

GENERAL PURPOSE STANDING COMMITTEE NO. 1

Wednesday, 31 August 2016

Examination of proposed expenditure for the portfolio area

FINANCE, SERVICES AND PROPERTY

CORRECTED PROOF

The Committee met at 09:00

MEMBERS

Reverend the Hon. F. Nile (Chair)

The Hon. G. Donnelly
The Hon. S. Farlow
The Hon. B. Franklin
The Hon. T. Khan
The Hon. P. Primrose
Mr D. Shoebridge

PRESENT

The Hon. Dominic Perrottet, *Minister for Finance, Services and Property*

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 2016-2017. Before I commence, I acknowledge the Gadigal people who are the traditional custodians of this land. I pay respects to the elders, past and present, of the Eora nation and extend that respect to other Aboriginal people present. I welcome Minister Perrottet and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Finance, Services and Property. Today's hearing is open to the public and is being broadcast live on the Parliament's website. A transcript of today's hearing will be placed on the Committee's website when it becomes available.

In accordance with the broadcast guidelines, I inform members of the media who are here or who may be joining us that, while Committee members and witnesses may be filmed or recorded, 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. It is important to remember that parliamentary privilege does not apply to what witnesses may say outside of their evidence at this hearing. So I urge witnesses to be careful about any comments you may make to the media or to others after you complete your evidence, as such comments would not be protected by parliamentary privilege if another person decided to take action for defamation. The guidelines for the broadcast of proceedings are available from the secretariat.

There may be some questions that a witness could answer only if they had more time or with certain documents at hand. In those circumstances, witnesses are advised that they can take a question on notice and provide an answer within 21 days. Any messages from advisers or members' staff seated in the public gallery should be delivered through the Committee secretariat. Minister, I remind you and the officers who are accompanying you that you are free to pass notes and refer directly to your advisers seated at the table behind you. Transcripts of this hearing will be available on the web from tomorrow morning. Finally, would everyone please turn off their mobile phones or set them to silent for the duration of the hearing.

All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of this Parliament.

MARTIN HOFFMAN, Secretary, Department of Finance , Services and Innovation, sworn and examined

CLINTON GOULD, Chief Financial Officer, Department of Finance, Services and Innovation, sworn and examined

BRETT NEWMAN, Deputy Secretary, Property and Advisory Group, affirmed and examined

RACHNA GANDHI, Chief executive officer , Service NSW, affirmed and examined

VIVEK BHATIA, Chief Executive Officer, Insurance and Care NSW [icare], affirmed and examined

The CHAIR: I declare the proposed expenditure for the portfolio of Finance, Services and Property open for examination. The questioning of the portfolio of Finance, Services and Property will run from 9.00 a.m. to 11.00 a.m. As there is no provision for a Minister to make an opening statement before the Committee commences questioning, we will begin with questions from the Opposition.

The Hon. GREG DONNELLY: Minister, do you have responsibility for the Land Acquisition (Just Terms Compensation) Act 1991?

Mr DOMINIC PERROTTET: I do.

The Hon. GREG DONNELLY: Are you aware that then Leader of the Opposition Barry O'Farrell in the lead-up to the March 2011 State election undertook that if he were elected the legislation would be thoroughly reviewed?

Mr DOMINIC PERROTTET: I am.

The Hon. GREG DONNELLY: Are you aware that on 16 May 2012 the then Minister for Finance and Services, the Hon. Greg Pearce, announced that the Government had appointed the highly respected legal figure Mr David Russell, SC, to undertake the review?

Mr DOMINIC PERROTTET: To undertake a review of the land acquisition process?

The Hon. GREG DONNELLY: Correct, yes.

Mr DOMINIC PERROTTET: Yes, that is correct.

The Hon. GREG DONNELLY: As part of the review of the just terms compensation Act, did Mr Russell undertake extensive public and key stakeholder consultation as far as you know?

Mr DOMINIC PERROTTET: Yes, that is correct.

The Hon. GREG DONNELLY: Did that include a number of landowners and property owners?

Mr DOMINIC PERROTTET: That is correct.

The Hon. GREG DONNELLY: Do you know when Mr Russell completed his review and handed it to the Government?

Mr DOMINIC PERROTTET: I have not got that date in front of me but in terms of the timetable in relation to this process, Mr Russell, as you quite rightly say, was engaged to do a review of the land acquisition process—the same process that occurred under the Labor Government when it came to land acquisition.

The Hon. GREG DONNELLY: It was in early 2014. I am trying to keep the chronology here.

Mr DOMINIC PERROTTET: All right, if you know the dates why do you not put the dates to me?

The Hon. GREG DONNELLY: No, that is fine. When were you sworn in as the Minister for Finance for the first time?

The Hon. TREVOR KHAN: It is a trick question.

Mr DOMINIC PERROTTET: Minister for Finance, Services and Property?

The Hon. GREG DONNELLY: Finance, Services and Property.

Mr DOMINIC PERROTTET: In 2015.

The Hon. GREG DONNELLY: What were you sworn in as in April 2014.

Mr DOMINIC PERROTTET: Minister for Finance and Services.

The Hon. GREG DONNELLY: In regard to your April 2014 first swearing in, when you took over as a new Minister, did you receive a transitional set of briefings from senior bureaucrats about various matters that required action?

Mr DOMINIC PERROTTET: I remember them well.

The Hon. GREG DONNELLY: In terms of those briefings, was one of the matters that was drawn to your attention to deal with the Russell report?

Mr DOMINIC PERROTTET: I cannot remember. I am very much aware of the Russell report. I am happy to speak about the Russell report. We are going back two years in relation to walking in with massive folders all over the desk.

The Hon. GREG DONNELLY: The Russell report was handed to the Government in February 2014.

Mr DOMINIC PERROTTET: Yes.

The Hon. GREG DONNELLY: But you do not recall whether you were briefed about that when you took over responsibility?

Mr DOMINIC PERROTTET: There were a lot of briefings.

The Hon. GREG DONNELLY: Sure, you do not recall. Have you read the Russell report?

Mr DOMINIC PERROTTET: I have.

The Hon. GREG DONNELLY: Is it a detailed report?

Mr DOMINIC PERROTTET: That is subjective. Yes, it is a detailed report.

The Hon. GREG DONNELLY: It is quite thorough—roughly how many pages?

Mr DOMINIC PERROTTET: I am not providing any information. It is a Cabinet-in-confidence document which I have committed to releasing, accompanied by a Government response we are currently working to.

The Hon. GREG DONNELLY: I will come to that. How many recommendations does it contain?

Mr DOMINIC PERROTTET: It is Cabinet in confidence.

The Hon. GREG DONNELLY: Even just the bold number of recommendations is in confidence?

Mr DOMINIC PERROTTET: Absolutely.

The Hon. GREG DONNELLY: This report was commissioned and undertaken as a result of an election promise and was produced and provided to the Government in 2014. We now find ourselves in nearly September 2016 and we do not know how many recommendations are contained in it. You will not reveal it.

Mr DOMINIC PERROTTET: For some context—

The Hon. GREG DONNELLY: No, you just will not reveal the—

The Hon. TREVOR KHAN: Point of order: The Minister is entitled to respond. A question has been asked and he is beginning to answer it and he should be entitled to finish.

The Hon. GREG DONNELLY: It is a very specific question.

The Hon. TREVOR KHAN: And not be run over by the member.

Mr DOMINIC PERROTTET: At the end of the day, we do not want to politicise this process. What we want to do is provide answers to this Committee. I respect the process of the Committee and I want to supply the best answer that I can but I am not being given the opportunity to answer the question.

The Hon. GREG DONNELLY: Moving on to July 2014—

The Hon. TREVOR KHAN: Point of order: I take the point of order again. The Minister was attempting to respond to a question asked and he was run over the top of.

The Hon. GREG DONNELLY: I have moved on to another question.

The Hon. TREVOR KHAN: The Minister is entitled to give his response.

The Hon. GREG DONNELLY: To the point of order: It was a specific question, there was no answer and I am moving on to my next question.

The Hon. TREVOR KHAN: There was an answer but you jumped down his throat before he was able to utter two words.

Mr DOMINIC PERROTTET: I have not been afforded the opportunity to answer the question. There are imputations in the question in relation to the time taken to consider these things. If I am not given the opportunity to explain the process it is quite an unfair line of questioning.

The Hon. GREG DONNELLY: You can take the question on notice. I am moving on because I have limited time.

The Hon. SCOTT FARLOW: No, there is a live point of order and the Chair needs to rule on it.

The CHAIR: The Minister wishes to add some other information in answer to the question.

Mr DOMINIC PERROTTET: The Government received the Russell review, which was instigated by our Government in relation to the land acquisition process. The reality is this is a longstanding process that was in place under the previous Government, which sought to not look into the process at all. In relation to land acquisition, for those who would be aware of the process, there are a number of acquiring agencies involved and a number of stakeholders. The Government is finalising its review. It has obviously had to do significant consultation with a range of stakeholders. To give some context in terms of the amount of acquiring authorities involved in the land acquisition process, they include Transport, Roads and Maritime Services [RMS], heavy and light metro rail, Planning and Environment, Health and Education. All of these are acquiring authorities. They also include Family and Community Services, Industry Skills and Regional Development and a range of State owned corporations [SOCs] and local councils.

The Hon. GREG DONNELLY: Thank you.

The Hon. SCOTT FARLOW: The Minister is trying to give an answer.

Mr DOMINIC PERROTTET: We have been working through that process and it is important to note that the Government is committed to releasing the Russell review—

The Hon. GREG DONNELLY: Thank you, Minister.

Mr DOMINIC PERROTTET: —and the Government's response this year.

The CHAIR: Let the Minister finish his sentence.

The Hon. GREG DONNELLY: Point of order: I want to move on to my next question.

Mr DOMINIC PERROTTET: I have finished now.

The CHAIR: You cannot interrupt the Minister.

The Hon. GREG DONNELLY: I can, with the greatest respect. Did you take steps in July 2014 to establish an interdepartmental committee to consider the Russell review?

Mr DOMINIC PERROTTET: I am not going to respond to the date but there was an interdepartmental committee that was established.

The Hon. GREG DONNELLY: Can you take that on notice if you are not sure of the date?

Mr DOMINIC PERROTTET: I can take that on notice.

The Hon. GREG DONNELLY: Between July 2014, which was the establishment of the interdepartmental committee review—

The Hon. TREVOR KHAN: Which he has not agreed to.

The Hon. GREG DONNELLY: Can I complete my question, please?

Mr DOMINIC PERROTTET: You do not let me deliver my answers but you are entitled to complete your questions.

The Hon. GREG DONNELLY: Can you explain what happened between July 2014 and December 2014 with respect to the interdepartmental committee?

Mr DOMINIC PERROTTET: As I have said, the Government is considering the Russell review. There are a range of stakeholders, which I went through.

The Hon. GREG DONNELLY: It was for that six-month period, Minister.

Mr DOMINIC PERROTTET: Obviously this process has a range of stakeholders. The Government is very committed to making sure we have the fairest land acquisition—

The Hon. GREG DONNELLY: I asked a specific question for the period July 2014 to December 2014.

The Hon. TREVOR KHAN: Point of order: The Minister's answer is clearly relevant and the member continues to interrupt him. He should be called to order.

The Hon. GREG DONNELLY: You are running interference for the Minister.

The Hon. TREVOR KHAN: I do not have to run interference but you are obliged to let him answer the questions.

The Hon. GREG DONNELLY: Can you explain what happened in that six-month period or not?

Mr DOMINIC PERROTTET: I will pass to Mr Hoffman.

The Hon. GREG DONNELLY: Great. Thank you.

Mr HOFFMAN: A simple process that is very standard in an interdepartmental committee which you may well be familiar with is to gather together the different perspectives of different agencies, a number of which the Minister listed in his prior answer, and to get their particular responses given their particular responsibilities to the work that was done by Mr Russell.

The Hon. GREG DONNELLY: That is what would have been happening during that six-month window?

Mr HOFFMAN: My understanding is it took longer than that to produce the official level working document for Government consideration.

The Hon. GREG DONNELLY: My question was about that six-month window. Thank you, you have answered that. Minister, is it true that over the past four years we have seen the largest acquisition of land and property from private owners by the New South Wales Government in the State's history?

Mr DAVID SHOEBRIDGE: There was a big theft from Aboriginal Australia at the start.

Mr DOMINIC PERROTTET: Excuse me?

Mr DAVID SHOEBRIDGE: There was a statewide theft from Aboriginal people at the start.

The Hon. TREVOR KHAN: I would agree with that.

Mr DOMINIC PERROTTET: Are we debating at this point? I am happy to engage Mr Shoebridge on this issue but we might be here for longer than two hours.

The CHAIR: Restate the question.

The Hon. GREG DONNELLY: I am talking about the past four years. Is it true that over the past four years we have seen the largest acquisition of land and property from private owners by the New South Wales Government in the State's history?

Mr DOMINIC PERROTTET: In the past four years the New South Wales Government has acquired 1,713 properties, which is an average of 428 per year. It is very important to know to set some context that of those properties: 1,403, which represents 81 per cent, occurred by way of agreement; 242, being 14 per cent, have been compulsory acquisitions; and 68, that is 4 per cent, have gone to the Land and Environment Court. Under the last four years of Labor—

The Hon. GREG DONNELLY: I do not want to cut you off. I want to come to specific—

The Hon. SCOTT FARLOW: You are cutting him off.

The Hon. GREG DONNELLY: I asked a specific question.

The Hon. BEN FRANKLIN: Point of order: The Minister is being directly relevant to the question and providing a specific and appropriate answer. I ask that he be allowed to continue his answer.

The Hon. GREG DONNELLY: To the point of order: My next set of questions deals with the specific purchases. That is exactly where the Minister is going.

Mr DOMINIC PERROTTET: No, it is not.

The Hon. GREG DONNELLY: I asked a specific question about whether it was the largest purchase. It was a straightforward question and he has answered it. He said yes.

Mr DOMINIC PERROTTET: I have not answered it. I am about to give the context.

The CHAIR: Give the Minister the opportunity to wrap up his answer.

Mr DOMINIC PERROTTET: Over the four years predating the Liberal Government the Labor Government acquired 1,257 properties, which is equivalent to 315 a year. Of those, 89 per cent were by agreement, 8 per cent per compulsory acquisitions and 3 per cent went to the Land and Environment Court. In context there is no significant or substantial difference.

The Hon. GREG DONNELLY: Point of order—

The Hon. SCOTT FARLOW: How is there a point of order here? You are running your own interference.

The CHAIR: The Minister has finished his answer.

The Hon. GREG DONNELLY: Do you know how many properties have been compulsorily acquired for the WestConnex project?

Mr DOMINIC PERROTTET: Yes.

The Hon. GREG DONNELLY: How many?

Mr DOMINIC PERROTTET: An amount of 427 properties have been marked for acquisition for WestConnex, which include residential, business, council and partial. That is what has been marked. Of those 427 properties, 316 have been acquired. To date in relation to the WestConnex process, 84 per cent of those acquisitions have been done by agreement, which is actually a higher rate than the—

The Hon. GREG DONNELLY: How many properties will need to be compulsorily acquired for the Sydney Metro project, which you are well familiar with?

Mr DOMINIC PERROTTET: In relation to this line of questioning and the specific projects, you are best placed to ask—

The Hon. GREG DONNELLY: Would you like to take it on notice if you do not know?

Mr DOMINIC PERROTTET: You are best placed to ask the relevant Minister who is involved in acquiring those properties.

The Hon. GREG DONNELLY: So you do not know. Moving on then. Are you concerned that—

The Hon. BEN FRANKLIN: Point of order: It is not that he does not know. The Minister made it very clear that it was within the remit of another Minister. The member has misrepresented what the Minister said by saying that he does not know. That is absolutely untrue.

The Hon. PETER PRIMROSE: Does he know or not? Is the Minister for property not aware of property acquisitions?

The Hon. BEN FRANKLIN: He has made it clear it is within the remit of another Minister and he is utterly entitled to do that.

The Hon. GREG DONNELLY: If the Minister does not know the Minister does not know. Are you concerned that there are land and property owners who may be significantly disadvantaged at the moment as a result of the Government's compulsory acquisition program because the Russell review recommendations have not been fully implemented?

Mr DOMINIC PERROTTET: In response to that question I would say that I believe that the land acquisition process is generally sound. I think that given the fact that 80 per cent on average of land acquisitions occurred by way of agreement—I would say in relation to the 80 per cent that it does not necessarily mean that people who have had their homes acquired by agreement are necessarily happy with the process. I would certainly make that point. Having said that, the 84 per cent of the WestConnex, Mr Donnelly, you need to realise that this is a bigger issue than the WestConnex. Having said that—

The Hon. GREG DONNELLY: Thank you, Minister.

Mr DOMINIC PERROTTET: Let me answer the question.

The Hon. GREG DONNELLY: If you could answer my question.

Mr DOMINIC PERROTTET: Given almost on an annual basis there are a number of properties acquired by the Government, the reality is that acquiring somebody's home is never going to be an easy situation. You cannot put a price on taking someone's home—whether it is your home or my home—and at the end of the day this is a very sensitive issue.

The Hon. GREG DONNELLY: Thank you, Minister.

Mr DOMINIC PERROTTET: We have instigated a review. We have—

The Hon. GREG DONNELLY: Minister, I want to move on to my next question.

The Hon. SCOTT FARLOW: Point of order: The Minister is trying to answer Mr Donnelly's question. He is giving a full and directly relevant answer to his question.

The Hon. GREG DONNELLY: He has answered the question so I am moving on. I have limited time.

Mr DOMINIC PERROTTET: We have committed, and I have committed as the finance Minister, to finalising a report in relation to the Russell review and the land acquisition process.

The Hon. GREG DONNELLY: Minister, can I give you a specific quote?

Mr DOMINIC PERROTTET: We will be releasing our response and the Russell review—

The Hon. GREG DONNELLY: Minister, can I give a specific quote for you to comment on? This quote is taken from the Legislative Assembly on 3 August 2016, and you were present. I am quoting directly from the answer—

Mr DOMINIC PERROTTET: Who are you quoting?

The Hon. GREG DONNELLY: This is a quote from the Premier of New South Wales: "I strongly believe the process"—this is the process of compulsory acquisition—"has not been anywhere as good as it should be." That is the Premier of New South Wales.

Mr DOMINIC PERROTTET: I would go further.

The Hon. GREG DONNELLY: How does that accord with the answer you have just given about it being reasonably satisfactory.

Mr DOMINIC PERROTTET: I did not say that. I said it has been generally sound.

The Hon. GREG DONNELLY: Okay, generally sound. So how do you square that with a statement made by the Premier—essentially a mea culpa—saying, "I strongly believe the process has not been anywhere near as good as it should be" and on the previous page, "I strongly believe the Government has to do much better in relation to the acquisition of properties." How does that square with your comments?

The CHAIR: On what date were those comments made?

The Hon. GREG DONNELLY: They were made on 3 August.

Mr DOMINIC PERROTTET: Firstly, I would say that the Premier has shown great leadership in relation to the land acquisition.

The Hon. GREG DONNELLY: That was not my question.

The Hon. BEN FRANKLIN: Allow the Minister to answer the question.

The Hon. GREG DONNELLY: It is a reconciliation of this statement and the answer you have given this morning.

Mr DOMINIC PERROTTET: If you let me finish my answer we might get there. I say four words and you cut me off. I would say that the Premier has shown great leadership in relation to this issue. The fact that he brought in the Customer Service Commissioner—

The Hon. GREG DONNELLY: I will come to that.

Mr DOMINIC PERROTTET: The fact that he brought in the Customer Service Commissioner to provide further advice as to how we can improve the system shows an acute understanding of the issues in relation to the land acquisition process and where a lot of the concerns are because it actually occurred in some of the early stages of the process. What I would say—and I guess as my thinking has evolved in relation to the land acquisition process—is even though 84 per cent of the WestConnex acquisitions have occurred by way of agreement I would agree with the Premier. It is my view—

The Hon. GREG DONNELLY: Thank you.

Mr DOMINIC PERROTTET: It is my view that RMS in a number of the land acquisitions that have occurred in connection with the WestConnex could have done better and the process can be improved.

The Hon. GREG DONNELLY: They were basically cowboys, were they not? They were just cowboys in the way they went about it. Would you agree?

Mr DOMINIC PERROTTET: The same approach to land acquisitions and the same system was in place when the Labor Party was in government.

The Hon. GREG DONNELLY: That argument is running a bit thin.

Mr DOMINIC PERROTTET: It is actually relevant because we have improved the process by bringing in face-to-face meetings and having plain English agreements.

The Hon. GREG DONNELLY: We know the RMS have been cowboys.

Mr DOMINIC PERROTTET: Hold on. We have improved the process that occurred under you and over the course of this year we have been working on putting together a strong response to make further improvements to the land acquisition process. As I have said, it is always going to be a very sensitive issue when you are acquiring someone's home—

The Hon. GREG DONNELLY: We understand that.

Mr DOMINIC PERROTTET: —for the infrastructure projects that this State desperately needs.

The Hon. GREG DONNELLY: Minister, can I move on?

Mr DOMINIC PERROTTET: So while the Labor Party sat on its hands for years not building infrastructure—

The Hon. GREG DONNELLY: Minister, I want to refer now to the—

The CHAIR: Do not interrupt the Minister.

Mr DOMINIC PERROTTET: —this State desperately needs.

The Hon. GREG DONNELLY: I want to move on with my questions.

The Hon. BEN FRANKLIN: Point of order: Mr Donnelly, the Chair has given you an instruction not to interrupt the Minister. I ask you to respect the Chair's ruling.

The Hon. GREG DONNELLY: I have only got a limited amount of time to ask the Minister questions.

Mr DOMINIC PERROTTET: The reality is that Labor's opposition to the WestConnex is directly linked with the 10 per cent of people in this State who oppose that project.

The Hon. GREG DONNELLY: Minister, can I move on?

Mr DOMINIC PERROTTET: We are delivering infrastructure to the families of Western Sydney but we are balancing that by looking at this process to improve it for the landowners across New South Wales.

The Hon. GREG DONNELLY: Thank you, Minister. I want to go to the "Report on the Ninth General Meeting with the Valuer General", dated November 2014.

Mr DOMINIC PERROTTET: What report?

The Hon. GREG DONNELLY: It is the "Report on the Ninth General Meeting with the Valuer General". I would not expect you to have a copy of it here but I am just drawing it to your attention. It was a joint standing committee of the two Houses, chaired by a Government member.

Mr DOMINIC PERROTTET: Is this the Kean report?

The Hon. GREG DONNELLY: I do not know what report it is.

Mr DOMINIC PERROTTET: As he calls it.

The CHAIR: You need to give the Minister the context of the report you are referring to.

The Hon. GREG DONNELLY: I am.

The CHAIR: What report is it?

The Hon. GREG DONNELLY: I have just nominated what the report is. It is the "Report on the Ninth General Meeting with the Valuer General", dated November 2014.

Mr DAVID SHOEBRIDGE: It is the Matt Kean report.

Mr DOMINIC PERROTTET: The self-branded Matt Kean report.

The Hon. GREG DONNELLY: At paragraph 2.27 on page 8 of the report of this Government-chaired committee, it states:

During its last two inquiries—

The last two being the one in May 2013 and the one prior to that—

the committee found that the existing processes associated with valuations for just terms purposes were unfair and inadequate.

We have the previous two reports, we have the report of November 2014, there was no inquiry during the 2015 calendar year as I understand it, and the hearing for 2016 was completed in May so we are yet to receive that report. It is very clear, and the bells have been ringing very loudly, that we have an unfair and inadequate situation.

The Hon. TREVOR KHAN: Point of order: Is this a question or a speech?

Mr DOMINIC PERROTTET: You are not talking about the land acquisition process, you are talking about the valuation process that comes from that?

The Hon. GREG DONNELLY: I will read it again. I quote:

During its last two inquiries the committee found that the existing processes associated with valuations for just terms purposes were unfair and inadequate.

Mr DOMINIC PERROTTET: I am happy to answer that.

The Hon. GREG DONNELLY: We have this going back prior to 2013, where this is formally on the record, through to 2014 and 2015, and the matter was also examined in May 2016. With all of this concern expressed and your acknowledgement that the Government is undertaking major and significant infrastructure work in this State, which is requiring the compulsory purchase of properties, why has this matter not yet been resolved? Why are we in a situation where the property owners of this State do not have a system that is underpinned by recommendations that clearly would provide for an examination of improvements to the system?

Mr DOMINIC PERROTTET: We do. In relation to the valuation report—or the Matt Kean review—the report was provided to the Government in May 2013 and the Government responded to that review in November 2013, indicating its response to each of those recommendations that I am assuming form part of that report. Following this report, the Valuer General actually adopted a number of the measures to improve its processes in regard to compulsory acquisition valuation—for example, the Valuer General has published 24 guidelines to provide information about the valuation process. The Valuer General also offers conferences to home owners to discuss the valuations that occur. The Valuer General also undertook some further consultation with stakeholders in relation to some of the recommendations, particularly in relation to the valuation commissioner, which was not supported by stakeholders.

What I would say in this context is that this is an ongoing process. You do not stop the infrastructure projects—hospitals, schools, roads and rail—as we look at ways of improving the land acquisition process. Properties are acquired by government each year—that has probably occurred since the beginning of time. This is a sensitive issue that we are working towards and we are completely committed to improving the land acquisition process. I have agreed with you that in specific instances in connection to the WestConnex project there is no doubt that some of those acquisitions could have been improved.

A lot of the information that has been provided through that has informed my thinking around ways in which the Government can improve its processes, and that is exactly what we are doing. But what we are not going to do is politicise this process. What we are going to do is make sure that the Government's response this year in connection to the land acquisition process will balance the sensitive issues around the land acquisition of homes from landowners as well as the significant stakeholders who are involved in the acquisition.

The Hon. GREG DONNELLY: If what you say is correct and accurate, Minister, about your concern in terms of the matter, why is it that in the letter that you sent to the Premier on 18 December last year you said in the last paragraph, "On this basis I recommend no further action be taken to address the review report"?

Mr DOMINIC PERROTTET: As I said, my thinking has evolved over time and when I received advice from the interdepartmental committee in relation to the process that was the position. But, as you would

know, the Government has made it very, very clear that my thinking and the Government's thinking has changed in relation to this process and, in context, the issues particularly that came to light in relation to the WestConnex where—

The Hon. GREG DONNELLY: No further action.

Mr DOMINIC PERROTTET: —I think about 100 home owners were bringing an action in relation to the WestConnex project, as a government that listens, as a Minister who is concerned about landowners—

The Hon. PETER PRIMROSE: It is not evolution; that is resuscitation.

The CHAIR: Let the Minister finish his sentence.

Mr DOMINIC PERROTTET: We have been working on a range of measures to improve the land acquisition process. But, once again, it is important to note that over 80 per cent of these acquisitions occur by way of agreement.

The Hon. GREG DONNELLY: I want to move on to my next question. You have already said that. We are not persuaded but you keep saying it. Minister, in a related document in December last year it says, "Given the Government's extensive infrastructure program, adoption of the recommendations would pose a substantial risk".

Mr DOMINIC PERROTTET: Could I have the document because I am not sure what document you are quoting from?

The Hon. GREG DONNELLY: I have just got one copy here. It is a document that says "Just terms legislation review". It is a document I suspect you are familiar with; it has got your signature on it. It is two pages and on the second page—

Mr DOMINIC PERROTTET: I sign a lot of documents.

The Hon. SCOTT FARLOW: Why don't you pass it up?

The Hon. GREG DONNELLY: I have only got one copy. It is a document in December last year.

The CHAIR: Is it a report?

The Hon. GREG DONNELLY: No, it is a document.

The Hon. TREVOR KHAN: It's a guessing competition.

The Hon. GREG DONNELLY: No, it is not a guessing competition; it is a briefing for the Minister, and it says, "Given the Government's extensive infrastructure program, adoption of the recommendations would pose a substantial risk".

The Hon. BEN FRANKLIN: Who is the document from? I thought you said it was signed by the Minister. How can it be a briefing for the Minister?

The Hon. GREG DONNELLY: I did not say it was signed by the Minister.

The Hon. BEN FRANKLIN: Yes you did. You said it has got his signature on it.

The Hon. GREG DONNELLY: Yes.

The Hon. BEN FRANKLIN: So it is a briefing for the Minister signed by the Minister?

The Hon. GREG DONNELLY: Yes, it is.

Mr DOMINIC PERROTTET: That is an advice to the Minister from someone which I have read and signed noting the advice, I am assuming?

The Hon. GREG DONNELLY: Yes. You talk about context and continuity. I am trying to get the context and continuity of what has happened here because it is waxing and waning about the Government's position on this. It says here, "Given the Government's extensive infrastructure program, adoption of the recommendations would pose a substantial risk".

The Hon. BEN FRANKLIN: Point of order: Is it possible for us to make a copy of this document so the Minister can at least see it? Surely the Minister has every right to see the document you are talking about. I ask that the Minister at least be allowed to see the document in question. This may or may not be representative of what the document is; it may be a forgery; it could be anything.

The Hon. GREG DONNELLY: What do you understand by "substantial risk"?

Mr DOMINIC PERROTTET: Mr Donnelly, I find it very difficult to respond to a document that you have provided no context to. I go back to one of my previous answers where I said the reality for Government is that we have to acquire homes in relation to building hospitals, schools, roads and rail and a range of other infrastructure projects. That is not an easy decision for the Government to make but it is—

The Hon. GREG DONNELLY: So no further action and now it is action and no further action. The people of New South Wales do not understand your position or the Government's position.

The Hon. BEN FRANKLIN: Point of order: The Opposition's time has expired for questions. Therefore, I ask that you move on to the excellent Mr David Shoebridge.

The Hon. PETER PRIMROSE: We are going to give the Minister a chance to answer, surely. The Minister is entitled to answer.

The Hon. BEN FRANKLIN: Not a question that is asked after the bell has gone.

The Hon. SCOTT FARLOW: After half an hour the Minister can now answer a question.

The Hon. PETER PRIMROSE: I know how difficult this job is for you. Please answer.

Mr DOMINIC PERROTTET: The answer to that question is going back to what I said before. It is obviously a very sensitive issue for governments to acquire people's homes for hospitals and the important infrastructure that the people of New South Wales need. As I pointed out quite clearly, every year there are a number of homes acquired by the New South Wales government and the Government cannot simply hold off on that process as it continues to build that infrastructure. What the Government can do is ensure that we have the best—

The Hon. GREG DONNELLY: The position has moved again.

Mr DOMINIC PERROTTET: —and most improved process that we can, and that is exactly what we are doing.

The Hon. GREG DONNELLY: Waxing and waning.

The CHAIR: Mr David Shoebridge?

Mr DAVID SHOEBRIDGE: Minister, thank you for attending today. I might just start on a different topic, and it is probably to Mr Bhatia, through you, Minister. Your authority, Insurance and Care NSW [icare], was looking to pull together some of the most seriously injured workers from the different licensed insurers and handle them as a single entity. Can you update me on where that is up to and if it has been successful?

Mr BHATIA: We have acknowledged in the past and in terms of what we believe the expertise of the licensed insurers is in terms of handling transactional claims as opposed to long-term injury claims, which need a very different kind of care model. Last year we put forward a plan to bring together the people who have long-term injury needs into the organisation. We have started that process earlier this year with new people across that threshold of injury coming into and being managed by what we call a locus care unit within our overall care business.

Mr DAVID SHOEBRIDGE: Is it a whole person impairment [WPI] threshold or is it a functional capacity threshold? What is the threshold?

Mr BHATIA: At this point in time it is more a functional and a WPI—it is a mixed threshold, it is not a cut-off per se. But what we have done is basically looked at who has different needs and basically who needs continuity of case managers, who needs a different kind of care, and it is much better handled through us. As you know very well, our lifetime care business has a lot of expertise in handling people. We have 1,100-plus people in our scheme which need long-term care and we are making sure that we can replicate the model that works really well in that particular instance, learn from there, so our executive general manager [EGM] who looks after lifetime care actually has the carriage of looking at this through a very different lens to what has been a traditional workers compensation.

Mr DAVID SHOEBRIDGE: How many workers are now in that? Is it a pilot project?

Mr BHATIA: It is a pilot project at this point in time and we propose to roll it out in 2017.

Mr DAVID SHOEBRIDGE: How many workers are in the pilot project now?

Mr BHATIA: At the moment I do not know the exact number but they are intense. We will take it on notice in terms of the exact number. But what we propose is that there will be 1,000 people who are currently in the scheme who will move on to that scheme.

Mr DAVID SHOEBRIDGE: Minister, is that a process that you are giving ministerial support to?

Mr DOMINIC PERROTTET: Absolutely, and I think the change we have made in separating the regulatory processes and creating icare has been one of the great stories of the Government. Since I was appointed as a Minister I have been committed to making sure that we improve the processes for injured workers.

Mr DAVID SHOEBRIDGE: I agree—it is something I have been asking for for five years, so I support it.

Mr DOMINIC PERROTTET: You have. I remember you raised that issue at the first estimates I attended just after I was appointed. What I can say about the icare scheme is that when Mr Bhatia came on board we had a number of forms with injured workers and the issue that really hit home to me, as part of that process, was the journey of the injured workers through the scheme, particularly in relation to scheme agents and their view of the unsatisfactory support in certain circumstances through that period of time. Since icare has been created, in my view there has been a significant shift in the focus towards supporting injured workers, the 75,000 injured workers in our scheme, and making sure we are tailoring support around them, not around the Government.

Mr DAVID SHOEBRIDGE: I appreciate that. Can we get on notice some more details about the number, the projected number, and also what the actual threshold is, what the analysis is for that?

Mr DOMINIC PERROTTET: Absolutely.

Mr DAVID SHOEBRIDGE: Minister, what is the current surplus or deficit of the workers compensation statutory scheme?

Mr DOMINIC PERROTTET: It is a \$1.4 billion surplus with a 120 per cent funding ratio.

Mr BHATIA: It is a 120 per cent funding ratio resulting in \$1.4 billion of net assets over the targeted funding ratio.

Mr DAVID SHOEBRIDGE: The targeted funding ratio being 110 per cent?

Mr BHATIA: That is right.

Mr DAVID SHOEBRIDGE: Minister, will you again be listening to the demands of injured workers and their supporters and looking to return some or the great majority of that \$1.4 billion to those injured workers, many of whom have been cut off as a result of your Government's reforms?

Mr DOMINIC PERROTTET: As you would be aware, Mr Shoebridge, we brought a \$1 billion package in relation to our workers compensation package.

Mr DAVID SHOEBRIDGE: I am assuming that has been fully costed in the current \$1.4 billion surplus?

Mr DOMINIC PERROTTET: Yes, that would be. And of that \$1 billion, two-thirds of that went back to supporting injured workers. I would say from my position as the Finance Minister and having carriage of icare that our focus is now past the gateway into the scheme and looking at the way in which we can improve the services to those who are injured as well as making sure that there is a strong financial position, and also looking at giving support to workplaces and businesses that have safe workplaces. That is why we have given discounts or support to businesses that have strong track records and above average workplace safety records.

Mr DAVID SHOEBRIDGE: So Minister, are you saying that, despite there being a \$1.4 billion surplus in the WorkCover scheme over and above its 110 per cent funding target, you are not intending to return any of that money to those injured workers who have been cut off as a result of your Government's reforms?

Mr DOMINIC PERROTTET: I will say two thing on that: First, in relation to the regulation, that is a question that is better directed to Minister Dominello who has carriage of the State Insurance Regulatory Authority [SIRA]. From our perspective if there were changes to be made in relation to entitlements, my expectation would be that we would provide advice as to the financial viability of any changes that could be made.

Mr DAVID SHOEBRIDGE: I understand. I am asking you, in your ministerial capacity, whether you would support a return of some of that \$1.4 billion to those injured workers who are doing it extremely tough because they have been cut off as a result of your Government's reforms.

Mr DOMINIC PERROTTET: I would say that, through this process, we have given significant support to those who are injured. I think we are incentivising good behaviour. If we look at where we were

when Labor was in power—nobody wants to go back to Labor but the reality was, it was all care, no responsibility. We had a \$4 billion deficit under Labor.

Mr DAVID SHOEBRIDGE: I am not asking about Labor, I am asking about you and the current \$1.4 billion surplus.

Mr DOMINIC PERROTTET: What I am focussed on is making sure there is strong financial management in the scheme and that those who are within the scheme at the moment are given the support and care that helps them at a vulnerable time in their lives, and that is what we have committed to doing throughicare. In relation to any further changes to entitlements, that is a matter for the Minister for Innovation and Better Regulation. Mr Bhatia would provide advice to me in relation to the impact that those changes would have on the financial viability of the scheme, particularly when there are fluctuations in the market. Mr Bhatia may be able to provide further information in relation to the specific considerations that would be given should we receive any proposals to change the entitlements.

Mr BHATIA: As you know, Mr Shoebridge, the legislation and the custodian of the scheme now is SIRA and, through that, Minister Dominello. From our perspective as an operator, if there are any legislative changes that have been proposed, our role, just like any other insurer, is to give back the financial impact of that, especially given the economic circumstances we are currently in and our huge dependency on investment returns. As we know, the future is very uncertain.

Mr DAVID SHOEBRIDGE: But the current valuation is based upon your auditor's expectation for those returns in the future. You are not going to go behind the auditor's opinion, are you?

Mr BHATIA: No.

Mr DAVID SHOEBRIDGE: So of that 120 per cent, you only need to be at 110 per cent.

Mr BHATIA: Yes.

Mr DAVID SHOEBRIDGE: There is money available to return to injured workers.

Mr BHATIA: We are at 120 per cent at this point in time, which is as of December 2015.

Mr DOMINIC PERROTTET: Can I make a point as well, and this is one of the issues I have had—

Mr DAVID SHOEBRIDGE: As long as it relates to the question.

Mr DOMINIC PERROTTET: It does. One of the issues in the past in relation to the scheme—and I know we are not going to completely agree when it comes to what entitlements should or should not be there in its entirety—and what I do not think have been helpful in the past are discussions around, "Well, the scheme is now in surplus, so let's go and make all these various changes" or "The scheme is now in deficit, so let's make other changes to reverse it."

Mr DAVID SHOEBRIDGE: That was the excuse your Government used in 2012.

Mr DOMINIC PERROTTET: And what I am saying to you is: I do not think being in that position is positive. We need to have certainty in the scheme. Right now we have the most certainty in the workers compensation scheme for a very long time. And the satisfaction of those vulnerable people, the injured workers in the scheme, has been more positive than it has been for a significant period of time.

Mr DAVID SHOEBRIDGE: There is not a lot of satisfaction in being cut off and thousands of workers have been cut off as a result of your benefits. You would agree with that—there is no satisfaction in being cut off?

Mr DOMINIC PERROTTET: I would say that the changes that I made in 2015 provided more support for injured workers and that the \$1 billion package—which we had the flexibility to do, given our sound financial management—was able to return two-thirds of that \$1 billion to injured workers to assist them at a vulnerable time in their lives.

Mr DAVID SHOEBRIDGE: Minister, you were touting the fact that 84 per cent of the homes acquired for WestConnex have been by agreement. Of course, that is 84 per cent of those that have been resolved. In fact, only 62 per cent of the properties that have been targeted for acquisition have actually been done by agreement. And, indeed, you could expect that those who are holding out, where you have not got agreement, are far more likely to go to disputation, couldn't you?

Mr DOMINIC PERROTTET: Yes.

Mr DAVID SHOEBRIDGE: So your figure of 84 per cent was not one we could rely upon with any comfort.

Mr DOMINIC PERROTTET: My response to Mr Donnelly's line of questioning was that, even though I said that 80 per cent or 84 per cent in relation to those projects, you could not specifically say that that simply meant that everybody was satisfied with the process. I would also say that it is going to be very difficult to have people satisfied with the process when you are acquiring their home.

Mr DAVID SHOEBRIDGE: Minister, you accept that there are problems with the land acquisition process. By being generally sound, you are accepting there are problems with it, aren't you?

Mr DOMINIC PERROTTET: That is correct.

Mr DAVID SHOEBRIDGE: What are the problems?

Mr DOMINIC PERROTTET: I believe the process is generally sound; however I think that there could be improvements.

Mr DAVID SHOEBRIDGE: What are the problems with it? It is a simple question.

Mr DOMINIC PERROTTET: In my personal view—and these will be set out in the Government response later this year—there is no doubt that some of the concerns that have occurred, I think more recently in relation to the WestConnex process, have been concerns around the fact that the first notification residents received that somebody was taking their home was a letter in the mail that said, "Please go and see the requiring Act".

Mr DAVID SHOEBRIDGE: They are being paid. You have to accept that there are serious grievances, and you would accept that some are legitimate, about the amount they are getting.

Mr DOMINIC PERROTTET: What I would say to that—

Mr DAVID SHOEBRIDGE: You almost said "absolutely".

Mr DOMINIC PERROTTET: —we are responding in a comprehensive manner. I am confident that the work we are doing will improve the process that is currently in place?

Mr DAVID SHOEBRIDGE: And deliver a fairer outcome, Minister?

Mr DOMINIC PERROTTET: And provide the best system we can for a difficult time.

Mr DAVID SHOEBRIDGE: Will it provide fairer outcomes?

Mr DOMINIC PERROTTET: My personal experience as the member for Castle Hill—before I was the member for Hawkesbury—when we had the North West Rail land acquisition process was that it was quite positive.

Mr DAVID SHOEBRIDGE: My question is quite straightforward: What are the problems with it and will the review produce fairer outcomes?

Mr DOMINIC PERROTTET: What I can say in relation to the financial—

Mr DAVID SHOEBRIDGE: Better financial outcomes?

Mr DOMINIC PERROTTET: —I do not have carriage in relation to the offers that Roads and Maritime Services made in the initial process.

Mr DAVID SHOEBRIDGE: You made that clear.

Mr DOMINIC PERROTTET: If an agreement is unable to be reached based on that first valuation—

Mr DAVID SHOEBRIDGE: I have not asked how the current system works, I have asked what are the defects in it from your point of view and will the review produce fairer financial outcomes? I do not want a history lesson.

Mr DOMINIC PERROTTET: The Government response will deal with a range of issues that have been raised in the Russell review and consultation that the Government has been doing over the course of this year. I believe the response and the work the Government is doing will improve the system overall.

Mr DAVID SHOEBRIDGE: Will it produce fairer financial outcomes, yes or no?

Mr DOMINIC PERROTTET: I will not make commitments and announcements here in relation to the Government response to the land acquisition process.

Mr DAVID SHOEBRIDGE: You will not commit to the outcome of producing fairer financial outcomes?

Mr DOMINIC PERROTTET: This is not Cabinet. I respect the role of this Committee. I will provide a Government response this year and you will have the opportunity to praise the Government or raise concerns in relation to the response it has made.

Mr DAVID SHOEBRIDGE: Minister, if you make the process fairer, will you then be offering a fairer outcome to those hundreds of property owners who have had their acquisitions made under the unfair process for WestConnex to date?

The Hon. TREVOR KHAN: There are a lot of assumptions in that.

Mr DOMINIC PERROTTET: What I will say is that there is no doubt in my mind that the concerns that have been raised specifically with the WestConnex project, the examples I have seen and the people I have spoken to in relation to that process are front and centre in my mind in looking at ways to improve the system. Some of their stories are informing the improvements to the process.

The CHAIR: As you know there has been a large sale of public housing properties in the Millers Point and The Rocks region. Do you have an estimate of what you anticipate the income will be from that sale?

Mr DOMINIC PERROTTET: The Millers Point sale?

The CHAIR: And The Rocks. Approximately?

Mr DOMINIC PERROTTET: I will get the figure.

The CHAIR: What income have you received and what income do you anticipate?

Mr DOMINIC PERROTTET: In relation to Millers Point property sales, sales are expected to return hundreds of millions of dollars which will be directed back into the social housing system.

The CHAIR: What is the exact figure?

Mr DOMINIC PERROTTET: That will help more than 60,000 applicants. As at 13 July 2016, 94 properties have been sold with gross sales proceeds totalling \$263.4 million.

The CHAIR: That is Millers Point?

Mr DOMINIC PERROTTET: That is Millers Point.

Mr NEWMAN: In Millers Point there are 293 individual properties to be sold. We do not forecast sales from those properties until such time as they are sold because it depends upon market conditions at the time of sale.

The CHAIR: You can make a rough estimate?

Mr NEWMAN: We have not done that. We do not provide that information.

Mr DAVID SHOEBRIDGE: You do not provide an estimate or you do not have the information?

Mr NEWMAN: We have not undertaken a forecast for the asset sales for the 293 individual properties.

Mr DAVID SHOEBRIDGE: It is a dartboard process?

Mr NEWMAN: We do not forecast asset sales because market conditions change from time to time. We have seen strong markets over the last two years, particularly in the Millers Point sales.

The CHAIR: More than you expected?

Mr NEWMAN: Yes. We would have underestimated if we had tried to forecast sales, so we do not undertake detailed forecasting and provide that.

The CHAIR: It has been suggested to me that the table sale of public housing properties in Millers Point and The Rocks will raise in excess of \$880 million, including the figure you have quoted.

Mr DOMINIC PERROTTET: What is important is that there are 94 that have been sold and that has generated \$263.4 million. There are, going forward, a further 293 properties to be sold in addition to the 94 that have been achieved so far. It is not for us to make a determination as to what that would be. As you can see,

94 properties netted \$263.4 million. The properties are different and there are 293 further properties to be sold and we are working through that process.

The CHAIR: The income is far in excess of what you originally anticipated. It has been very successful, in other words.

Mr DOMINIC PERROTTET: I would say it has been a successful process to date. I do not want to make any commitments in relation to the amount to be obtained from the process. There are 60,000 vulnerable people on a waiting list for social housing. Through this process we will provide further homes to those who need it. For example, if we look at the recent decision not to list the Sirius building, a great decision from the Minister for Heritage, we will now be able to provide 300 extra families with access to social housing.

The CHAIR: That is the point I am seeking to make: How much of that money will go into public housing and how much into general revenue?

Mr DOMINIC PERROTTET: Two things in relation to that, first, the Government has made a commitment that for any sales in relation to Millers Point the funds will be directed back to social housing. There will be no funds going to consolidated revenue, the funds go directly to social housing. Second, as with other areas of government, if an agency sells an asset those funds go back into the capital expenditure for that agency going forward. We want to incentivise good financial management within agencies to ensure the increase in capital expenditure over the years is supported through them looking at better ways to manage their asset portfolios. We put those measures in place to ensure that they do just that. Millers Point is a fine example of that process having a strong effect to help the vulnerable people in the State.

The CHAIR: You mentioned the Sirius building. What are the plans for that building?

Mr DOMINIC PERROTTET: The heritage Minister made a decision to not list the Sirius building on the heritage register. That was a decision he made.

Mr DAVID SHOEBRIDGE: Despite advice.

Mr DOMINIC PERROTTET: We are the Government, we make decisions.

The CHAIR: What is the next step?

Mr NEWMAN: Chair, the next step in the process is for us to undertake a sale strategy for that asset. That is what we are working on now. That sales strategy will include determining what is the right method to take the asset to market and what action we should take to put that asset in the right condition for sale. That may include undertaking a detailed review of items such as the title, building condition, the current planning consents on current planning approvals for the asset and other normal due diligence you would undertake on an asset prior to sale.

The CHAIR: Does that include demolition of the building and selling empty land for redevelopment?

Mr NEWMAN: No, there has been no decision on demolition of the building. That is part of the development of the strategy, whether or not you sell the building as it is. The Government has not made any decision on the structure itself at this stage.

Mr DOMINIC PERROTTET: Some of us have personal opinions on the quality of the architecture.

The CHAIR: I know there is a big debate on it. Some people wish to retain it.

Mr DAVID SHOEBRIDGE: Including the Heritage Council.

The CHAIR: I have visited the Sirius building and spoken to elderly female residents who are still living there. I hope you do not demolish it too quickly, because there are people living in it at the moment.

Mr DOMINIC PERROTTET: The Minister for Family and Community services is dealing sensitively with that process.

The CHAIR: I know it is the responsibility of another Minister, but the challenge is to make sure that those people are relocated to reasonable accommodation in the future.

Mr DOMINIC PERROTTET: I accept that these are difficult decisions and there are sensitive elements to them. I believe that the Government is taking the right approach. We are doing this in a way that ensures we balance the care and needs of those who are vulnerable who currently live in those buildings—and who, in many circumstances, have been doing so for some time—with the need of other vulnerable families to access social housing.

The CHAIR: Another issue that has arisen is the Government's proposed sale of the greyhound racing tracks. What are your plans for the Wentworth Park property, which is quite valuable?

Mr DOMINIC PERROTTET: That is not in our portfolio.

Mr NEWMAN: No, it is part of the urban renewal project.

The Hon. SCOTT FARLOW: It comes under the Minister for Lands and Water.

Mr DOMINIC PERROTTET: That is a question for the Minister for Lands and Water. It does not fall within the ambit of government property.

The CHAIR: Would it be transferred to your ministry for you to handle the sale?

Mr DOMINIC PERROTTET: The Premier has made a commitment that those tracks will remain in public hands. That matter is not within our portfolio.

The CHAIR: Does that apply to the tracks in country areas?

Mr DOMINIC PERROTTET: The Premier has made a commitment that the tracks will remain in public hands.

The Hon. PETER PRIMROSE: Are you sure?

The CHAIR: I have received some information from staff at Land and Property Information. Apparently, the Government is planning to sell that.

Mr DOMINIC PERROTTET: Yes.

The CHAIR: Correct me if this is incorrect. They claim that, due to the method of preparation for sale, it has so far cost more than \$25 million to separate the information technology [IT] systems that Land and Property Information [LPI] has spent the past 10 years developing. Is that a fact?

Mr DOMINIC PERROTTET: My understanding is that that is not correct, but I do not want to make an inaccurate statement, so I will take that question on notice.

The CHAIR: Information has also been provided to me that more than \$3 million was spent to hire KPMG to oversee the sell-off and separation of Land and Property Information, which has caused a great deal of confusion.

Mr DOMINIC PERROTTET: The Government will always look at ways in which it can run its businesses more efficiently. We made significant changes to separate the operation from the regulatory functions of the LPI, as well as in a range of other areas. That has had strong results from a finance perspective. It is important to note that we are not running the LPI transaction. Any questions on that are better directed to the Treasurer. From my perspective, our role is to make sure that the areas that the Government is involved in are run in the most efficient way possible and provide the best value for the taxpayers in this State. We are the custodians of taxpayer dollars. I make no apology for looking at the best way to spend those funds and provide the best services that we can. Whether we bring in KPMG or any other consultant to provide advice to the Government on how it can better manage areas of operation, I make no apology for that. I think that is an important practice that the Government should continue. Mr Hoffman may like to make a comment on KPMG.

Mr HOFFMAN: Thank you, Minister. I confirm that KPMG has been one of the advisers that have been part of the process to complete the scoping study on the sale of a concession to operate the registry service. It has also provided assistance in the separation, including of the IT systems.

The CHAIR: Was the cost \$3 million?

Mr HOFFMAN: We will provide the exact amount on notice.

Mr DOMINIC PERROTTET: We do not have the amount in front of us, so we will take it on notice.

The CHAIR: Do you regard the amount as excessive?

Mr HOFFMAN: For the scale of work and the size of the business, no.

The CHAIR: Because of the confusion over the recent census, questions have been raised about whether there are security risks in letting a private company take over the land titles of this State. Could that information be sold or hacked?

Mr DAVID SHOEBRIDGE: Do not worry; IBM is looking after it.

Mr DOMINIC PERROTTET: It is important to note that any proposed concession is in relation to the operation of the land titles registry. There are current protections in place. The integrity of the titling system is maintained through legislation, regulation, Government guarantee of title and rigorous processes that ensure the register is efficiently and accurately maintained. Fraud and mistakes are prevented as far as possible. Specifically, those processes are set out, if the Committee would like further reference, in the operating procedures manual and business rules currently known as the Registrar General's Directions.

In relation to any concession, the same codified processes and rules that are currently in place will be passed to the operator, who will be required to operate within them. The Torrens Assurance Fund will also continue to operate as it does today, with the State continuing to guarantee title and providing compensation for owners who have suffered loss as a result of fraud or an error. The LPI currently employs skilled personnel who are specifically trained to review land title documents and plans. This skilled process provides a further safeguard against other erroneous information being entered into the register. This skilled workforce will be transported to the operator so that the experience and expertise is retained.

The structural changes that we have already made to Land and Property Information will enhance the integrity of the system. In line with best practice, we have separated the regulatory and operational aspects of the land titling system. This means that there is no longer the conflict of interest that previously existed, with the operator of the titling system effectively being a self-regulator without external oversight or regulation. The Office of the Registrar General has been created as a unit within the Department of Finance, Services and Innovation to work closely with any future operator to ensure service level performance. The Registrar General will have a contract with the operator that will contain a range of rights that can be exercised if needed. As a separate body the Registrar General will be able to review decisions made by the operator, to ensure a robust review and appeal process is available to customers.

The CHAIR: Thank you, Minister.

The Hon. GREG DONNELLY: I have a couple of questions about compulsory land acquisition. The Premier made this statement in the House in early August:

I strongly believe the Government has to do much better in relation to the acquisition of properties.

Mr DOMINIC PERROTTET: Was that the Premier's comment?

The Hon. GREG DONNELLY: Yes. He also said:

... I strongly believe the process has not been anywhere near as good as it should be.

Do you endorse those statements?

Mr DOMINIC PERROTTET: Absolutely. I have endorsed them. Mr Shoebridge has picked up on the fact that it is generally sound. That does not mean that it cannot be improved. I challenge you to find one area that the Government is involved in anywhere that cannot be improved.

The Hon. GREG DONNELLY: In the same answer to a question in the House, the Premier announced that the State's Customer Service Commissioner, Mr Michael Pratt, will become involved. Did you put forward the suggestion to the Premier that Mr Pratt play a role in dealing with these issues?

Mr DOMINIC PERROTTET: I had numerous discussions with the Premier on the ways in which we can improve the process. I cannot tell you what the Premier is thinking based on those discussions. That is a matter for the Premier. He will be appearing at budget estimates sometime this week. It is always good to talk to the Premier. What I would say, Mr Donnelly, is that it demonstrates, based on the work that we have been doing, that he acutely understands the issues because the role that the Customer Service Commissioner has provided to the Government to date—and Dr Gandhi will know very well in relation to Service NSW—is that a number of the issues that we are looking at require further work and advice which I believe the Customer Service Commissioner is in a very strong position and has expertise to provide.

The Hon. GREG DONNELLY: Why was it not proposed that the Valuer General has a role in dealing with these issues given that they are so challenging and difficult? The Valuer General is at the centre of this in terms of being able to provide expert advice and insight into the resolution of these challenging issues. With the greatest respect to Mr Michael Pratt, why would not the Valuer General help deal with this issue?

Mr HOFFMAN: The Valuer General is involved in these issues. As you well know, when it comes to matters of compulsory acquisition, it is actually the Valuer General who is making those decisions as an independent statutory officer responsible to Parliament.

The Hon. GREG DONNELLY: I am talking about the difficulties which are currently out there ringing very loudly in people's minds about this issue.

Mr HOFFMAN: I can confirm that the Valuer General, Mr Simon Gilkes, is deeply involved in the work that the Government is doing, as the Minister has said. I know he has met a number of times with Mr Pratt and he is a key player in this whole process leading up to the Government's response that the Minister has foreshadowed.

Mr DOMINIC PERROTTET: I have been very happy with the process that has taken place, and I am very confident the Government's response in relation to the land acquisition process which will be released this year balances the sensitive issues in relation to home acquisition, land acquisition and the concerns of a range of stakeholders and the acquiring authorities that are in place.

The Hon. GREG DONNELLY: With the greatest respect, Minister, people have been waiting since the election promise of the Liberal-Nationals in 2011 and we are now in 2016.

The Hon. TREVOR KHAN: Point of order: That is not a question; it is just a useless speech.

The CHAIR: The Hon. Greg Donnelly will rephrase the question.

Mr DOMINIC PERROTTET: Just to finalise, if that was a question—

The Hon. GREG DONNELLY: It was a statement of fact.

Mr DOMINIC PERROTTET: A statement of fact. What I would say to the statement of fact of Mr Donnelly is that the Government responded and implemented some recommendations from the Russell review. There is no doubt that our thinking has evolved as issues have come to light in relation to this process.

The Hon. GREG DONNELLY: As they have blown up in your face.

The CHAIR: Allow the Minister to finish his answer.

Mr DOMINIC PERROTTET: We have not hidden from the fact that we believe that the process can be improved. The reality is that governments need to listen to communities, and that is exactly what we have done in relation to this issue and looked at ways in which we can improve it. I am very confident that the response the Government will release later this year will do just that.

The Hon. PETER PRIMROSE: You may wish to take these questions on notice. Will you provide a list of the addresses of all properties in the Sydney central business district that were previously owned by the Government that have been sold or otherwise disposed of since March 2011 to date along with the details of the proceeds or value received for each?

Mr DOMINIC PERROTTET: I will take that on notice.

The Hon. PETER PRIMROSE: How many government properties has the Coalition sold since coming to office in 2011? If possible, will you provide a year-by-year breakdown.

Mr DOMINIC PERROTTET: We might have that for you here. You never know your luck, Mr Primrose.

The Hon. PETER PRIMROSE: I always feel lucky.

Mr DOMINIC PERROTTET: As we look for the answer let me just say that what is interesting is that the Labor Party always says about this and calls it a fire sale, right?

The Hon. PETER PRIMROSE: Fire sale?

Mr DOMINIC PERROTTET: What we have actually done is substantially increase the asset base of the government. We are looking at better ways to use our property assets. As the Chair has pointed out, whether it is Millers Point or other areas of government, we are looking at better ways in which we can make sure that the assets that this State owns are directly connected to our core responsibilities of service delivery. In fact, one of the more humorous moments I had was when the former shadow Treasurer Mr Daley—

The Hon. PETER PRIMROSE: Minister, I have written down the term "fire sale". I have asked for a specific number.

Mr DOMINIC PERROTTET: It is coming.

The Hon. GREG DONNELLY: We have limited time.

The Hon. PETER PRIMROSE: Mr Chair, the Minister is not answering my question.

The CHAIR: He is getting the answer.

The Hon. PETER PRIMROSE: I would like the answer. Do you have the answer?

Mr DOMINIC PERROTTET: Yes, we are getting the answer. Mr Daley was out in Windsor—

The Hon. GREG DONNELLY: Mr Newman has got the answer.

Mr DOMINIC PERROTTET: He was talking about the sale of a fire station yet what he did not mention was that we were opening a new state-of-the-art fire station down the road.

The Hon. GREG DONNELLY: Point of order: Will the Minister answer the question? Mr Newman has been waiting at least 60 seconds.

Mr NEWMAN: We have the values but not the number. We will take the number on notice.

The Hon. PETER PRIMROSE: Will you table the values? Does that provide a year-by-year breakdown?

Mr NEWMAN: Yes. The total assets sold for the last three financial years are: \$2.01 billion in 2015-16, \$1.57 billion in 2014-15 and \$1.35 billion in 2013-14. The actual number of properties in each of those years we will take on notice.

The Hon. PETER PRIMROSE: I have written down the Minister's comments about fire sale as well. I will come back to that later.

Mr DOMINIC PERROTTET: Great, I am looking forward to that part of the discussion.

The Hon. PETER PRIMROSE: I refer to the delightful budget estimates committee that we were at last year.

Mr DOMINIC PERROTTET: You do this every year, you take me back.

The Hon. PETER PRIMROSE: On page 24 you said, "Mr Primrose will be back here next year so I want to make sure that I give the correct answer." Yes, Minister, we are both back here. Last year you gave several undertakings that a list of government properties that had been sold would be made public. Do you recall that?

Mr DOMINIC PERROTTET: If that is what I said.

The Hon. PETER PRIMROSE: Yes, I am reading from *Hansard*.

Mr DOMINIC PERROTTET: If you are reading from *Hansard*, I have full confidence in *Hansard*.

The Hon. PETER PRIMROSE: I will read *Hansard*. You said, "I am very open to that suggestion" and you also said, "For the purposes of open and transparent government I cannot see why we would not do that." Further, "I am very happy from a principle perspective. Transparency is very important and if we decide to put it up we will do our best to make sure that it remains." You have just acknowledged, as we all believe, the accuracy of *Hansard*. Twelve months later that list is still not on public display?

Mr DOMINIC PERROTTET: Actually I think you are wrong.

The Hon. PETER PRIMROSE: Please give me that URL. I would love to look at it.

Mr DOMINIC PERROTTET: We will make sure the server is up for you.

The Hon. PETER PRIMROSE: That is Parliament's job, not mine.

Mr DOMINIC PERROTTET: Under the Government Information (Public Access) Act requirements properties that are sold for more than \$150,000 have to be on the Contracts Register. This is maintained for six months. What we have done is made it easier to locate these by providing a link on the Property NSW website—which you should look at—to the NSW eTendering website allowing the public to access property sales information in one central location.

The Hon. PETER PRIMROSE: Excellent. Can you provide the URL? That is on computer now, Minister?

Mr DOMINIC PERROTTET: Thanks. We have said there is a register. I do not understand what you say we do not have. I remember also saying last time that when you guys were in government there was no register or reporting of where government properties were. When we first came to government we had to track down all the government properties across the State because no-one had any idea where they were. The first thing we did was to put them all together—

The Hon. PETER PRIMROSE: A list of government properties that have been sold is now on a register?

Mr DOMINIC PERROTTET: The government property register is a central online register for government property data across New South Wales to assist the Government in managing land more effectively and efficiently. Government agencies are required to provide information on all land owned or occupied by them. The register also receives automatic updates from titling and registry services for certain information such as legal owners and registered head leases. Currently listed on this Government Property Register, which you have an active interest in—

The Hon. PETER PRIMROSE: Very active.

Mr DOMINIC PERROTTET: The Labor Party always has a very active interest when it comes to government property.

The Hon. PETER PRIMROSE: I sure do.

Mr DOMINIC PERROTTET: Where is Joe?

Mr DAVID SHOEBRIDGE: He is having lunch with Hartcher.

Mr DOMINIC PERROTTET: Can we get to SHFA? There were 281,257 owned properties as at 27 July 2016. The register also captures registered head leases where the head lease is over agency-owned land and the agency is the lessor and the head lease is over property owned by a third party and the agency is the lessee. As to the amount of leases on that register, from 30 June 2016 there were 8,288 registered head leases. Agencies are responsible for keeping the register up to date such as when properties are acquired or disposed of. It is a responsibility of each government agency to update data for their properties.

Mr NEWMAN: I would only add the website address, which is www.property.nsw.gov.au.

Mr DOMINIC PERROTTET: Do you want us to text that to you?

The Hon. PETER PRIMROSE: No, we have it on *Hansard*. Thank you.

The Hon. GREG DONNELLY: Returning to the theme of icare, Mr Bhatia might be able to assist with some answers here. The organisation is relatively new but obviously it is developing and starting to mature. I understand there is the chief executive officer [CEO], which of course is Mr Bhatia, eight non-executive directors and 14 people in the executive leadership team. Beyond those people, how many employees does icare engage?

Mr BHATIA: We have approximately 500 people working in icare at this point in time.

The Hon. GREG DONNELLY: Has that figure grown rapidly over the past 12 months or did you transfer a number of people in? Could you give an overview of how that number was brought about?

Mr BHATIA: We transferred most of the people in from the previous organisations, which are WorkCover NSW, the Lifetime Care and Support Authority, the Dust Diseases Authority and the NSW Self Insurance Corporation. Then there have been some additions with different skill sets over the last 12 months.

The Hon. GREG DONNELLY: What methodology or structure is used by the organisation to place people within the pay or salary bands of icare?

Mr BHATIA: As an organisation the board has decision authority over the salary bands of the employees of icare as they are the employer of icare.

The Hon. GREG DONNELLY: The board has complete discretion over the setting of those bands?

Mr BHATIA: That is right.

The Hon. GREG DONNELLY: Do you receive any guidance about what those bands should be or is that a matter determined by the board?

Mr BHATIA: It is a matter determined by the board undertaken by market benchmarking. The board looks at the benchmarking of the individuals with the different expertise and skills that are required, which are available in the market. Based on that it determines the remuneration of the various employees. Can I also say that is only relevant to 67 of the 500 people that I spoke about. The rest are on the award salaries that had been determined prior to them moving into the organisation.

The Hon. GREG DONNELLY: To be clear, excluding you as the CEO and the non-executive directors, do those 14 who are members of the executive leadership team fit within that 67?

Mr BHATIA: That is right.

The Hon. GREG DONNELLY: What organisation does icare use to receive advice about what the pay or salary bands should be?

Mr BHATIA: It uses two different advice bands. One is to the insurance industry benchmarking survey that Aon Hewitt runs on a yearly basis. Aon Hewitt is one of the world's largest remuneration and human capital firms in the world. In Australia they run an annual remuneration benchmarking survey. That provides one data point. Then for some specific roles we also ask Mercer, which is another competitor of Aon Hewitt, to do international benchmarking.

The Hon. GREG DONNELLY: I understand that the icare chief actuary is Dr Nick Allsop.

Mr BHATIA: That is correct.

The Hon. GREG DONNELLY: He is on the executive team. How many other actuaries are engaged or employed by icare?

Mr BHATIA: I will take that on notice in terms of the actual number but I can say that as of 12 months ago we had no actuary employed in our organisation. I thought that, given our organisation has one of the most complex actuarial models to run across the various long-tail schemes, it was not good practice for our organisation to actually completely rely on external expertise on something that is so critical.

Mr DOMINIC PERROTTET: A legacy issue from the Labor Party.

Mr BHATIA: Since last year we have hired an actuary. Dr Nick Allsop has worked in ACC in New Zealand, he has trained there and now he has built a team of actuaries under him. I do not know the exact number but I can come back to you on notice.

The Hon. GREG DONNELLY: On notice would you be able to provide to the Committee the current structure of the pay bands or salary bands?

Mr BHATIA: It will be part of the annual report.

The Hon. GREG DONNELLY: When do we expect to see that?

Mr BHATIA: Later in the year, whenever the annual reports are released.

Mr DOMINIC PERROTTET: You will have it in the annual report in October.

The Hon. GREG DONNELLY: But I am making a request on notice if you could please provide those bands.

Mr DOMINIC PERROTTET: How long do we have to respond to questions on notice?

The CHAIR: You have 21 days.

The Hon. GREG DONNELLY: These sorts of packages that are used for the 67 employees—I use the word "package" in the broad sense—involve presumably a salary and other components. Would that be right?

Mr BHATIA: That would be right.

The Hon. GREG DONNELLY: Could you please describe what that typically looks like?

Mr BHATIA: It would be performance pay and it would be salary. It is fixed pay and performance pay.

The Hon. GREG DONNELLY: And a motor vehicle?

Mr BHATIA: No, not necessarily.

The Hon. GREG DONNELLY: But some might?

Mr BHATIA: I will take that on notice. I do not know of any of them who have a vehicle. They can package the vehicle within their fixed pay but it is not provided on top of it.

The Hon. GREG DONNELLY: Are they provided with corporate credit cards?

Mr BHATIA: Yes.

The Hon. GREG DONNELLY: Who checks the expenditure on those cards?

Mr BHATIA: The management committee checks the expenses on the cards. My responsibility is for the executive leadership team and the board has responsibility for mine.

The Hon. GREG DONNELLY: That checking is done on a regular basis?

Mr BHATIA: On a monthly basis when we sign off the expenses.

The Hon. GREG DONNELLY: Have there been any items claimed that have caused any issues for the board thus far?

Mr BHATIA: Not to my knowledge.

The Hon. GREG DONNELLY: In terms of hiring staff for the organisation, are you aware of any informal approaches made by employees of icare to employees of insurance companies regarding alerting them to future vacancies in icare?

Mr BHATIA: I would not know that.

The Hon. GREG DONNELLY: You do not know?

Mr BHATIA: I would not know if somebody in the organisation has had an informal conversation with somebody else.

The Hon. GREG DONNELLY: So you are not aware, and you have not been involved in providing any informal information to employees in the insurance industry about possible job opportunities arising in icare?

Mr BHATIA: No.

Mr DOMINIC PERROTTET: Where are you going with this? Are you interested in a job?

The Hon. GREG DONNELLY: No. What are you worried about, Minister? This is budget estimates.

Mr DOMINIC PERROTTET: These are interesting questions.

The Hon. GREG DONNELLY: Thank you. I spent a lot of time drafting them this morning.

Mr DOMINIC PERROTTET: They are well prepared. The reality is that we want the best and brightest people that we can get within icare.

The Hon. GREG DONNELLY: You do not need to editorialise the answers of the chief executive officer.

Mr DOMINIC PERROTTET: As Mr Shoebridge would say, I am very proud of the staff. Given the history of many issues with staff and WorkCover, I think Mr Bhatia's leadership and the quality of the employees and the culture within the organisation should be commended.

The Hon. GREG DONNELLY: It was a straightforward question.

The Hon. TREVOR KHAN: And you got a straightforward answer.

The Hon. PETER PRIMROSE: Minister, our time is about to ebb away. I want to ask one question I forgot to mention in relation to property. Can you advise the Committee about any forecasts you have for property sales over the next three to four years?

Mr DOMINIC PERROTTET: I will pass to Mr Newman to give you the figures. We should have that. The reality is that if the asset sales of the Government are from a central government agency they will go into Restart NSW and from an agency perspective any asset sales will generally go into further capital expenditure within their agencies, but there are exceptions to that. Given the budgetary pressures governments are under, that is a change of government policy that we implemented. Under the previous arrangements—under your Government—there were no incentives involved for agencies to actually dispose of assets not fit for purpose and necessary for service delivery because the funds would go back, as the Chair pointed out earlier, into consolidated revenue and, as a result, we had a lot of assets not fit for purpose.

The Hon. PETER PRIMROSE: I have read the media release, thank you.

Mr DOMINIC PERROTTET: It was a good one.

Mr NEWMAN: I will add a couple of things. We have a pipeline of transactions that we are looking at, not necessarily committed sales on the part of the Government. By way of background, we look at a number of proposals and properties before decisions are made as to whether or not to sell them—a lot of work goes into every single individual sale. So we currently have a pipeline of possible transactions over the financial years 2017 to 2021 of \$2.3 billion. That is approximately 300 individual properties. For the financial year 2016-17, we have a target—not a forecast, it is a target—of approximately \$400 million in asset sales. To achieve that target

at any particular point in time we will be working on, by value and number, transactions that are much greater than that. Obviously you do not do them all in any particular year—some of them you cannot achieve for transaction reasons and for other reasons you may not achieve sales, including the Government's decision to not actually sell the assets.

The Hon. PETER PRIMROSE: I will not ask you for individual identifiers in relation to proposed sales but is it possible to get some breakdown of categories? For example, are these assets located in one particular geographical area? Do they comprise vacant land? Do they comprise other things? I will leave you to determine the categories.

Mr NEWMAN: The vast majority of our pipeline is actually assets owned by other agencies and a small proportion is assets owned within our department. The decision on whether or not to make public individual properties that are being considered for sale, or indeed when a decision is made to sell them, is a matter for those agencies. It is not up to us to disclose that information to this Committee.

The Hon. PETER PRIMROSE: Is it possible to get information in relation to the agencies themselves?

Mr NEWMAN: We can provide the pipeline of transactions on which we are working on a cluster-by-cluster basis.

The Hon. PETER PRIMROSE: Thank you, I would appreciate that.

Mr DOMINIC PERROTTET: For context, since 2011 the amount of property that has been sold is \$1.5 billion, and that represents 1.1 per cent of the State's property.

Mr DAVID SHOEBRIDGE: Sorry, since 2011 it is?

Mr DOMINIC PERROTTET: Since 2011—these are assets not owned by Property NSW but assets across government—\$1.5 billion. For context, in 2010 the value of the State's assets was \$221 billion—that is when Labor was last in government—and the value of the State's assets today has increased to \$306 billion.

Mr DAVID SHOEBRIDGE: Minister, are saying that the \$1.5 billion is all the assets sold between public trading enterprises and State owned corporations? Because this document you handed to the Committee says that since July 2013 it is \$4.9 billion.

Mr NEWMAN: Which document are you referring to?

Mr DAVID SHOEBRIDGE: This document. It says \$4.9 billion since July 2013. What is the figure: \$1.5 billion since 2011 or \$4.9 billion since July 2013?

Mr NEWMAN: The figure that you have I believe is correct. I think we should take it on notice and confirm it for the Committee.

Mr DAVID SHOEBRIDGE: I would appreciate that. The \$4.9 billion accords with the Minister's earlier evidence that there was \$2.1 billion in 2015-16, \$1.57 billion in 2014-15 and \$1.35 billion in 2013-14.

Mr DOMINIC PERROTTET: I will retract that figure.

Mr DAVID SHOEBRIDGE: It is certainly wrong, is it not? Could you also provide us with the figures for the missing financial years since you came into office basically? You have given us from July 2013-14 in this document.

Mr DOMINIC PERROTTET: Yes. Which ones do you require?

Mr DAVID SHOEBRIDGE: Financial years 2011-12 and 2012-13. You have given this year a chunk—

Mr DOMINIC PERROTTET: So what do you want?

Mr DAVID SHOEBRIDGE: By the agencies if possible, but if you cannot do that then by cluster.

Mr DOMINIC PERROTTET: We could do it by cluster and we could do it by—

Mr DAVID SHOEBRIDGE: State owned corporations, public trading enterprises and the like, to the extent that you can.

Mr DOMINIC PERROTTET: To the extent that we can.

Mr DAVID SHOEBRIDGE: What does the acronym WOG stand for?

Mr DOMINIC PERROTTET: Whole of government.

Mr DAVID SHOEBRIDGE: What does the acronym PAUT stand for?

Mr DOMINIC PERROTTET: Property Asset Utilisation Taskforce.

Mr DAVID SHOEBRIDGE: Much is made by your Government as to the asset sales going into Restart NSW being an asset for future generations, is it not?

Mr DOMINIC PERROTTET: Yes. For context, funds going into Restart NSW are asset sales owned by Property NSW. We have changed the policy so that if the asset was owned by Property NSW those funds now go into Restart NSW, rather than I believe it was consolidated revenue previously, whereas for other agencies that does not apply.

Mr DAVID SHOEBRIDGE: The land and the property owned by the people of New South Wales is a one-off asset—once it is sold it is gone, is it not?

Mr DOMINIC PERROTTET: Yes, pretty much.

Mr DAVID SHOEBRIDGE: As I calculate it, since July 2013 a grand total of 4 per cent of the asset sales have gone into Restart NSW and 96 per cent has gone into general revenue and lost as an asset.

Mr DOMINIC PERROTTET: That is why I provided the context earlier because the increase of the asset base of the State has substantially increased over time. Previously there was no policy in place and when assets were sold by government property or by agencies the funds realised from those sales went into consolidated revenue. The position with property sales that occur today is that if the property is owned by Property NSW those funds are diverted into Restart NSW, if the property is owned by an agency it is diverted to the agency's capital expenditure going forward. Do you want to provide further clarification?

Mr NEWMAN: The only thing I would add is that I think a very good example of that, to give the Committee some context is, indeed the Millers Point sales program where the Millers Point assets are actually owned by the Land and Housing Corporation and the proceeds from those asset sales go back into the Land and Housing Corporation, which they use to reinvest to build new social housing.

Mr DOMINIC PERROTTET: But I am not sure where Mr Shoebridge has the figure that you say is going into consolidated revenue.

Mr DAVID SHOEBRIDGE: I will put this to you: Of the \$4.9 billion of property sales since July 2013, only 4 per cent has gone into Restart NSW.

Mr DOMINIC PERROTTET: Yes, and my point to you in relation to that is that the only commitment that was made in terms of Restart is that government properties that were sold were to go into Restart. The point is simply because—

Mr DAVID SHOEBRIDGE: But the overwhelming sales of government is from State owned corporations and public trading enterprises.

Mr DOMINIC PERROTTET: Not at all.

Mr DAVID SHOEBRIDGE: In this document it is.

Mr DOMINIC PERROTTET: The point that needs to be made is that simply because the sales that occur from agencies, in order for that to be reinvested back into capital, those funds do not need to be directed through Restart NSW. We have made a commitment from a central government perspective within Finance and Property that assets that we own will go into Restart.

Mr DAVID SHOEBRIDGE: You have said that four times now. But I understand your point.

Mr DOMINIC PERROTTET: I am just making the point because you are talking about 4 per cent. You have got to understand the context.

Mr NEWMAN: Can I just add one thing? The Government's change in policy to redirect funds into Restart was only made last year. It is a recently new policy.

Mr DAVID SHOEBRIDGE: I understand, which explains the discrepancy of \$381 million in government asset sales and only \$200 million going into Restart—it is recent policy.

Mr NEWMAN: It is one of the reasons, yes.

Mr DAVID SHOEBRIDGE: Minister, with the privatisation of the Land and Property Services, or the registration part, the State Government will still be liable to meet claims under the Torrens Assurance Fund. Is that right?

Mr DOMINIC PERROTTET: Correct. As I went through earlier, the Torrens Assurance Fund will still exist under any concession.

Mr DAVID SHOEBRIDGE: And taxpayers will be liable to meet the expenditure out of the Torrens Assurance Fund?

Mr DOMINIC PERROTTET: That is the system today. That is the system that will continue to exist.

Mr DAVID SHOEBRIDGE: So if the private operator makes an error, taxpayers have to kick the can?

Mr DOMINIC PERROTTET: And in the current system if there is an error when it is in public hands the taxpayer also has—

Mr DAVID SHOEBRIDGE: I think that members of the public might be okay with paying when a public official makes an error, but if you privatise the service, if you give it over to a contractor, and then the private operator makes an error, most people would be offended at the idea that taxpayers will have to be paying for the loss. This is a private entity's error and you are proposing that taxpayers fund it.

Mr DOMINIC PERROTTET: It is very important that the current protections that we have under Land and Property Information remain in place. We want to ensure that they continue into the future—in fact, that they are enhanced. But it is important to note that we want to make sure that we have the most efficient system possible, and the changes that we have made to Land and Property Information to date have done that by structurally separating out the operation from the regulatory roles. Mr Hoffman, do you want to make some further comments?

Mr DAVID SHOEBRIDGE: About my question, Mr Hoffman.

Mr HOFFMAN: I assure you I will answer the question directly, Mr Shoebridge. I think it is important to make a distinction here. There will be an operating concession deed that will set out the obligations for the private operator. That will contain, as you would expect, a range of performance standards and a range of requirements—service level agreements [SLAs] and key performance indicators [KPIs]—against them. We are not setting out to have a situation where a free ride is being given to the private operator to make mistakes and be subsidised. There will be proper commercial arrangements that will require the private operator to operate correctly and with diligence.

Mr DAVID SHOEBRIDGE: It is a simple question though, Mr Hoffman.

Mr HOFFMAN: On the other hand, as we have said, all the data remains owned by the Government and the Government, in the end, stands behind the integrity of the titling system.

Mr DAVID SHOEBRIDGE: That is a long way of saying if a private operator ever takes over and if the private operator makes an error taxpayers will be paying. That is a great deal, is it not, for the private operator?

Mr HOFFMAN: That is exactly what I did not say, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: So taxpayers will not be paying? You are contradicting the Minister now.

Mr HOFFMAN: No, I am not contradicting the Minister. If you let me finish I will give you, again, a very clear distinction. At the end of the day, of course the Government stands behind the integrity of the titling system.

Mr DAVID SHOEBRIDGE: That is called paying.

The Hon. TREVOR KHAN: Just let him answer the question.

Mr HOFFMAN: That is a separate issue to the proper commercial arrangement between the Government and the private operator, which will set performance standards which will have KPIs and will have arrangements to put in place that if there are errors there are potential penalties.

Mr DAVID SHOEBRIDGE: Potential penalties? On one hand, you have got a potential contractual benefit; are you going to guarantee the private operator pays?

The Hon. TREVOR KHAN: Point of order: Mr Shoebridge is getting a bit excited.

Mr DAVID SHOEBRIDGE: No, I am not.

The Hon. TREVOR KHAN: You are. Mr Hoffman is entitled to answer the question without Mr Shoebridge starting to get to the point of jumping down people's throats. The answers that are being given are clearly relevant, directly on point, and Mr Hoffman should be entitled to answer without the excitement Mr Shoebridge is developing.

The CHAIR: Continue with your answer, thank you.

Mr HOFFMAN: I am just trying to make the distinction. We will have a commercial contract in place that will have performance standards and you would expect in those arrangements that the operator will be fully censured and/or penalised to meet those performance standards. That is a separate thing from the fundamental underlying assurance of the titling system and the Torrens Assurance Fund, which properly, as it is now, remains a matter for government and the States.

Mr DAVID SHOEBRIDGE: You have had every opportunity, Mr Hoffman, to say that the private operator will indemnify the State for any such claim and you have not said that. Will the private operator indemnify the State against any claim made under the Torrens Assurance Fund—yes or no?

Mr HOFFMAN: The precise details of that are a matter for the transaction, and that is the responsibility of the Treasurer, and that is the appropriate place for that question, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: How much has been paid out under the Torrens Assurance Fund over the last four financial years? How much are we talking about?

Mr HOFFMAN: In the financial year 2012-13, \$2.6 million; in the financial year 2013-14, \$1.9 million; in the financial year 2014-15, \$680,000; in the financial year 2015-16, \$2.4 million.

Mr DAVID SHOEBRIDGE: What is the largest claim that has been made under the Torrens Assurance Fund? I am happy for you to take that on notice.

Mr HOFFMAN: The largest single claim you mean?

Mr DAVID SHOEBRIDGE: Yes.

Mr HOFFMAN: I will take that on notice. Is that ever or in that same time period or—

Mr DAVID SHOEBRIDGE: Say in the last 10 years.

Mr HOFFMAN: Okay.

Mr DAVID SHOEBRIDGE: Minister, you would no doubt be aware that injured workers, particularly those with psychological injuries, find covert surveillance deeply oppressive. What, if any, steps has your Government taken or has icare taken to ensure that covert surveillance is not being used in an oppressive way, particularly against injured workers who have psychological injuries?

Mr DOMINIC PERROTTET: That is a very good question and one that, obviously, was raised very recently. I think when you have got people who are in a very vulnerable position it should be dealt with sensitively. I will pass to Mr Bhatia to talk about icare's work in relation to that.

Mr BHATIA: One of the core things for us is to make sure that each of the claims agents that we have have very clearly been told the guidelines in terms of what they can and cannot do, and it needs to, obviously, be very closely aligned with what the Act says in terms of surveillance. The claims agent has to ensure that they comply with that, and if they do not they are either penalised or dismissed. Some of the cases that we talked about or that were publicised were not to do with workers compensation but to do with the life insurers. When it comes to us, we are very, very serious about the matter, that the psychological injury is actually quite debilitating and needs to be dealt with very differently and very sensitively. If I look at our Police Force claims, less than 2 per cent of our open claims have ever had surveillance on them, and those have been public media surveillance, not covert surveillance.

Mr DAVID SHOEBRIDGE: Could you give details of those guidelines on notice?

Mr BHATIA: Absolutely.

The CHAIR: Just some general questions. With the move to have electronic conveyancing progressively phase out paper certificates of title in New South Wales, will there still be provision for non-internet users to be issued paper certificates of title?

Mr DOMINIC PERROTTET: I will pass to Mr Hoffman on that. This is a process that we have been undertaking for some time. We brought legislation I think twice over the last few years to try to have a much greater take-up rate and we recently made a move to mandate electronic conveyancing. This is simply a

matter of moving with the times. I will pass to Mr Hoffmann to provide further information about where we are at in the process and at what point we get to compulsory electronic conveyancing.

Mr HOFFMAN: The Government has announced its intention to move in this direction. It is currently consulting with a wide range of stakeholders about the exact timetable and what the protections, exemptions and exceptions might be, including in the situation that you raised. I would just give an example though. Of course, if we go back a couple of decades we used to have paper certificates of title for our shareholdings. If somebody held BHP shares they cared about the bit of paper that said they had a share in BHP.

That is now an electronic title and individuals who are not Internet users are still able to be shareholders in BHP and can feel safe, through the Australian Stock Exchange [ASX], in their holding. So I do not necessarily think that it is a requirement that one has to be an Internet user personally to reap the benefits of a move to e-titling. Just as there are for the stock exchange, there will be service providers, solicitors, et cetera, who can provide that service and one can still receive a statement of one's holding but the title itself is not in the piece of paper but in the electronic record.

The CHAIR: According to the recent economic data from the Federal Government for the March quarter, it is alarming that house prices, as against unit prices, have risen by 4.1 per cent in the last three months and by over 15 per cent over the last 12 months. This is of a higher baseline than the year before and the year before that again. Does this concern you and do you have any plans of how the rise in property prices can be minimised in order to help young families who seek to buy property, which is often tied up with the release of land? I know it goes through Planning as well.

Mr DOMINIC PERROTTET: The Government takes that issue very seriously. As a young person—

Mr DAVID SHOEBRIDGE: That is a brand new definition.

Mr DOMINIC PERROTTET: I am a millennial. I would say that Mr Farlow and I are the only millennials at the table.

The CHAIR: We are talking about meeting the needs of young families.

Mr DOMINIC PERROTTET: I understand that for young families it is no doubt a challenge to get into the property market. What the New South Wales Government is doing, with the planning measures and further land release opportunities, is, importantly, building infrastructure that connects people so they can live further out in Western Sydney and in other areas in the outer suburbs of Sydney and be able to commute to the city or be close to transport options.

That is why we have a significant \$73.3 billion infrastructure spend over the next four years, unlike the previous Government whose members sat on their hands. The Hon. Greg Donnelly is a resident in the Hills district and knows very well how that area suffered for years by not having adequate transport infrastructure. I know he will be keen, when Metro Northwest opens in 2019, and he will be one of the first people at the Cherrybrook train station commuting to Parliament House.

The Hon. GREG DONNELLY: Point of order: I catch my train from Thornleigh and I will continue to do so.

Mr DOMINIC PERROTTET: He catches the train from Thornleigh because he has never had the opportunity to be on the Metro Northwest—an opportunity he would have had had his government built that infrastructure many years ago. As Mr Hoffman reminds me, there is also a Premier's priority that 90 per cent of housing approvals will be determined within 40 days. There are a range of initiatives that the Government is looking at and a range of Ministers involved in that process. Obviously, we are aware that it can be a challenging time for any young family and whatever we can do to assist we will.

The CHAIR: Are you aware of any plans for the Canterbury Racecourse to be sold or redeveloped?

Mr DOMINIC PERROTTET: The answer to the question is I am not aware and neither is Property NSW, but if you would like me to take that on notice I can do that.

The CHAIR: Good. It has also been raised with me that the Sydenham to Bankstown Urban Renewal Corridor Strategy could involve the demolition of between 5,000 and 10,000 homes in the suburbs of Marrickville, Dulwich Hill, Hurlstone Park, Canterbury, Campsie, Belmore, Lakemba, Wiley Park, Punchbowl and Bankstown. As part of that strategy proposal, are you aware of that impact on residential housing?

Mr DOMINIC PERROTTET: That would be a matter for Planning but, even more, goes to the reason why the Government is working to make improvements to the land acquisition process. That is why we will be issuing our Government response later this year in relation to this, to make it as easy as possible and to

improve the process for people who are obviously in the situation where, given the infrastructure agenda of the Government, their homes are required to be acquired. As I have said today, the Government understands the sensitivities in relation to this issue and that is why we have made the changes that we have already made to improve the process, and there will be further recommendations for changes that the Government will release later this year.

The CHAIR: Thank you. That is the conclusion of my questions. We have a few minutes. Do any members of the Committee have further questions?

Mr DAVID SHOEBRIDGE: I do. Minister, going back to the Land and Property Information [LPI] privatisation, when will the scoping study report into the outsourcing of services undertaken by the LPI be made public?

Mr DOMINIC PERROTTET: It will not be made public.

Mr DAVID SHOEBRIDGE: Why won't it be made public?

Mr DOMINIC PERROTTET: Because the aspects of that scoping study are commercial-in-confidence and Cabinet-in-confidence and it is a longstanding tradition of the Westminster system that certain documents remain Cabinet-in-confidence to allow for robust discussions from Government Ministers in relation to decisions. And that document is commercial-in-confidence and Cabinet-in-confidence.

Mr DAVID SHOEBRIDGE: Does your proposed partial privatisation of LPI require legislative reform?

Mr DOMINIC PERROTTET: Yes.

Mr DAVID SHOEBRIDGE: When is it proposed to bring that to Parliament?

Mr DOMINIC PERROTTET: That is a matter for Cabinet but, yes, it does and we will be bringing legislation in relation to that. But that is a matter better directed to the Treasurer because it would be legislation under the Treasurer's control.

The Hon. PETER PRIMROSE: In the event of more transactions taking place by e-conveyancing, which we were talking about previously, the new owner of LPI would be able to shed a large section of the current workforce, wouldn't it?

Mr DOMINIC PERROTTET: Sorry, what was the question?

Mr HOFFMAN: Mr Primrose, is that a question or a statement, I am sorry?

The Hon. PETER PRIMROSE: Well, let us pretend that there is a question mark at the end because at the end I said, "wouldn't it?", which would imply it is a question.

Mr HOFFMAN: I do not know a precise answer to that. One would expect in all ways, as we have a range of new technologies coming through all businesses, all operations, all offices, you end up with a change of staffing size and profile. So, as a general point, does the move towards an electronic system as opposed to a paper-based system lead to staffing changes? As a general matter, yes. Do I know the specific instances of whether e-titling and e-conveyancing does that within the LPI Titling and Registry Services [TRS]? No, I do not know the answer to that.

Mr DOMINIC PERROTTET: Can I make an additional point? Dr Gandhi has been sitting here the entire time without having the opportunity to make a contribution. Service NSW is one of the great success stories of the Government and I was hoping to have the opportunity to talk about Service NSW. We could talk about it all day. The Labor Party still opposes it. To that point, in Service NSW we were moving towards a greater focus on a digital platform.

Mr DAVID SHOEBRIDGE: Give Dr Gandhi some time, Minister, she only has a minute. Hand it over, be a good Minister and hand it over.

Mr DOMINIC PERROTTET: Over to you, Dr Gandhi.

The Hon. PETER PRIMROSE: My only other question: Have you had any advice—

Mr DOMINIC PERROTTET: I have not finished my answer. I was finishing my answer with Dr Gandhi. I will finish by saying we moved to a digital platform.

The Hon. PETER PRIMROSE: My question related to electronic conveyancing.

Mr DOMINIC PERROTTET: The reality is that we have increased staff with Service NSW at the same time that we have been moving to that platform. Just as the banks moved to online banking and originally closed a lot of their branches, they then found there was still a need for face-to-face interaction. It is not that they are mutually exclusive. Dr Gandhi, would you comment further on the digital experience and staff numbers at Service NSW?

The Hon. PETER PRIMROSE: That was not my question. I asked about e-conveyancing. I am happy to continue for another hour. Minister, have you had any advice from the Australian Competition and Consumer Commission [ACCC] regarding your proposal to introduce legislation relating to Property Exchange Australia?

Mr HOFFMAN: The move to e-conveyancing is a longstanding COAG activity. All jurisdictions are involved, including the Commonwealth, of which the ACCC is a part. It has been supported by all jurisdictions since the original agreement in 2010.

The Hon. PETER PRIMROSE: There is no concern from the ACCC about essentially forcing people to channel their business through a part-owned government agency?

Mr HOFFMAN: I am not aware of any concern expressed by the ACCC on that issue.

The CHAIR: The estimates hearing is now concluded and I thank the Minister and his officers and staff for their attendance and cooperation in this hearing.

(The witnesses withdrew)

The Committee proceeded to deliberate.