term, has there been any discussion between the State Debt Recovery Office and Service NSW about the possibility of using the State Debt Recovery Office to recover payments?

Mr JOHNSTON: There have been discussions about those grants and we have advised that we are not able to recover those grants.

Mr DAVID SHOEBRIDGE: Service NSW approached you seeking your assistance, your potential assistance?

Mr JOHNSTON: I would frame it more in the sense that we work closely with them. We do have capability in this area and provided advice about what our capability and role could be in this and we advised that we could not.

Mr DAVID SHOEBRIDGE: Mr Johnston, rather than me trying to extract teeth, I might just give you an open-ended question and you can tell us what, if anything, that exchange was between Service NSW and the State Debt Recovery Office. I will give you the opportunity now and if that does not work we will come back to the tooth-drawing later.

Mr JOHNSTON: Okay, let me try. There were discussions about the legislation that these grants were painted to and could Revenue NSW have any role in supporting the recovery of any grants, and the answer is we cannot.

Mr DAVID SHOEBRIDGE: When was that approach made from Service NSW?

Mr JOHNSTON: I did not classify that as an approach. That is a discussion that we—I will take it on notice the timing of these—

Mr DAVID SHOEBRIDGE: Who started the discussion?

Mr JOHNSTON: Service would have inquired as to our capability.

Mr DAVID SHOEBRIDGE: We can call it an approach or we can call it the commencement of a discussion, however we want.

Mr JOHNSTON: Sure. I will take on notice the timing of those discussions.

Mr DAVID SHOEBRIDGE: When did that happen? Was it this year? Last year?

Mr JOHNSTON: I would have to take that on notice. I am not sure.

Mr DAVID SHOEBRIDGE: Were you part of those discussions, Mr Johnston?

Mr JOHNSTON: No, I was not.

Mr DAVID SHOEBRIDGE: Who was?

Mr JOHNSTON: I would have to take it on notice, the people that were involved in it, but it would be the leadership team involved in our State debt team.

Mr DAVID SHOEBRIDGE: How did you become aware of it?

Mr JOHNSTON: As a function of being connected to my colleagues across Revenue NSW and the issues that are emerging, and being part of the Department of Customer Service I have some awareness of these grants that were being placed, but I do not have any content of the detail of them.

Mr DAVID SHOEBRIDGE: When were you made aware of it? You must have some idea of when you were made aware of it?

Mr JOHNSTON: I would say it was last year but probably late in the year. That is what I would like to take the timing on.

Mr DAVID SHOEBRIDGE: Did Service NSW indicate what the scale of their concern was?

Mr JOHNSTON: No. As far as I am aware, what was shared with me was that it was about capability and through the legislation that we are empowered to collect, the authority that we have to collect incorrectly paid, or grants et cetera, could we do this, and the answer was no, we could not.

Mr DAVID SHOEBRIDGE: When you say capability, the capability to recover moneys? That is what you are talking about?

Mr JOHNSTON: Yes. We have the capability but through the way that those grants were established—

The Hon. DAMIEN TUDEHOPE: Jurisdiction, I think is probably—

Mr JOHNSTON: Jurisdiction would be a better answer to that question.

Mr DAVID SHOEBRIDGE: Minister, was this raised with you at any point, that Service NSW had come to the State Debt Recovery Office asking about your—call it what we like—capability to recover incorrect payments?

The Hon. DAMIEN TUDEHOPE: I was aware of the findings in relation to potentially grants which had been paid to organisations which were, I think—

Mr DAVID SHOEBRIDGE: Antisocial in their objectives.

The Hon. DAMIEN TUDEHOPE: —characterised as antisocial organisations, potentially. In preparation for these discussions today, Mr Shoebridge, I was made aware of the inability of—that it was not within the purview of Revenue to collect inappropriately paid grants.

Mr DAVID SHOEBRIDGE: Was advice given back to Service NSW from the State Debt Recovery Office that you could not do this kind of work, it was not the bailiwick of the State Debt Recovery Office?

Mr JOHNSTON: Yes, we would have given advice to say that in this instance in the way that this grant has been established, we are not in a position to collect.

Mr DAVID SHOEBRIDGE: Was that in writing or was it oral advice?

Mr JOHNSTON: I will have to take that on notice, Mr Shoebridge. As I said, I was not, obviously, part of the discussion.

The Hon. DAMIEN TUDEHOPE: Can I just make one observation in relation to this?

Mr DAVID SHOEBRIDGE: Can I just finish this and then I am happy to come back to you, Minister, and give you an open mic session?

The Hon. DAMIEN TUDEHOPE: Thank you.

Mr DAVID SHOEBRIDGE: Mr Johnson, can you take on notice the content of the advice and if the advice was in writing can you provide a copy to the Committee?

Mr JOHNSTON: I will take that on notice and see. I am not aware of the content of the discussion and how that was recorded. I will do my best to inform you.

Mr DAVID SHOEBRIDGE: Minister, did you have anything to add?

The Hon. DAMIEN TUDEHOPE: I do have. I like open mics. I make this observation: If in fact there is a finding that potentially claims have been made for grants which are properly characterised as fraudulent, the appropriate manner in which to first and foremost deal with those fraudulent claims is how you would normally deal with fraud, and that is to refer the matter to another body altogether.

Mr DAVID SHOEBRIDGE: You are pushing against an open door. I would not have approached the State Debt Recovery Office to reclaim money from outlaw motorcycle gangs, and I am surprised Service NSW did. It must have surprised you in hindsight that that was their option, get the SDRO to politely ask for money back from organised crime?

The Hon. DAMIEN TUDEHOPE: You might write them a polite letter, but it may not go any further than that.

Mr DAVID SHOEBRIDGE: "Dear Chopper, would you mind returning the \$50,000 we gave to you?" Signed SDRO. It is not going to be very effective, is it?

The Hon. DANIEL MOOKHEY: Garnish their wage.

The Hon. DAMIEN TUDEHOPE: That is not a flippant observation. In one sense, to the extent that the Auditor-General may in fact have identified grants which have been paid to organisations which have applied for those grants fraudulently, I would be surprised that Customer Service has not referred those sort of issues to the police.

Mr DAVID SHOEBRIDGE: I was surprised too, Minister, which is why I was extremely surprised when I heard that Service NSW had not proactively provided materials to the police, but had been waiting for the police to approach them about matters. That was the evidence Service NSW gave earlier this week.

The Hon. JOHN GRAHAM: Concerning.

Mr DAVID SHOEBRIDGE: I found that concerning, surprising and troubling. I agree with your observations about what I would expect the ordinary course to be, that Service NSW would proactively provide materials to the police. But that is not happening.

The Hon. DAMIEN TUDEHOPE: There may be some people who are not properly characterised as being involved in fraud and that may trouble Customer Service as to how do we recover that money.

Mr DAVID SHOEBRIDGE: Is there any ongoing conversation at all between Service NSW and the State Debt Recovery Office about the recovery of any grants payments, or is that all concluded now?

Mr JOHNSTON: As far as I am concerned it is concluded, but we work very closely with Service NSW in the delivery of our work and vice versa. I think we are very integrated organisations. Rather than pulling teeth, the answer is no, there is no further discussion.

The Hon. DANIEL MOOKHEY: Minister, can we resume the conversation we were having about the COVID programs? I think we covered off the deferral. I appreciate the updated figure on that. Can we now turn to the small business grants program. Both phases of that program are closed, correct? Both the initial \$10,000 support grants and the \$3,000 recovery grants; they are both closed?

The Hon. DAMIEN TUDEHOPE: They are closed.

The Hon. DANIEL MOOKHEY: Is it the case that at the end of them, \$638.5 million was spent?

The Hon. DAMIEN TUDEHOPE: Sorry, the \$10,000 and the \$3,000?

The Hon. DANIEL MOOKHEY: Let us aggregate them because they both come from the same source. The figures that were advised to Parliament as of 11 November 2020 were \$638.5 million of the \$750 million was acquired through the \$10,000 support grants and the \$3,000 recovery grants. Is that correct?

The Hon. DAMIEN TUDEHOPE: I think I have for the \$10,000 grants, \$521 million; and in relation to the \$3,000 grants—yes, the figure you have got of about \$638.5 million or thereabouts is right.

The Hon. DANIEL MOOKHEY: Good. We can agree, therefore, there is about \$111.5 million left over?

The Hon. DAMIEN TUDEHOPE: Correct. But then we have the southern borders grants, of course.

The Hon. DANIEL MOOKHEY: Yes, we will get to the southern border grants. In fact, why don't we do that now?

The Hon. DAMIEN TUDEHOPE: And then we have got the \$1,500 rebate grants.

The Hon. DANIEL MOOKHEY: Let us just deal with the southern border grants while we are here. Are they closed as well?

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. DANIEL MOOKHEY: They closed at \$15.1 million spent—

The Hon. DAMIEN TUDEHOPE: I think that is right.

The Hon. DANIEL MOOKHEY: —of the \$45 million that was allocated?

The Hon. DAMIEN TUDEHOPE: Estimated, yes.

The Hon. DANIEL MOOKHEY: Okay. I am glad we have got that one done. You wanted to give us the figures for the other grant you mentioned—the \$1,500?

The Hon. DAMIEN TUDEHOPE: That is about to start. That is the new rebate program in respect of fees payable.

The Hon. DANIEL MOOKHEY: Trust me, once it has started I will ask you how it is going. You can rest assured I will do that. Can we now turn to the small business and tradies' licence fee waiver program as well. I think we have established \$80 million to waive fees and charges for small businesses, including bars, cafes, restaurants and tradies. Do you remember this one?

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. DANIEL MOOKHEY: Were 200,000 businesses deemed to be eligible? Is that correct?

The Hon. DAMIEN TUDEHOPE: I think that is right. In fact, 186,000 have obtained waivers and a total support of \$65.4 million has been granted.

The Hon. DANIEL MOOKHEY: Good, that is pleasing. Is there about \$20 million left over in that respect?

The Hon. DAMIEN TUDEHOPE: No, \$15 million.

The Hon. DANIEL MOOKHEY: And the waivers are scheduled to end between 31 March and 19 April 2021?

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. DANIEL MOOKHEY: Are you considering extending that, particularly as JobKeeper comes off?

The Hon. DAMIEN TUDEHOPE: Except that, in many respects, the announcement in the budget in relation to the \$1,500 rebate scheme probably supersedes that scheme.

The Hon. DANIEL MOOKHEY: Just on the \$750 million grant program—the 10,000 initial grants and 3,000 recovery grants—

The Hon. DAMIEN TUDEHOPE: Yes, and the southern borders grants.

The Hon. DANIEL MOOKHEY: Exclude the southern border ones for the purposes of this question. Do we know how much of that was in Sydney, Newcastle, Wollongong and how much was in regional New South Wales?

The Hon. DAMIEN TUDEHOPE: We probably do, I must admit. We can get that.

The Hon. DANIEL MOOKHEY: Can we get that for this afternoon, please? Can you find out how many businesses, broken up by geographic region, if possible, that would be really helpful.

Ms WILKIE: Service NSW has that information obviously. We will have to see if we can have it available for this afternoon.

The Hon. DANIEL MOOKHEY: I appreciate that very much.

The Hon. DAMIEN TUDEHOPE: I am just told that I think we can get it by local government area.

The Hon. DANIEL MOOKHEY: I will pick this up again this afternoon when we have more time to go into some detail. Minister, would you agree that money remains unspent in many of these programs?

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. DANIEL MOOKHEY: What are you going to do with that unspent money?

The Hon. DAMIEN TUDEHOPE: I make this observation in relation to unspent money. You always make your best estimate when you are reeling out a program and it is based on, I suppose, circumstances where if everyone who could possibly apply, did apply, what would be the cost of running that program. One of the things that the under-subscription indicates to us is the extent to which the Government, through its support of business and the economy, has, in effect, kept business going. Generally, the demand for assistance is a reflection of the trauma which has been caused. One of the things that the under-subscription indicates to us really highlights the manner in which the economy has kept going and the way the Government has been supporting the continuation of the economy. Your question is: Is there provision for using unspent moneys for other programs which may assist businesses or people impacted by COVID?

The Hon. DANIEL MOOKHEY: Firstly, I appreciated the preamble. Both you and I agree—

The Hon. DAMIEN TUDEHOPE: That we have been terrific—

The Hon. DANIEL MOOKHEY: in good faith, that we are trying to help businesses survive and save jobs. We all agree that the Keynesian policy as applied by both Federal and State governments has played a role. But I am talking about the unspent money, particularly in the context of JobKeeper coming to an end. I am being pretty generous in giving you an open-ended opportunity here to talk us through how we could be using this unspent money to taper off and assist small business and, to be fair, large business to progress towards a full recovery of their economic health. Is the Government currently considering using this unspent money to provide further support to small businesses?

The Hon. DAMIEN TUDEHOPE: Support to people and businesses impacted by COVID would, in my view, always be under active consideration by Treasury. I would anticipate that it is probably better put to—I would represent to the Treasurer that we ought to be always looking at programs to assist businesses potentially impacted by COVID. But at the end of the day it is a discussion with the Treasurer in respect of the policy direction that he would adopt in respect of that unspent component of schemes which are currently in place.

The Hon. DANIEL MOOKHEY: Our offer remains. We should work together on this to make sure that we are giving businesses the help that they need. **In the balance of our time I want to talk about the statutory review that was completed into the Office of the NSW Small Business Commissioner?**

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. DANIEL MOOKHEY: You tabled that in Parliament earlier this year?

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. DANIEL MOOKHEY: Amongst other things, recommendation 1 states:

NSW Treasury will work with the Commissioner to develop a standard definition of small business ...

When will that work be completed?

The Hon. DAMIEN TUDEHOPE: I will pass to the Small Business Commissioner. Let me tell you, I think there ought to be a uniform definition of "small business".

The Hon. DANIEL MOOKHEY: It grates with everybody that there is not, so we agree on that. To be fair, the review says in some contexts it is not a good thing. Either way, in terms of the recommendation, when can we expect that to be completed? To be fair, Minister, it is actually a policy question but, of course, I will hear from the Small Business Commissioner.

Mr LAMONT: Mr Mookhey, we are working with Treasury on that very issue. I cannot give you a date on when that might be completed.

The Hon. DANIEL MOOKHEY: Minister, are you setting a deadline?

The Hon. DAMIEN TUDEHOPE: When you say "setting a deadline" some of this discussion involves discussions with the tax office, for example.

The Hon. DANIEL MOOKHEY: True, but the Statutory Review kicked off over a year ago.

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. DANIEL MOOKHEY: The report came out.

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. DANIEL MOOKHEY: We are a couple of years in.

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. DANIEL MOOKHEY: Perhaps on notice you can provide some further advice as to what your expectations are for this to be met.

The Hon. DAMIEN TUDEHOPE: Okay, I will give some further feedback in relation to that issue.

Ms WILKIE: I can give a little bit more information here as well. As Mr Lamont and the Minister have already indicated, this is a joint exercise between the policy area and Treasury as well as the commission. We have been working up—first is to do the stocktake, all the different definitions that are used and who they are used by. We would then expect a need to go through a process of public consultation, or at least consultation with those other agencies. As the review itself stated, there are different definitions used in different Acts for very good reasons so we need to be mindful of that.

The Hon. DANIEL MOOKHEY: I do welcome that. Ms Wilkie we will certainly get into that and we will see if we can into a bit more detail this afternoon. It was more if the Minister has an expectation. I do appreciate very much the context.

The Hon. DAMIEN TUDEHOPE: I am on board with the work that has been done.

The Hon. DANIEL MOOKHEY: Minister, one aspect of the statutory review is, the consultation paper considered putting in binding arbitration and giving such powers to the Small Business Commissioner. That suggestion was not taken up—

The Hon. DAMIEN TUDEHOPE: I am sorry, what was that?

The Hon. DANIEL MOOKHEY: A more formal system of arbitration as an alternative form of dispute resolution that would save small businesses from having to go to court. Is it now the policy of the Government not to pursue further arbitration reform to the Small Business Commissioner Act?

The Hon. DAMIEN TUDEHOPE: My primary position is that the Small Business Commissioner runs a very effective mediation service in respect of resolving disputes relating to small business. I think in the last figures I saw the success rate of mediation was over 90 per cent. Setting up more tribunals and more systems, in one sense, is adding additional layers of complexity for businesses to go through.

The Hon. JOHN GRAHAM: Although, Minister, you were not totally closed to strengthening these earlier.

The Hon. DAMIEN TUDEHOPE: Yes. Can I make one suggestion to you? Again, this is something that—I think one of the big problems for small business in relation to disputes that they have is access to proper dispute resolution processes, whether that is through small claims courts, local courts or through proper mediation services. The suggestion about arbitration is just something added to the mix. If I was going to identify one specific thing that I think impacts on small business, it is the extent to which they walk away from money that is due and potentially payable to them because it is too costly to recover.

The Hon. DANIEL MOOKHEY: Minister, you and I are on a unity ticket on that. But what—

The Hon. DAMIEN TUDEHOPE: But also it is time they need to spend. We do not have a court system, for example that is small-business sympathetic, in my view.

The Hon. DANIEL MOOKHEY: Yes, I 100 per cent agree with you. That is part of the reason I am asking the question. To be fair, the reason I am asking you specifically about voluntary binding arbitration, at least, is because the Federal small business ombudsman, Kate Carnell, called for it in December last year. She made the point that trying to resolve a dispute through the courts is just not a viable option, with which both you and I would agree. She recommends establishing voluntary binding arbitration. The reason I am asking is because you put this question out to consultation and the suggestion was not picked up in your review and endorsed. As a policy question that only you can answer, are you saying voluntary binding arbitration is now off the table for New South Wales small business under New South Wales law?

The Hon. DAMIEN TUDEHOPE: It is not a policy question that only I can answer. I am sure Treasury would have a—

The Hon. DANIEL MOOKHEY: But you are the Minister.

The Hon. DAMIEN TUDEHOPE: No, but I am sure Treasury would have a view in relation to—

The Hon. DANIEL MOOKHEY: Yes, and I look forward to hearing Treasury's view, but I want to hear the small business Minister's view.

The Hon. DAMIEN TUDEHOPE: Just back up. If I was to articulate a policy position, it is generally driven by circumstances where I obtain advice from all sorts of bodies in respect of a policy position. To ask me to come in here and say—

The Hon. DANIEL MOOKHEY: Minister—

The Hon. DAMIEN TUDEHOPE: I have articulated to you my support for—

The Hon. DANIEL MOOKHEY: When I asked you this at the last estimates you said—

The Hon. BEN FRANKLIN: Hang on, Daniel, let him finish the sentence.

The Hon. DANIEL MOOKHEY: You said at the last estimates that I should wait for the paper: "The paper will come out—

The Hon. DAMIEN TUDEHOPE: And it did.

The Hon. DANIEL MOOKHEY: —"and we will do a consultation. The paper will come out and then we can talk to you about the policy."

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. DANIEL MOOKHEY: I patiently waited for the paper. The paper has come out.

The Hon. JOHN GRAHAM: It is time to ask the question.

The Hon. DANIEL MOOKHEY: Now I am asking you the question.

The Hon. DAMIEN TUDEHOPE: And I am trying to give you an answer.

The Hon. DANIEL MOOKHEY: As small business Minister, are you intending to pursue this change or is it off the table now?

The Hon. DAMIEN TUDEHOPE: I am always open to policy considerations and will accept advice from both the NSW Small Business Commissioner and Treasury in relation to how they can better have a system that supports small business.

The Hon. JOHN GRAHAM: But Minister, you went a lot further when I was asking you those questions about the potential for this. Do you accept that this might be required as a policy lever to pull very, very soon as you watch what happens as these protections come off? This might be required.

The Hon. DAMIEN TUDEHOPE: I think our discussion was on the basis of binding mediation agreements.

The Hon. JOHN GRAHAM: Yes, I agree.

The Hon. DAMIEN TUDEHOPE: You want to take it a step further—sorry, a binding obligation to mediate.

The Hon. JOHN GRAHAM: Yes.

The Hon. DAMIEN TUDEHOPE: The position that I think Mr Mookhey was taking me to was a binding voluntary arbitration system.

The Hon. JOHN GRAHAM: He has put a couple of—

The Hon. DANIEL MOOKHEY: Yes, it is one of—

The Hon. JOHN GRAHAM: He has put a couple of views to you—a couple of questions.

The Hon. DAMIEN TUDEHOPE: Can I tell you that in a sense there is potentially another layer of advice you would need in relation to that? Potentially the Attorney General would need to have some input into going to a voluntary binding—not voluntary; it would be I think—

The Hon. DANIEL MOOKHEY: Binding voluntary is one option.

The Hon. DAMIEN TUDEHOPE: —a binding arbitration system. It is a complex question. I have some sympathy for making it more streamlined for businesses to be able to get resolution of disputes. If in fact, after discussions with Treasury and the Attorney General, that is something we could do I—

The Hon. JOHN GRAHAM: Thank you that answer, Minister. Can I return to that issue we were looking at before, now that the officials have had some time to look at that question about the estimates for fines? We are eight months into the year. The budget projection—this was in the budget figures—was \$651 million. Eight months in, what is the revenue projection for fines for this financial year?

Mr JOHNSTON: Unfortunately, I still have not received that back. People are working on it. It is a forecast that comes through from Treasury as opposed to within Revenue NSW. I will be able to talk to you this afternoon.

The Hon. JOHN GRAHAM: If you provide it this afternoon that would be very welcome. I do want to express some frustration, Minister, because we are often criticised by Government members of the committees for not asking questions about the budget. I would have thought this is a pretty straightforward question about the budget.

The Hon. DAMIEN TUDEHOPE: Was there a figure estimated in the budget for fines?

The Hon. JOHN GRAHAM: Yes. I am asking you about the budget figure—

The Hon. DAMIEN TUDEHOPE: And the extent to which we are ahead or behind of our budget projections.

The Hon. JOHN GRAHAM: Yes. But if we could have the figure this afternoon that would be very welcome.

The Hon. DANIEL MOOKHEY: Minister, you are against slavery, right?

The Hon. DAMIEN TUDEHOPE: Have I stopped beating my mother or my wife?

The Hon. DANIEL MOOKHEY: You are against it, are you not?

The Hon. DAMIEN TUDEHOPE: Of course I am against slavery!

The Hon. DANIEL MOOKHEY: Good. We are on a unity ticket. There are no circumstances in which slavery is acceptable, agreed?

The Hon. TAYLOR MARTIN: Where is this going to go?

The Hon. DAMIEN TUDEHOPE: Mr Mookhey, ask me a proper question.

The Hon. DANIEL MOOKHEY: But we can at least start on that basis, that we are all against slavery.

The Hon. DAMIEN TUDEHOPE: In terms of the manner in which my portfolio is administered, NSW Procurement administers its obligations in relation to supply chains very, very strictly and rigorously.

The Hon. DANIEL MOOKHEY: What obligations are on NSW Procurement to prevent modern slavery in New South Wales government supply chains?

The Hon. DAMIEN TUDEHOPE: I will go to Mr Gardner in a minute. He has sat here very patiently all morning in support of me—

The Hon. DANIEL MOOKHEY: Trust me, Mr Gardner, we will get more than enough time this afternoon. I am sorry, Mr Gardner.

The Hon. DAMIEN TUDEHOPE: The Procurement Board has a Supplier Code of Conduct that it has established in relation to what we describe as the ethical and behavioural standards of suppliers to New South Wales and what they are required to meet. My view is that in relation to our expectations of suppliers—if you do not mind, it is pretty clear. The code states:

We expect our suppliers to provide a fair and ethical workplace free from workplace bullying, harassment, victimisation and abuse.

Our suppliers are expected to make all reasonable efforts to ensure that businesses within their supply chain are not engaged in, or complicit with, human rights abuses, such as forced or child labour.

The Procurement Board has directed agencies to require compliance with the Supplier Code of Conduct through their tendering processes—

The Hon. DANIEL MOOKHEY: Which supplier code of conduct, sorry?

The Hon. DAMIEN TUDEHOPE: I beg your pardon?

The Hon. DANIEL MOOKHEY: Which specific supplier code of conduct?

The Hon. DAMIEN TUDEHOPE: The Procurement Board's Supplier Code of Conduct.

The Hon. DANIEL MOOKHEY: Thank you.

The Hon. DAMIEN TUDEHOPE: —and to report adverse findings against a supplier if they become known. I must say that the board takes its obligations—

The Hon. DANIEL MOOKHEY: How many adverse reports have come to your attention?

Mr GARDNER: We have not received any adverse reports along these lines.

The Hon. DANIEL MOOKHEY: How do you audit?

Mr GARDNER: How do we audit? This is a perennial question around the devolved model of procurement. When you have got a policy in place, each agency has an attestation process and it is the responsibility—

The Hon. DANIEL MOOKHEY: Sure, but what are the Procurement Board's requirements for audit?

The Hon. DAMIEN TUDEHOPE: I think the requirement just articulated by—

The Hon. DANIEL MOOKHEY: No, Mr Gardner was saying it is complicated. What is the requirement?

The Hon. DAMIEN TUDEHOPE: I think it is an attestation by each particular agency in respect of the supplier—

The Hon. DANIEL MOOKHEY: So they attest, but who audits them?

The Hon. DAMIEN TUDEHOPE: To check whether the attestation is correct?

The Hon. DANIEL MOOKHEY: Yes. Are there third-party audits?

Mr GARDNER: They have their own internal audit functions, and obviously there is the Auditor-General and respective elected—

The Hon. DANIEL MOOKHEY: But there is no discrete audit requirement for modern slavery?

Mr GARDNER: Not that flows from Procurement Board direction, no.

The Hon. DANIEL MOOKHEY: Thank you. Minister, under the unproclaimed Modern Slavery Act 2018 there would be, and there would be much more rigorous forms of check. I am not trying to open up that dispute, but are you taking any steps to ensure that at least the agencies are mimicking what their requirements would be under the New South Wales law?

The Hon. DAMIEN TUDEHOPE: My view would be that there is that expectation in the Procurement Board.

The Hon. DANIEL MOOKHEY: That is good. That is very pleasing. You have the ability to register the New South Wales Government under the Commonwealth modern slavery law and voluntarily become a reporting entity. The New South Wales Government is, on some counts, the biggest procurer of goods and services in Australia, particularly if you exclude Defence. Are you going to register the New South Wales Government under the Federal reporting regime?

The Hon. DAMIEN TUDEHOPE: I do not know if that is necessarily under my portfolio jurisdiction.

The Hon. DANIEL MOOKHEY: Minister, procurement.

The Hon. DAMIEN TUDEHOPE: But having said that, I think that probably the Minister who has responsibility for that would be Minister Harwin?

Mr GARDNER: Mr Harwin.

The Hon. DAMIEN TUDEHOPE: I am sure I have every confidence that Mr Harwin would take that, take up—I accept that that is something that potentially we should take responsibility for, but I have not turned my mind to it and it is not part of my portfolio responsibility.

The Hon. JOHN GRAHAM: Minister, I might ask you this question. I want to give you some assurance I have put this question to some of the other Ministers who have responsibility in this area.

The Hon. DAMIEN TUDEHOPE: Sure.

The Hon. JOHN GRAHAM: One of my questions is: Under the WestConnex project what is the total amount that will be collected under that contract in tolls over the life of the contract? Can you shed any light on that question?

The Hon. DAMIEN TUDEHOPE: No, I cannot, and thank you for giving me the heads-up that you have asked other Ministers in relation to it.

The Hon. JOHN GRAHAM: Yes, indeed.

The Hon. DAMIEN TUDEHOPE: I think that acknowledges the fact that they have responsibility for that. Do we have any responsibility?

Mr GARDNER: The transport Minister. The concession is entered into by the transport Minister.

The Hon. JOHN GRAHAM: Actually, they do have some responsibilities with regard to—

The Hon. DAMIEN TUDEHOPE: Treasury would probably be aware of how much has been collected.

The Hon. JOHN GRAHAM: Yes, or perhaps any officials who can shed any light on the question.

Mr GARDNER: So, the way that it comes back to the Government now is because the concession is actually run and operated by the Sydney Transport Partners [STP] consortium and they get the rights to the tolling revenue. We get a right to a distribution whether it is return of capital or distributions based on our 49 per cent, so we do not have specific forecasts of those toll revenues.

The Hon. JOHN GRAHAM: Well, you must know. We own 49 per cent of this, as you have stated.

Mr GARDNER: That is right.

The Hon. JOHN GRAHAM: We must know how much tolling revenue is coming in. We do know that. Are you suggesting that we do not know?

Mr GARDNER: That will be somewhere in information we have either through the shareholding function there, but I do not have it with me.

The Hon. JOHN GRAHAM: But you would agree—but it is known to Government. I hope you can give me some assurance of that—that we know how much tolling revenue is coming into a contract we own half of.

Mr GARDNER: Well, that would be a question for the transport Minister. The concession which determines that will be a concession that is entered into by his department.

The Hon. JOHN GRAHAM: Yes, but Treasury would certainly be aware of that.

Mr GARDNER: Not necessarily, no, because the concession is between the department of transport, the Minister and the STP.

The Hon. JOHN GRAHAM: I have asked this question in Transport estimates so that is why I am raising it here with you. Would you perhaps be prepared to take on notice that figure from a Treasury point of view and give the total figure? Feel free to come back with some qualifications if you persist in your view about Treasury's oversight.

Mr GARDNER: Yeah, well, I will take that on notice.

The Hon. DAMIEN TUDEHOPE: You raise it in this forum but it is probably—it is probably a Transport-related forum. But at any rate, I am sure the Treasury officials are here.

The Hon. JOHN GRAHAM: Yes, but Minister, it does raise the question about this Government will sell the second half of this. You would agree that is a fundamental question, is it not, if we are going to work out whether we are getting for that deal.

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. JOHN GRAHAM: We sell it for this much knowing how much out of the contract commuters are paying in tolls over the life of what is a very long contract. It is fundamental to the public knowing whether it is a good deal.

Mr GARDNER: So I can assure you that we have organisations, we have the external parties undertaking modelling of the traffic forecasts as part of the transaction process, and so—it is just a forecast. There are a lot of uncertainties around future revenue, but there will not be an official Treasury forecast of those toll revenues.

The Hon. JOHN GRAHAM: Well, there was an official Treasury forecast of those revenues, and that was produced in order to allow that—that there was a Treasury model.

Mr GARDNER: So, there is not a Treasury model. So, there are independent or separate organisations who undertake—

The Hon. DANIEL MOOKHEY: I think Boston Consulting.

Mr GARDNER: —traffic forecasting and who provide that into the data room for the participants in the transaction, so there is no official Treasury set of forecasts.

The Hon. JOHN GRAHAM: But there is a forecast provided for the bidders into the data room.

Mr GARDNER: Yes, that is correct.

The Hon. JOHN GRAHAM: And would you provide that forecast on notice?

Mr GARDNER: We are unable to because that is obviously commercially part of the sensitivity around how we evaluate the value of the concession, but that is different from what the potential bidders are prepared to provide, and so we cannot provide that information.

The Hon. JOHN GRAHAM: That might be true of the next data room. It is not true of the old one. Will you provide on notice the estimate from the old data room? That is not commercially sensitive. The deal is done.

Mr GARDNER: Well, it is still the same asset, though, and so it is still very, very confidential. It is part of the—

The Hon. JOHN GRAHAM: Well, the market has valued it. It is no longer commercial-in-confidence. It is now—

The Hon. DAMIEN TUDEHOPE: Anyway, just in terms of —

Mr GARDNER: I will take it on notice but I will assert it continues to be commercial-in-confidence. We are only two years after. It is a four-year concession. We are only two years down the track since we did that first one. The degree of confidentiality around that is still very high.

The Hon. DANIEL MOOKHEY: Just on that, though, Minister, I think we established previously that we are probably subject to the State Owned Corporations commercial policy framework, have we not?

Mr GARDNER: We have gone through this set of questionings with Mr Dawson. This is not actually in the Minister's portfolio.

The Hon. DANIEL MOOKHEY: Right. Sorry. But you administer the State Owned Corporations framework, do you not?

Mr GARDNER: He is the Minister for the shareholder.

The Hon. DAMIEN TUDEHOPE: I am a shareholding Minister.

Mr GARDNER: But not of Roads Retained Interests Pty Limited [RRIPL].

The Hon. DANIEL MOOKHEY: Not of RRIPL. That is what we established. That is the distinction. Okay. Fair enough. But in terms of your other shareholding entities, have you received any notification under the continuous disclosure regime?

The Hon. DAMIEN TUDEHOPE: Have I received any notices?

The Hon. DANIEL MOOKHEY: Yes.

The Hon. DAMIEN TUDEHOPE: There was a notice given in relation to—Essential Energy, was it?

Mr GARDNER: I do not recall anything specific to you under the continuous disclosure regime, no.

The Hon. DANIEL MOOKHEY: What notifications have you received under any regime?

The Hon. DAMIEN TUDEHOPE: I get statements of intent, corporate intent, regularly.

The Hon. DANIEL MOOKHEY: Have all the organisations complied? They are meant to have that done by 31 December?

The Hon. DAMIEN TUDEHOPE: Yep.

Mr GARDNER: I can confirm they have all complied, yes.

The Hon. DAMIEN TUDEHOPE: All complied.

The Hon. DANIEL MOOKHEY: Have they all been tabled in Parliament? Are they not required to table a statement of business intent in Parliament?

Mr GARDNER: They have all been tabled, as required, yes.

The Hon. DANIEL MOOKHEY: Thank you. Okay. Specifically, Minister, the last time you promised me you would talk to the WaterNSW board about the Broken Hill to Wentworth pipeline. Have you done that?

The Hon. DAMIEN TUDEHOPE: What I have established in relation to that, of course, is—

The Hon. DANIEL MOOKHEY: You promised me twice that you would.

The Hon. DAMIEN TUDEHOPE: No, no. It is a fair question. I anticipated that you would revisit for a third time.

The Hon. DANIEL MOOKHEY: Yes, because I am eager to know. The five-year exemption is coming off.

The Hon. DAMIEN TUDEHOPE: No, no, but what I—

The Hon. BEN FRANKLIN: Let him answer.

The Hon. DAMIEN TUDEHOPE: What I have established is this: We, as the Government, are committed to provide the full cost of that pipeline. So, although it was funded by WaterNSW, it is not going to be recovered from the ratepayers of Broken Hill because we will repay that debt to Water. As a Government we will repay that debt to WaterNSW.

The Hon. DANIEL MOOKHEY: I am glad to hear, Minister, because that exemption was coming off next year, I think.

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. DANIEL MOOKHEY: The five years expiration was due—

The Hon. DAMIEN TUDEHOPE: But the Government is committed to continuing to pay that.

The Hon. DANIEL MOOKHEY: Great. So, can you confirm now that that payment would have taken place before the Independent Pricing and Regulatory Tribunal has to make any determination around water charges?

The Hon. DAMIEN TUDEHOPE: Well, the determination of water charges will not take into account any obligation to pay. The Government will pay that debt.

The Hon. DANIEL MOOKHEY: Okay. That is helpful. Is that coming from Essential Water, or is that coming from other forms of Government coffers?

The Hon. DAMIEN TUDEHOPE: It will come from the Government coffers.

The Hon. DANIEL MOOKHEY: Great. So it is not coming out the other State Owned Corporation here?

The Hon. DAMIEN TUDEHOPE: No.

The Hon. DANIEL MOOKHEY: So it is not Essential Water transferring the money to WaterNSW.

The Hon. DAMIEN TUDEHOPE: Correct.

The Hon. DANIEL MOOKHEY: It is coming from—and when do you think this will be done? Is it coming from Restart NSW?

The Hon. DAMIEN TUDEHOPE: I think the arrangement is that there is a determination each year of the amount which is repaid and it is paid out of Restart NSW. So, it is coming out of that fund but there is a determination each year about the amount which will be repaid to repay that debt to WaterNSW.

The Hon. DANIEL MOOKHEY: Now, the other promise you made me was that the Commissioner for Small Business would visit every business affected by the Parramatta Light Rail. Have we done that?

The Hon. DAMIEN TUDEHOPE: Well, I know he was out there, in fact, this week talking to them because there—

The Hon. DANIEL MOOKHEY: There is a lot of them and they are going through a lot. I know them very well. I am glad if we have got progress. Could you give a progress update?

The Hon. DAMIEN TUDEHOPE: I am sure the commissioner will be happy to give you that update because I know he is very active. His office is at Parramatta so—

The Hon. DANIEL MOOKHEY: I am a Parramatta boy. You are safe. We love our town.

The Hon. DAMIEN TUDEHOPE: Perhaps I will give the commissioner an opportunity.

Mr JOHNSTON: I do not believe I have met every business, Mr Mookhey.

The Hon. DANIEL MOOKHEY: Ah! The Minister promised you would.

Mr JOHNSTON: But I have been out there this week and done street walks on three separate occasions on three separate days. We have a business reference group that meets regularly. We deal with the Parramatta Chamber of Commerce on a regular basis.

The Hon. DANIEL MOOKHEY: This is for stage one?

Mr JOHNSTON: Sorry?

The Hon. DANIEL MOOKHEY: Stage one of the light rail?

Mr JOHNSTON: This is for the project in total, so Church Street, East Street and the connection all the way through to Carlingford, so we have regular discussions.

The Hon. DANIEL MOOKHEY: What about the potential? Are we taking any steps to prepare for stage two?

Mr JOHNSTON: Sorry, in terms of?

The Hon. DANIEL MOOKHEY: The Parramatta Light Rail stage two part of the project. Are we taking any preparatory steps in case the Government decides to build it and keep their promise?

Mr JOHNSTON: Sorry, no. The focus to date has been on monitoring and trying to mitigate the impacts of disruption from the construction of Parramatta Light Rail that is ongoing at the moment.

The Hon. DANIEL MOOKHEY: Thank you, Commissioner. I appreciate that. Minister, there was one question I forgot to ask you about concerning modern slavery so I will go back to that very quickly. You met with the Archbishop of the Catholic Archdiocese of Sydney on 2 November 2020, did you not? Well, your diary says you did.

The Hon. DAMIEN TUDEHOPE: Yes, okay. Well, if that is the date, that is the date.

The Hon. DANIEL MOOKHEY: Your diary says, "Accompanied by Premier Berejiklian and Minister Pavey."

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. DANIEL MOOKHEY: And it says that among other things he spoke about the modern slavery bill. Do you recall?

The Hon. DAMIEN TUDEHOPE: I recall that being on the agenda—the Archbishop's agenda.

The Hon. DANIEL MOOKHEY: Did the Archbishop tell you to proclaim the Act?

The Hon. DAMIEN TUDEHOPE: The Archbishop has publicly been very supportive of proclaiming the Act.

The Hon. DANIEL MOOKHEY: So after you heard that, what did you do? Have you done anything in that respect?

The Hon. DAMIEN TUDEHOPE: You are aware of the Government's response to the upper House committee report and—

The Hon. DANIEL MOOKHEY: True. But this came after that response. I am asking you, therefore, after, what have you done?

The Hon. DAMIEN TUDEHOPE: We are currently liaising with the Federal Government to seek to harmonise the New South Wales Act with the Federal Act.

The Hon. DANIEL MOOKHEY: Did you tell that to the Archbishop?

The Hon. DAMIEN TUDEHOPE: I do not know if that was a specific of the conversation.

The Hon. DANIEL MOOKHEY: Did the Archbishop accept that position?

The Hon. DAMIEN TUDEHOPE: I do not want to put words into—and I do not know what the Archbishop's current position is. But I know the Archbishop is a big advocate of the New South Wales position—

The Hon. DANIEL MOOKHEY: The Act. The New South Wales Act.

The Hon. DAMIEN TUDEHOPE: —in relation to the Modern Slavery Act.

The Hon. DANIEL MOOKHEY: I think I have only got 30 seconds left.

The CHAIR: Yes.

The Hon. DANIEL MOOKHEY: So I will just end with a really simple question.

The Hon. DAMIEN TUDEHOPE: Good.

The Hon. DANIEL MOOKHEY: Minister, are you absolutely confident that Revenue NSW has taken all steps to collect moneys that are owed to the New South Wales taxpayer from gig companies—that is, companies in the gig economy? Are you completely confident that Revenue NSW has exercised all of its powers to recover that money?

The Hon. DAMIEN TUDEHOPE: You have used 15 seconds in asking the question so in the 15 seconds available to me—

The Hon. DANIEL MOOKHEY: I am sure you can take longer.

The Hon. DAMIEN TUDEHOPE: —I have absolutely every confidence in relation to the manner in which Revenue NSW carry out their responsibilities in respect of collecting all moneys due to the people of New South Wales in relation to payroll tax. If, Madam Chair, you will give me some extra time, I think it is worthwhile—can I just have that figure relating to the amount of payroll tax which has been collected as a result of investigations?

The Hon. DANIEL MOOKHEY: It was \$139 million last year so I am looking forward to this year.

The Hon. DAMIEN TUDEHOPE: In 2019-20 there were 140 full-time compliance staff working for Revenue NSW. They pursued 4,215 payroll tax compliance investigations; 79 per cent of these investigations resulted in additional revenue from 1,386 payroll tax investigations. Revenue NSW monitors the media daily to identify any reported incidences of workers being underpaid. Where the business is a payroll tax customer, Revenue NSW contacts them already to determine the extent of the underpayment. Where a significant underpayment has been reported across several years, Revenue NSW investigates to ascertain the amount of unpaid liability. So—

The Hon. DANIEL MOOKHEY: Complete confidence.

The Hon. DAMIEN TUDEHOPE: —I could speak more in relation to this. I thank you for not asking me to breach my obligations under the Taxation Administration Act. However, I think you can be satisfied—and I am sure you will not do it this afternoon either. What I will say to you: I, as the Minister, have every confidence that Revenue NSW is complying with investigating and recovering as best as is possible all moneys which are due to the people of New South Wales.

The CHAIR: Thank you, Minister. Thank you, everybody. We are finished for this session with the Minister. Everyone else, we will be back at 2.00 p.m.

(The Minister withdrew.)

(Luncheon adjournment)

The Hon. DANIEL MOOKHEY: Thank you, officials, for your attendance. Ms Wilkie or Mr Johnston, how do you wish me to direct at first instance? Ms Wilkie, last time I directed through you first. Is that the appropriate protocol?

Ms WILKIE: That is fine to go through me. Yes.

The Hon. DANIEL MOOKHEY: I am eager to make sure that officials are not unduly detained beyond necessity, so I am in your hands. Perhaps the way we can give people back their Friday afternoon is I can do the questioning first with Mr Gardner to allow Mr Gardner to depart. I feel perhaps, Ms Wilkie, you might be in a position—because I will have to do a lot and you probably have to stay anyway.

Ms WILKIE: I am here to cover all of Treasury, so I will need to stay for as long as you have questions.

The Hon. DANIEL MOOKHEY: I am just trying to be as helpful as possible.

Ms WILKIE: That is fine.

The Hon. DANIEL MOOKHEY: Then probably I will do the Small Business Commissioner, if that is possible. I am really sorry, Chief Commissioner and Commissioner, but you might have to be the last agency because we tend to go with Revenue NSW. Don't take it personally.

Mr JOHNSTON: No, not taking it personally.

The Hon. DANIEL MOOKHEY: We will kick off with you, Mr Gardner. Do you have the Parliamentary Budget Office election policy costing for reducing procurement spending, saving taxpayer dollars?

Mr GARDNER: I do not have the specific numbers.

The Hon. DANIEL MOOKHEY: Do you have the actual costing, though—the document?

Mr GARDNER: I do not, no—not with me.

The Hon. DANIEL MOOKHEY: I have one; we tabled it this morning. I wonder if there is a version that can be made available to Mr Gardner. I apologise; I thought we tabled it this morning. I think we will quickly photocopy it. Perhaps, while we are waiting, is there any further information you have about any of these matters from this morning?

Mr GARDNER: Just on the procurement savings program, there are two elements to it. There is what can be done in a procurement context, which is price aspects of procurement savings; and then there is the demand aspect of it—so actually agencies having to spend less on those categories of expenditure. The responsibilities of NSW Procurement very much reside in the first question of that and then, really, you have got to break it down to which agencies are responsible for which components of it. So there are actually very narrow components of those expenditure profiles that NSW Procurement actually has a dollar number or something like that against the PBO costings. There are elements of it which just go to agencies having to spend less, which is not something that I have control or oversight of.

The Hon. DANIEL MOOKHEY: We established this new financial information management system a few years ago, did we not?

Mr GARDNER: Prime, yes.

The Hon. DANIEL MOOKHEY: Is that not meant to give you real-time exposure to agency expenditure?

Mr GARDNER: Yes, but not to me particularly. Obviously I am trying to run the NSW Procurement element of it. That sits in Mr Midha's area and under the Treasurer. All the budget accounting and financial management aspects of it sit within Mr Midha's portfolio.

The Hon. DANIEL MOOKHEY: Am I right in inferring that the right division of responsibility, at least in respect to procurement policy, is that you set the policy but to the extent to which Treasury is aware of agency adherence to the policies and budgets, it is through that other function?

Mr GARDNER: Through that other function. Certain elements of it sit within NSW Procurement. We are the central agency that does fleet and accommodation, for example. So to the extent that any savings are put into those categories under those budget costings, then we have responsibility for working through those.

The Hon. DANIEL MOOKHEY: It is entirely possible, Mr Gardner and/or Ms Wilkie, that you will not be in a position to—but I am going to direct the questions anyway, because I think this is still the appropriate place to do it. The Minister mentioned that he is responsible for procurement, he is responsible for consulting and he is responsible for contingent labour and all that.

Mr GARDNER: That is correct. Yes.

The Hon. DANIEL MOOKHEY: I want to put these here; you might need to take them on notice. Can we work through each of the savings targets that were listed in this costing and our adherence to it, if that is possible?

Mr GARDNER: Yes, sure.

The Hon. DANIEL MOOKHEY: The first dot point is "Consultant expenses by"—I am on page 1.

Mr GARDNER: Yes, I have that.

The Hon. DANIEL MOOKHEY: "Consultant expenses by 20 per cent each year from 2019 to 2020, excluding capital-related consultancy expenses". Firstly, I presume capital-related consultancy expenses are to do with the construction of buildings, infrastructure and other such projects—the ordinary definition of "capital".

Mr GARDNER: Ordinarily, yes.

The Hon. DANIEL MOOKHEY: We can work on the ordinary definition of "capital"? There is no special definition of "capital" there?

Mr GARDNER: No.

The Hon. DANIEL MOOKHEY: Great. Do you have any information about whether we have saved the 20 per cent each year from 2019 to 2020?

Mr GARDNER: If you look at the annual accounts of all the agencies, they have an expenditure number against consultancy spend. That number between 2018-19 and 2019-20 fell from \$151 million to \$121 million.

The Hon. DANIEL MOOKHEY: Can we go through those years? It was 2018-19 to when?

Mr GARDNER: Till 2019-20.

The Hon. DANIEL MOOKHEY: So that is the first year.

Mr GARDNER: That is all I have.

The Hon. DANIEL MOOKHEY: That is all you have?

Mr GARDNER: Obviously that is the period that we are looking at.

The Hon. DANIEL MOOKHEY: But the auditing reports have to be produced from calendar years, do they not?

Mr GARDNER: Financial years, for the agencies.

The Hon. DANIEL MOOKHEY: You have 2018-19. Do you have 2019-20?

Mr GARDNER: It is \$121 million.

The Hon. DANIEL MOOKHEY: It has dropped to \$121 million—what was it?

Mr GARDNER: It was \$151 million the prior year.

The Hon. DANIEL MOOKHEY: Thank you. Do we have the same number on—do you see the "public service senior executive expenses by 10 per cent each year"? Do we have whether or not that saving target has been reached?

Mr GARDNER: That is not in my part of the portfolio. Ms Wilkie may have any information on that.

Ms WILKIE: On which one?

Mr GARDNER: The second leg of the budget savings: the public service senior executive expenses by 10 per cent.

Ms WILKIE: No.

Mr GARDNER: Again, that more broadly sits in the core Treasury—

The Hon. DANIEL MOOKHEY: Is it possible that you could take it on notice?

Ms WILKIE: Yes, we can.

The Hon. DANIEL MOOKHEY: Thank you. Before we leave the senior executives, if you could turn to page 2. This is where there is the explanatory detail as to how the commitment was meant to be maintained. Do you see that?

Mr GARDNER: I can see the paragraphs and the table, yes.

The Hon. DANIEL MOOKHEY: It says that the PBO estimates that reducing senior executive expenses by 10 per cent will generate savings of \$158 million and \$224 million by 2022-23. The estimate is based on natural attrition of 203 senior executives over two years and the average cost around three [audio malfunction] each. Is that still the base parameters that you would be operating off?

Ms WILKIE: What is being described here is the methodology by which the PBO has estimated this costing for them doing this costing for the program. I do not think it would be appropriate to characterise the description here as the way this policy was intended to be implemented. This is a methodology for costing; it is not an implementation plan.

The Hon. DANIEL MOOKHEY: I accept the distinction, Ms Wilkie, but on the last page of the document, it says that this is all based on Treasury advice. It says:

Based on Treasury advice, the PBO considers agencies may have already implemented some of the opportunities identified ...

Under the PBO process, they do come to you.

Ms WILKIE: This is Mr Midha's area in the department.

The Hon. DANIEL MOOKHEY: Sure.

Ms WILKIE: At the time this process was going on, I had been in the department for only a matter of weeks and I am not all that familiar with the New South Wales PBO arrangements relative to the Commonwealth. My understanding of the process was that the PBO would request information on inputs from Treasury and the PBO made their determination of how to undertake these costings on their own terms, even though Treasury may have provided information on what might be the most appropriate way to calculate a particular number or another.

The Hon. DANIEL MOOKHEY: That is 100 per cent correct, Ms Wilkie. That is my understanding as well, but that is a partial description of the process. The other aspect of it is, according to the Act and according to their report, they check the assumptions as well with the department. It lists this cluster as Treasury, so it is Treasury's assumptions that the PBO has used. If you see at the top of page one, it says "Cluster: Treasury". That requires them to use your assumptions—to be fair to the PBO—unless there is a reasonable basis upon which to disagree with the assumptions that are there. That is the first point. Again, I accept that we might need to take some of this on notice, but this was repeated in the 2019 budget. The exact same policy was repeated in the same budget. We can track it according to this costing or we can track it according to the 2019-20 budget. I am in your hands as to which you would prefer to do. Maybe we need to take it on notice.

Ms WILKIE: I will need to take it on notice. Treasury is listed there as the cluster but only to the extent that this is relating to whole-of-government expenses.

The Hon. DANIEL MOOKHEY: Yes, that is fair. Maybe on notice is it possible that we can get Treasury's estimation as to the savings that have been met by the senior executives, as best you can according to this costing? Is that fair?

Ms WILKIE: Yes.

The Hon. DANIEL MOOKHEY: Thank you very much. If we go back to page 1—by the way, before we go on from that so we have a baseline on this, you will see that the costing says it deliberately excludes "health, police, teaching, transport and crown services executives in Sydney Trains and NSW Trains". Can we find out the number of SES executives who would be excluded under that definition?

Ms WILKIE: Yes.

The Hon. DANIEL MOOKHEY: And any related costs that also would be excluded. Is that fair?

Ms WILKIE: Yes, we can take that on notice.

The Hon. DANIEL MOOKHEY: Thank you very much. If you go down, you see advertising expenses by \$30 million. Do we have any figures on that?

Mr GARDNER: No. That program is a recommended whole-of-government scheme that is managed by DCS, the Department of Customer Service, in advertising.

The Hon. DANIEL MOOKHEY: On notice, is it possible to get what Treasury currently understands?

Mr GARDNER: We will take that on notice, yes.

The Hon. DANIEL MOOKHEY: Again, if we can find out what was achieved in the 2019-20 year, that would be useful because you cannot report the 2020-21 year. So that would be only one year of reporting required. I presume the travel expenses were easily met.

Mr GARDNER: Travel expenses were easily met. But you have to also remember that it was only after about four months of the financial year that COVID really started to dig.

The Hon. DANIEL MOOKHEY: Yes, that is true.

Mr GARDNER: Travel expenses were down in totality about \$30 million off a base of \$170 million the prior year, so the numbers will have been hit.

The Hon. DANIEL MOOKHEY: But the full impact is yet to be felt.

Mr GARDNER: That is correct, yes.

The Hon. DANIEL MOOKHEY: Is that the right way to characterise it?

Mr GARDNER: That is right, yes.

The Hon. DANIEL MOOKHEY: I think I may have inadvertently skipped legal expenses.

Mr GARDNER: Yes, and I do not have visibility similarly on the legal expenses at a whole-of-government level either.

The Hon. DANIEL MOOKHEY: On notice, is it possible we can see what Treasury's best estimate is tracked against the savings target?

Mr GARDNER: Yes, we will take that on notice.

The Hon. DANIEL MOOKHEY: It also says, "various ICT, and other procurement savings", which—to be fair—if you look at the detail that is contained on page 3, is quite itemised. Are you on page 3?

Mr GARDNER: I am, yes.

The Hon. DANIEL MOOKHEY: It says:

Treasury reviewed \$410 million in potential savings in the following areas, between 2019-20 and 2022-23, including:

- information and communications technology (ICT) (\$227.7 million) ...

I presume it is over the forwards and not in any one particular year. How are we going on that?

Mr GARDNER: We will have to take that on notice. Again, that will come from the core Treasury team.

The Hon. DANIEL MOOKHEY: Do we have "residual procurement initiatives for waste management, utilities, office furniture, printing, medical expenses, salary packaging and removalists"?

Mr GARDNER: No, we do not have those broken down.

The Hon. DANIEL MOOKHEY: How would we go about finding out whether or not that has been met?

Mr GARDNER: We will have to take that on notice, Mr Mookhey, just to see what granularity we can provide to you on those. That is a very disparate sort of—on utilities, for example, we are going to deliver quite significant savings because the wholesale electricity price is down. So that number is actually really high. Electricity over the forward estimates will probably make a very significant component of that just in and of itself.

The Hon. DANIEL MOOKHEY: I presume office furniture as well because the intensity of office use may have dropped.

Mr GARDNER: Yes. There is a whole-of-government office furniture contract that is coming up for expiry later this year, so there may well be something that comes from that. We have recently done the whole-of-government waste services contract, so there are definitely savings baked into that.

The Hon. DANIEL MOOKHEY: Now that you mention that, when is the whole-of-government removalist contract coming up?

Mr GARDNER: Removalists—that is a good question. That is one that is categorised against New South Wales police and the data on buy.nsw says that expired late last year, so I would have to take it on notice as to the status of that contract.

The Hon. DANIEL MOOKHEY: I am sorry if it is particularly obscure. In a previous life I had a lot of exposure to the removalist industry. It is a major contract that determines a huge amount of industry settings and standards in that industry, along with the Federal Government—both of which, the Federal and State Government, are the biggest users of removalist services in Australia. So I have got an interest in it.

Mr GARDNER: I would be very interested myself in the status of that, so I will take that on notice for you.

The Hon. DANIEL MOOKHEY: Defence removal is 30 per cent of the revenue into that industry. How is that for obscure? I look forward to your information. Can I also get on notice a list of all the whole-of-government contracts that are expiring in the next 12 months?

Mr GARDNER: You can. It is actually all on buy.nsw.

The Hon. DANIEL MOOKHEY: Yes, okay.

Mr GARDNER: It lists all the contracts and when they are up for expiry.

The Hon. DANIEL MOOKHEY: Can I still have it on notice?

Mr GARDNER: To simplify it for you, we will provide it to you on notice.

The Hon. DANIEL MOOKHEY: I appreciate that very much. I want to talk to you about salary packaging. Where are we on salary packaging?

Mr GARDNER: Salary packaging was previously an arrangement that was undertaken in the Department of Education on behalf of a range of agencies. There are certain agencies similarly that have their own arrangements that were operating outside of the Department of Education.

The Hon. DANIEL MOOKHEY: I am interested in whether or not NSW Procurement and the Procurement Board has exposure to the NSW Health salary packaging arrangements.

Mr GARDNER: No. Every agency now has their own arrangements. They can piggyback off other agencies if they want by virtue of—but NSW Procurement does not.

The Hon. DANIEL MOOKHEY: Does Treasury have any line of sight over that?

Mr GARDNER: Not that I am of. We can take that on notice.

The Hon. DANIEL MOOKHEY: There is a specific issue to do with the Health salary packaging, and I am interested to see who is responsible for policy in this respect. It could be the public service Minister, it could be the health Minister, it could be the finance Minister, but it is to do with the revenue splitting of the Federal tax concessions to do with salary packaging.

Mr GARDNER: Right.

The Hon. DANIEL MOOKHEY: The arrangement that prevails in NSW Health is that for every dollar saved through tax—through salary packaging—50 per cent accrues to NSW Health and 50 per cent accrues to the person who has claimed the salary package, which is an unusual arrangement to say the least. To the best of my knowledge, it is the only such arrangement that applies in Australia, but I could be wrong on that. I understand that it is worth circa \$136 million to NSW Health, so I want to know whether or not they actually have to come to procurement New South Wales or, for that matter, any other part of the Treasury to seek permission, guidance or whatever around what policies they have to follow, especially given that this is to do with interstate agreements to do with health and, incidentally, GST exemptions. I accept, of course, now you are not going to know all that, but is it possible on notice that we can get any information that Treasury has, independent of Health, of these arrangements to do with salary packaging?

Mr GARDNER: We will do that. It is highly likely we do not have any information, but we will take it on notice for you.

The Hon. DANIEL MOOKHEY: Fleet expenses—let's talk about that.

Mr GARDNER: Yes, we can. So fleet expenses have not fallen between 2018-19 and 2019-20. In totality, they have gone up from \$228 million to \$233 million.

The Hon. DANIEL MOOKHEY: Why is that?

Mr GARDNER: The fleet has remained relatively stable. Beyond that, it is a fairly stable large fleet of vehicles, and the size of the fleet and the amount of new vehicles that have been put on lease have probably been relatively consistent. It is definitely one area where I would expect the savings to come from demand management. So that would be something that individual agencies would need to review their individual fleets. We have just recently mandated telematics across the entire fleet, and we would expect savings will come through that particular item. So we would most likely have savings too, but that will be savings in terms of insurance costs, because TMF and icare covers insurance. So premiums will fall, accident rates tend to fall, utilisation tends to improve; therefore, we are buying fewer vehicles. I do expect that there will be savings come through that fleet line over the next three years as that program is implemented.

The Hon. DANIEL MOOKHEY: You set the parameters. Sorry, let's separate this out from the operational costs of the fleet versus the capital cost, which is the vehicles, presumably. You set that policy, do you not?

Mr GARDNER: That is right. NSW Procurement runs the approved vehicle list.

The Hon. DANIEL MOOKHEY: How many electric vehicles are you procuring?

Mr GARDNER: As of right now, or as of 19 January, we had 35 battery electric vehicles in the fleet.

The Hon. DANIEL MOOKHEY: How big is the fleet?

Mr GARDNER: The fleet is 21,325.

The Hon. DANIEL MOOKHEY: When you say battery, you presumably—

Mr GARDNER: That is pure battery.

The Hon. DANIEL MOOKHEY: Pure battery?

Mr GARDNER: Pure battery, yes. We have 2,824 hybrids and we have 25 plug-in hybrid vehicles.

The Hon. DANIEL MOOKHEY: Do you have targets?

Mr GARDNER: We have targets of 30 per cent of the new vehicles to be in that broad category of hybrids and battery electric vehicles, of which a third of those should be pure battery.

The Hon. DANIEL MOOKHEY: How much was that? Did you say thirty?

Mr GARDNER: Let me just pull that up again. I will grab the numbers. New South Wales Government has committed to ensuring 30 per cent of its new passenger fleet cars will be hybrid or electric, with at least 10 per cent to be fully electric by 2023.

The Hon. DANIEL MOOKHEY: Okay. How many are we buying each year?

Mr GARDNER: We do not buy, we lease a significant component of it—approximately 900 new passenger vehicles. This is not X heavy purpose, this is just purely passenger vehicles.

The Hon. DANIEL MOOKHEY: This is C-class or something, is it not? No, they are motorcycles. I understand. Roughly, we are meant to be buying 30 per cent, a bit less than 300?

Mr GARDNER: That is correct, yes.

The Hon. DANIEL MOOKHEY: Okay. How many did we buy last year?

Mr GARDNER: Sorry, I misled you on that. There are about 3,000 new vehicles a year. That gets you to 30 per cent. The 900 should be broadly in that hybrid, and then 10 per cent, a third of that being pure battery electric vehicles by 2023. I do not have specific numbers for last year in terms of the number of vehicles, but—

The Hon. DANIEL MOOKHEY: Can you take it on notice?

Mr GARDNER: I will take it on notice, but it is close to 3,000.

The Hon. DANIEL MOOKHEY: Is the fleet doing more kilometres?

Mr GARDNER: Very good question. I do not know. I was about to say you could back it out of the fuel expenses, but you cannot because fuel costs are quite volatile and the efficiency of the cars is going up all the time.

The Hon. DANIEL MOOKHEY: Negative oil. I was very excited. We all were.

Mr GARDNER: I will take it on notice if we have any information for you on mileage—kilometrage.

The Hon. DANIEL MOOKHEY: Fair enough. I am going to stop asking you about the fleet now, because as a former person who was exposed to the transport industry, we could go a while on this. Mr Gardner, I will spare you more trauma on the fleet.

The Hon. BEN FRANKLIN: Hear, hear!

The Hon. DANIEL MOOKHEY: The National Party people should care about this.

The Hon. BEN FRANKLIN: I do care about this. I am passionate about electric vehicles, Daniel.

The Hon. DANIEL MOOKHEY: I know. Supply and demand management, what does that actually mean?

Mr GARDNER: Demand management is obviously people who are making buying decisions, choosing how much they buy. Supply management is, obviously, something that is outside of the other side of that equation.

The Hon. DANIEL MOOKHEY: Is that the official definition, Mr Gardner?

Mr GARDNER: We obviously seek to implement and encourage demand management.

The Hon. DANIEL MOOKHEY: Yes. We are meant to be saving \$20 million through this, so how are we doing it?

Mr GARDNER: Through fleet, I expect we will because, as I said, the telematics numbers—

The Hon. DANIEL MOOKHEY: Not the fleet. This is a separate item.

Mr GARDNER: Supply and demand management. I can only opine on what that actually means, but I think that will principally mean buying less of something.

The Hon. DANIEL MOOKHEY: Can we find out what we are buying less of?

Mr GARDNER: We can take that on notice.

The Hon. DANIEL MOOKHEY: Can we find out how much less of what it is that we were meant to be buying less of that we actually bought less of?

Mr GARDNER: Sure.

The Hon. DANIEL MOOKHEY: It is \$20 million. It is not a small amount of money. We were meant to be saving it, so I would like to know.

Mr GARDNER: There will be a broad range of things where we are buying less than we previously have done, particularly in the COVID environment.

The Hon. DANIEL MOOKHEY: Can we have on notice your best guess as to what that means and perhaps what we are tracking.

Mr GARDNER: We will put our best guess on what we are tracking there are, yes.

The Hon. DANIEL MOOKHEY: That would be helpful. Individual contract reviews, does that fall in the same category?

Mr GARDNER: We should be able to provide you with some examples of individual contract reviews that led to savings.

The Hon. DANIEL MOOKHEY: Internal learning and development, same thing?

Mr GARDNER: I do not have any visibility on that particular one.

The Hon. DANIEL MOOKHEY: On notice, can we get as much information as you can provide about individual contract reviews and internal learning and development?

Mr GARDNER: Yes.

The Hon. DANIEL MOOKHEY: Okay. We can put aside that costing now, Mr Gardner. I think that is helpful. Do you cover faster payments policy or is that Ms Wilkie?

Mr GARDNER: It is a bit of both, between ourselves and the Small Business Commission.

The Hon. DANIEL MOOKHEY: Okay. Maybe then I will end, Mr Gardner, with you on that. Before I do that, let us talk about the Procurement Board. How many meetings were had last year?

Mr GARDNER: In 2019-20, we had four meetings and then three out-of-session meetings.

The Hon. DANIEL MOOKHEY: Those three out-of-session meetings, or least some of those meetings, were to do with the white coat matter we were talking about in other settings, weren't we?

Mr GARDNER: That is correct, although that had been, I think, in the prior financial year, that one, but yes.

The Hon. DANIEL MOOKHEY: Do you want to update me as to where we are up to with the white coat stuff?

Mr GARDNER: In the last hearings, we gave you an update that the board had made a decision not to follow that, and that is still the case. Now we understand that aspects of that have been provided to Robert McDougall for his review. If anything further comes out of that or comes through that avenue—

The Hon. DANIEL MOOKHEY: Has there been any litigation arising from that that you are aware of?

Mr GARDNER: I am not aware of that, no.

The Hon. DANIEL MOOKHEY: At the time we were going through the dispute resolution procedures that the Procurement Board had adopted.

Mr GARDNER: Yes, so it is the procedural fairness aspect of it, just making sure that the agency has dealt with it appropriately, had independent review of the facts and has undertaken a proper review and had findings that were reviewed by members of NSW Procurement, then provide that advice to the Procurement Board.

The Hon. DANIEL MOOKHEY: And you forwarded the result of that to icare?

Mr GARDNER: We would have communicated to icare that we were not taking the proceeding any further with the matter, that is correct.

The Hon. DANIEL MOOKHEY: From memory, you never recommended to them that they do anything; you deemed that nothing further needed to be done. Is that correct?

Mr GARDNER: Not in that particular instance.

The Hon. DANIEL MOOKHEY: Okay. Fair enough on that respect. Have any further investigations come in or complaints?

Mr GARDNER: There have been no complaints to the board since we last met.

The Hon. DANIEL MOOKHEY: In respect to any contract matter?

Mr GARDNER: No.

The Hon. DANIEL MOOKHEY: Okay. Fair enough. Can we talk about, very quickly, the Indigenous procurement target?

Mr GARDNER: We can.

The Hon. DANIEL MOOKHEY: What is the new target?

Mr GARDNER: The new targets, which start on 1 January this year are set out on buy.nsw's web site, so the new targets are set out on an agency specific basis in terms of their expenditure and number of contracts. One of the key changes is that the Government approved agency specific targets.

The Hon. DANIEL MOOKHEY: Specifically, the previous target was 3 per cent across all of Government was it not?

Mr GARDNER: That is 3 per cent of disclosed contracts, so that is contracts that are disclosed on the eTendering website.

The Hon. DANIEL MOOKHEY: Using the same definition, what is the new target.

Mr GARDNER: If I do my maths, we are doing it half year, so the half-year number is up, so about 100 contracts—101, I think.

The Hon. DANIEL MOOKHEY: That is 101 contracts. That is a percentage—

Mr GARDNER: Sorry, I will do this—

The Hon. DANIEL MOOKHEY: Maybe while you are doing that, Mr Gardner, I will ask Ms Wilkie some questions to do with some further information about the grants. This morning you were asking about the grants. Do you have any further information?

Ms WILKIE: You are asking about the reasons why grants were not approved?

The Hon. DANIEL MOOKHEY: Why do we not first start with the \$750 million fund—the support grants. Do we have any further information about how much of that went to businesses in regional New South Wales?

Ms WILKIE: I do not have the regional breakdown at this time.

The Hon. DANIEL MOOKHEY: Do you anticipate having it today or do you think you are going to need it on notice?

Ms WILKIE: I think we will need to take that on notice. The thing about the \$10,000 grant program though is, because that was a bushfire grant program, businesses were only eligible in certain local government areas [LGAs]. I have the list of LGAs that were eligible that I can give you, although it is a long list.

The Hon. DANIEL MOOKHEY: That is okay. Can we talk about the small business grants program that we were talking about this morning as well?

Ms WILKIE: The?

The Hon. DANIEL MOOKHEY: The \$750 million small business grants program.

Ms WILKIE: Sorry, the COVID one?

The Hon. DANIEL MOOKHEY: Yes, the COVID one.

Ms WILKIE: Sorry, there are too many of these.

The Hon. DANIEL MOOKHEY: Yes. I know the feeling—perhaps not as well as you do. We were talking about, I think we agreed, it was around \$638.5 million that has been spent from that fund.

Ms WILKIE: Yes.

The Hon. DANIEL MOOKHEY: Of the \$638.5 million, do we know how much of that was spent in regional New South Wales?

Ms WILKIE: Sorry, no. I do not have that breakdown at the moment.

The Hon. DANIEL MOOKHEY: Do you anticipate that you will have it today or do you think you need to take it on notice?

Ms WILKIE: I just got a message from one of my staff members saying that we should have that for you by four o'clock.

The Hon. DANIEL MOOKHEY: By four o'clock you think we will have it?

Ms WILKIE: Yes.

The Hon. DANIEL MOOKHEY: And will that be broken down by the \$10,000 support grants and the \$3,000 recovery grants, or is it going to be aggregated?

Ms WILKIE: It will be broken down by grant program.

The Hon. DANIEL MOOKHEY: Great, and we will have that around four o'clock, you think?

Ms WILKIE: Yes.

The Hon. DANIEL MOOKHEY: Do we know how many regional businesses applied?

Ms WILKIE: No, I do not know that at this point.

The Hon. DANIEL MOOKHEY: Do we know how many regional businesses were rejected?

Ms WILKIE: No.

The Hon. DANIEL MOOKHEY: How many businesses in general applied for that?

Ms WILKIE: For the?

The Hon. DANIEL MOOKHEY: We will do the \$10,000 grant.

Ms WILKIE: For the \$10,000 grant—

The Hon. DANIEL MOOKHEY: For \$526 million, presumably it was about 52,000?

Ms WILKIE: There were 58,206 applications

The Hon. DANIEL MOOKHEY: How many rejected?

Ms WILKIE: So 4,615, which leaves paid grants of 52,629.

The Hon. DANIEL MOOKHEY: My maths is not that terrible; that is pretty good. Do we know why those 4,000 businesses were rejected?

Ms WILKIE: Yes. I just have to scroll back to the correct page in the document. The four key reasons for decline: The business itself withdrew the application because they did not meet the 75 per cent decline in revenue.

The Hon. DANIEL MOOKHEY: Yes, that is the initial criteria, but we relaxed that criteria in the middle of that program, didn't we?

Ms WILKIE: No. I think the criteria was relaxed for the \$3,000 program.

The Hon. DANIEL MOOKHEY: Got it. We were insisting at the time that your revenue had to have fallen by 75 per cent.

Ms WILKIE: Correct. Remember, this grants program was stood up when the public health order restrictions essentially closed down the economy, so it was not unreasonable in the circumstances, given that we were basically telling a whole heap of businesses that they could not trade.

The Hon. DANIEL MOOKHEY: Ms Wilkie, we have previously discussed the criteria so rest assured I am not looking to repeat that discussion that we had but just to say that that was the reason, yes?

Ms WILKIE: That is right.

The Hon. DANIEL MOOKHEY: Was it the main reason?

Ms WILKIE: I do not have data on what percentage for these reasons, and it may indeed be that grants were declined from more than one of the reasons. The four main reasons for the grant being declined were: they withdrew the application because they did not meet the 75 per cent revenue decline eligibility criteria; the second main reason was that the BAS statements did not indicate minimum earnings of \$75,000 as per the eligibility criteria; they were unable to get an accountant or a tax agent letter, or it did not provide the information required—

The Hon. DANIEL MOOKHEY: That is the third reason?

Ms WILKIE: Yes. And the fourth one was that the applicant did not meet the employment criteria.

The Hon. DANIEL MOOKHEY: As in, they did not employ anyone?

Ms WILKIE: Yes.

The Hon. DANIEL MOOKHEY: They were sole traders.

Ms WILKIE: Correct.

The Hon. DANIEL MOOKHEY: And sole traders were not in it.

Ms WILKIE: Were not eligible in that grants program, yes.

The Hon. DANIEL MOOKHEY: Okay, that is that program. Do we want to do the same for the \$3,000 recovery grants?

Ms WILKIE: Yes. Did you have an answer, Phil?

Mr GARDNER: The answer to your—

The Hon. DANIEL MOOKHEY: Let us do the recovery grants now that we are here.

Ms WILKIE: Okay, and then we will come back.

The Hon. DANIEL MOOKHEY: Sorry, Mr Gardner. I was trying to get you out of here.

Mr GARDNER: No, that is fine. I am okay.

The Hon. DANIEL MOOKHEY: You snooze, you lose.

Ms WILKIE: The application numbers for the \$3,000 recovery grants—there were 38,313 applications, 953 rejected grants, 36,708 paid grants.

The Hon. DANIEL MOOKHEY: Great, okay. That was fundamentally because the criteria relaxed, I presume?

Ms WILKIE: Correct. There were different eligibility criteria. Now, I do not for that grant program yet have advice on the main reasons of decline. That information will be coming in the group of information that is coming before four o'clock.

The Hon. DANIEL MOOKHEY: Thank you, and thank you to the staff members who are presumably watching along for the fast nature of—

Ms WILKIE: Staff members and then picking up the phone—

The Hon. DANIEL MOOKHEY: I struggle to feel how many other people have been compelled to watch our interactions across the agencies, but thank you to them all.

Ms WILKIE: That is right. There is some of my staff doing this but then they are contacting Service NSW to get this information.

The Hon. DANIEL MOOKHEY: I appreciate it.

Ms WILKIE: Collaboration in action.

The Hon. DANIEL MOOKHEY: Indeed. I genuinely do appreciate it. But can I just say, do we know how many of them went to regional, or that is coming?

Ms WILKIE: The information will be coming as well.

The Hon. DANIEL MOOKHEY: That is the major small business grants program. Do we have any additional information about the payroll tax?

Ms WILKIE: What aspect of the payroll tax? The deferrals?

The Hon. DANIEL MOOKHEY: Let us go through—no, let us do the land tax. Sorry to jump around like that, Ms Wilkie; I am just going down my list. Let us to the land tax relief. Is that for you, Commissioner?

Mr JOHNSTON: Yes.

The Hon. DANIEL MOOKHEY: Can we do land tax relief, commercial.

Mr JOHNSTON: We advised earlier \$96.96 million in grants in total, commercial was \$86.63 million and residential was \$10.33 million.

The Hon. DANIEL MOOKHEY: It was \$86.63 million. And do we know geographically how that was dispersed?

Mr JOHNSTON: Yes, so this has been done relatively quickly on the LGAs metro, so maybe there may be some marginal difference—

The Hon. DANIEL MOOKHEY: Why don't we do this: You give me the initial number you have now and then on notice—

Mr JOHNSTON: Yes, and we will adjust it.

The Hon. DANIEL MOOKHEY: —take it for any corrections or finalisation you might need to do.

Mr JOHNSTON: Absolutely. For metro residential, \$10.08 million.

The Hon. DANIEL MOOKHEY: Of the—what percentage?

Mr JOHNSTON: It is almost—it is \$10.08 million metro and \$0.25 million regional.

The Hon. DANIEL MOOKHEY: Yes, so \$250,000 of that relief program went to regional but \$10 million went to metro.

Mr JOHNSTON: Metro, correct. And then for commercial, \$80.97 million to metro and \$5.66 million to regional.

The Hon. DANIEL MOOKHEY: Is that share representative as to the percentage of revenue which is derived from those areas or is it underweight, overweight? Because on the face of it it looks like a lot of the money went to Sydney and metro areas.

Mr JOHNSTON: I think it is a complicated—

The Hon. DANIEL MOOKHEY: It is complicated.

Mr JOHNSTON: I could not give you a good answer in terms of representation. I think the criteria for this grant relied on relief being given and rent relief being given. I am not clear on the representation across regional and metro, but I would think that possibly could have been skewed more to metro than otherwise. We can do some analysis.

The Hon. DANIEL MOOKHEY: It would be helpful, only because it is a learning that we should know about for the next time any such program—we do not ever want it to be necessary, but should it be necessary—it would be good to have the learnings.

Ms WILKIE: The skewing to metro in that program does not surprise me on the basis of the mobility and credit card spend and other data that we have that indicates geographic impact, shows that the metro areas through the COVID crisis, particularly Sydney CBD, have been hit much, much harder than regional areas.

The Hon. DANIEL MOOKHEY: That is reasonable, of course. Any further analysis that you can give about impacts on different geographies, particularly because we are all, of course, wanting to see the pace by which different geographies recover. That would be very, very helpful. Do you have any such numbers for the payroll tax?

Mr JOHNSTON: So the question earlier was around payroll tax deferral. The approach to payroll tax due to the bushfires, which then fed into COVID response—and the Minister spoke earlier around the complexity of payroll tax in particular areas and identifying that. We postponed the instigation of any compliance activity on customers for a three-month period. Any under audit was supported and offered extension of time to provide information. We identified customers that had not met monthly payment and lodgement obligations and contacted them to see how we could support them on a case-by-case basis.

Where we were unable to contact them, we gave them a suspension of any action for three months. We also suspended any debt recovery action against customers with a debt for a three-month period if we could not contact them. We did a range of other things, including increasing website visibility of the exemptions that were available. From March 2020, with the introduction of the COVID-19 stimulus package, all payroll tax and gaming machine tax customers were entitled to a deferral of payments for a six-month period—so that was all customers.

The Hon. DANIEL MOOKHEY: We had the figures from this morning. Do you have any geographic background on them?

Mr JOHNSTON: I do not have that ready.

The Hon. DANIEL MOOKHEY: Okay, fair enough. On notice?

Mr JOHNSTON: Yes, I am happy to take that on notice.

The Hon. DANIEL MOOKHEY: Thank you, that would be very helpful. I think I will now return to Mr Gardner because I am true to my word and I would like to get you out if I can.

Mr SMYTHE: Excuse me, Mr Mookhey. I just wanted to clarify, when you are talking about geographic split, are you talking about payroll tax customers?

The Hon. DANIEL MOOKHEY: Yes.

Mr SMYTHE: It is very difficult for us to try and determine—

The Hon. DANIEL MOOKHEY: Because their registered address is different to their actual operating—

Mr SMYTHE: Precisely.

The Hon. DANIEL MOOKHEY: You have given me this lesson before, Mr Smythe.

Mr SMYTHE: Apologies, Mr Mookhey.

The Hon. DANIEL MOOKHEY: No, you do not need to apologise; it is a good lesson. Whatever analysis you can do would be most helpful.

Mr SMYTHE: Okay, will do.

The Hon. DANIEL MOOKHEY: Mr Gardner, did you have those figures?

Mr GARDNER: I do. This is a six-month target, so double it for sort of an annualised outcome—so 102 contracts and the spend is approximately \$59 million.

The Hon. DANIEL MOOKHEY: But that 102 contracts is a percentage of contracts let.

Mr GARDNER: That is the target, so that is like if you are assuming sort of 30,000 contracts. That is backed out of an average number of contracts that have been issued over the past three years.

The Hon. DANIEL MOOKHEY: We are talking, what, 1.8 if we use the previous definition under the old policy?

Mr GARDNER: So, 1.8—

The Hon. DANIEL MOOKHEY: As in, previously we targeted 3 per cent of contracts let that were disclosable, as you said, to Indigenous business.

Mr GARDNER: That is right. That continues to be the target. We have got 3 per cent of targets so 3 per cent of number of contracts and we have 1 per cent of addressable spend. They are our two targets and we sort of continue to maintain it.

The Hon. DANIEL MOOKHEY: Where are we up to against the 3 per cent target?

Mr GARDNER: For 2019-20 we had 24 contracts against goods and services, so we are well short there. In terms of expenditure, we spent last year, \$92.1 million directly with Aboriginal-owned businesses, which was up 44 per cent from the prior year.

The Hon. DANIEL MOOKHEY: So spend has gone up but the number of contracts has gone down.

Mr GARDNER: That is correct.

The Hon. DANIEL MOOKHEY: Are the number of contracts consolidating with any particular set of firms or we do not have that level of analysis?

Mr GARDNER: I do not have that breakdown, no.

The Hon. DANIEL MOOKHEY: So where is the contraction coming from?

Mr GARDNER: I will have to take that on notice.

The Hon. DANIEL MOOKHEY: This is a whole-of-government procurement target, is it not?

Mr GARDNER: That is correct, yes.

The Hon. DANIEL MOOKHEY: So all agencies are meant to be looking to do this, are they not?

Mr GARDNER: All agencies are meant to be doing it. They all now have targets and that is disclosed on buy.nsw, and they will be reporting against those targets.

The Hon. DANIEL MOOKHEY: And they will be published?

Mr GARDNER: They will be published. They are published on the buy.nsw website and in their annual reports.

The Hon. DANIEL MOOKHEY: There is an inter-agency working group on this, is there not?

Mr GARDNER: There is a lot of things going into support this—

The Hon. DANIEL MOOKHEY: That is good.

Mr GARDNER: We have communities of practice. Some of the pleasing things is that the work we have done with the concierge service has added over 100 new Aboriginal businesses onto our schemes over the past 12 months. We have now recently signed an agreement with Supply Nation, which gives us access to their database, so we can now more closely monitor category spend and the availability of Aboriginal businesses. The percentage numbers in terms of the 1 per cent target—I am optimistic that it is an attainable target.

The Hon. DANIEL MOOKHEY: But the target is meant to be hit by next year, is it not?

Mr GARDNER: End of this year.

The Hon. DANIEL MOOKHEY: End of this year. Do you think we are going to hit the 3 per cent target?

Mr GARDNER: We are doing a lot of work to support that and identify contracts that can come to it. In terms of the dollar—the 1 per cent—that is a very attainable number.

The Hon. DANIEL MOOKHEY: It is admirable—the change of strategy that you just outlined, but the whole idea of having contracts and value is to ensure that it is being dispersed over a number of businesses. Is that correct?

Mr GARDNER: We will be able to provide that information. The reality is more and more Aboriginal businesses are coming into government procurement activity all the time. So the breadth of the spend—I am very confident we will be able to demonstrate quite significant breadth in that sort of spend category.

The Hon. DANIEL MOOKHEY: What level of data can you provide us on notice about this? You have mentioned by agency but what about—

Mr GARDNER: The targets we have by agencies are currently listed on buy.nsw and they will be required to report against those targets at the end of the year.

The Hon. DANIEL MOOKHEY: Do we know the number of firms, the size of the firms, the industries of the firms, the clusters, how many people they employ or not?

Mr GARDNER: I do not have that information but we can determine—

The Hon. DANIEL MOOKHEY: On notice.

Mr GARDNER: We definitely have to review the Aboriginal Procurement Policy [APP]. We started annually and the feedback we got from our consultation was that was too frequently, so we have to do another review after the second year of the new APP. There will be avenues for us to have deep reflection on the success of the program and the numbers.

The Hon. DANIEL MOOKHEY: I accept that and any detail you can provide us on notice. I guess what I am interested in is, you have given us a very good snapshot as to what the targets are for the buyers in the market from the Government but I want to know the size of the suppliers and whether or not it is growing the supplier market and how it is developing at that level. Does that make sense?

Mr GARDNER: I understand that and the data we have on that is from entities like Supply Nation and the Indigenous Chamber of Commerce. The disclosure obligations around those contracts are relatively tight but we can see what we can provide you on notice around the growth of the sector. I certainly am very confident that we have added a significant number of new Aboriginal suppliers onto our schemes and we are actually doing business with a lot more now than we were 12 months ago.

The Hon. DANIEL MOOKHEY: Moving on. I think, Mr Gardner, the other matter before we do the final matter is the shareholding Minister aspects of the State Owned Corporations [SOCs]. I think we have gone through all the statements of business intent [SBI]—they are in. Is that correct?

Mr GARDNER: Yes.

The Hon. DANIEL MOOKHEY: There has been no continuous disclosures to you? Any figures?

Mr GARDNER: The concept of continuous disclosure in a listed public market environment is there very specifically because the equity in those businesses is being constantly traded and you could potentially be withholding information that is important. There is obviously a lot of litigation based on what is and what is not made public. I think for us the concept of continuous disclosure is set out in our commercial policy framework requiring the various businesses to provide us or directly to the shareholders with timely information that could impact a range of things. Within the commercial policy framework we have a whole two pages of the way the businesses should think about that. As we have gone over previously, we do not have a specific register. We have two shareholders. We do not have that need to sort of inform a portfolio of different disparate shareholders who might be trading—

The Hon. DANIEL MOOKHEY: I 100 per cent distinguish the requirements that an ASX-listed company has from what a State business enterprise or a SOC would have. But the current commercial policy framework does not provide for a requirement of SOC to make notifications to Treasury if there has been a material change to their business. Is that a fair summation?

Mr GARDNER: That is right, yes.

The Hon. DANIEL MOOKHEY: Have you received any?

Mr GARDNER: It comes through in various forms. They might just call us up, right?

The Hon. DANIEL MOOKHEY: Yes, sure. We have gone through this.

Mr GARDNER: So we are constantly talking to the businesses. I am probably meeting with the various executives from the water businesses once every two or three weeks because we are doing State water strategy; we are doing Greater Sydney water strategy. It is fair to say we are constantly talking to those businesses, so there is no separate process where you go through and say, "That one is a continuous disclosure obligation."

The Hon. DANIEL MOOKHEY: Got it. Yes, fair. As a course of all those forms of interaction, has anything been triggered?

Mr GARDNER: Look, nothing of note.

The Hon. DANIEL MOOKHEY: Can I ask on notice, the expiry of board members on all the SOC's that are coming up in the next 12 months, do you keep that list?

Mr GARDNER: We will have a list. We could provide that to you, yes.

The Hon. DANIEL MOOKHEY: On notice, can we identify the directors whose terms are expiring on the boards of any SOC or like entity? Let me change that: any public finance corporation, the expiration of the terms of any board directors and when they are coming up in the next 12 months?

Mr GARDNER: Sure, we will do SOC's and the three Public Financial Corporations—icare, State Super and TCorp.

The Hon. DANIEL MOOKHEY: Can we?

Mr GARDNER: We will absolutely do that. Then you have to remember that some of them will just be at the end of first term—we do not necessarily go back, we may well reappoint them, but we can give you that list of those who have a term expiring over the next 12 months.

The Hon. DANIEL MOOKHEY: That would be very helpful. Thank you very much. Has there been any change in the dividend policies for any SOC as a result of the last SBI process?

Mr GARDNER: Dividends have moved around quite a lot obviously because the market and the capital requirements on the businesses are moving around quite a lot. Obviously for groups, like forestry—

The Hon. DANIEL MOOKHEY: Yes, big problems there.

Mr GARDNER: —it's gone out indefinitely now. Landcom made the Wilton acquisition and therefore their dividend profile has pushed out over years. You will see in the half year budget there is a comparison of—

The Hon. DANIEL MOOKHEY: The aggregated numbers.

Mr GARDNER: It actually just shows new profile.

The Hon. DANIEL MOOKHEY: But not the level of SOC's, not each SOC?

Mr GARDNER: No, just has general classifications.

The Hon. DANIEL MOOKHEY: Am I right in saying the SBI is when Treasury negotiates with the business to set their capital management policy for the forthcoming period?

Mr GARDNER: That is correct, yes.

The Hon. DANIEL MOOKHEY: When you conclude that you set their capital management requirement I presume?

Mr GARDNER: That is right, yes.

The Hon. DANIEL MOOKHEY: That could include the payment of dividends but it does not need to?

Mr GARDNER: That is correct.

The Hon. DANIEL MOOKHEY: Have there been any substantial revisions as a result of that, that were struck in last year's SBIs?

Mr GARDNER: We have recently appointed Fitch as the rating agency to the SOC's and to the Government to determine credit ratings. We are looking at that process at the moment. Obviously, we have talked about before we target that sort of mid triple-B, Baa2 credit rating. There is always a chance that through that process we will identify high dividends or return of capital.

The Hon. DANIEL MOOKHEY: When is Fitch meant to complete that?

Mr GARDNER: Obviously, we go through that process on an annual basis. We have just recently appointed them in the last three or four months. I do not know exactly when that process, but certainly we will need to have a position to reflect into the full year budget. That is the next time—

The Hon. DANIEL MOOKHEY: In around May, all the lobbying will start.

Mr GARDNER: —that we will actually land the projections, the future projections for the—

The Hon. DANIEL MOOKHEY: Can I get on notice the current credit rating for SOC?

Mr GARDNER: You can. Not all of them are done.

The Hon. DANIEL MOOKHEY: Yes, not all of them are done but the ones that are done to date?

Mr GARDNER: What we can disclose we will get for you, yes.

The Hon. DANIEL MOOKHEY: The SBIs are public, are they not?

Mr GARDNER: The SBIs are public, yes. They obviously table their annual reports.

The Hon. DANIEL MOOKHEY: Can we get on notice a summary of the dividends policy that was struck by HSBI as well?

Mr GARDNER: Yes. I will have to check what is specifically in that.

The Hon. DANIEL MOOKHEY: Sorry, by SOC?

Mr GARDNER: Yes.

The Hon. DANIEL MOOKHEY: Thank you. I would appreciate that. Can we now turn to faster payments?

Mr GARDNER: We can, yes.

The Hon. DANIEL MOOKHEY: The Government has moved to a five-day payment target. Is that correct?

Mr GARDNER: That is my understanding, yes.

The Hon. DANIEL MOOKHEY: When is that five-day payment target operable? Can I invite anyone to tell me what exactly is the current policy that is in place and then we can talk about the policy that is coming in? We are still at 20 days, are we?

Ms WILKIE: From January last year the Government shortened payment times for registered small business suppliers to five business days, which was a reduction from the 20 days that had been implemented in 2019. Then subsequent announcements have been made, and in January this year the Government announced that small businesses supplying goods and services to larger businesses that were doing work for the New South Wales Government would be paid within 20 days under the new pilot program. There are a few different bits and pieces.

The Hon. DANIEL MOOKHEY: Let us concentrate on the part of the policy which is the Government directly contracting with the small business, and then we can get to the supply chain aspect afterwards. What is the number of registered small businesses?

Ms WILKIE: There are 3,375 small businesses that had signed up to the website as at 1 March last year.

The Hon. DANIEL MOOKHEY: As at 1 March last year?

Ms WILKIE: Yes.

The Hon. DANIEL MOOKHEY: Can you repeat that number?

Ms WILKIE: So, 3,375.

The Hon. DANIEL MOOKHEY: Is that down?

Ms WILKIE: I must admit I am wondering whether that should say 1 March 2021, as opposed to 2020. I will have to check that number.

The Hon. DANIEL MOOKHEY: Do you know, commissioner?

Mr JOHNSTON: No, I do not.

The Hon. DANIEL MOOKHEY: I table this document, then Ms Wilkie or Mr Lamont can have a look at it. I am hoping we are comparing apples with apples because, if so, it is quite alarming what you just said. I provide you with this document. Do you see it says down the bottom that the number of registered businesses is 8,000-plus?

Ms WILKIE: Yes.

The Hon. DANIEL MOOKHEY: Have we gone from 8,000-plus registered businesses to 3,000?

Ms WILKIE: I am not sure where—this has been released under the Government Information (Public Access) Act, so I am not sure whether that has come from Treasury or—

The Hon. DANIEL MOOKHEY: It has come from Treasury, I can assure you.

Ms WILKIE: I am not familiar with this document or those numbers.

The Hon. DANIEL MOOKHEY: Have you seen this, Mr Gardner? Ms Wilkie, this is your area, is it not? Mr Gardner, is it your area as well?

Mr GARDNER: It is not mine, no.

The Hon. DANIEL MOOKHEY: Does Mr Lamont want to see that document?

Mr LAMONT: Yes. That would be useful.

The Hon. DANIEL MOOKHEY: I can give you the previous quarters listed in the same way. Have we seen that before?

Mr LAMONT: No, Mr Mookhey, but I can try to get some answers in terms of numbers that are registered.

The Hon. DANIEL MOOKHEY: Maybe we can get a photocopy of this made and then we can come back to it later, if it is possible. It is quite worrying if that is the case. I might then pick this up with Mr Lamont later, if it is possible. Mr Gardner, I want to keep my promise to you but before you go, **in terms of the five-day target for registered businesses that are directly contracting with the New South Wales Government, do we have the performance broken down per cluster?**

Mr GARDNER: That would definitely have to be a matter for some other arm of—

The Hon. DANIEL MOOKHEY: Mr Lamont, do you have that?

Mr LAMONT: No, Mr Mookhey.

The Hon. DANIEL MOOKHEY: Who keeps the data? How do we track whether or not we are meeting our target? Do you track it by agency?

Ms WILKIE: I do not have that information with me.

Mr LAMONT: I am happy to take it on notice. I have got some questions coming back now.

The Hon. DANIEL MOOKHEY: Do we want to talk about the supply chain aspect of this? Do we have any idea how we are going with that? It has just started.

Mr GARDNER: Just started a pilot program with two individual suppliers.

The Hon. DANIEL MOOKHEY: Which ones?

Mr GARDNER: One of them is FCM, our travel—

Mr LAMONT: Mr Mookhey, can I answer that other question about the number of businesses registered for faster payments?

The Hon. DANIEL MOOKHEY: Yes.

Mr LAMONT: I have that answer now. So, 9,995 small businesses are registered.

The Hon. DANIEL MOOKHEY: Why is there a discrepancy?

Mr LAMONT: I think this might be a more up-to-date number that my office has provided.

The Hon. DANIEL MOOKHEY: I am going to say it, I am not going to lie: I am just more confused now than I was before. Your number seems more consistent with the pattern, unless there has been a massive

collapse to the 3,000, but that would seem consistent with the same definition that is being used in this document. Maybe we can just hold it and pick it up.

Mr LAMONT: Sure.

Mr GARDNER: Those two suppliers are FCM Travel Solutions and KellyOCG, one of our mid-sized businesses in the continued labour space.

The Hon. DANIEL MOOKHEY: Does the 5 per cent target apply just to the people who are subcontracted to them who are doing New South Wales Government work or is it for all clients that they have regardless of whether—

Mr GARDNER: Just to the New South Wales Government work.

The Hon. DANIEL MOOKHEY: How much monetary value do you think that is?

Mr GARDNER: FCM, I will need to take that on notice but my sense is it would be the full airline travel. We pass everything through them. That sort of travel expenditure would be in the order of \$80 million a year.

The Hon. DANIEL MOOKHEY: When is this pilot meant to complete?

Mr GARDNER: I do not have a completion date.

The Hon. DANIEL MOOKHEY: Is it indefinite or has it just not been decided?

Mr GARDNER: No, we are obviously are looking to expand it.

The Hon. DANIEL MOOKHEY: The pilot resumes, the pilot is complete and then it is evaluated. Do we know how it is going to be evaluated?

Mr GARDNER: They will evaluate the performance of these two, and I do not have a specific time frame set out here as to—sorry, the pilot has a duration of three months. It started in January so we should be expecting it to have some conclusions from that next time we meet.

The Hon. DANIEL MOOKHEY: I look forward to that. Presumably a decision will then be made by Government, if I anticipate your next answer Mr Gardner?

Mr GARDNER: That is correct.

The Hon. DANIEL MOOKHEY: You have obviously been doing this for a while. Of course, Ms Wilkie, it is up to you to decide, I think, whether Mr Gardner can stay or go.

Ms WILKIE: He can most certainly go.

The Hon. DANIEL MOOKHEY: Thank you very much for your time Mr Gardner throughout this entire estimates session.

(Mr Gardner withdrew.)

The Hon. DANIEL MOOKHEY: Mr Lamont, congratulations on your appointment. I also thank you to your office and your staff for all the work they have done through the pandemic as well. How many mediations has your office undertaken?

Mr LAMONT: For last year?

The Hon. DANIEL MOOKHEY: Yes.

Mr LAMONT: There were 2,600 applications made for mediation in the calendar year of 2020.

The Hon. DANIEL MOOKHEY: Presumably all applications were accepted?

Mr LAMONT: They were all accepted. Of the 2,600, 621 then went to formal set-down mediations. Mr Mookhey, prior to a formal mediation setting being set down the team try to see what it can do to negotiate and achieve settlement or a mediation.

The Hon. DANIEL MOOKHEY: An informal conciliation, perhaps?

Mr LAMONT: Exactly.

The Hon. DANIEL MOOKHEY: So 621 went to formal mediation?

Mr LAMONT: That is correct.

The Hon. DANIEL MOOKHEY: What happened after that?

Mr LAMONT: I do not have the numbers but I know that, as mentioned this morning, 90 per cent of the total number actually are resolved at or before mediation.

The Hon. DANIEL MOOKHEY: What other data can you provide the Committee about the nature of the disputes?

Mr LAMONT: Most of them are related to either retail or commercial leasing. We saw, up to one point last year, a four-fold increase on the 2019 levels of requested mediation in that retail or commercial leasing space. That number continues to remain fairly strong this year, albeit earlier last year the numbers were low so we did not really see a massive pick-up in requests for mediation until March or April of last year. But we are running at about 2½ times the same amount that we saw in 2019.

The Hon. DANIEL MOOKHEY: Yes, I can understand the stress people are under. Is the request predominantly coming for lessors or lessees?

Mr LAMONT: Lessees.

The Hon. DANIEL MOOKHEY: Is it relating mainly to rent reduction or rent deferrals?

Mr LAMONT: A range of issues. It might be outstanding rent—the ability to pay outstanding rent. A fair percentage of them are actually related to the amount of rent that they are actually paying or the threat of a lockout of a particular tenant.

The Hon. DANIEL MOOKHEY: How many lockouts do we have in this?

Mr LAMONT: Very few. You might receive a notice of lockout but that lockout is not actually acted on. I do not have that number but we could try to find that.

The Hon. DANIEL MOOKHEY: If it is possible. I do not want to send you on pointless chases but any information you can provide—

Mr LAMONT: The term "lockout" is used a lot, sometimes incorrectly. There is a threat of a lockout that actually we do not receive a notice on.

The Hon. DANIEL MOOKHEY: What steps are you taking now? What are your expectations for the year to come in terms of your dispute service?

Mr LAMONT: We think we will probably be 2½ times until June or July this year. After that it gets a little bit harder to predict. But certainly based on the number of calls and requests that we have had for this month to date, around that two or 2½ times demand from 2019 is what we are getting and what we would expect for some months to come.

The Hon. DANIEL MOOKHEY: How many advisers do you have? How many people do you have in your office now?

Mr LAMONT: In my total office?

The Hon. DANIEL MOOKHEY: Yes.

Mr LAMONT: So there are 64 full-time equivalent [FTE]. That number grew last year because we had 15 additional mediation officers and another 12 customer experience support staff that were appointed.

The Hon. DANIEL MOOKHEY: Do you use private sectors mediators as well? Do you contract?

Mr LAMONT: Yes, and we increased that to 40 last year.

The Hon. DANIEL MOOKHEY: You have 64 FTE on staff and then you use an additional 40?

Mr LAMONT: They are appointed. They may not receive any requests for mediation but they are available. They are on our panel from which we can appoint them for a mediation.

The Hon. DANIEL MOOKHEY: What is the intensity of use for them?

Mr LAMONT: Of the mediators?

The Hon. DANIEL MOOKHEY: I mean, if you were to deem them as FTEs, how much as a percentage of the full-time equivalents?

Mr LAMONT: I would not be comfortable—

The Hon. DANIEL MOOKHEY: How do you decide whether the panel is not being intensely used?

Mr LAMONT: We look at the numbers that we are giving each mediator externally and their response times to be able to complete and be available. It is a chance that a mediator on our panel may also do mediations for other third party, government and private. We base our allocations on the caseload that we are giving them and their preparedness to do more.

The Hon. DANIEL MOOKHEY: What is the cost of the panel? How much did we spend on the panel last year?

Mr LAMONT: I would need to get an exact figure for you.

The Hon. DANIEL MOOKHEY: Do you mind taking that on notice?

Mr LAMONT: Yes, absolutely.

The Hon. DANIEL MOOKHEY: Can we get a geographic breakdown of their location as well by whatever level of geography you wish?

Mr LAMONT: Of the mediators?

The Hon. DANIEL MOOKHEY: Yes. I am getting calls to my office about accessibility of them. To be fair, often it is praising that they are close-by, but I just want to see the footprint. Does that make sense?

Mr LAMONT: Yes, we can try that. I will say though that most of the mediations in the second half of last year unsurprisingly were done by Teams—

The Hon. DANIEL MOOKHEY: Zoom, yes. If it is possible that would be useful. How many parties refuse to go into mediation?

Mr LAMONT: Relatively few. I would need to get a more exact number on that.

The Hon. DANIEL MOOKHEY: If you think it is roughly 2,600 came in and 621 progressed, that means you have got roughly 2,579 that did not, and you are saying how many then were conciliated effectively and how many of them—

Mr LAMONT: Roughly 90 per cent of those.

The Hon. DANIEL MOOKHEY: The first contact people have with your office is through the call centre generally, is it not?

Mr LAMONT: That is correct.

The Hon. DANIEL MOOKHEY: Can we get the number of calls that are coming in?

Mr LAMONT: Since March last year, 19,000 calls.

The Hon. DANIEL MOOKHEY: I mean, month-by-month so we can get some trend data, if that is possible on notice?

Mr LAMONT: Yes.

The Hon. DANIEL MOOKHEY: What is the fee to participate in mediation?

Mr LAMONT: We revised the fees at the end of last year, noting that the fee only applies once a mediation is set down with a member of the panel. It is \$608 per party for five hours of mediation now.

The Hon. DANIEL MOOKHEY: Generally every five hours is yielding \$1,216?

Mr LAMONT: Yes, for both parties.

The Hon. DANIEL MOOKHEY: What is the percentage of cost recovery as a cost to you?

Mr LAMONT: I think it is about 80 per cent but I would like to check that number.

The Hon. DANIEL MOOKHEY: Eighty per cent of the costs are recovered from the client.

Mr LAMONT: For the actual panel mediation, that is right.

The Hon. DANIEL MOOKHEY: In total, how much have we earned?

Mr LAMONT: Can I take that on notice?

The Hon. DANIEL MOOKHEY: How many mediation sessions are required for the \$621?

Mr LAMONT: We only do, generally speaking, one mediation for the five hours.

The Hon. DANIEL MOOKHEY: Mathematically, if I were to multiply \$621 by 1,216 would I be that far off?

Mr LAMONT: No, it would be about right.

The Hon. DANIEL MOOKHEY: I am not that good at maths to be able to do that off the top of my head. It is a challenge. Why are we doing it? Do you have the discretion to waive that?

Mr LAMONT: I do have discretion to waive it if either party is in financial hardship or it is a matter that we think requires further investigation. It might be a trend or pattern that we think might emerge in the broader industry.

The Hon. DANIEL MOOKHEY: How many have you waived?

Mr LAMONT: I would rather take that on notice. I have waived the cost of some matters but I would rather get an exact number.

The Hon. DANIEL MOOKHEY: Could you?

Mr LAMONT: Yes, absolutely.

The Hon. DANIEL MOOKHEY: Can you not just waive the entire thing? Is that an option that has been considered by government?

Mr LAMONT: Not to my knowledge. It has not come up in my time.

The Hon. DANIEL MOOKHEY: Have you provided advice to that effect?

Mr LAMONT: No.

The Hon. DANIEL MOOKHEY: Fair enough. Is there anything else you would like to say or tell us about the mediation service?

Mr LAMONT: I just think the earlier parties get involved—it has been something that we have really focussed on over the past nine months to promote the service that is available and the information that is available on our website. It is easier to potentially mediate a matter early in a dispute, and the results of my team confirm that. At the moment we are promoting the value of mediation to local chambers, small businesses and industry associations to make them aware of the service that is available.

The Hon. DANIEL MOOKHEY: Fair enough. In terms of the expiry of the code, are you designing a specific tracking framework as to what impact that can have or not have? A lot of people have contacted my office and are anxious about it.

Mr LAMONT: We got a peak before the expiry of the commercial leases, so there was a pick-up there and now it has dropped back. The numbers have remained, as I mentioned, about 2½ times at the moment.

The Hon. DANIEL MOOKHEY: I want to ask you a bit about the retail bonds.

Mr LAMONT: Yes.

The Hon. DANIEL MOOKHEY: Do you manage the bonds?

Mr LAMONT: At this point, yes.

The Hon. DANIEL MOOKHEY: How much are you managing?

Mr LAMONT: It is \$217 million in bonds.

The Hon. DANIEL MOOKHEY: Lodged by how many people?

Mr LAMONT: There are 44,000 accounts.

The Hon. DANIEL MOOKHEY: Presumably they are obviously the retailer and the retailer. Is that correct?

Mr LAMONT: That is correct?

The Hon. DANIEL MOOKHEY: Where in terms of bond disputes?

Mr LAMONT: I am not aware of that. I would need to take that one on notice.

The Hon. DANIEL MOOKHEY: How many claims have landlords made for the bonds?

Mr LAMONT: In total?

The Hon. DANIEL MOOKHEY: Yes.

Mr LAMONT: I would also need to take that on notice.

The Hon. DANIEL MOOKHEY: How do you determine that? Do you—

Mr LAMONT: In terms of?

The Hon. DANIEL MOOKHEY: The claim of the bonds—or is that the NSW Civil and Administrative Tribunal?

Mr LAMONT: NCAT will determine that, yes.

The Hon. DANIEL MOOKHEY: And you just hold it in trust, effectively?

Mr LAMONT: Correct—or TCorp does.

The Hon. DANIEL MOOKHEY: How much interest have we earned?

Mr LAMONT: I would rather take that on notice, too.

The Hon. DANIEL MOOKHEY: Fair enough. Have there been any mediations around any bond disputes that you have had to do?

Mr LAMONT: Not to my knowledge.

The Hon. DANIEL MOOKHEY: Have you got any expectations about what the expiry of the code will mean for the bonds aspect of this or not?

Mr LAMONT: No, not at this stage.

The Hon. DANIEL MOOKHEY: Okay. I have not got too much more, Commissioner, but there are a couple of issues that I did want to talk to you about to do with the insurance market. Are you monitoring conditions in the insurance market for small business?

Mr LAMONT: We have a number of forums where we speak to small business about issues including those related to insurance.

The Hon. DANIEL MOOKHEY: Are they raising concerns with you?

Mr LAMONT: Yes they are, primarily around cost of insurance and increases in the last 12 to 18 months.

The Hon. DANIEL MOOKHEY: As in, I presume they are not happy that the costs are going up. Is that a fair summation?

Mr LAMONT: That is correct.

The Hon. DANIEL MOOKHEY: What are you doing about that?

Mr LAMONT: We continue to take advice and soundings from where those particular complaints or concerns are coming from. We have participated with the Commonwealth Small Business and Family Enterprise Ombudsman in looking at what we might do to mitigate or propose policy solutions for that. We also challenge the requirement for some of these insurances, particularly with commercial parties that might be imposing professional or public liability insurance over and above what we think might be necessary or the potential to share costs associated with those insurance requirements.

The Hon. DANIEL MOOKHEY: By the way, have you met with the new Commonwealth small business Ombudsman or spoken to them? They have only been appointed very recently.

Mr LAMONT: I have not spoken to them, to be honest. I think Ms Carnell's last day is today, is my recollection, or certainly this week.

The Hon. DANIEL MOOKHEY: I thought it was last week but you could be right.

Mr LAMONT: I met with her two weeks ago. But I have not met with anyone.

The Hon. DANIEL MOOKHEY: Have you spoken to them?

Mr LAMONT: No.

The Hon. DANIEL MOOKHEY: Fair enough. I presume you are intending to.

Mr LAMONT: Yes.

The Hon. DANIEL MOOKHEY: You would have seen that Ms Carnell issued her report about the insurance inquiry.

Mr LAMONT: Yes.

The Hon. DANIEL MOOKHEY: Did you make submissions?

Mr LAMONT: No, I do not believe I did. It was prior to my arrival as commissioner.

The Hon. DANIEL MOOKHEY: Chair, do you want a break?

The CHAIR: The call is all yours.

The Hon. DANIEL MOOKHEY: Witnesses, do you want a comfort break at all?

Ms WILKIE: I am happy to keep going.

The Hon. DANIEL MOOKHEY: Mr Lamont, is there a reason why you did not make a submission?

Mr LAMONT: I cannot say. I was not commissioner at the time.

The Hon. DANIEL MOOKHEY: This was completed in January—okay, the process to make submissions closed prior to your appointment.

Mr LAMONT: Yes.

The Hon. DANIEL MOOKHEY: Do you know whether or not your predecessor did, or the acting—Ms Wilkie, did you know whether or not?

Ms WILKIE: No, I do not think they did, but I will take it on notice to confirm.

The Hon. DANIEL MOOKHEY: Commissioner, it is public indemnity insurance that I think is creating a lot of concern. Are you monitoring conditions?

Mr LAMONT: We monitor through what we get in normal surveys of small businesses and our small business forums.

The Hon. DANIEL MOOKHEY: Have you seen the recommendations that Ms Carnell made?

Mr LAMONT: Yes, I have.

The Hon. DANIEL MOOKHEY: Do you have any specific views on each of them—and, perhaps on notice, can you provide us with a view on each of them?

Mr LAMONT: Sure. There are a number of recommendations.

The Hon. DANIEL MOOKHEY: There are. There are about nine, I think. No, I am wrong: it is 15. I am worried about the requirement for builders to have various forms of insurance by 1 July, which has been mandated under the new building reform, when there is a real paucity of insurance available in the market. Are you aware of that problem?

Mr LAMONT: I am.

The Hon. DANIEL MOOKHEY: What are you doing about it?

Mr LAMONT: We have continued to have discussions with our other parties. I do not legislate or have any levers to pull on that, so we continue to advise.

The Hon. DANIEL MOOKHEY: Indeed. What advice have you given to the Minister?

Mr LAMONT: Just that that is a concern, that there are a number of issues that are confronting small businesses—and, with respect to insurance, the affordability and the capacity for them to secure that insurance.

The Hon. DANIEL MOOKHEY: With this New South Wales Government requirement to have this form of insurance, which, to be fair—I am not trying to open up the merit or have a conversation about the policy per se, but there is a legitimate concern that in three months' time people are not going to have the insurance and will have to exit. Are you aware of that?

Mr LAMONT: Yes.

The Hon. DANIEL MOOKHEY: On notice, are you able to provide us with any sort of views as to what could be done with respect to this issue ahead of the 1 July start date on that?

Mr LAMONT: I can attempt to, Mr Mookhey.

The Hon. DANIEL MOOKHEY: Can I ask as well: Are you hearing from people who are otherwise working in the gig economy? Are they getting in touch with you?

Mr LAMONT: No, not a lot. I thought that might come up today, but that has not been something that we have heard a lot about.

The Hon. DANIEL MOOKHEY: No-one is coming to you in terms of these disputes?

Mr LAMONT: No.

The Hon. DANIEL MOOKHEY: Okay, fair enough. That is interesting. Can I also ask about the unfair contract reforms—the unfair contract—

Mr LAMONT: Terms?

The Hon. DANIEL MOOKHEY: The unfair contract terms that Ms Carnell recommended for reform—do you have views on that?

Mr LAMONT: One of my first submissions as commissioner was a submission to a review on unfair contract terms.

The Hon. DANIEL MOOKHEY: What did you submit?

Mr LAMONT: A pretty lengthy paper on some reforms that we recommended.

The Hon. DANIEL MOOKHEY: Is that public?

Mr LAMONT: Yes, it is. It is on my website.

The Hon. DANIEL MOOKHEY: Is it possible we can get that tabled as well?

Mr LAMONT: Absolutely.

The Hon. DANIEL MOOKHEY: But do you agree that there is a need to reform unfair contract terms?

Mr LAMONT: Well, we have. We have made several recommendations to that end.

The Hon. DANIEL MOOKHEY: And you are assisting—this is a joint Federal-State aspect, is it not?

Mr LAMONT: I believe so, but principally Federal—

The Hon. DANIEL MOOKHEY: Because it is under the Australian Consumer Law, or aspects of it are, but also specifically the Trade Practices Act 1974.

Mr LAMONT: Yes.

The Hon. DANIEL MOOKHEY: For which we are joint—

Mr LAMONT: Principally, our recommendations I think were under Australian Consumer Law but I would need to refresh my memory on the actual submission itself.

The Hon. DANIEL MOOKHEY: Okay. Mr Lamont, I think that is probably it for me with you—but you are welcome to stay.

Ms WILKIE: While Mr Lamont still is here, faster—

The Hon. DANIEL MOOKHEY: We will do faster payments. Can we do that?

Mr LAMONT: Yes.

Ms WILKIE: The faster payment terms information fully has come through.

The Hon. DANIEL MOOKHEY: Great.

Ms WILKIE: The table that you showed us for the September quarter for 2019, we have the June quarter 2020 data.

The Hon. DANIEL MOOKHEY: Great. Can we go through it?

Ms WILKIE: We can run through it. By cluster—

The Hon. DANIEL MOOKHEY: Sorry, June—which data?

Ms WILKIE: June quarter 2020.

The Hon. DANIEL MOOKHEY: Is there a reason why there is a lag?

Ms WILKIE: That I am not sure about. I will hazard a guess that it is because of a lag in reporting back into Treasury from the other clusters.

The Hon. DANIEL MOOKHEY: Okay, sure.

Ms WILKIE: Percentage of invoices meeting the five business days target: Planning, Industry and Environment, 98.3 per cent; Transport—superstars—at 99.9 per cent; Stronger Communities, 90.4 per cent; Customer Service, 96.6 per cent.

The Hon. DANIEL MOOKHEY: That is bad service for them. They have gone down.

Ms WILKIE: Health, 73.8 per cent; Education, 92 per cent; Premier and Cabinet, 95.8 per cent; and Treasury, 94.1 per cent. That makes an overall average across the government sector of 95.2 per cent.

The Hon. DANIEL MOOKHEY: An average of 95.2 per cent—so there has been a drop across the government, that is fair to say, from the September quarter 2019? Sorry, Ms Wilkie, you will have to give a verbal response.

Ms WILKIE: Yes. Sorry.

The Hon. DANIEL MOOKHEY: Why has Treasury slipped?

Ms WILKIE: That I will have to take on notice.

The Hon. DANIEL MOOKHEY: Someone is going to have to explain that, are they not?

Ms WILKIE: Part of the answer will be that from September 2019 through to June quarter 2020 I would—some of that will be because of the structural changes as a result of the machinery of government changes.

The Hon. DANIEL MOOKHEY: What machinery of government change occurred between September quarter 2019 and June quarter 2020?

Ms WILKIE: It will be the payments—particularly for the parts of the department that came across from Industry, they were on different payment systems. Those parts of the department, for example, did not have procurement cards [PCards] issued, so there will potentially be changes in arrangements that have affected the meeting of those invoice targets.

The Hon. DANIEL MOOKHEY: But June quarter picks up the first quarter of the COVID pandemic, is that about fair to say?

Ms WILKIE: Yes.

The Hon. DANIEL MOOKHEY: The health department, from the end of September quarter 2019 to June quarter 2020, went from 87.2 per cent to 73.8 per cent. That is a sharp fall.

Ms WILKIE: There was a centralisation of some procurement services in that period as well to support the pandemic, particularly around personal protective equipment. That may be impacting on that data as well. We will have to dig into that—

The Hon. DANIEL MOOKHEY: Could you?

Ms WILKIE: —and see if we can find out what that reason is.

The Hon. DANIEL MOOKHEY: Both the Minister and I were at an event recently at which a person from the Health cluster complained quite publicly about being owed \$1.5 million from the health department.

It does seem like there might be a bit of a problem there. If we can find out, that would be useful, specifically about the health department. In fact all departments have had a fall. But good for the ones that have. Do you have the "paid within 20 days" figures?

Ms WILKIE: Yes, I do. So Department of Planning, Industry and Environment, 99.2; Transport also 99.9; Stronger Communities, 95.1; Customer Service, 98.1; Health, 93; Education, 95.5; Premier and Cabinet, 98.2; and Treasury, 97.

The Hon. DANIEL MOOKHEY: Okay. What is PCard, by the way?

Ms WILKIE: PCard is essentially—I think it stands for procurement card—is an official credit card that is issued—officers.

The Hon. DANIEL MOOKHEY: That means they are using their credit cards to pay the bills? Is that a fair—

Ms WILKIE: That is correct, yes.

The Hon. DANIEL MOOKHEY: Okay. And we are trying to target more PCard usage, are we not?

Ms WILKIE: We are. It is the fastest way to get the payments done. So I actually have percentage of PCard transactions, if you would like those as well.

The Hon. DANIEL MOOKHEY: Look, I think I am prepared to leave it there.

Ms WILKIE: I can read out more lists.

The Hon. DANIEL MOOKHEY: On notice, or if you are in a position to table—

Ms WILKIE: I can provide the table on notice, yes.

The Hon. DANIEL MOOKHEY: If you are able to table it today, that would be useful. It is just that if we can get the same report in the same format.

Ms WILKIE: Do you have a printout of it?

Mr JOHNSTON: I have a printout here. I have scribbled on one part of it, though.

The Hon. DANIEL MOOKHEY: Can we have a clean copy perhaps tabled?

Ms WILKIE: We can get a clean copy tabled, yes.

The Hon. DANIEL MOOKHEY: That would be great. And did we resolve this issue to do with the number of registered small businesses?

Ms WILKIE: The document file that I opened, there were two documents with essentially the same title. I honestly do not know where that other number has come from because it is clearly completely incorrect.

Mr LAMONT: I can confirm the number I had for the June quarter was 9,995.

The Hon. DANIEL MOOKHEY: Because we are trying to get more small businesses registered, are we not?

Mr LAMONT: That is true, yes.

The Hon. DANIEL MOOKHEY: Do we have a target around that?

Mr LAMONT: Not that I am aware of.

The Hon. DANIEL MOOKHEY: Okay. Commissioner Lamont, you have a responsibility under this faster payment terms policy, do you not?

Mr LAMONT: The policy, no. We have a responsibility in terms of the recording of registered businesses, which we publish on our website.

The Hon. DANIEL MOOKHEY: Do you have the ability to go and talk to an agency about—?

Mr LAMONT: Absolutely.

The Hon. DANIEL MOOKHEY: Can you go and talk to the health department?

Mr LAMONT: We would be very happy to. I might write to them as well.

The Hon. DANIEL MOOKHEY: Thanks. Fair enough. Mr Lamont, you are welcome to stay, but otherwise I do not think I have any more questions for you.

Mr LAMONT: I will take my leave, Mr Mookhey.

The Hon. DANIEL MOOKHEY: I will not take it personally.

(Mr Lamont withdrew.)

The Hon. DANIEL MOOKHEY: Let's pick up a bunch of matters. If you recall, Mr Smythe, we did quite an extensive and similar examination at one of the earlier estimates. I just want to get the figures updated, if that is possible.

Mr SMYTHE: Sure.

The Hon. DANIEL MOOKHEY: I want to start with Revenue NSW compliance. We started talking this morning about compliance units, if you recall—the size of your compliance. Can we start going through, in terms of business taxes, I think we had payroll tax compliance. How many FTEs are we at now?

Mr JOHNSTON: Undertaking the compliance?

The Hon. DANIEL MOOKHEY: Yes, in the payroll tax compliance team.

Mr JOHNSTON: I will just find the right spot. There is in the vicinity of 140.

Mr SMYTHE: It is 147.5.

The Hon. DANIEL MOOKHEY: I know on 30 June 2017 it was 153. I think somewhere in this document is the actual last year's figure. What was last year's figure? Is that 2019-20?

Mr SMYTHE: No, this is 2020-21.

The Hon. DANIEL MOOKHEY: Okay. Have you got 2019-20?

Mr JOHNSTON: The workforce science?

The Hon. DANIEL MOOKHEY: That too.

Mr JOHNSTON: I do not have it on hand, but it would be similar.

The Hon. DANIEL MOOKHEY: Okay.

Mr SMYTHE: And, sorry, just to clarify. That was payroll tax compliance that we are talking about?

The Hon. DANIEL MOOKHEY: Yes, it was payroll tax compliance. The question was: It was 153 as at 30 June 2017. It is 147 now, so it has gone down by six. Has that been a reallocation to other teams, or did we just reduce the headcount?

Mr JOHNSTON: I think these things are, effectively, a point in time where we are taking account. There has been no strategy to reduce the numbers or the focus on it. I think it is a fairly immaterial difference.

The Hon. DANIEL MOOKHEY: Okay. Fair enough. It just occurred to me, Chief Commissioner, I had not congratulated you on your first estimates appearance. It is nice to see you.

Mr JOHNSTON: Thank you, Mr Mookhey.

The Hon. DANIEL MOOKHEY: What is the recurrent funding you received for that team?

Mr SMYTHE: Payroll tax, recurrent funding is 17.6.

The Hon. DANIEL MOOKHEY: What was the revenue identified?

Mr SMYTHE: Compliance revenue, \$168.9 million.

The Hon. DANIEL MOOKHEY: Is that similar to what it was the year before? Is it similar to the year before? What is the trend data?

Mr JOHNSTON: We paused compliance through the COVID period, which impacted our efforts, but we have recommenced that in past months. I would say that we have fallen because of that activity, but the success and the approach of it remain fairly consistent to the effort we put.

The Hon. DANIEL MOOKHEY: Sure. Can we talk about the deferrals? What is the strategy to start collecting? How much did we defer? You told me earlier.

Mr JOHNSTON: Apologies, Mr Mookhey.

The Hon. DANIEL MOOKHEY: You do not need to apologise. Take your time.

Ms WILKIE: I have a first tranche of the information on grants, if you wanted to hear some of that.

The Hon. DANIEL MOOKHEY: Good. Can we get that?

Ms WILKIE: It will give the Chief Commissioner time to find the numbers. So, similar to some of the data that Commissioner Johnston provided before, this year is on the basis of just metro versus regional breakdown.

The Hon. DANIEL MOOKHEY: Yes.

Ms WILKIE: So, for the \$10k bushfire grants, did you want to start there?

The Hon. DANIEL MOOKHEY: Yes. Let us start there. I presume a lot of it went to regional.

Ms WILKIE: So, yes, 92 per cent of that went to regional, which is \$163.9 million leaving 8 per cent for metro, which includes greater Sydney, Newcastle—

The Hon. DANIEL MOOKHEY: Central Coast?

Ms WILKIE: Newcastle and Wollongong. That is about \$14.8 million. For the 10k COVID grant, 72 per cent went to metro, which is in the order of \$378 million and 27 per cent went to regional.

The Hon. DANIEL MOOKHEY: Which is in the percentage of?

Ms WILKIE: It is \$143 million.

The Hon. DANIEL MOOKHEY: Okay.

Ms WILKIE: And for the 3k COVID recovery grant, 71 per cent went to the metro areas, which is about \$77.7 million, and 29 per cent went to regional, which is \$31 million.

The Hon. DANIEL MOOKHEY: Are we able to get on notice the number of successful applications by LGA and the value paid by LGA?

Ms WILKIE: Yes. We can take that on notice.

The Hon. DANIEL MOOKHEY: Thank you, Ms Wilkie. Yes, Commissioner Johnston?

Mr JOHNSTON: Yes. Thank you for the time then, Ms Wilkie. So, 60 to 70 per cent of customers opted to take advantage of the deferrals.

The Hon. DANIEL MOOKHEY: So just to get some preliminary information thoroughly again, how many currently do we have registered in payroll tax? Let us get that number updated first.

Mr JOHNSTON: That number is 42,713 lodgements of payroll were expected in total and we have 94 per cent of those.

The Hon. DANIEL MOOKHEY: So, 42,000 businesses are registered for payroll tax. Is that correct?

Mr JOHNSTON: Yes, or expected to.

The Hon. DANIEL MOOKHEY: How many of them are registered to pay monthly?

Mr JOHNSTON: This is the total number of businesses enrolled for payroll tax was the question?

The Hon. DANIEL MOOKHEY: Yes.

Mr SMYTHE: I just want to check something on that, if that is okay, Mr Mookhey.

The Hon. DANIEL MOOKHEY: Yes, because I thought it was 52,000 the last I heard.

Mr JOHNSTON: My apologies. Yes, 52,000. Lucky Mr Smythe is here.

The Hon. DANIEL MOOKHEY: So there are 52,000 businesses in New South Wales registered for payroll tax. That is about right? That number is pretty stable is it not? It has not been fluctuating that much in the past few years?

Mr SMYTHE: More or less, that is right.

The Hon. DANIEL MOOKHEY: Can we just get the trend data on that for the past four years on notice?

Mr JOHNSTON: Yes. I will take that on notice.

The Hon. DANIEL MOOKHEY: How many of them are registered to pay monthly?

Mr JOHNSTON: Sorry, could you say that again?

The Hon. DANIEL MOOKHEY: The monthly payment on that.

Mr SMYTHE: More or less, about half.

The Hon. DANIEL MOOKHEY: About half. So we have got roughly about 26,000 paying monthly. Is this right?

Mr SMYTHE: Yes, I think—

Mr JOHNSTON: There are 24,000.

Mr SMYTHE: Again, as Mr Johnston said, it fluctuates a little.

The Hon. DANIEL MOOKHEY: No, I am not going to ask where they are registered. They are all registered in Sydney. You have told me that, Mr Smythe. Fair enough—24,000. Let us get back to the deferrals.

Mr JOHNSTON: The question to deferrals—the quantum?

The Hon. DANIEL MOOKHEY: Yes.

Mr JOHNSTON: It is \$639.6 million. We are working through payment plans with these businesses from between 12 and 24 months.

The Hon. DANIEL MOOKHEY: Twelve and 24 months from when?

Mr JOHNSTON: From the point where we have—

The Hon. DANIEL MOOKHEY: The ability to ask for a deferral expires in April. Is that right or has it already expired? Let me just get my documents up.

Mr JOHNSTON: The six-month deferral period for payroll tax customers is until October 2020. You are correct.

The Hon. DANIEL MOOKHEY: So 12 months from October 2020 or 12 months from—

Mr JOHNSTON: The option for customers is to enter into a stimulus payment arrangement for up to 24 months with a 12-month interest-free component between 26 October and 29 November.

The Hon. DANIEL MOOKHEY: Of what?

Mr JOHNSTON: That is when—

The Hon. DANIEL MOOKHEY: Of one year?

Mr JOHNSTON: They have—

The Hon. DANIEL MOOKHEY: Let's work this through chronologically. The ability to ask for a deferral closed on October 2020 and then you said the interest-free component—the 12-month interest-free component—starts from when? October 2020 until—or is it from the date that you got the deferral?

Mr SMYTHE: That went from October 2020 up until—

The Hon. DANIEL MOOKHEY: Is it the date that the deferral was granted to the business or is it all businesses that got the deferral—

Mr JOHNSTON: This was an option given to businesses in terms of meeting their payment.

The Hon. DANIEL MOOKHEY: Yes.

Mr JOHNSTON: To all businesses.

The Hon. DANIEL MOOKHEY: Okay. I am sorry, I do not want to confuse you or myself on this, but, hypothetically, if I am a business who asked for a deferral in September, does my 12-month period start in September or October? When the program closed or when I asked for the deferral?

Mr JOHNSTON: I will get the exact response. I will take that on notice. My apologies.

The Hon. DANIEL MOOKHEY: That is okay. There are businesses who asked for the deferral in April and there are businesses who asked for it in May and I just want to know how long is that 12-month period of interest-free for. Does that make sense?

Mr JOHNSTON: Yes. We will be clear in the response. I think what has underpinned the way we have managed this very complicated process and unique circumstances for businesses is to try to give them as much flexibility as possible.

The Hon. DANIEL MOOKHEY: Yes, which is welcome, of course. So let's keep going. It is 12 months and then we have got the 24-month collection period. Yes?

Mr SMYTHE: Yes.

Mr JOHNSTON: Yes, that is right.

The Hon. DANIEL MOOKHEY: And you are working through payment plans at individual levels. Yes?

Mr JOHNSTON: Yes. That is correct.

The Hon. DANIEL MOOKHEY: How many businesses have deferrals of the 52,000 that are registered?

Mr JOHNSTON: There were 2,331 customers who have undertaken the stimulus payment arrangements. The number of—

The Hon. DANIEL MOOKHEY: What is the stimulus payment arrangement? What does that mean?

Mr JOHNSTON: This is the reference that I made previously to the 12-month interest-free component and payment plan for up to 24 months.

The Hon. DANIEL MOOKHEY: Yes.

Mr JOHNSTON: Between 60 and 70 per cent of our customers took advantage of the tax deferrals. I will respond with the exact numbers.

The Hon. DANIEL MOOKHEY: Okay, so 60 per cent took deferrals of the 52,000. Yes?

Mr JOHNSTON: Yes.

The Hon. DANIEL MOOKHEY: Okay, fine.

Mr JOHNSTON: For example, in September 2020 we had 24,000 customers required to pay monthly and 13,700 took the option of the deferred payment. That is 56 per cent of that total, but it fluctuated through those previous months.

The Hon. DANIEL MOOKHEY: But you will come back with the exact numbers.

Mr JOHNSTON: Yes.

The Hon. DANIEL MOOKHEY: What is the rate of interest, by the way?

Mr SMYTHE: The rate of interest is set out in the tax administration Act. One of the bank bill rates is our base interest and there is an additional component that can be up to 8 per cent on top of that.

The Hon. DANIEL MOOKHEY: That is why I am asking because the bank bill rate—do you not use the 90-day rate? Is that right?

Mr SMYTHE: I believe so. I would have to check the Act. I am sorry.

The Hon. DANIEL MOOKHEY: It has been a while.

Mr SMYTHE: It is such a low rate.

The Hon. DANIEL MOOKHEY: Yes, clearly. But then you have the ability to apply an additional 8 per cent. How do you make the decision as to whether you are going to apply the additional eight per cent?

Mr SMYTHE: We have a number of business rules that we take into account when we—

The Hon. DANIEL MOOKHEY: Sorry, Commissioner, you are going to have to use the microphone.

Mr SMYTHE: Terribly sorry. We have a number of rules that we apply when we are considering the amount of interest that should be imposed. The way that the legislation works is that interest is just imposed. It is made of two components: one being the base rate and the other being the premium component of 8 per cent. We do have—again, under the tax administration Act—the ability to remit any or all of the interest that could be payable. Needless to say, through COVID and the bushfires, we take into account the circumstances that are being faced by particular businesses in deciding what the final amount of interest is that will be imposed.

The Hon. DANIEL MOOKHEY: Who makes the decision? Is it you, the Commissioner of Fines or is it the Chief Commissioner of State Revenue?

Mr SMYTHE: It is a power that is delegated within our delegation processes, generally to assessors and to managers.

The Hon. DANIEL MOOKHEY: Who is it delegated from? The chief commissioner?

Mr SMYTHE: The chief commissioner.

The Hon. DANIEL MOOKHEY: To your delegates. But you set the policy, therefore, Mr Johnston. Is that right? Or is this just a government policy? How much people pay in interest is an important consideration for a lot of these businesses, so is it a statewide policy? Is there a general policy that you have on—

Mr SMYTHE: No. There is a policy that inheres in the legislation being those two components. But then we have particular business rules that set out various items that are taken into account when deciding what the final amount of interest will be. But the starting position is generally that the legislation will be imposed on its face.

The Hon. DANIEL MOOKHEY: I appreciate that. But you are going to have to reach 26,000-odd or more individual payment plans. Is that right?

Mr SMYTHE: Sorry, say that again.

The Hon. DANIEL MOOKHEY: If you said 56 per cent of your customers—or, as we would term them "taxpayers"—took advantage of the deferral, then that would amount to certainly about 28,000.

Mr SMYTHE: Payment arrangements?

The Hon. DANIEL MOOKHEY: Yes.

Mr SMYTHE: Yes.

The Hon. DANIEL MOOKHEY: When are they all going to be done? How are you doing all this? Have you got extra staff, are you negotiating one on one, are you genuinely applying the general policy? What is the go?

Mr SMYTHE: We have a part of Revenue NSW that is focused on collections. It is a large part of what we do.

The Hon. DANIEL MOOKHEY: You certainly do.

Mr SMYTHE: Sometimes it may be hard to believe, but we actually do have individual collection officers who consider the individual circumstances of taxpayers in determining what a reasonable repayment arrangement is.

The Hon. DANIEL MOOKHEY: I do not find that hard to believe. You have very professional staff. But when do you expect, Chief Commissioner, to have the 26,000 odd plans in place? Or is this just going to be an ongoing thing?

Mr JOHNSTON: There was an opt-in opportunity. They are in place now.

The Hon. DANIEL MOOKHEY: So you will treat them as a class and then you will see variations. Some of these businesses are very big that pay payroll tax. You would agree?

Mr JOHNSTON: Yes.

The Hon. DANIEL MOOKHEY: Some of them are publicly ASX listed companies. That is correct?

Mr JOHNSTON: Yes.

The Hon. DANIEL MOOKHEY: Are they being treated any separately from the small business or the medium-sized business that has just tipped over the threshold? Are we sitting in a scenario where, you know, a mum-and-dad operation that has got 20 or 25 staff is paying at the same rate that Woolworths is hypothetically? You do not have to comment on any individual arrangement.

Mr JOHNSTON: I will start and Mr Smythe can add to it. Not every business is opting or choosing to take these arrangements. It would be generalising though that whilst the opportunity is available for all, we have continued to engage with larger businesses in trying to collect their payroll tax obligation. Are they being treated differently? I would think we are doing our very best to treat everyone quite equally.

The Hon. DANIEL MOOKHEY: This is the issue: Are you tying this to capacity to pay, or are you tying this to what other criteria? There are companies that may or may not have deferred their payroll tax, that may or may not—again, hypothetically; I am not putting any specific case to you—be paying dividends to their shareholders or bonuses to their executives. Surely we are looking at capacity to pay as part of these criteria, are we not?

Mr SMYTHE: When it comes to the repayment plans, yes, your capacity to pay is one of the central elements that comes into consideration. The 12-month opt-in arrangement was something that, to the best of my knowledge, was offered as a blanket.

The Hon. DANIEL MOOKHEY: It was, and at the time no-one was disputing that was necessary. My point is that we are now at the point where we are switching off supports, and we are trying to do it according to the strength of the enterprise itself. Do you agree?

Mr SMYTHE: Yes.

The Hon. DANIEL MOOKHEY: I will ask you, on notice, to provide a desktop analysis about the amount deferred according to the percentage of revenue. Does that make sense? So the top 10 per cent of taxpayers by quantum of their wages and how much they deferred—are we able to get that analysis? Or do I need to provide a much more detailed question in writing?

Mr SMYTHE: No, I think I understand the question you are asking. I believe we would be able to pull that data, but I would need to check with our analytics team in order to confirm that.

The Hon. DANIEL MOOKHEY: Could you?

Mr SMYTHE: Yes.

The Hon. DANIEL MOOKHEY: Could you take it on notice?

Mr SMYTHE: Yes.

The Hon. DANIEL MOOKHEY: We will assume that you can, but if you cannot you will tell me on notice that you cannot. Can we go on that arrangement?

Mr SMYTHE: Yes.

Mr JOHNSTON: It is important, Mr Mookhey, to know that many businesses have paid on time and not taken these options. So I think there are many stories amongst this, and we will do our bit.

The Hon. DANIEL MOOKHEY: Yes. There are 52,000 taxpayers in this system. They are all going to be different. But we know for a fact that it should be capturing the largest because that is the way the system was set up. I am not being pejorative at all against any business, large or small, here. I just want, basically, an ATO-style desktop analysis. Does that provide you more guidance as to what we are looking for?

Mr JOHNSTON: Yes. We will investigate the best way to provide that information back to you. I was merely trying to make the point that a proportion have taken up these deferrals, but a large proportion have still continued under the existing arrangements.

The Hon. DANIEL MOOKHEY: Fair enough. Is there anything further you want to add about payroll tax deferrals?

Mr SMYTHE: I have just one final point, and this comes to the calculation of interest or the impact of interest. Large companies that have sufficient means to repay—we generally find they will repay, because the amount of interest that they would otherwise be facing on the outstanding payroll tax is significantly higher than what they would be able to borrow.

The Hon. DANIEL MOOKHEY: Yes. I am hoping that is the whole purpose by which you have the ability to apply that rate. When you tie your interest-setting powers to the capacity to pay, you have tools. Again, I am not being pejorative. I am saying we want some transparency around all this. It is a pretty significant concession on the part of every other taxpayer, so we just want to find out how we are going. Does that make sense? It is nothing more than that.

Mr JOHNSTON: Yes.

The Hon. DANIEL MOOKHEY: I appreciate that. How much in outstanding royalties do we have right now?

Mr SMYTHE: Do you mean royalties that are owing to us under payment arrangements?

The Hon. DANIEL MOOKHEY: Owing to the people of New South Wales.

Mr SMYTHE: I believe I will have to take that question on notice, Mr Mookhey—just pointing out that royalties are generally paid by return.

The Hon. DANIEL MOOKHEY: Yes. We have asked you this previously, so maybe we can just get the updated number if that is possible.

Mr SMYTHE: Sure.

The Hon. DANIEL MOOKHEY: Are you administering the Export Assistance Grant? Is that Treasury or is that the department of trade?

Ms WILKIE: I have some information on the Export Assistance Grant. It is being administered by Service NSW.

The Hon. DANIEL MOOKHEY: Do you have updated numbers as to how much is going out at all?

Ms WILKIE: I do. This is data as of today: 572 applications, 387 paid out, a total of \$3,157,076.

The Hon. DANIEL MOOKHEY: Thank you. So that is up \$2 million in the last bit. How many are still pending?

Ms WILKIE: I am not sure. There has been 133 rejected, so we can do the maths. There are around 52 still pending.

The Hon. DANIEL MOOKHEY: Great. Chief Commissioner, there is a dispute that you have with a company called IDP Education that you are in court with. Do you recall?

Mr JOHNSTON: No.

The Hon. DANIEL MOOKHEY: *IDP Education Limited v Chief Commissioner of State Revenue*, filed 30 March 2020. Can we get an update as to what that matter is and what it is about?

Mr JOHNSTON: I will have to take that on notice.

The Hon. DANIEL MOOKHEY: I was asking previously about the dispute with Wollongong Coal. Where are we up to with that?

Mr SMYTHE: Legal processes are working their way.

The Hon. DANIEL MOOKHEY: Is it still in the Supreme Court? Is that where we are at? Has the matter been resolved?

Mr SMYTHE: No, my understanding is that discussions are still ongoing.

The Hon. DANIEL MOOKHEY: What does that mean?

Mr SMYTHE: It means that I am not in a position to comment on the tax affairs of a matter, other than the details that are publicly available.

The Hon. DANIEL MOOKHEY: I respect that, but the detail that was publicly available was that there is a court dispute. Has the court dispute resolved, or are we still in a court dispute with them?

Mr SMYTHE: We are still in dispute.

The Hon. DANIEL MOOKHEY: And that is still a matter before the courts?

Mr SMYTHE: To the best of my knowledge.

The Hon. DANIEL MOOKHEY: Okay, and that is still ongoing. Do you have any prospect as to the date of resolution, or when we expect it?

Mr SMYTHE: It is very difficult for me to comment on that, Mr Mookhey.

The Hon. DANIEL MOOKHEY: I will leave it there. I do not want to put you in any jeopardy. If we have got a court proceeding, I do not want to jeopardise the court proceeding. I do not have much more in general, Ms Wilkie, so I will go through this as quick as I can. Do we have any further update on the international students support program?

Ms WILKIE: None further than would have been provided in the hearings for the Treasurer or Minister Ayres.

The Hon. DANIEL MOOKHEY: Do we have any further update on the Energy Accounts Payment Assistance Scheme?

Ms WILKIE: Not to my knowledge.

The Hon. DANIEL MOOKHEY: What about the university loan package?

Ms WILKIE: No, I do not have an update on that.

The Hon. DANIEL MOOKHEY: We had five applications pending as of 31 August 2020. Has there been any substantial movement?

Ms WILKIE: I would have to take that on notice.

The Hon. DANIEL MOOKHEY: Do you mind? If you give me two minutes, I might be in a position to—

Ms WILKIE: I do have the reasons for decline for some of those additional grant programs, if you wanted those.

The Hon. DANIEL MOOKHEY: Yes, that would be good.

Ms WILKIE: Reasons for decline for the \$3,000 grant: Overwhelmingly, the main reason was that businesses were not in the highly impacted industry list; again, ABNs registered outside of New South Wales; and the final reason predominantly was businesses unable to demonstrate the required 30 per cent decline in turnover. For the southern border grant, the ABNs were not registered in the eligible New South Wales LGA areas; and businesses unable to demonstrate the required decline in turnover. Did you want the Export Assistance Grant as well?

The Hon. DANIEL MOOKHEY: I am certainly not going to say no, Ms Wilkie.

Ms WILKIE: It is slightly more complicated here: ineligible or insufficient invoices, meaning the applicant needs to reapply if they cannot, in the initial application, provide enough invoices; fraudulent or opportunistic applicants—for example, no answer via phone or email or irrelevant documents attached, that sort of thing; applicants who have applied by mistake—applied for the wrong grant; businesses that are not relevant to the export industry or are not current or previous exporters—for example, local landscapers applying; no response from the applicant after four weeks of attempting contact; the applicant has decided to withdraw due to cash flow issues causing a non-payment of invoices; and insufficient evidence to support eligible activities or invoices.

The Hon. DANIEL MOOKHEY: That is helpful. My colleague this morning was pursuing Treasury's current estimate of fines revenue. Have you got that data?

Mr JOHNSTON: As at the end of February, the total revenue was \$408.6 million. Our projection would be towards \$722 million. You did ask a question earlier about duties and how many were rejected around stamp duty.

The Hon. DANIEL MOOKHEY: Yes, I did.

Mr JOHNSTON: Four were rejected.

The Hon. DANIEL MOOKHEY: Where are we up to with the phoenixing task force?

Mr SMYTHE: We have a phoenixing task force. We work together with other jurisdictions and also with the Federal authorities, the ATO principally, in seeing where we can pool our efforts to try to make sure that we get what we can. Phoenixing activity is incredibly frustrating.

The Hon. DANIEL MOOKHEY: We all hate it.

Mr SMYTHE: Yes.

The Hon. DANIEL MOOKHEY: And all power to you as you crack down on it. How much revenue was lost to phoenixing? Do we have any estimates?

Mr SMYTHE: I may need to come back to you on that one.

The Hon. DANIEL MOOKHEY: Specifically I am asking with respect to any form of tax, any form of fine, any form of charge whatsoever that has had to be waived because of a suspected phoenixing of a company. Is that a fair definition for you to come back to us on?

Mr SMYTHE: Yes. We will pool the information that we are able to get for that. Again, one of the particularly frustrating elements of phoenixing operators is actually identifying the entities that are, in fact, phoenixing.

The Hon. DANIEL MOOKHEY: Yes. That is why we think there should be an Australian company number at an individual level direct to the registration, but that is a different question for a different time. Were you on the black money task force as well?

Mr SMYTHE: I am aware of it, but only generally. Personally I am not on it.

The Hon. DANIEL MOOKHEY: Is Revenue NSW represented in that forum or not?

Mr JOHNSTON: No, I do not believe so.

The Hon. DANIEL MOOKHEY: That is fair. It might be an ATO-only process. If you could provide us any other information you can on any other strategies that Revenue NSW is considering in that respect, that would be useful as well. Dare I say, I think I have completed, Chair.

Ms WILKIE: Mr Mookhey, I can table the Faster Payment Terms documents for you.

The Hon. DANIEL MOOKHEY: Great, that would be excellent. I appreciate your time very much, and also the time of all the people who have been assisting you in the hearing who are not here.

Mr JOHNSTON: Thank you to all of them, who are no doubt watching and have also breathed a sigh of relief.

The Hon. DANIEL MOOKHEY: Scintillating. I apologise for being perhaps a bit too specific, but thank you.

Mr JOHNSTON: No problem at all.

Mr SMYTHE: I have got all these faces who were hoping they were about to go home. If you could indulge me for a couple of moments, I do have some facts for you on phoenixing activity.

The Hon. DANIEL MOOKHEY: Please, I am not going to say no.

Mr SMYTHE: During the six-month period ended 31 December 2020, we completed investigations into 11 suspected phoenixing activities. The 11 matters identified around \$172,500 in revenue. All those matters were completed using ATO data and internal debt referrals, which is where we believe we have identified it within the organisation.

The Hon. DANIEL MOOKHEY: Ah, yes.

Mr SMYTHE: We have a number of ongoing matters of course, as you would no doubt imagine, into phoenixing activities. The 11 that were identified in 2020 compare with 19 that were identified in 2018-19.

The Hon. DANIEL MOOKHEY: That is great. I am really sorry, Commissioner, but you have given me some information that has prompted some additional questions.

Mr SMYTHE: Sure.

The Hon. DANIEL MOOKHEY: Do you have any update on the amount of money that has had to be waived as a result of insolvency?

Mr SMYTHE: I will take that on notice.

The Hon. DANIEL MOOKHEY: Thank you. Can we get on notice as well how many people are currently on work development orders?

Mr JOHNSTON: I can potentially give you that straightaway, actually. As at 28 February, for this financial year there have been 18,691 approved.

The Hon. DANIEL MOOKHEY: Is that the amount approved or—

Mr JOHNSTON: The number of customers resolved this year—sorry, probably the better way to answer it is 21,704.

The Hon. DANIEL MOOKHEY: So 21,704 are currently on work development orders?

Mr JOHNSTON: These are the number of work development orders that have been resolved.

The Hon. DANIEL MOOKHEY: What does "resolved" mean?

Mr JOHNSTON: They have completed.

The Hon. DANIEL MOOKHEY: In one year?

Mr JOHNSTON: In this partial financial year. It was 31,760 the year before in 2019-20 and 2018-19 was 29,278.

The Hon. DANIEL MOOKHEY: As of 12 March, how many people are currently on a work development order?

Mr JOHNSTON: I will take that one on notice. I have not got that information.

The Hon. DANIEL MOOKHEY: Thank you, I will check that one out. Can we also find out how many property seizure orders you made last year?

Mr SMYTHE: Yes.

Mr JOHNSTON: Yes, we will take that on notice.

The Hon. DANIEL MOOKHEY: Can we also find out how many times you utilised your ability to garnish people's wages?

Mr JOHNSTON: Yes, we will provide that.

The Hon. DANIEL MOOKHEY: Thank you. Can we also get how much money was written off in fines debt last year? Do you have that number?

Mr SMYTHE: I think that will need to be on notice also, Mr Mookhey.

The Hon. DANIEL MOOKHEY: Can we get trend numbers on that?

Mr JOHNSTON: Yes.

The Hon. DANIEL MOOKHEY: Can we get trend numbers on the number of penalty notices issued and the face value for the past few years?

Mr JOHNSTON: Yes, we can provide that.

The Hon. DANIEL MOOKHEY: Thank you. Can we also find out how much was collected in enforcement fees and how many transactions were subject to enforcement fees?

Mr JOHNSTON: Yes.

The Hon. DANIEL MOOKHEY: Can we get garnishee order fees? Can we get charge on land fees? Can we get what was once called "Roads and Maritime Services sanction fees"? I presume you are saying yes to all of this?

Mr SMYTHE: Yes.

Mr JOHNSTON: We will provide all these things, yes.

The Hon. DANIEL MOOKHEY: Do not worry, you have done it before. Can we find out how many people were sanctioned, had their licences suspended and the sanction types, the customer business restrictions, your fleet CBRE-only sanctions, your fleet registration sanctions, your licence suspension and your rego cancellation sanctions for the past year?

Mr JOHNSTON: Yes, we can provide that.

The Hon. DANIEL MOOKHEY: Thank you very much. Can you provide how many registrations were cancelled as well?

Mr SMYTHE: Yes, I presume so.

The Hon. DANIEL MOOKHEY: Can we get how many people's ability to do business was terminated?

Mr JOHNSTON: Yes. It is quite detailed information. I assume that we can provide all this.

The Hon. DANIEL MOOKHEY: You have before, so I think you can.

Mr JOHNSTON: Yes, so I have good confidence we still will be able to.

The Hon. DANIEL MOOKHEY: Yes, I do too. This is one I am interested in: Can we find out which councils you were collecting debts for?

Mr JOHNSTON: Yes.

Mr SMYTHE: Yes, we can provide that.

The Hon. DANIEL MOOKHEY: Can we also find out the details of your debt collection with The State Insurance Regulatory Authority [SIRA]—

Mr SMYTHE: What do you mean?

The Hon. DANIEL MOOKHEY: —the State Insurance Regulatory Authority, in connection with workers compensation policy obligations? "How many invoices have you issued on behalf of SIRA?" is the precise question that I think you will find you have answered before.

Mr JOHNSTON: Okay.

The Hon. DANIEL MOOKHEY: Can we also find out the amount outstanding for booking service providers and taxi service providers subject to the passenger levy?

Mr SMYTHE: Yes.

Mr JOHNSTON: Yes.

The Hon. DANIEL MOOKHEY: Can we find out the amount of First Home Owner Grant investigations you undertook last year?

Mr SMYTHE: Yes.

Mr JOHNSTON: Yes, we can provide that.

The Hon. DANIEL MOOKHEY: And how many recipients had to repay money as a result?

Mr JOHNSTON: Yes.

Mr SMYTHE: Yes.

The Hon. DANIEL MOOKHEY: And also the value of the money that was recovered?

Mr JOHNSTON: Yes.

The Hon. DANIEL MOOKHEY: I think that is—no, tax equivalence is too boring even for me. Sorry. That is it. I appreciate it. For what it is worth, Chief Commissioner, last time I made your predecessor sit here and answer the questions one by one.

Mr JOHNSTON: Well, I appreciate that, Mr Mookhey. Thank you.

The CHAIR: We all do.

The Hon. DANIEL MOOKHEY: We were speed dating this time. I think I am complete, Chair.

The CHAIR: In that case, thank you very much for your attendance and participation today. We really do appreciate the work that you do.

Mr JOHNSTON: Thank you, Chair.

The CHAIR: The Parliamentary secretariat will be in touch with information about the questions that were taken on notice in relation to answers, they are due in 21 days, and also in relation to any supplementary questions that arise after today.

(The witnesses withdrew.)

The Committee proceeded to deliberate.