

GENERAL PURPOSE STANDING COMMITTEE NO. 3

Tuesday 19 August 2014

Examination of proposed expenditure for the portfolio area

LOCAL GOVERNMENT

The Committee met at 3.00 p.m.

MEMBERS

The Hon. N. Maclaren-Jones (Chair)

The Hon. N. Blair (Deputy Chair)
The Hon. S. Cotsis
The Hon. P. Green

Mr S. MacDonald
The Hon. S. C. Moselmane
Mr D. Shoebridge

PRESENT

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

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

**Budget Estimates secretariat
Room 812
Parliament House
Macquarie Street
SYDNEY NSW 2000**

CHAIR: I welcome the Minister and accompanying officials to the public hearing for the inquiry into budget estimates 2014-15. Today the Committee will examine the proposed expenditure for the portfolio of Local Government. The hearing is open to the public and is being broadcast live via Parliament's website. A transcript of the hearing will be placed on the Committee's website as of tomorrow morning.

In accordance with 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 remind media representatives that they must take responsibility for what they publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what a witness may say outside of their evidence at the hearing. I urge witnesses to be careful about comments made to the media or to others after completing evidence as such comments would not be protected by parliamentary privilege if another person decided to take action for defamation. The guidelines for broadcasting proceedings are available from the secretariat.

There may be some questions that a witness could not answer or would have answered if they had had more time or with other documents. In these circumstances, witnesses are advised that they may take the question on notice and provide an answer within 21 days. Any messages from advisers or members of staff seated in the public gallery should be delivered through the Chamber and support staff or the Committee clerks. Minister, I remind you and the officers accompanying you that you are free to pass notes and refer directly to the advisers seated behind you. All witnesses from departments, statutory bodies and corporations will be sworn in prior to giving evidence. Minister, I remind you that you are not required to be sworn in as you have already sworn an oath to your office as a member of Parliament.

CORIN MOFFATT, Manager Innovation and Development, Office of Local Government,

STEVE ORR, Deputy Chief Executive, Office of Local Government, and

ROSS WOODWARD, Chief Executive, Office of Local Government, sworn and examined:

CHAIR: I declare the proposed expenditure for the portfolio of Local Government open for examination. The Committee has resolved that there will be no questions from Government members. There is no provision for the Minister to make an opening statement.

The Hon. SOPHIE COTSIS: I thank Mr Woodward for his service as I understand tomorrow is his last day with the department. Minister, in its submission to the Joint Standing Committee on Electoral Matters inquiry into the 2012 local government elections the Liberal Party stated:

As a general comment, it is the position of the Liberal Party of Australia (New South Wales Division) that, in order to ensure consistency, efficiency and cost effectiveness, all future local government elections in all Local Government Areas should be conducted by the New South Wales Electoral Commission and no other entity.

Can you confirm that the upcoming by-election for Lord Mayor of Newcastle will be conducted by the New South Wales Electoral Commission?

Mr PAUL TOOLE: You are referring to a joint standing committee. A number of recommendations were made by this bipartisan committee.

The Hon. SOPHIE COTSIS: No, it is not a bipartisan committee.

The Hon. NIALL BLAIR: Point of order: The member has asked the Minister to comment on a submission made to a committee by an individual entity and is now trying to relate that submission to an upcoming by-election. I cannot see the relevance—

The Hon. SOPHIE COTSIS: No, I am asking—

The Hon. NIALL BLAIR: Please let me finish my point of order. I cannot see the relevance in relation to the Minister's responsibilities under his portfolio of an entity's submission to an inquiry.

The Hon. SHAOQUETT MOSELMANE: To the point of order: The Minister can refuse to answer the question. We have limited time and if there are going to be interjections we will not be able to ask questions.

The Hon. NIALL BLAIR: To the point of order: I have every right, as a member of this Committee, to raise a point of order. It is for the Chair, not other members, to rule whether points of order are relevant.

CHAIR: Order! Although there was a preamble to the question, it was specific to a by-election. That is within order.

The Hon. SOPHIE COTSIS: Minister, will the New South Wales Electoral Commission oversee the by-election in Newcastle?

Mr PAUL TOOLE: I go back to the member's first statement. It is a joint standing committee.

The Hon. SOPHIE COTSIS: Minister, yes or no? It is very simple.

Mr PAUL TOOLE: It is very simple if you listen to the answer. It was a joint standing committee on electoral matters—

The Hon. SOPHIE COTSIS: I understand the history.

Mr SCOT MacDONALD: Point of order: The Chair mentioned in her ruling that the Minister can answer as he feels fit.

Mr DAVID SHOEBRIDGE: It has to be generally relevant.

CHAIR: Order! The Minister has not had an opportunity to expand on his answer, so I will allow him to continue.

Mr PAUL TOOLE: The Joint Standing Committee on Electoral Matters put forward about 15 recommendations. It was a bipartisan committee that looked at—

The Hon. SOPHIE COTSIS: No, it is not a bipartisan committee.

Mr PAUL TOOLE: You say it is not a bipartisan committee, but there were members from both sides of Parliament.

The Hon. SOPHIE COTSIS: That committee has members from different political parties, as do all committees. My question is: Minister, will you support the Electoral Commissioner running the lord mayoral election in Newcastle? Yes or no? It is very simple.

Mr PAUL TOOLE: You have now asked two questions and I will answer both appropriately. There is the Joint Standing Committee on Electoral Matters which made 15 recommendations. The Government will make a response to those recommendations in due course.

The Hon. SHAOQUETT MOSELMANE: The question was to you, Minister.

The Hon. SOPHIE COTSIS: Minister, do you support the Electoral Commissioner overseeing the by-election for the Lord Mayor of Newcastle?

Mr PAUL TOOLE: Councils have the choice to run their own elections.

The Hon. SOPHIE COTSIS: Minister, yes or no?

Mr PAUL TOOLE: As you know, at this point councils have the choice to run their own elections. I think there were about 14 council-run elections.

The Hon. SOPHIE COTSIS: Minister, your Coalition partners support the Electoral Commissioner running local council elections. As the Minister for Local Government, do you support the Electoral Commissioner overseeing the by-election for Lord Mayor of Newcastle? Yes or no?

Mr PAUL TOOLE: It will be an individual council decision.

The Hon. SOPHIE COTSIS: This is a by-election.

Mr PAUL TOOLE: My answer is it will be the choice of each council. That is how we ran the 2012 local government elections.

The Hon. SOPHIE COTSIS: No, this is a by-election.

The Hon. NIALL BLAIR: Point of order: The Minister should be afforded the courtesy of being able to answer the question without being constantly interrupted by the member. Just because she is not getting the answer she wants does not mean he should not be given the opportunity to answer. If the member keeps speaking over the Minister, it makes it very difficult.

CHAIR: Order! There is no point of order.

The Hon. SOPHIE COTSIS: I move to the next question as the Minister will not say whether he will support the Electoral Commissioner overseeing the Newcastle by-election. Minister, will you confirm that the by-election for Lord Mayor of Newcastle will be held on the same day as the two State by-elections for the electorates of Charlestown and Newcastle?

Mr PAUL TOOLE: I am not going to confirm that at this point in time. We had the resignation of the lord mayor yesterday and under the Act there is a three month provision where our next local government election for the lord mayor will actually be conducted.

The Hon. SHAOQUETT MOSELMANE: The question is, I think, what is your view, given that the Committee will be—

Mr SCOT MacDONALD: Point of order: We seem to have two chairs here at the moment, you and Mr Shaoquett Moselmane who is giving a running commentary on a question.

The Hon. SHAOQUETT MOSELMANE: We have the right to ask questions.

CHAIR: That is not a point of order. However, I remind the member that asking the Minister his opinion would be ruled out of order. Would you like to rephrase the question?

The Hon. SOPHIE COTSIS: Minister, why will you not hold the lord mayoral by-election on the same day as the two State by-elections?

Mr PAUL TOOLE: That will be a decision of the electoral commissioner and certainly we will be waiting for that advice that will be given in due course.

The Hon. SOPHIE COTSIS: But under the Local Government Act you can provide the date. Why will you not state the date? It will be cheaper; it will be efficient and effective to ensure that people will vote on the same day. Why will you not state a date?

Mr PAUL TOOLE: As I said, the electoral commissioner is the person who is responsible for identifying when that election will be held and certainly that will be kept in accordance with the Act.

The Hon. SOPHIE COTSIS: Will it not reduce confusion that might lead to people receiving fines because they did not know they would have to vote twice, if you do not hold the lord mayoral by-election on the same day as the State by-elections?

Mr PAUL TOOLE: At the end of the day people have to go to the elections under the circumstances that exist and I think the Newcastle community can feel very let down by the elected representatives that they have seen over the past week. They have seen the allegations that have been coming out of the Independent Commission Against Corruption. Certainly I am not going to have a running commentary with you about those matters.

The Hon. SOPHIE COTSIS: I am not going there; I am asking you about holding the lord mayoral by-election on the same day as the two State seat by-elections. For the convenience of Hunter families, is it not your obligation that you call for the election to be held on the same day?

Mr PAUL TOOLE: As I have answered you already, under the electoral commissioner we will be making that determination in the near future and obviously we will be taking into consideration that there are already going to be a number of elections held in the Hunter region.

The Hon. SOPHIE COTSIS: Minister, in Budget Paper No. 3, chapter 7, page 10 it talks about the Government's oversight of local government. Are you aware of concerns by the Tomaree Ratepayers and Residents Association and also an investigation by the media outlet in the Hunter, the *Newcastle Herald*, regarding Port Stephens Council, specifically regarding the conduct of the 2012 elections and possible conflicts of interest?

Mr PAUL TOOLE: We understand that a report is given in at the end of each local government election to the Division of Local Government. I will refer to the chief executive officer to clarify that position.

Mr WOODWARD: I am not specifically aware of that particular allegation.

The Hon. SOPHIE COTSIS: The Tomaree Ratepayers and Residents Association has forwarded correspondence to the Electoral Funding Authority about the conduct of the local government elections. As you are aware, Port Stephens Council also conducted their own election, they chose another entity and the *Newcastle Herald* reported in early March, April and May an investigative series about the conduct of the election. Why is your department not aware of this?

Mr WOODWARD: Because the Electoral Funding Authority would be the body that would actually look into that.

The Hon. SOPHIE COTSIS: But you also oversee the process in terms of the elections.

Mr WOODWARD: Not accusations; we do not look at that sort of accusation about conduct. We get reports from the council about how the process was followed but in terms of any accusations of any inconsistencies or any other accusations; we are not empowered to do that; that is the Electoral Funding Authority.

The Hon. SOPHIE COTSIS: Minister, will you take any action with respect to the concerns that have been raised by this ratepayers association?

Mr PAUL TOOLE: Obviously you are putting it forward to me today and I would certainly be encouraging them to take it to the New South Wales Civil and Administrative Tribunal, to refer that matter onto them.

Mr DAVID SHOEBRIDGE: You want them to begin their own civil proceedings rather than you act as Minister?

The Hon. SOPHIE COTSIS: But your office has responsibility for this area. Your office should be on top of this issue and I am asking you what action you will take. There are some serious allegations here and I am asking you what action you are going to take today about these allegations that have been made, not only by the newspaper but also by the Tomaree Ratepayers and Residents Association?

Mr PAUL TOOLE: As I said, there are certainly a number of processes. If they feel some impropriety has occurred in any way, then I would be asking them to refer it to the appropriate channels. In that situation it could also be referred to the Independent Commission Against Corruption.

The Hon. SOPHIE COTSIS: Will you commit the Division of Local Government to undertake an investigation into the concerns about Port Stephens Council?

Mr PAUL TOOLE: I will have a look and see if there is any correspondence that has been received in the past in relation to that matter and obviously see where it has actually been referred to in the past.

The Hon. SOPHIE COTSIS: If that is the case, will you also provide a report to Parliament about the outcome of that investigation?

Mr PAUL TOOLE: I think I have responded.

The Hon. SOPHIE COTSIS: Minister, I am happy to table the articles and I am also happy to provide a link to the concerns that the Tomaree Ratepayers and Residents Association has. One of the other concerns that the Tomaree Ratepayers and Residents Association has is that there is continued resistance by Port Stephens Council to release comprehensive information electronically on their website in association with development applications, claiming restrictions to the Copyright Act. What is your advice in view of the fact that these are residents, part of the community, who want access to information and they are being restricted?

The Hon. NIALL BLAIR: Point of order: Are you asking for running commentary, opinion and advice from the Minister? I think that the question should be ruled out of order.

Mr DAVID SHOEBRIDGE: I assume it is targeted to the legislative amendments that went through our House in the last six months and addressing that.

The Hon. SOPHIE COTSIS: That is right.

CHAIR: There is no point of order but the Minister is entitled to answer the question as he thinks fit.

Mr PAUL TOOLE: At the end of the day we are not sure of the information that you are talking about. I am not sure if this was done in a confidential committee of the whole, which can be done by councils. I am not sure that you understand that councils can deal with matters.

The Hon. SOPHIE COTSIS: But what action—

Mr PAUL TOOLE: I am talking about the individual matters of the councils in determining their decision here.

The Hon. SOPHIE COTSIS: But they must release that information. Ratepayers are not getting that information.

Mr PAUL TOOLE: The councils must release—and I will just explain to you because you may not be sure of the process—if it is involved in a confidential committee of the whole—

The Hon. SOPHIE COTSIS: I do not need to understand.

Mr PAUL TOOLE: That is the thing, I know you do not understand and I am trying to help you.

The Hon. SOPHIE COTSIS: No, you do not understand, Minister.

The Hon. SHAOQUETT MOSELMANE: Point of order—

Mr PAUL TOOLE: I am trying to help you understand how councils operate. As a confidential committee of the whole the recommendations are what the obligation is to be released from councils.

The Hon. SOPHIE COTSIS: This is open information that this council is not providing to their residents. What action will you take? What is your advice to the mayor?

Mr PAUL TOOLE: There are a number of actions that the Tomaree Ratepayers and Residents Association could take. It might be an opportunity for them to sit down with the mayor and the general manager to discuss the issues that have been put forward by them.

The Hon. SOPHIE COTSIS: He will not see them.

Mr PAUL TOOLE: You have asked me my opinion as to what actions—

The Hon. SOPHIE COTSIS: What action will you take as the Minister who oversees the Act?

Mr PAUL TOOLE: —and I have given them a pathway, but you do not like the answer.

The Hon. SOPHIE COTSIS: We will move on because you are not going to answer. Minister, in relation to the suspended councillor Ivan Petch, on 30 June the Independent Commission Against Corruption found councillor Ivan Petch had engaged in serious corrupt conduct. You suspended him and gave him 28 days to show cause. Why is he still a councillor?

Mr PAUL TOOLE: Can I just make the point that as the local government Minister I have very limited and specific powers when it comes to taking action against individual councillors. There are three methods by which I can dismiss a councillor from civic office. The first is when there is a finding that comes out of the Independent Commission Against Corruption; then I make a submission to the Governor to dismiss a councillor. The other one would be if there are criminal proceedings that are made against an individual councillor at a particular time and, thirdly, if there is an admission of serious misconduct from an individual councillor. In this situation, the ICAC handed down its report—

The Hon. SOPHIE COTSIS: But you said on 30 June that you were taking swift action to suspend the Ryde city councillor. He has been found to have engaged in serious corrupt conduct. What action are you taking?

Mr SCOT MacDONALD: Point of order: A question has been asked and the Minister is in the middle of an answer, which seems very relevant to me. Can he be allowed to answer the question?

The Hon. SOPHIE COTSIS: He has finished.

Mr PAUL TOOLE: No, you cut me off. I will go back to where we were. I was explaining the process in relation to—

The Hon. SOPHIE COTSIS: What are you doing about Ivan Petch?

Mr PAUL TOOLE: —suspending and dismissing a councillor.

The Hon. SHAOQUETT MOSELMANE: We all understand the process.

CHAIR: Order! Allow the Minister to answer the question.

Mr PAUL TOOLE: What I am saying is that if we go back to 30 June there was a report that came out of ICAC and it had a number of findings against Mr Petch. I took the swift action, as the local government Minister, to immediately suspend Mr Petch from the City of Ryde as a councillor and—

The Hon. SOPHIE COTSIS: There are a number of recommendations from the ICAC report and those recommendations are, "the immediate suspension of Ivan Petch from civic office with a view to his dismissal pursuant to section 440B of the Local Government Act". What are you doing? Why have you not taken action?

Mr SCOT MacDONALD: He is trying to tell you.

The Hon. SOPHIE COTSIS: No. He is telling me about the process. I know the process.

CHAIR: Order! Members will not have a discussion across the table. The member has asked a question and the Minister should be allowed an opportunity to answer.

Mr PAUL TOOLE: I will explain to you the process because I have been through the process, having directly dealt with this individual. Let me point out to you, under the Act there was a finding against Mr Petch on 30 June. Mr Petch was suspended immediately, as I felt this was the appropriate action to have been undertaken. Mr Petch was given 28 days to say why he should not be completely dismissed as a councillor. Towards the end of that time he provided some lengthy information to the Office of Local Government, which is now being assessed by our legal team and a decision for Mr Petch's future will be forthcoming.

The Hon. SOPHIE COTSIS: Given earlier in this hearing you claimed that the people of Newcastle had been let down by their elected representatives, do you endorse the comments of the acting Lord Mayor of Newcastle, who in today's *Newcastle Herald* said, "Mr McCloy was a strong leader with a great vision for Newcastle"?

Mr PAUL TOOLE: I am not going to create a running commentary on individuals. But I make the point that—

The Hon. SOPHIE COTSIS: Do you endorse that comment?

Mr PAUL TOOLE: I will make the point that I think the community of Newcastle can feel very let down with some of the revelations that were coming out of ICAC last week. They were both very shocking and very disturbing and that community has every right to feel let down. I think the Premier and I made it very clear last week that New South Wales deserves better. We made it very clear to the Lord Mayor as to what actions he should be taking.

The Hon. SOPHIE COTSIS: After pressure from the public.

Mr PAUL TOOLE: I welcomed his decision and I am sure that the comments of both the Premier and me certainly made sure that he took the appropriate action.

CHAIR: Time has expired for questions from the Opposition. We will now move to questions from the crossbench, beginning with Mr David Shoebridge.

Mr DAVID SHOEBRIDGE: Congratulations, Minister, on your appointment and, Mr Woodward—is it 42 years in public service?

Mr WOODWARD: Yes.

Mr DAVID SHOEBRIDGE: Congratulations on that service. Minister, in relation to Newcastle council, given the revelations about Mr McCloy handing literally bags of cash to Government members of Parliament in breach of the donations laws, given that he ran a very cashed-up ticket which got a number of councillors elected with his funds, and given the very obvious concerns that the community has about the influence of developer donations and potential corruption, what investigation is the department doing in relation to the balance of the council?

Mr PAUL TOOLE: I will go back to what I was stating previously. I think the Newcastle community can feel very let down with what has been revealed out of ICAC.

Mr DAVID SHOEBRIDGE: My question is what are you and the department doing to respond to exactly how disgusted the Newcastle community is?

Mr PAUL TOOLE: As I was saying, I think last week the revelations that were coming out of ICAC were both very shocking and very disturbing. I need to make the point that the opportunity will be there for the community to go to the elections and to elect who they would like to see as their next lord mayor within the forthcoming months. That community can feel let down because at the end of the day that community wants representatives who are going to serve the interests of the community they represent.

Mr DAVID SHOEBRIDGE: My question was what are you and the department doing to investigate the balance of the councillors who got elected on Mr McCloy's ticket, given he was a cashed-up property developer and corrupting Government members of Parliament and candidates at the time? What are you doing to investigate the balance of the council?

Mr PAUL TOOLE: My point to you is this: I am not going to give you a running commentary—

Mr DAVID SHOEBRIDGE: I do not want a running commentary, I want an answer.

Mr PAUL TOOLE: I am giving you an answer and my answer is that I am not going to give you a running commentary on matters that are before ICAC.

Mr DAVID SHOEBRIDGE: I will ask Mr Woodward, through you, what is the department doing to do integrity checks on the balance of the councillors who were elected on Mr McCloy's ticket?

Mr WOODWARD: As the Minister has said, this whole matter is before ICAC and there are no specific allegations about any other councillors. Under that scenario we have no power to investigate anybody unless we have a specific complaint. I have got no specific complaint about any other councillor in Newcastle council.

Mr DAVID SHOEBRIDGE: Minister, did you have any communications with Mr McCloy in the last two weeks about his resignation?

Mr PAUL TOOLE: I think Mr McCloy has heard it very loud and clear from both me and the Premier as to what the honourable thing would be for him to do.

Mr DAVID SHOEBRIDGE: Did you have any communications with Mr McCloy yourself?

Mr PAUL TOOLE: I think it was quite publicly out there.

Mr DAVID SHOEBRIDGE: But direct communications with Mr McCloy? Did you have any direct communications with Mr McCloy, not through a media outlet but directly?

Mr PAUL TOOLE: I will make the point to you: I think it was pretty widespread. Mr McCloy certainly knew the opinion of both the Minister and the Premier in relation to the actions that have taken place over the past week or so.

Mr DAVID SHOEBRIDGE: I do not know why you are being so coy. I am asking you a direct question: Did you have any direct communications with Mr McCloy about his resignation in the last fortnight?

Mr PAUL TOOLE: What I am saying to you is that I do not think Mr McCloy was in any doubt as to my position as to actions he was to take—

Mr DAVID SHOEBRIDGE: Why are you not answering the question?

Mr PAUL TOOLE: It was quite clear out there stating to him what actions needed to be taken.

Mr DAVID SHOEBRIDGE: I will ask you a third time and give you the opportunity to actually answer the question: Did you have any direct communications with Mr McCloy about his potential resignation from the position of Lord Mayor on Newcastle City Council in the last fortnight? Yes or no?

Mr PAUL TOOLE: I will answer you as I did earlier. I said before that I think it was well known to Mr McCloy my thoughts as to his position and what he should do, and I believed that the honourable thing for Mr McCloy—

Mr DAVID SHOEBRIDGE: To not give bags of cash to Government members of Parliament would be the honourable thing.

Mr PAUL TOOLE: —was to stand down as the Lord Mayor. I welcomed that because my statements and the Premier's statements ensured the action taken by the Lord Mayor in resigning from that position.

Mr DAVID SHOEBRIDGE: Are you calling Mr McCloy's actions honourable?

Mr PAUL TOOLE: I think the actions taken by the Lord Mayor were taken in the interests of the community of Newcastle.

Mr DAVID SHOEBRIDGE: Have you or your office had any direct communications with the general manager of Newcastle City Council about the timing of the by-election?

Mr PAUL TOOLE: I have not had any information provided to my office in relation to that matter. I will ask the Chief Executive if they have had any confirmation of any correspondence in this matter.

Mr WOODWARD: No. The process normally is that the general manager writes to the Electoral Commissioner and then the Electoral Commissioner sorts out the date.

Mr DAVID SHOEBRIDGE: Minister, the position of Councillor Petch, the former Liberal member of Parliament and mayor of Ryde, has been called into question with those ICAC corruption findings. It has now been the better part of two months, if not longer, since those corruption findings, yet he remains in office. What are you doing about it?

Mr PAUL TOOLE: I will go back to my previous answer. As you would have heard me say before, as the Minister I have very specific and limited powers given to me under the Local Government Act.

Mr DAVID SHOEBRIDGE: We have established there has been a corruption finding that has given you, as Minister, the power to make a recommendation to the Government to dismiss him. When will you do that?

Mr PAUL TOOLE: As I said previously, on 30 June swift action was taken to suspend Mr Petch immediately. He was given 28 days, which is seen as natural justice in this situation, to respond as to why he should not be dismissed from office. Mr Petch, as I said previously, responded right at the death of those 28 days and that matter is being looked at quite closely at this point in time. Legally, it is being assessed and a decision on the future of Mr Petch will be forthcoming.

Mr DAVID SHOEBRIDGE: Why has the Government decided it is appropriate for corporations to get two votes as opposed to ordinary citizens getting only one vote if they own land, lease a premise or occupy a rateable property in the City of Sydney? What is so special about corporations?

Mr PAUL TOOLE: There are two bills currently before the Parliament of New South Wales. A bill is being put forward by the Shooters and Fishers Party—

Mr DAVID SHOEBRIDGE: Which you have said publicly you will back.

Mr PAUL TOOLE: —and a bill has been put forward by the Independent, Mr Alex Greenwich. Having a look at the principles of the recommendations that were delivered from the Joint Standing Committee on Electoral Matters, the principles of some of the recommendations that have been put forward are in keeping with what those recommendations were.

Mr DAVID SHOEBRIDGE: The answers have to be in English.

Mr PAUL TOOLE: Maybe you do not like the answer.

Mr DAVID SHOEBRIDGE: No, they just have to be a collection of subject, object, verb in some way to get to a meaning, rather than just meaningless garble.

Mr PAUL TOOLE: As I was saying, the proposed changes to the City of Sydney Act are in keeping with a number of recommendations by the Joint Standing Committee on Electoral Matters.

Mr DAVID SHOEBRIDGE: You have said you will support the bill of the Shooters and Fishers Party. The Shooters' bill gives corporations two votes when they own a property but ordinary citizens—human beings—get only one. What is so special about corporations that you are going to give them two votes? It is a simple question.

Mr PAUL TOOLE: We will be considering both of those bills.

Mr DAVID SHOEBRIDGE: No, you have said you will support the Shooter's bill.

Mr PAUL TOOLE: I think Mr David Shoebridge is forgetting that there is a big call out there in the community to increase participation in elections on the non-residential roll. It is not me—

Mr DAVID SHOEBRIDGE: Who has been knocking down your door telling you that corporations do not get enough say in local council, State or Federal business? Who are these people telling you that corporations are not getting a fair go? Tell us all.

Mr PAUL TOOLE: I will go back to my point.

Mr DAVID SHOEBRIDGE: You said there is a "big call". Who are they?

The Hon. NIALL BLAIR: Point of order: Mr David Shoebridge knows that the Minister should be afforded the courtesy to at least try to answer the question without being interrupted with sarcastic remarks and further questions.

CHAIR: I uphold the point of order. The Minister may continue.

Mr PAUL TOOLE: I make the point that in the City of Sydney we have been hearing—

Mr DAVID SHOEBRIDGE: From whom?

Mr PAUL TOOLE: I have heard the Lord Mayor make the statements. I have heard the Independent member say that more needs to be done to get people onto the non-residential roll. They are not my statements; they are statements that have been made in public. If you talk to people who want to be on the non-residential roll, they have said that the bureaucracy and red tape that they have to go through to be on the non-residential roll for each election is very difficult because what other major city wipes the roll after each election? These matters are being considered. We also know that an exorbitant amount of money was spent for the last City of Sydney elections. We know that in 2008 there were 396 people on the non-residential roll. In 2012 almost a quarter of a million dollars was spent to get 1,700 non-residential voters.

The Hon. PAUL GREEN: Minister, I note recently that the Federal budget basically said that the fuel excise freeze from the Howard Government had a major impact on roads and the ability to fund roads. I am of the view that that has the same impact as rate pegging and certainly an impact on local government in terms of the massive infrastructure backlog. Is your Government planning to abolish rate pegging or at least make some sorts of changes so that local councils can catch up with their backlog of infrastructure needs?

Mr PAUL TOOLE: It is a good question that has been spoken about by 152 councils across New South Wales. One only has to look at the infrastructure backlog of councils. We were looking previously at an infrastructure backlog of around \$7.4 billion. One of the significant programs put in place by the New South Wales Government is the Local Infrastructure Renewal Scheme [LIRS]. Already in rounds one and two we have seen approximately 87 councils take advantage of that scheme. It has seen about 137 projects occurring across local government areas. The projects have included: recreational facilities like swimming pools; fixing bridges; road repairs; fixing footpaths; timber bridges replaced and upgrades of airports. I attended openings of some of those programs recently. Recently at Cootamundra, where a new indoor facility was created, the comment from the mayor was, "We would not have been able to do this unless the Government had a low interest rate subsidy given to us."

The Hon. PAUL GREEN: What interest rate was it?

Mr PAUL TOOLE: We have had rounds one and two that were a 4 per cent and a 3 per cent interest rate subsidy.

The Hon. PAUL GREEN: Will there be a round three and a round four?

Mr PAUL TOOLE: Definitely a round three. In the coming months a round three program will be rolled out. The other important thing to note about this great program is that almost \$100 million has been given by the New South Wales Government, which has seen almost \$680 million worth of infrastructure projects occurring across the State. The other good thing about this program is that by the time round three is announced close to \$1 billion worth of infrastructure backlog work will have occurred across the State. Also, when these projects were assessed they fitted in as part of the integrated planning and reporting that councils have to do. It identified the projects that they needed in the next five to 10 years so it fitted with what was needed in those particular communities. Round three, which has not been released, will amount to almost \$1 billion.

The Hon. PAUL GREEN: At what percentage?

Mr PAUL TOOLE: At another 3 per cent interest rate subsidy.

The Hon. PAUL GREEN: It is a great initiative. The Government listened to some feedback we gave to it about ways to address that massive backlog. Some time ago about one-third of councils were financially unsustainable, one-third were critically financially unsustainable and the remaining one-third were sustainable. Do you have an up-to-date breakdown of the current local government situation?

Mr PAUL TOOLE: We are continually looking at councils and their financial positions and that information is provided also through comparative data information received each year. That gives the community and the Office of Local Government the opportunity to get a snapshot and see the positions of councils.

The Hon. PAUL GREEN: Sorry, Minister, with all due respect, I want to get some key information. Is it still the situation that one-third are financially unsustainable, one-third are very vulnerable to unsustainability and one-third are still sustainable? Mr Woodward might have a better snapshot.

Mr PAUL TOOLE: I will get Mr Woodward to answer in a moment but I will just say: You are correct. When TCorp went and assessed the councils it identified that 25 per cent of councils across the State were either weak or very weak. If councils did nothing we were talking in three years time that 50 per cent of councils across New South Wales could be in a weak or very weak position. As you would be aware, Destination 2036 in Dubbo in 2011 probably began a real conversation about the need for change in local councils.

The Hon. PAUL GREEN: It was a good initiative.

Mr PAUL TOOLE: I will ask the Chief Executive to respond.

Mr WOODWARD: Thank you, Minister. The TCorp assessment was one point in time and it was in 2013 so there has not been any update of that across the whole sector. But councils are able to go to TCorp and get that information updated. But what it has done is that it has been a wake-up call to all councils really. It has also given them the ability to review their financial position and look at the possibility of rate rises or whatever else through the integrated planning and reporting process and then go to the Independent Pricing and Regulatory Tribunal [IPART] to address some of those issues.

The Hon. PAUL GREEN: That is whole point of this: We swing back around. But before I do that, you have financial assistance grants [FAG] from the Federal Government that I believe are going to be compromised in some shape or form in the roads component. Are we now not backpedalling to address the cost shifting that will happen on the Federal Government side of things? Will not all the good work that has been done by the Local Infrastructure Renewal Scheme be undone now if the Federal Government cuts the roads component of the Federal financial assistance grants?

Mr PAUL TOOLE: I will go back to your previous question but I will come to that question as well. You asked about rate pegging.

The Hon. PAUL GREEN: I am going to bring it back to that.

Mr PAUL TOOLE: One of the issues is the financial sustainability of councils. As you would know, the Independent Local Government Review Panel has done an extensive amount of work over the past number of years. That report has been handed in. There are various submissions now and it has about 65 recommendations to which the Government will be responding in due course. Obviously that is an issue; FAG grants from the Federal Government, having been indexed as well, creates additional financial pressure on individual councils across indexation.

Mr DAVID SHOEBRIDGE: Non-indexed is the issue.

The Hon. PAUL GREEN: There are real problems with the methodology of the FAG grants modelling anyway. It does not take account of any inconsistency, any climate change that might happen, on coastal erosion and asset infrastructure. That does not come into it so it is broken already. Once again, I ask: What are you going to do on rate pegging? Are there changes? As the new Minister are you looking to change that model because we have a rust spot in a car that needs to be cut out, needs a bandaid solution or needs to be totally renewed. What are you going to do about rate pegging to make it financially sustainable for New South Wales councils?

Mr PAUL TOOLE: It is something that we have to definitely look at, and I do not want to pre-empt what the Government's response is going to be to those 65 recommendations.

The Hon. PAUL GREEN: I am sure you do not.

Mr DAVID SHOEBRIDGE: But the core one is rate pegging.

The Hon. PAUL GREEN: I put it on record.

Mr PAUL TOOLE: But I make the point, having travelled already to different parts of the State and spoken to mayors, councillors, general managers and various stakeholders, that the issue around rate pegging is something that is continually raised and it is something that is certainly recommended to be considered by the Government in our response.

The Hon. PAUL GREEN: In light of Canberra's Mr Fluffy crisis dealing with asbestos insulation, you would be aware that WorkCover NSW has written to local councils asking them to update their asbestos records to include information on loose fill as asbestos insulation. What process and dialogue has the New South Wales Government taken with local councils to make sure that this process is accurate and efficient?

Mr PAUL TOOLE: I will hand over to the Chief Executive to answer that question?

Mr WOODWARD: The Government has taken the whole asbestos question very seriously and a working committee has been set up to oversee that. WorkCover has primary responsibility.

The Hon. PAUL GREEN: Is it with a carrot or a stick?

Mr WOODWARD: It is a bit of both really.

The Hon. PAUL GREEN: I would suggest a carrot followed by a stick.

Mr DAVID SHOEBRIDGE: It is a pretty big carrot.

Mr WOODWARD: A range of initiatives are being undertaken by a range of agencies. Our role has been more around communicating the Government's policy to councils and making sure councils have proper policies in place. Those policies have been developed by other agencies and Local Government NSW has been a key driver around doing some of that work on the ground as well, so we have played a coordination role.

CHAIR: The time for questions from the crossbench has expired. We will now go to questions from the Opposition.

The Hon. SOPHIE COTSIS: Minister, following on from an earlier question about whether you have had any discussions with the general manager of Newcastle City Council about an election date, have you discussed the by-election date for the Lord Mayor of Newcastle with the general manager?

Mr PAUL TOOLE: That question has already been asked and, as I said, if you are asking me personally have I spoken with the general manager then the answer is no.

The Hon. SOPHIE COTSIS: Has your office?

Mr PAUL TOOLE: Your question was to me: have I spoken to the general manager?

The Hon. SOPHIE COTSIS: Yes. Has your office?

Mr PAUL TOOLE: To the best of my knowledge, I would be saying no. But we can check anyway for you to make sure that is correct.

The Hon. SOPHIE COTSIS: So you are not aware if your office has spoken to the general manager of Newcastle City Council, or any of your advisers?

Mr PAUL TOOLE: I am certainly unaware of that but I can also get the Chief Executive to give you an answer in relation to the Office of Local Government as well.

Mr WOODWARD: I certainly have not had any conversations and I am pretty sure my staff have not either, but I can certainly check on that.

The Hon. SOPHIE COTSIS: How much will a by-election cost if it is not held on the same date as the State by-elections?

Mr PAUL TOOLE: You are probably speculating here as to when the timing of that election will be. As you are aware, the Electoral Commissioner is the person responsible for setting the date of that election and that is something still to be determined.

The Hon. SOPHIE COTSIS: But I am asking: If you hold the by-election on a separate date to the State by-elections, how much will that by-election cost?

The Hon. NIALL BLAIR: Point of order: This is clearly a hypothetical question.

The Hon. SOPHIE COTSIS: It is a very live question.

The Hon. NIALL BLAIR: It is hypothetical. You are asking, hypothetically, how much will it cost if it is on this date versus that date?

The Hon. SOPHIE COTSIS: Yes.

The Hon. NIALL BLAIR: Hypothetical questions should be ruled out of order.

CHAIR: Order! I uphold the point of order.

The Hon. SOPHIE COTSIS: So Minister, you will not disclose when you are going to hold the lord mayoral by-election and what the cost will be?

Mr PAUL TOOLE: You are asking me to speculate on that, but all I can give you is the details of the cost of the last local government election as to what those actual figures are.

The Hon. SOPHIE COTSIS: I hope you are aware that the last Newcastle City Council elections, run by a private company, cost 12 per cent more than in 2008. Minister, are you aware of how section 451 of the Local Government Act is being interpreted by councils?

Mr PAUL TOOLE: Do you want me to elaborate as to how they are interpreting it?

The Hon. SOPHIE COTSIS: Yes, this is the special disclosure of pecuniary interest form.

Mr PAUL TOOLE: Individual councillors must abide by their obligations with regard to disclosures and pecuniary and non-pecuniary interests.

The Hon. SOPHIE COTSIS: You understand that your Government introduced this amendment. It provides that for a councillor who has a pecuniary interest in a principal environmental planning instrument applying to the whole or significant parts of a council's area to participate in a discussion and a vote on the instrument he or she must make a special disclosure. Are you aware of that?

Mr PAUL TOOLE: If you are talking about significant development, I am aware of that.

The Hon. SOPHIE COTSIS: What is "significant development"?

Mr PAUL TOOLE: I can provide the correct definition in section 451, which deals with the declaration of pecuniary interests in respect of principal planning instruments. As you know, the Government is committed to facilitating appropriate development in New South Wales to stimulate the economy. In August 2012, it amended section 451 of the Local Government Act to address the problem of significant delays in the implementation of standard instrument local environmental plans across New South Wales.

The Hon. SOPHIE COTSIS: What does "significant" mean to you?

Mr PAUL TOOLE: I would like to finish my answer. The delay was caused by councils unable to make decisions because a quorum could not be formed, given the number of councillors with a pecuniary interest.

The Hon. SOPHIE COTSIS: That amendment was made two years ago. It is a very serious amendment, particularly for councillors who have significant landholdings and developments.

Mr SCOT MacDONALD: Are we getting to a question?

The Hon. SOPHIE COTSIS: I have asked a question but the Minister has not been able to answer it.

CHAIR: Order! I remind members not to interrupt other members asking questions.

Mr PAUL TOOLE: I have been able to answer it. I am happy to answer it if the member will let me.

The Hon. SOPHIE COTSIS: Two years after the amendment was made how does the Office of Local Government monitor pecuniary interest declarations?

Mr PAUL TOOLE: The office is reviewing the operation of section 451 in consultation with the Department of Planning and Infrastructure with a view to ensuring that it is appropriately and clearly framed and to ascertain whether the amendment is still required.

The Hon. SOPHIE COTSIS: Have you made that public?

Mr PAUL TOOLE: This is something that we are reviewing and we will be considering it.

The Hon. SOPHIE COTSIS: Are you publicly announcing that you are reviewing section 451?

Mr PAUL TOOLE: We are reviewing all sections of the Act at all times.

The Hon. SOPHIE COTSIS: Will public submissions be allowed?

Mr PAUL TOOLE: As I said, it will be reviewed.

Mr DAVID SHOEBRIDGE: Will be reviewed or is being reviewed?

CHAIR: Order! Mr David Shoebridge has been interjecting on his colleagues throughout this hearing. He will have an opportunity to ask questions shortly.

The Hon. SHAOQUETT MOSELMANE: Has it been reviewed or is it being reviewed?

Mr PAUL TOOLE: It will be reviewed as part of the Local Government Act review. It will be appropriately reviewed during that process.

The Hon. SOPHIE COTSIS: You have already reviewed the Local Government Act. Is this a separate review of section 451?

Mr PAUL TOOLE: I am happy to go through the 65 recommendations.

The Hon. SOPHIE COTSIS: This is very serious.

Mr PAUL TOOLE: It was a serious question and I am giving a serious answer.

The Hon. SOPHIE COTSIS: This is about councillors who are landholders and who vote on rezonings. I am asking two questions: First, is the Office of Local Government monitoring these pecuniary interest declarations?

Mr PAUL TOOLE: You have now asked a question of the Office of Local Government.

The Hon. SOPHIE COTSIS: Yes or no?

Mr PAUL TOOLE: I will ask the chief executive officer to provide an answer.

Mr WOODWARD: They are public; they have to be declared publicly. The only thing that section 451 really did was to remove the ministerial approval process. It did not change the obligation on councillors to make a proper declaration. We investigate any complaint or accusation that we receive.

The Hon. SOPHIE COTSIS: How many complaints have you received?

Mr WOODWARD: I will provide that information on notice. There are not very many.

The Hon. SOPHIE COTSIS: Can you take that on notice?

Mr WOODWARD: Yes.

The Hon. SOPHIE COTSIS: Do you have a central register of those pecuniary interests?

Mr WOODWARD: No. Each council keeps a record.

The Hon. SOPHIE COTSIS: But is it not in the best interests of the Office of Local Government to monitor who has landholdings and who is voting on rezonings?

Mr WOODWARD: No, because that is part of the accountability process conducted at each council meeting.

The Hon. SOPHIE COTSIS: But the office enforces this Act.

Mr WOODWARD: But the councils and the councillors are responsible for making declarations and they are all publicly available.

The Hon. SOPHIE COTSIS: Is the review being conducted now?

Mr WOODWARD: It is part of the overall review of all sections of the Act. This issue is certainly part of that review.

The Hon. SHAOQUETT MOSELMANE: You referred to financial assistance grants, which suffered a \$288 million Federal budget cut. Did you have any discussions with the relevant Federal Ministers about that cut?

Mr PAUL TOOLE: The New South Wales Government's position was made very clear. Both the Premier and the Treasurer have raised this significant matter with the appropriate Federal Government members and we will continue to raise it. I have spoken to various stakeholders on my travels across the State. As the Minister, I have encouraged local councils, mayors and general managers to continue lobbying their Federal members about this program.

The Hon. SHAOQUETT MOSELMANE: Given that it will impact on already cash-strapped councils, what action have you taken to assist those that will suffer?

Mr PAUL TOOLE: This was one of the measures proposed by the Federal Government in its recent budget. It also included pensioner concession rebates. As members know, the New South Wales Government has picked up the shortfall for the 12 months that the Federal Government will not cover those rebates. We will continue to have discussions with Federal members about this issue. A group letter has been signed off and sent to the Federal Government raising concerns about this level of cost shifting.

The Hon. SHAOQUETT MOSELMANE: What representations have you had from local governments about this issue?

Mr PAUL TOOLE: We held a roundtable discussion about these changes and the pensioner rebates. I have already said that I have asked mayors and councillors across the State to contact their Federal members about this program and to identify the significant financial impact that it will have on their local areas. I am not saying that this will not impose an additional financial burden on councils. Given the recommendations of the Independent Local Government Review Panel, it is important that we get it right. We must get it right for the local government sector and we must ensure the future financial sustainability of councils.

The Hon. SOPHIE COTSIS: When will you report or make public the findings of your office's inquiry into the administration of the Sutherland Shire Council?

Mr PAUL TOOLE: I will ask the chief executive officer to answer that question.

Mr WOODWARD: We wrote to the council and as far as I am aware that is a public document.

The Hon. SOPHIE COTSIS: Have the findings been made public?

Mr WOODWARD: I believe they have been made public.

The Hon. SOPHIE COTSIS: Can you put those findings on your website?

Mr DAVID SHOEBRIDGE: Can you provide a copy to the Committee?

Mr WOODWARD: Certainly.

The Hon. SOPHIE COTSIS: Minister, you are reported in the local press as having made threats to North Sydney Council. Have you issued the council with a performance improvement or suspension order?

Mr PAUL TOOLE: I have sent a letter to North Sydney Council putting it on notice. Through this Parliament I have the power to issue early intervention orders, which can suspend a council for up to three months. That can be extended for a further three months, giving a total of six months. There can be a public hearing if a council is not reinstated. I wrote that letter because, like the community of North Sydney, I was very concerned about the petty arguments and the squabbling being played out in the media. There have been approximately 26 code-of-conduct complaints that have cost more than \$50,000. A great deal of time and ratepayers' money has been wasted dealing with these matters.

The Hon. SOPHIE COTSIS: Did you meet with the mayor of North Sydney Council?

Mr PAUL TOOLE: I meet with a whole range of various people when travelling the State.

The Hon. SOPHIE COTSIS: I understand. I meet with many people as well. But have you met with the Mayor of North Sydney about these issues?

Mr PAUL TOOLE: Not about this issue. To the best of my knowledge I would say no. I certainly can check for you in relation to that. I did issue that letter and the letter was informing the council of a number of actions. If they did not improve their performance they would be facing the early intervention orders. The other part of the letter that was sent to the individual councillors indicated—which is on the public record—that the mayor needed to undertake further training in relation to chairing of meetings. Further to that, it put the rest of the councillors on notice that if it did not improve early intervention could be applied.

The Hon. SOPHIE COTSIS: When have you given them a specific date to respond to your directions?

Mr PAUL TOOLE: What we have actually got is that all councils across New South Wales—as you are aware there are 152 councils—are continually being monitored in relation to their performance.

The Hon. SOPHIE COTSIS: With respect to North Sydney Council, have you given them a date to respond?

Mr PAUL TOOLE: There is no response date required. It was basically putting them on notice that as the Minister I am very concerned about the squabbling and the petty arguments that have been occurring at North Sydney for a period of time. At the end of 2013 the comparative data on local councils shows that there were approximately 26 code of conduct complaints. I think for the first time that data was produced and that data showed the community how many code of conduct complaints were dealt with and the cost to the ratepayer.

The Hon. SOPHIE COTSIS: I understand. There have been numerous complaints with respect to North Sydney Council. Will you give us a reporting date about the issues that they have to resolve?

Mr PAUL TOOLE: There are various actions to be undertaken by the council. I was pleased to note that they were indicating that they were going to have some further training as councillors.

The Hon. SOPHIE COTSIS: Can you report to the Parliament to ensure that ratepayers of North Sydney have full confidence in their council?

Mr PAUL TOOLE: I think all communities do not want to see it happening—

The Hon. SOPHIE COTSIS: You have issued them a letter prior to your going to the performance improvement order. Will you report to the Parliament?

Mr PAUL TOOLE: It is a notice of intent that if it does not improve then the opportunity—

The Hon. SOPHIE COTSIS: Will you commit to reporting to Parliament?

Mr PAUL TOOLE: I make the point to you, having been in the role for 15 weeks, and having been a former mayor myself, the community are sick of these actions that are taking place, the petty squabbling and the waste of ratepayers' money in relation to these matters.

The Hon. SOPHIE COTSIS: How will the ratepayers have confidence if you do not report to the Parliament?

Mr PAUL TOOLE: It is certainly a matter that is continually being monitored. You cannot sit there and give me direction when it was your Government that did nothing about those councils. They showed contempt for their performance as councils and you ignored them.

The Hon. SOPHIE COTSIS: With respect to Port Stephens Council will you commit to reporting to the Parliament about an investigation in relation to the concerns I have raised with you today?

CHAIR: Order!

The Hon. NIALL BLAIR: He answered that.

The Hon. SOPHIE COTSIS: I want it on the record.

Mr PAUL TOOLE: I think that question has been answered.

The Hon. SOPHIE COTSIS: You will report?

Mr DAVID SHOEBRIDGE: Mr Woodward, you said there had been a number of complaints made in relation to section 451. Are any of those in relation to Auburn City Council?

Mr WOODWARD: Yes.

Mr DAVID SHOEBRIDGE: How many?

Mr WOODWARD: I would have to check, but I am aware of at least one.

Mr DAVID SHOEBRIDGE: Could you provide details to the Committee of the councils in relation to which the 451 complaints were made and, to the extent possible, provide details of the complaints that have been made? I can only fairly ask you to take that on notice.

Mr WOODWARD: I will have to check because there might be some privacy issues with that.

Mr DAVID SHOEBRIDGE: You had better hurry up and do it. Minister, you have said repeatedly in relation to the setting of the time for the Newcastle by-election, "Don't worry, it is to be determined by the Electoral Commissioner." I accept fully that it is not your job to set the date for the by-election, but I think what troubles many people is that it may not be the Electoral Commissioner setting the date but the general manager who sets the date under the Local Government Act. Given the general manager was appointed by a council led by the now disgraced lord mayor, what will you be doing to ensure that there will not be some politicisation of the setting of the date if it is done by the general manager?

Mr PAUL TOOLE: If that is the decision to be made I hope that the interests of the Newcastle community are being put forward when considering the number of by-elections that will be taking place over the coming months. I would hope that it is taken into consideration to ensure that inconvenience is not being given to the Newcastle community in going back to those elections.

Mr DAVID SHOEBRIDGE: Prior to my asking this question, did you know that the general manager rather than the Electoral Commissioner would set the date if the council determined to run its own election?

Mr PAUL TOOLE: We do know that there are guidelines in relation to councils—

Mr DAVID SHOEBRIDGE: This is a statutory provision, not a guideline.

Mr PAUL TOOLE: There are opportunities there for councils to run their own elections and there are opportunities for it to be done through the Electoral Commission. You are aware of that, as I am, and that choice has been there. As I said, in the 2012 local government elections there were approximately 14 councils that undertook to run their own elections. I am happy to read each of them out to you if you wish.

Mr DAVID SHOEBRIDGE: Given it would not relate to my question I do not think that would be of great assistance. Minister, are you not concerned that given the low level of confidence that residents in Newcastle City Council currently have of the political process that the general manager [GM], who was appointed by the now disgraced lord mayor, could be the person who sets the date for the by-election? Are you not concerned with the impression that would give of potential political bias to the residents of Newcastle City Council?

Mr PAUL TOOLE: I am concerned for the community of Newcastle. As I said previously, it is the community of Newcastle that can feel very let down by this entire process. You are asking me to speak of the GM's actions. The GM is appointed by the council.

Mr DAVID SHOEBRIDGE: That is the problem.

Mr PAUL TOOLE: You are asking me to pre-empt a decision that is yet to be made and speculate as to when a date may be called.

Mr DAVID SHOEBRIDGE: I have not asked for any speculation on the date.

Mr PAUL TOOLE: The general manager is appointed by the council. The general manager is not appointed by the Minister. I say this: The community of Newcastle can feel let down. The community of Newcastle will have an opportunity to have their say when they go to the polls in the coming months.

Mr DAVID SHOEBRIDGE: In answers earlier about the corporate voting bill of the Shooters and Fishers Party you said that there had been a number of members who had come and made representations to you about improved representation for corporations at a local government level. I am assuming you meant persons other than members. Who, other than members, has come to you and said corporations need more sway at the ballot box in local council elections?

Mr PAUL TOOLE: The other day I was at snapper and grill and I talked to a gentleman called Chris Sapounas. He is running a restaurant. He said to me that the difficulty is the bureaucracy, the red tape and not being informed.

Mr DAVID SHOEBRIDGE: Snapper and grill was telling you they wanted two corporate votes: One for the snapper and one for the grill?

Mr PAUL TOOLE: What he was indicating to me was that the process is difficult because every election he is removed from the roll and he has to go through the process three months before the election. He is completely wiped off, which makes it very difficult to be on that non-residential roll. The joint standing committee also had a number of submissions. I encourage you to go and have a read of them because there are other submissions that have been written that have indicated concerns from individuals for the process of being on the non-residential roll.

Mr DAVID SHOEBRIDGE: The question is about two corporate votes, not the maintenance of the non-residential roll. Who has come to you and said they want to have two votes for every corporation? Human beings who own land, who you would hope the system is designed to serve, not corporations, only get one vote if they own the same parcel of land. Who has come to you and said, "This is what we want, Minister"?

Mr PAUL TOOLE: This is what I am going to say to you—

Mr DAVID SHOEBRIDGE: Apart from your corporate donors.

Mr PAUL TOOLE: There are two bills before this Parliament. There is a bill from the Shooters and Fishers and there is a bill from the Independent member Mr Alex Greenwich.

Mr DAVID SHOEBRIDGE: Who has come to you and said that they want corporations to get two votes when human beings who own the same property would only get one? Who has come and said that to you, other than Snapper and Grill? It is a pretty simple question, Minister, so I do not know why you are evading it.

Mr SCOT MacDONALD: Point of order: Mr Shoebridge is being very fishy. He should let the Minister answer the question.

CHAIR: Order! Mr David Shoebridge is entitled to ask the same question multiple times and the Minister can answer as he wishes.

Mr DAVID SHOEBRIDGE: Provided it is generally relevant.

CHAIR: Which it is at this stage.

Mr PAUL TOOLE: I go back to the point: You keep saying "Who". It was a part of the Joint Standing Committee on Electoral Matters, and I encourage you to read the document and the submissions that were put forward. Not only the report but I know that the Lord Mayor of Sydney has also made statements about wanting more businesses to be on the non-residential roll.

Mr DAVID SHOEBRIDGE: Are you trying to mislead the Committee by suggesting the Lord Mayor has proposed two corporate votes?

Mr PAUL TOOLE: No, I am also saying to you—

Mr DAVID SHOEBRIDGE: Verballing the Lord Mayor is outrageous.

CHAIR: Order! Mr David Shoebridge, you have asked a question. Please allow the Minister an opportunity to answer.

Mr DAVID SHOEBRIDGE: He is verballing the Lord Mayor.

The Hon. SOPHIE COTSIS: Stop verballing the mayor.

CHAIR: Order! Please do not interrupt the Minister as he is answering the question.

Mr PAUL TOOLE: I make the point again that the Lord Mayor has spoken about the need for more people to be on the non-residential roll, as too has the Independent member. I make the point again, which I do not think has been heard. There are two bills before the Parliament of New South Wales. One has been put up by the Shooters and Fishers Party and the second has been put up by the Independent member Alex Greenwich. The opportunity to debate them will occur in the coming weeks. This is not the place to debate those bills. The Government will look carefully at both bills. I also met with the Independent member Alex Greenwich only last week to go through what he has proposed in his bill. The opportunity will come and we will be looking at both of those bills in due course in Parliament.

Mr DAVID SHOEBRIDGE: Minister, I ask you to clarify your position for the public record. Prior to this point the public comments from the Government were that they would support the Shooters and Fishers Party bill. Is it now your position that the Government is tossing up between supporting the Shooters and Fishers Party bill and Alex Greenwich's bill? Is that the position we are to take from your answers?

Mr PAUL TOOLE: We are saying that we support the proposed changes that are in keeping with the Joint Standing Committee on Electoral Matters. As you would understand, there are a number of recommendations. I ask you to verse yourself in those matters. It speaks about the roll; people have indicated it is difficult to be on the electoral roll; the bureaucracy; the red tape. It is about removing barriers. This is an opportunity for them to have their say.

The Hon. PAUL GREEN: Thank you for that quick clarification. Given that you are a new Minister, I would like to your thoughts on local government reform by way of amalgamations. Where is the Government going on amalgamations in metropolitan, rural and regional amalgamations?

Mr PAUL TOOLE: There are 152 councils across the State of New South Wales. They are very diverse, they have very different needs and they serve very different communities. As the Minister for the past 15 weeks, I have enjoyed travelling the State and talking to councils and mayors to understand the issues confronting them. The Independent Local Government Review Panel talks about voluntary mergers. As you would be aware, the Government has a policy on the table and that will be honoured. I will make sure of this as well. I remember in 2003-04 when Bob Carr said that there would be no forced amalgamations and Bob Carr went and did 27 botched amalgamations across the State.

The Hon. SHAOQUETT MOSELMANE: Is that what you will do?

Mr PAUL TOOLE: I will make sure that we do not end up in a situation where, as we saw Labor do, there is no support for councils. We saw a situation where they were left to their own devices. A piece of paper was sent via fax, and that was the end of it—

The Hon. SHAOQUETT MOSELMANE: Point of order: The Minister was asked about his position on amalgamations, not the former Government's position.

CHAIR: Order! I do not uphold the point of order as the Minister was being generally relevant.

The Hon. PAUL GREEN: Minister, are you of the view that there will be no forced amalgamations in regional and rural areas of New South Wales?

Mr PAUL TOOLE: The Government will be responding to the Independent Local Government Review Panel in due course. As part of that report, there are opportunities and councils are putting their hands up, especially in regional and rural communities, to be part of a joint regional organisation. The report talks about four pilot pathfinders. The interest I am getting across the State is quite high. As the Minister, I will make sure that there is a process to support them.

The Hon. PAUL GREEN: Can you indicate which councils are coming on board?

Mr PAUL TOOLE: I have been meeting with various regional organisations of councils [ROCs]. There is a diverse indication across different parts of the State in relation to that matter.

The Hon. PAUL GREEN: The outcome of Dubbo was that people did not mind working in a ROC framework. However, I will move on. We have heard news reports about illegal hostels and cases of illegal accommodation, notably the fire in Alexandria involving students living in shipping containers. I am chair of the Social, Public and Affordable Housing committee. What is the Government going to do to make sure this kind of accommodation is illegal? How can you influence local councils to retrofit growth plans with social, public and affordable housing in mind?

Mr PAUL TOOLE: It is a good question. We only have to read reports on boarding houses. In many situations these boarding houses accommodate people who may be the most vulnerable in our community. Legislation governing boarding houses is the responsibility of both the Minister for Fair Trading and the Minister for Disability Services and Ageing. Councils have the power to take action against unregistered boarding houses. They must also inspect registered boarding houses for compliance with building, fire safety and shared accommodation standards.

Some councils choose not to exercise their discretion to enforce the requirement to register. Following recent incidents involving illegal accommodation, the Minister for Planning and Infrastructure has called for changes to laws to enable electricity and other utility supplies to be cut off from premises flouting occupancy and fire safety regulations, effectively forcing them to close. This is an important matter, but it is also a matter as well for the Minister for Planning and Infrastructure.

The Hon. PAUL GREEN: Mr Woodward, do you have a comment on it, particularly social, public and affordable housing? You would be aware of the growth plans that the former Government made every council do. Do you have a view about retrofitting the growth plans with a policy on social, public and affordable housing?

Mr WOODWARD: Councils are part of the integrated planning process and strategic plans. If they are serious about their communities they should be looking at affordable and public housing.

The Hon. PAUL GREEN: Generally they are.

Mr WOODWARD: Most of them do.

The Hon. PAUL GREEN: That is why I have asked this question. They did the growth strategy, which was required of them, but I do not think it was with specific thought about accommodating social, public and affordable housing. It was just a general growth strategy, not looking at ageing, disability or vulnerable groups.

Mr WOODWARD: Are you talking about the State Government strategies or council strategies?

The Hon. PAUL GREEN: The State Government led the local government push to come up with growth strategies throughout their electorates, saying "Where are you going to fit people in the future?" It was along the line of integration, which you talked about.

Mr WOODWARD: That is where it belongs. It should be around integration between State and local objectives and community focus, and every local council area should automatically consider those issues. It is part of the guideline processes that we already have. It is part of those guideline processes that we have already got in place.

The Hon. PAUL GREEN: I guess I am bringing the Minister on board to the fact that he needs to be involved in this dialogue when it comes to social public affordable housing.

Mr SCOT MacDONALD: Milk crates are more important in Sydney.

The Hon. PAUL GREEN: I refer to recent reports that Liverpool council is demanding the State Government allow it to decide on many liquor licences and grants in its community. I further note comments by the Liverpool deputy mayor, who said:

We are the locals who know what is going on in our suburbs, not the government in Macquarie Street.

What steps are you taking to ensure that local government gets more of a say with the issues of liquor licences, which clearly have a massive impact on their local communities. I particularly note, certainly in the Shoalhaven that when we had Dan Murphy's everyone said no except for the court. That is deplorable, when you do not have enough resources to look after the damaged goods that come out of that, the alcoholic abuse and domestic violence that has increased as a by-product of those decisions.

Mr PAUL TOOLE: I think you have probably asked a question but also made a fairly big statement there as well. The opportunity would be wanting councils actually individually to have a say in their local government areas, especially into matters around liquor licensing, but it is also appropriate as well that the question is addressed to the Minister for Tourism, Major Events, Hospitality and Racing. Obviously we would want to make sure that councils do have a say in relation to these important matters.

CHAIR: Unfortunately time has expired for the examination of the portfolio of Local Government. I thank the Minister and his officers for appearing today. Any questions taken on notice will need to be responded to in 21 days.

(The witnesses withdrew)

The Committee proceeded to deliberate.
